



The second quarter of 2025 concluded with a significant rebound for U.S. equity markets after overcoming a turbulent start in April. Despite notable volatility throughout the quarter, growth stocks gained considerable momentum in June, driven by a combination of stabilizing macroeconomic data and an encouraging shift in corporate sentiment. While concerns around tariffs and fiscal policy persisted, investor sentiment improved as earnings growth proved more resilient than anticipated and capital markets activity increased. A temporary reprieve on trade tensions, alongside fluctuating geopolitical tensions added to an already complex backdrop, though these shifts also present selective opportunities.

On the policy front, June brought a temporary reprieve in trade tensions. The administration's decision to delay previously announced July tariffs provided significant relief to global supply chains and reinforced the view that businesses are adjusting to a more complex operating environment. Companies continue to demonstrate operational agility, and many were actively managing and mitigating the impacts of tariffs.

Artificial Intelligence remained a driving theme, with recent data pointing to an inflection point in AI workloads. Microsoft processed over one hundred trillion tokens in the first quarter of 2025 – up 5x year-over-year.<sup>1</sup> Fifty trillion of these tokens were processed in March alone. (A token is a fundamental unit representing words or other elements in text, serving as the building blocks for AI language model to understand and generate text.) Similarly, Nvidia recently reported a 10x surge in AI inference token generation compared to last year, underscoring how AI workloads are broadening far beyond traditional development environments.<sup>2</sup>

The buildout of sovereign AI infrastructure and the integration of AI agents into mainstream enterprise workflows are expected to continue driving high levels of compute demand. These developments reinforce our belief that AI infrastructure buildout and enterprise adoption are advancing in parallel and we believe the portfolio is well-positioned to benefit from this durable, secular growth.

Looking forward, we remain committed to investing in a concentrated portfolio of 22 high-quality, well-managed businesses. Our objective is to identify companies that possess enduring competitive advantages, strong pricing power, and strategic relevance. We believe, collectively, these companies should be well-positioned to deliver sustained appreciation across market cycles and through shifting macroeconomic currents.

Edgewood Management LLC  
July 7, 2025

<sup>1</sup><https://view.officeapps.live.com/op/view.aspx?src=https://cdn-dynmedia-1.microsoft.com/is/content/microsoftcorp/TranscriptFY25Q3>

<sup>2</sup>[NVIDIA Announces Financial Results for First Quarter Fiscal 2026 | NVIDIA Newsroom](#)

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Edgewood Management LLC: Large Cap Growth Composite	Ending June 30, 2025			
	Net 1 Year Performance Returns	Net 3 Year Performance Returns (Annualized)	Net 5 Year Performance Returns (Annualized)	Net 10 Year Performance Returns (Annualized)
<b>Edgewood Large Cap Growth Composite</b>	<b>9.16%</b>	<b>20.72%</b>	<b>10.28%</b>	<b>14.32%</b>
<b>S&amp;P 500 (TR) Index</b>	<b>15.16%</b>	<b>19.71%</b>	<b>16.64%</b>	<b>13.65%</b>
<b>Russell 1000 Growth Index</b>	<b>17.22%</b>	<b>25.76%</b>	<b>18.15%</b>	<b>17.01%</b>
<i>Note: Returns are shown in U.S. dollar. Composite returns are net of fees.</i>				

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](mailto:kmcbride@edgewood.com).

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