

## Strategy Objective

The Large-Cap Core Equity strategy seeks to provide long-term capital appreciation and to minimize periods of significant negative returns by investing in market-leading, financially strong U.S. companies that serve as proxies for favored sectors.

**Inception Date:** January 1996

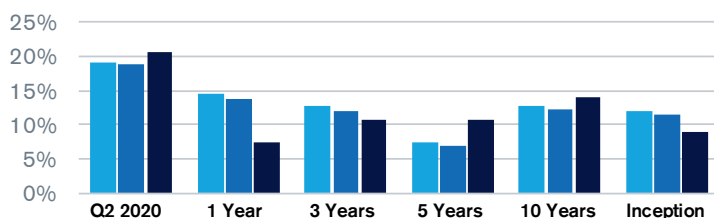
**Focus:** U.S. large-cap equities

**Investments:** Long-only equities of market-leading, financially strong U.S. companies; no leverage, derivatives, or options

**Risk Mitigation:** Manage downside protection through sector avoidance

**Tax efficiency:** Low average annual turnover/long-term holding periods

## INVESTMENT PERFORMANCE



	Q2 2020	1 Year	3 Years	5 Years	10 Years	Inception
WEA LCCE, Gross	19.08%	14.45%	12.65%	7.58%	12.77%	12.13%
WEA LCCE, Net	18.95%	13.88%	12.04%	7.05%	12.31%	11.60%
S&P 500	20.54%	7.51%	10.73%	10.73%	13.99%	8.87%

Returns for periods greater than one year are annualized.

Source: IDC, WestEnd Advisors

WestEnd Advisors claims compliance with the Global Investment Performance Standards (GIPS®)

## RISK AND RETURN SUMMARY\*

	Trailing 5 Years		Trailing 10 Years	
	WEA LCCE	S&P 500	WEA LCCE	S&P 500
Return	7.58%	10.73%	12.77%	13.99%
Standard Deviation	14.28%	16.83%	13.56%	14.84%
Alpha	-1.20%	n/a	0.98%	n/a
Beta	0.80	1.00	0.84	1.00
Sharpe Ratio	0.45	0.57	0.90	0.90
R-Squared	88%	n/a	84%	n/a
Tracking Error	5.99%	n/a	5.98%	n/a
Upside Capture	71.0%	100.0%	85.7%	100.0%
Downside Capture	79.3%	100.0%	80.0%	100.0%

Source: IDC, WestEnd Advisors

## SHORT-TERM VARIABILITY, LONG-TERM CONSISTENCY\*

### Rolling 1-Year Returns

Periods of Outperformance	56 out of 95 periods, or 59%
Average Annualized Outperformance	2.79 percentage points

### Rolling 3-Year Returns

Periods of Outperformance	59 out of 87 periods, or 68%
Average Annualized Outperformance	2.80 percentage points

### Rolling 5-Year Returns

Periods of Outperformance	56 out of 79 periods, or 71%
Average Annualized Outperformance	2.96 percentage points

Source: IDC, WestEnd Advisors

## PORTFOLIO COMPOSITION\*

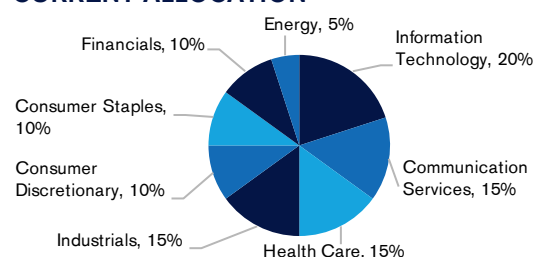
Number of Holdings	20 on average
Typical Position Size	5% at cost
Maximum Position Size	10%
Maximum Industry Exposure	15% at cost
Maximum Sector Exposure	35% at cost
Target Cash Position	2% to 5%
Annual Turnover Range	21% to 55%**

## MODEL PORTFOLIO WEIGHTS\*

### Equity Sectors

Information Technology	20%
Communication Services	15%
Health Care	15%
Industrials	15%
Consumer Discretionary	10%
Consumer Staples	10%
Financials	10%
Energy	5%

## CURRENT ALLOCATION\*



Source: Bloomberg, WestEnd Advisors

## LARGE-CAP CORE EQUITY INVESTMENT PROCESS

We begin the investment process by aggregating more than 200 domestic and international economic measures into a proprietary database. We then evaluate the data to identify areas of economic strength and weakness in the economy and U.S. equity markets, and invest in approximately 20 large-cap stocks poised to benefit from economic trends.

