EDGEWOOD
MANAGEMENT LLC

The fourth quarter of 2025 presented meaningful challenges for the US economy. Despite a historic 43-day federal government shutdown that delayed economic data and dampened consumer sentiment, US equities were resilient. The quarter was influenced by a pivot in monetary policy and generally solid corporate earnings that contributed to market stability.

The top contributors to Edgewood's large cap growth portfolio's performance in Q4 were Eli Lilly, Intuitive Surgical, and ASML.

LLY: Eli Lilly delivered a standout quarter, with revenue increasing 54% YoY to $17.6B, driven by demand for its incretin portfolio – particularly Mounjaro and Zepbound. Mounjaro volume growth reached 60%, offsetting modest price declines. The company raised full-year guidance across revenue and EPS, reflecting sustained momentum.

ISRG: Intuitive Surgical posted a robust quarter, with revenue up 23% YoY to $2.5B and global procedure volume rising 20%. The company placed 427 da Vinci systems, bringing its installed base to over 10,700 systems. Adoption of the da Vinci 5 accelerated, and the Ion platform saw a 52% jump in procedures, aided by recent AI-enabled software upgrades for real-time imaging and navigation.

ASML: ASML began the quarter with a beat on their Q3 2025 earnings report; the company posted €7.5 billion in sales, EPS ahead of consensus, and strong net bookings that were up 105% year over year. Demand was driven by a memory upcycle, with memory bookings surging to €2.5 billion and EUV bookings hitting the highest level since late 2023.

The top detractors in Q4 were Netflix, ServiceNow, and Spotify.

NFLX: Netflix underperformance began with a headline miss on their Q3 2025 earnings report largely due to a one-time tax expense in Brazil. Revenue was up 17% year-over-year, driven by strong membership growth, pricing adjustments, and record ad sales. The stock appeared to recover until NFLX announced an $83 billion (enterprise value) deal to acquire Warner Bros. Discovery's studios, HBO, and streaming assets, which has placed the company in prolonged "deal jail." Despite the uncertainty around the deal, the core business fundamentals remain intact.

NOW: ServiceNow's pullback in Q4 stemmed from multiple contractions amid broader technology sector pressure and investor recalibration of long-duration software valuations. While the company reported revenue up 22% YoY and guided to solid numbers in Q4, the bear narrative around broader software being negatively impacted by AI persisted throughout the quarter. Investors are still in "wait and see" mode across software due to uncertainty around the implications of AI on seat-based revenue models. NOW continues to execute and is beginning to monetize on a consumption basis through its Pro Plus SKU.

SPOT: Spotify's share performance lagged despite continued subscriber growth momentum. During Q3 2025, they grew MAUs 11% and Premium subscribers 12%. Uncertainty around the timing of advertising recovery and margin expansion led to multiple compression and a sell-on-news reaction around earnings catalysts. We continue to believe the company's back catalog and 713 million MAUs provide SPOT with plenty of room to take price and think the advertising business should ramp meaningfully over time.

One consistent theme for both the contributors and detractors was growth in revenue and earnings. During the most recent quarter, the weighted portfolio average EPS growth rate was 29%. It was the third consecutive quarter of EPS growth above 25% for the portfolio as of each quarter-end. We remain committed to investing in a concentrated portfolio of what we believe to be 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 earnings growth across market cycles that will ultimately drive stock price performance.

We enter the new year with a sense of optimism. The artificial intelligence revolution is real and is expanding beyond AI infrastructure to proprietary data, applications, and productivity. Based on our analysis, we believe companies like Nvidia, Broadcom, and Synopsys could have many years of growth ahead of them. Additionally, we believe AI-enabled capabilities may create opportunities for companies like Axon, Shopify, and Amphenol to deliver incremental, profitable growth in the next phase.

Edgewood Management LLC
January 21, 2026

Sources: company filings, Edgewood research. The weighted portfolio average EPS growth rate was calculated based on the portfolio as of 12/31/2025 using earnings figures reported during Q4 2025 and excludes the impact of non-recurring items not indicative of the underlying business, where appropriate. This commentary is for informational purposes only and does not constitute investment advice or a recommendation to buy or sell any securities. ***Past performance is not indicative of future results.*** *While the information provided is believed to be accurate, there is no guarantee of its accuracy or completeness. Any forward-looking statements are based on current expectations and involve risks and uncertainties that could cause actual results to differ materially. Edgewood is not liable for any errors or omissions in the information provided or for any losses resulting from reliance on the information. Edgewood's commentary on specific securities is intended to: (i) discuss the top contributors to performance and the top detractors from performance during the quarter; (ii) show how we believe artificial intelligence has impacted the portfolio and the markets; and (iii) comment on our portfolio at a high level. 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*.

	Ending December 31, 2025			
	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	7.04%	21.21%	5.68%	13.72%
S&P 500 (TR) Index	17.88%	23.01%	14.42%	14.82%
Russell 1000 Growth Index	18.56%	31.15%	15.32%	18.13%
Note: Returns are shown in U.S. dollar. Composite returns are 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.