



The Edgewood Management Large Cap Growth Composite returned +2.9% for the second quarter 2024 and has returned +16.4% year-to-date, net of fees. The S&P 500 Total Return Index returned +4.3% and +15.3%, while the Russell 1000 Growth Index returned +8.3% and +20.7% for the comparable periods.‡

The first quarter results and company commentaries reported by certain portfolio companies in the last couple of months showed strong management guidance for the remainder of the year. Tracked by Earnings Insight report, second quarter earnings are expected to be up +8.8% for the S&P 500 Index companies.¹ This compares to the +4% notched this past quarter.

The Artificial Intelligence (AI) theme continues to power markets. To date, we have observed that much of the value creation has come from AI infrastructure and enablement companies like ASML, NVIDIA, Microsoft, and Synopsys.* In the near term, incumbents are most likely to benefit from AI given the cost of necessary investments and the ability to self-finance in a challenged capital access environment. They can also leverage proprietary data sets and a large installed base. Over time, we believe more companies will implement AI tools and high performance compute (HPC) to accelerate revenue growth and increase long-term margins.

Several portfolio companies have already called out AI driven cost savings and employee productivity gains. Specifically, the Pro Plus AI SKU from ServiceNow is the fastest growing new product in the company's history. Intuit has enabled AI-based chat in TurboTax, QuickBooks, and Mailchimp to help users. Danaher created the role of Chief Data & Artificial Intelligence Officer with early success in leveraging Large Language Models (LLMs) to enable faster and more effective service on their bioproduction equipment.*

Q2 2024 saw increased trading and investment opportunities in Edgewood's portfolio due to the market's sharp April sell-off, followed by its subsequent May and June rebound. High interest rates are keeping U.S. inflation and economy in check while keeping cash on the sidelines. We continue to be cautiously optimistic for 2024 and beyond, based on current economic growth, moderating inflation, and interesting new market opportunities.

Edgewood Management LLC
July 15, 2024

‡Refer to the GIPS performance table on pg. 2 for net performance returns for the 1, 3, 5, and 10-year periods ending June 2024.

**Edgewood's commentary on specific securities is for informational purposes only and is intended to show how we believe artificial intelligence has impacted the portfolio and the markets. No recommendation is made, positive or otherwise, regarding individual securities mentioned. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities identified were or will be profitable. For information about the whole portfolio, please contact kmcbride@edgewood.com.*

Edgewood Management LLC: Large Cap Growth Composite				
	Ending June 30, 2024			
	Net 1 Year Performance Returns	Net 3 Year Performance Returns (Annualized)	Net 5 Year Performance Returns (Annualized)	Net 10 Year Performance Returns (Annualized)
Edgewood Large Cap Growth Composite	27.14%	0.16%	13.49%	14.54%
S&P 500 (TR) Index	24.56%	10.01%	15.05%	12.86%
Russell 1000 Growth Index	33.48%	11.28%	19.34%	16.33%

Note: Returns are shown in U.S. dollars net of fees.

Edgewood Management LLC is a registered investment adviser specializing in growth oriented investment management. The Edgewood Large Cap Growth Composite is comprised of individual and institutional accounts that invest in Edgewood’s Large Cap Model of generally 22 large capitalization growth companies chosen by using fundamental analysis and an internal valuation discipline. The composite returns are benchmarked to the Standard & Poor’s 500 Index (“S&P 500”) and the Russell 1000 Growth Index (“R1000 Growth”). The S&P 500 is an unmanaged index with no expenses which covers 500 industrial, utility, transportation and financial companies of US markets. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested. The R1000 Growth measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates and dividends are reinvested.

Edgewood Management LLC claims compliance with the Global Investment Performance Standards (GIPS®). Past performance is no guarantee of future results. Performance results reflect the reinvestment of dividends and other earnings. Performance results are expressed and calculated in U.S. dollars. To receive a list of composite descriptions of Edgewood Management LLC and/or a GIPS Report that complies with the GIPS standards, contact Kitty McBride at 212-652-9100, or write to Edgewood Management LLC, 600 Steamboat Road, Suite 103, Greenwich, CT 06830 or KMcBride@Edgewood.com.

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