\* Supplemental information based on Large-Cap Core Equity Composite, gross-of-fees.

\*\*Based on 5 years ended 12/31/19.

## PORTFOLIO POSITIONING as of 6/30/20

- We have continued to shift away from the defensive portfolio positioning we had in place at the start of the COVID-19 crisis, while seeking to balance opportunity against ongoing medical, political, and economic risks.
- We increased economically-sensitive Financials and Industrials allocations and maintained the Energy allocation established in late Q1, sectors we expect to benefit from economic recovery.
- Technology-related sector exposures are warranted, in our view, regardless of the exact shape of the economic recovery given the secular tailwinds benefiting these sectors.
- We reduced exposure to the defensive Health Care sector and eliminated a relatively defensive holding from the portfolio's Communication Services sector exposure, but believe continued uncertainty in this period of economic inflection still warrants exposure to defensive sectors.

## Q2 2020 ATTRIBUTION\*

### Positive Contributors

<b>Overweight</b>	Information Technology
<b>Underweight</b>	Utilities Real Estate

### Negative Contributors

<b>Overweight</b>	Health Care Industrials
<b>Underweight</b>	Consumer Discretionary

## HISTORICAL RETURNS\*

	Large-Cap Core Equity Composite		S&P 500
	Gross	Net	
2020 YTD	3.49%	3.25%	-3.08%
2019	26.92%	26.23%	31.49%
2018	-0.36%	-0.94%	-4.38%
2017	19.25%	18.65%	21.83%
2016	-4.75%	-5.12%	11.96%
2015	0.97%	0.64%	1.38%
2014	17.15%	16.74%	13.69%
2013	29.55%	29.15%	32.39%
2012	15.64%	15.26%	16.00%
2011	0.00%	-0.34%	2.11%
2010	16.90%	16.43%	15.06%
2009	30.60%	29.98%	26.46%
2008	-36.21%	-36.61%	-37.00%
2007	9.69%	9.08%	5.49%
2006	14.71%	14.06%	15.80%
2005	10.47%	9.92%	4.91%
2004	18.28%	17.68%	10.88%
2003	42.36%	41.73%	28.68%
2002	-16.99%	-17.42%	-22.10%
2001	-0.21%	-0.70%	-11.89%
2000	6.38%	5.83%	-9.10%
1999	18.57%	17.97%	21.04%
1998	52.41%	51.66%	28.58%
1997	21.96%	21.33%	33.36%
1996	41.73%	40.85%	22.96%

Source: IDC, WestEnd Advisors

\* Supplemental information based on Large-Cap Core Equity Composite, gross-of-fees.

## CURRENT HOLDINGS\*

### Communication Services

Alphabet Inc. (GOOGL)	Facebook, Inc. (FB)
Comcast Corp. (CMCSA)	

### Consumer Discretionary

Amazon.com, Inc. (AMZN)	TJX Cos., Inc. (TJX)
Home Depot Inc. (HD)	

### Consumer Staples

PepsiCo, Inc. (PEP)	Procter & Gamble Co. (PG)
---------------------	---------------------------

### Energy

Chevron Corp. (CVX)
---------------------

### Financials

Bank of America Corp. (BAC)	JPMorgan Chase & Co. (JPM)
-----------------------------	----------------------------

### Health Care

Johnson & Johnson (JNJ)	UnitedHealth Group Inc. (UNH)
-------------------------	-------------------------------

Medtronic plc (MDT)
---------------------

### Industrials

Caterpillar Inc. (CAT)	Union Pacific Corp. (UNP)
Honeywell Int'l. Inc. (HON)	

### Information Technology

Apple Inc. (AAPL)	Microsoft Corp. (MSFT)
Mastercard Inc. (MA)	PayPal Holdings, Inc. (PYPL)

