

QUARTERLY UPDATE: 2Q 2022

LARGE CAP CORE UNSCREENED COMMENTARY



Separately Managed Account
(Formerly Large Cap Core Growth)



written by
Robert C. Doll, CFA[®] Chief Investment Officer

Large Cap Core Unscreened Top 10 Model Holdings¹

Apple, Inc.	6.7%
Microsoft Corp.	6.7%
Alphabet Class C	4.6%
UnitedHealth Group, Inc.	3.9%
AbbVie, Inc.	3.3%
Pfizer, Inc.	2.6%
Mastercard, Inc.	2.6%
Anthem, Inc.	2.5%
Gilead Sciences, Inc.	2.3%
Popular, Inc.	2.3%
Total % of Portfolio	37.5%

Markets and Performance

The Large Cap Core Unscreened model portfolio fell -12.45% in the second quarter, outperforming the Russell 1000 Index (-16.68%) by 423 basis points. This significant outperformance resulted from strong stock selection across a variety of sectors, as the quality of balance sheets, earnings, and management was a big focus.

Positive and Negative Contributors to Performance

Our outperformance resulted primarily from stock selection in healthcare and technology. Thankfully, offsets during the quarter were minimal. The best-performing stocks were Gilead Sciences (2.3% of total net assets), UnitedHealthcare (3.9% of total net assets), Lilly (2.2% of total net assets), and Marathon Petroleum (2.0% of total net assets), with the worst being Amerisource and Ford (1.5% of total net assets).

Looking Ahead

Expecting the stock market to shift from multiple compression to earnings, we are taking extra care to analyze the quality of earnings, balance sheets, and management in our stock selection. Currently, our largest overweighted sector is healthcare (especially healthcare providers and services, and biotechnology). The most significant underweights include the consumer discretionary and utility sectors.

¹ Model Portfolios are based on a hypothetical account managed during the current quarter. Actual characteristics and income may differ materially from model. As of 6/30/2022.

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