

QUARTERLY UPDATE: 3Q 2021

LARGE CAP CORE UNSCREENED COMMENTARY



Large Cap Core Unscreened is a separately managed account investment strategy (Formerly Large Cap Core Growth)



written by
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Markets and Performance

The Large Cap Core Unscreened model portfolio had a very good third quarter, outperforming its benchmark by 176 basis points. It benefitted from the return to outperformance of higher growth and less economic-dependent securities. Slow, steady, and modest restructuring continues as we add some value names at the expense of large growth overweights.

Positive and Negative Contributors to Performance

Both stock selection and sector allocation were positive for the quarter. The best stock selection results came from mega-cap technology companies (including Alphabet (5.90% of total net assets), Apple (7.50% of total net assets), and Microsoft (7.40% of total net assets)) and industrials (such as Waste Management (1.90% of total net assets)). Sector weightings were modestly positive in almost all sectors (especially financials and healthcare).

Looking Ahead

Our most significant task in the fourth quarter will be to continue diversifying the Strategy from its core growth position to a more plain vanilla core strategy. We anticipate adding more financials to the Strategy, funding it with trims in the healthcare and consumer discretionary sectors.

Large Cap Core Unscreened Top 10 Model Holdings ¹

Apple, Inc.	7.5%
Microsoft Corp.	7.4%
Alphabet - Class C	5.9%
Amazon.com, Inc.	3.4%
JP Morgan Chase & Co.	3.1%
UnitedHealth Group, Inc.	2.8%
Mastercard, Inc.	2.6%
Nike, Inc.	2.5%
Eli, Lilly & Company	2.4%
Ford Motor Co.	2.4%

% of Total Portfolio: 40.0%

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 9/30/2021.

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