## INVESTMENT MANAGEMENT TEAM

**Fritz Porter, CFA** Partner, CIO, Portfolio Manager  
21 years of experience  
12 years at WestEnd Advisors

**Ned Durden** Partner, Portfolio Manager  
23 years of experience  
14 years at WestEnd Advisors

**Ty Peebles, CFA, CPA** Partner, Portfolio Manager  
10 years of experience  
6 years at WestEnd Advisors

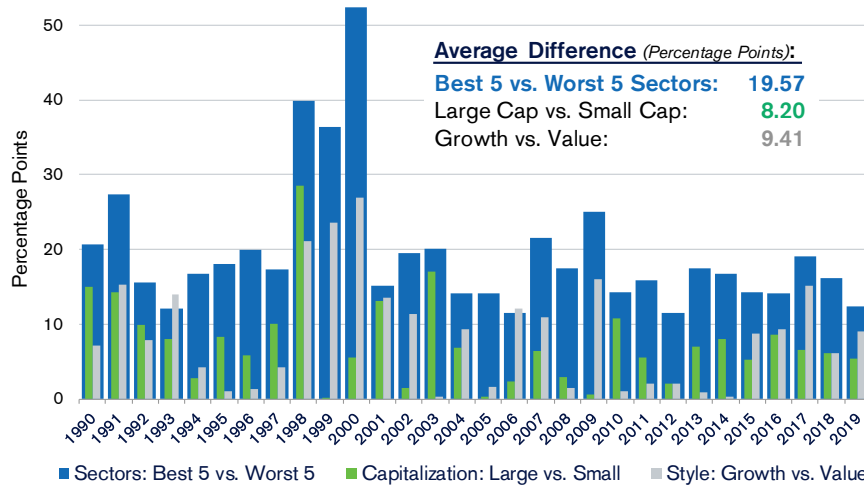
### Outlook → Allocation Decisions → Implementation



## THE IMPORTANCE OF SECTOR ALLOCATION

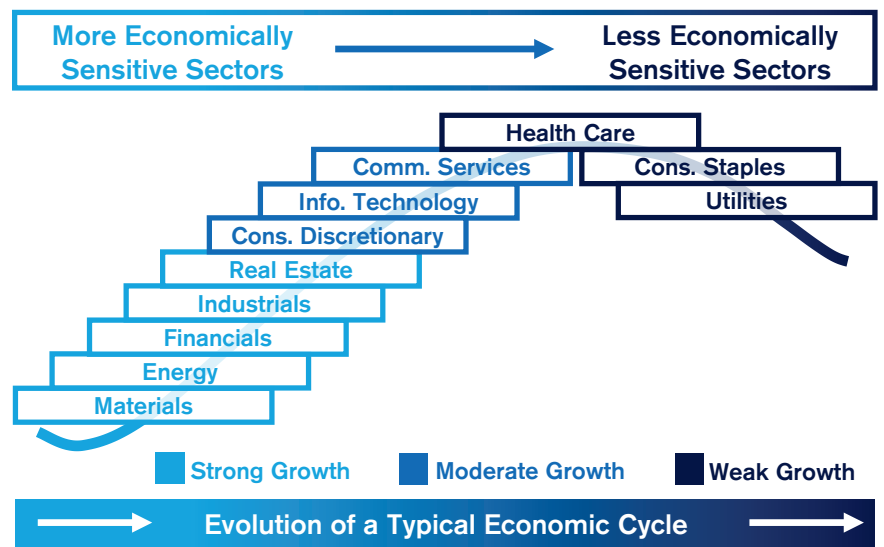
The path of economic growth is a key driver of U.S. equity sector performance. The investment team analyzes recurring cyclical trends and identifies the characteristics particular to the current economic cycle. Portfolios are typically invested in four to six large-cap U.S. sectors at any one time based on our macroeconomic outlook, but may be invested in more or fewer sectors as conditions warrant.

## RANGE OF RETURNS BY SECTOR, CAPITALIZATION, AND STYLE\*



Owning the right sectors at the right time and avoiding those not in their ideal economic environment offers significantly more opportunity for outperformance, in our view, than allocating to the right equity style or market capitalization range.

WestEnd actively positions client portfolios in more economically sensitive sectors when it expects strong growth, and transitions to less economically sensitive sectors as growth expectations wane.



For illustrative purposes only.

Source: Thomson Reuters, Bloomberg, WestEnd Advisors

\* Sector performance is represented by sectors of the S&P 500® Index. "Large Cap" is represented by the S&P 500® Index. "Small Cap" is represented by the Russell 2000® Index. "Growth" is represented by the Russell 1000® Growth Index. "Value" is represented by the Russell 1000® Value Index. Data for 2016 excludes Real Estate as a stand-alone sector, which was included in Financials until September 16, 2016. Data for 2018 replaces the Telecommunication Services Sector with the new Communication Services Sector after September 21, 2018, using geometrically-linked total returns to produce a single full-year return, and treats the linked returns as a single sector, due to changes in GICS sector classifications and index rebalancing that occurred as of market close on September 21, 2018.

