QUARTERLY UPDATE: 1Q 2022

LARGE CAP EQUITY STRATEGIES COMMENTARY

(Large Cap Core, Large Cap Growth, and Large Core Value)
Separately Managed Accounts

written by
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Large Cap Core
Top 10 Model Holdings[1]

Microsoft Corp.	6.5%
Alphabet Class A	5.4%
Apple, Inc.	4.9%
Amazon.com, Inc.	3.1%
Synopsys, Inc.	2.6%
Cisco Systems, Inc.	2.5%
Anthem, Inc.	2.4%
MetLife, Inc.	2.4%
American Express Co.	2.3%
CVS Caremark Corp.	2.3%
Total % of Portfolio	**34.4%**

Large Cap Growth
Top 10 Model Holdings[1]

Microsoft Corp.	12.0%
Apple, Inc.	11.9%
Alphabet Class A	8.1%
Mastercard, Inc.	4.2%
Visa, Inc.	3.7%
Amazon.com, Inc.	3.2%
Oracle Systems Corp.	2.7%
Home Depot, Inc.	2.6%
Synopsys, Inc.	2.6%
Lowes Companies, Inc.	2.4%
Total % of Portfolio	**53.4%**

[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 3/31/2022.

Markets and Performance

The S&P 500 suffered its first quarterly decline since the depths of the pandemic in Q1 of 2020, returning -4.60%. The Russell 1000 Growth Index returned -9.04%, meaningfully lagging the Russell 1000 Value Index which returned -0.74%. The Large Cap Core model portfolio returned -7.40% for the quarter, underperforming its Russell 1000 benchmark by 227 basis points(bps). The Large Cap Growth model portfolio returned -8.51%, outperforming its benchmark, the Russell 1000 Growth Index, by 53 basis points for the quarter. The Large Cap Value model portfolio returned -2.40%, underperforming its benchmark, the Russell 1000 Value Index, by 166 bps for the quarter. The majority of the underperformance occurred in March. The Strategies were hurt by the strong rebound in high growth companies as investors turned back to focus on growth and defensives as the yield curve flattened causing recession concerns.

Positive and Negative Contributors to Performance

For the Large Cap Core model portfolio, underperformance came primarily from sector allocations including our overweight in technology and underweight in energy. Best stocks were Northrop Grumman (1.3% of total net assets), MetLife (2.4% of total net assets), and Aflac (2.1% of total net assets). Worst stocks included Accenture (1.6% of total net assets), Lowe's (2.4% of total net assets), and Intuit (1.4% of total net assets).

For the Large Cap Growth model portfolio, underperformance came primarily from sector allocations including our underweight in industrials, energy, consumer staples, and healthcare. Stock selection had mixed results. Best stocks were Meta Platforms (0.9% of total net assets), and Alphabet (8.1% of total net assets). Worst stocks included Accenture (1.6% of total net assets), Lowe's (2.6% of total net assets), and Intuit (2.4% of total net assets).

For the Large Cap Value model portfolio, underperformance came from sector allocations including our overweight in technology and underweight in utilities. Best stocks were ConocoPhillips (2.3% of total net assets), Marathon Petroleum (1.9% of total net assets), and Kinder Morgan (2.2% of total net assets). Worst stocks included Simon Property Group (1.9% of total net assets), Johnson Controls (1.2% of total net assets), and Zoetis (0.9% of total net assets).

Large Cap Value Top 10 Model Holdings[1]

Anthem, Inc.	3.3%
Bank of America Corp.	2.9%
JP Morgan Chase & Co.	2.8%
Intel Corp.	2.7%
Alphabet Class A	2.7%
Aflac, Inc.	2.6%
Verizon Communications	2.6%
IBM	2.5%
CSX Corp.	2.5%
Cisco Systems, Inc.	2.5%
Total % of Portfolio	**27.1%**

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Looking Ahead

The Strategies are positioned for slowing, but positive economic growth and earnings. As such, we hold more value and cyclical names than growth and defensive names. Largest sector overweights are technology and financials; largest underweights include industrials, healthcare, and consumer staples.

Our Firm

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