## FOOTNOTES AND DISCLOSURES

WestEnd Advisors is an SEC-registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The firm is an independent investment management firm, 100% owned by its active principals. WestEnd manages equity securities for individuals and institutional clients.

WestEnd Advisors' Large-Cap Core Equity Composite is invested solely in U.S. Equity securities and/or high-grade money market instruments. Returns are achieved without the use of options, derivatives or leverage of any kind. Results are calculated daily using the aggregate method, use trade date valuations, and include cash as well as the reinvestment of dividends, interest income, and other earnings, if applicable. Portfolio returns are weighted using beginning of period values plus weighted cash flows. Portfolios and composites are valued daily, are denominated in U.S. dollars only, and include discretionary non-wrap accounts with a minimum of \$500,000 invested in the Large-Cap Core Equity Model. The Composite excludes broadly distributed fund accounts. Prior to January 1, 2017, the Composite minimum was \$1,000,000 and excluded taxable accounts.

Composite performance results and the percentage of firm assets from December 31, 1995 to December 31, 2002 were realized under WestEnd Advisors' predecessor firm Providence Capital Management, Inc. in the Large-Cap Core Equity Composite. Providence Capital Management was a registered investment adviser founded October 1, 1995 by Robert L. Pharr. Mr. Pharr served as President and Chief Investment Officer, and made all the investment decisions since creation of the Composite. The Large-Cap Core Equity Composite creation date is December 31, 1995.

Net-of-fee performance results are presented after investment management fees paid to WestEnd Advisors, as well as after brokerage or other commissions actually paid by clients in the management of their investment advisory account, but exclude any deductions for custodial fees. The current management fee schedule, as described in WestEnd Advisors' SEC Form ADV Part 2, is as follows: 1.00% for accounts valued at \$100,000 to \$4,999,999; 0.90% for accounts valued at \$5,000,000 to \$9,999,999; 0.75% for accounts valued at \$10,000,000 to \$24,999,999; 0.65% for accounts valued at \$25,000,000 to \$49,999,999; and 0.50% for accounts valued over \$50,000,000. Fees are negotiable where circumstances warrant.

Past performance is not indicative of future results. It should not be assumed that recommendations made in the future will be profitable. The information contained herein is not intended to be an offer to provide investment advisory services. Such an offer may only be made if accompanied by WestEnd Advisors' SEC Form ADV Part 2.

The S&P 500® and Russell 1000® are used for comparative purposes only. The S&P 500®, our primary benchmark, includes approximately 500 stocks

and is a common measure of the performance of the overall U.S. stock market. The S&P 500® Index measures the performance of 500 leading companies in the U.S. economy. The S&P 500® Index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities. The S&P 500® Index is designed to be an indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large-cap universe. The S&P 500® Index is a market capitalization-weighted index - each stock's weight in the index is proportionate to its market capitalization. The Russell 1000® is used as our secondary benchmark, and represents the extensive large-cap segment of the U.S. equity universe. Benchmark returns are not covered by the report of independent verifiers.

The dispersion of annual returns is measured by the standard deviation of the asset-weighted portfolio returns included in the composite for the full year. Dispersion is calculated based on gross returns and is not shown when there are five or fewer portfolios, as the calculation is not statistically meaningful.

A complete list and description of all WestEnd Advisors' composites as well as a presentation that complies with the requirements of the Global Investment Performance Standards (GIPS®) is available upon request by phone (888-500-9025) or email ([info@westendadvisors.com](mailto:info@westendadvisors.com)).

Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.

Attribution Analysis is relative to the S&P 500® benchmark and was current as of the quarter specified in this presentation. A complete attribution report is available upon request.

Holdings, Sector Weightings, and Portfolio Characteristics were current as of the date specified in this presentation. The listing of particular securities should not be considered a recommendation to purchase or sell these securities. While these securities were among WestEnd Advisors' Large-Cap Core Equity holdings at the time this material was assembled, holdings will change over time. There can be no assurance that the securities remain in the portfolio or that other securities have not been purchased. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities presently in the portfolio. Individual clients' portfolios may vary. Upon request, WestEnd Advisors will provide a list of all recommendations for the prior year.

As of June 30, 2020, WestEnd Advisors had \$27.1 million of assets in the Large-Cap Core Equity Composite. This information is included as supplemental information only.

July 2020