

## 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

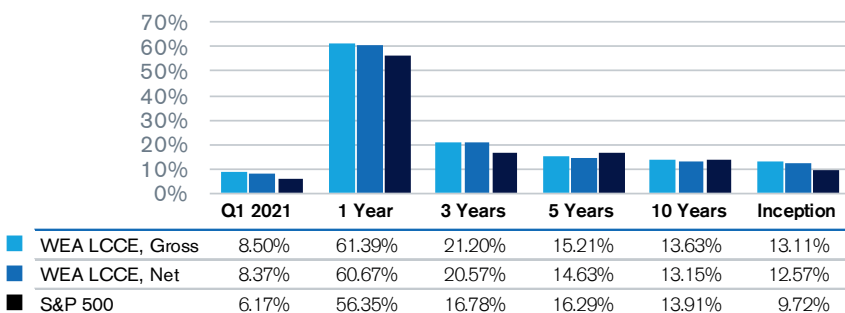
**Focus:** U.S. large-cap equities

**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



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             | 15.21%           | 16.29%  | 13.63%            | 13.91%  |
| Standard Deviation | 14.88%           | 16.78%  | 13.41%            | 14.81%  |
| Alpha              | 1.54%            | n/a     | 1.81%             | n/a     |
| Beta               | 0.83             | 1.00    | 0.84              | 1.00    |
| Sharpe Ratio       | 0.95             | 0.91    | 0.97              | 0.90    |
| R-Squared          | 86%              | n/a     | 85%               | n/a     |
| Tracking Error     | 5.49%            | n/a     | 5.36%             | n/a     |
| Upside Capture     | 84.6%            | 100.0%  | 90.3%             | 100.0%  |
| Downside Capture   | 75.6%            | 100.0%  | 80.0%             | 100.0%  |

Source: IDC, Informa, WestEnd Advisors

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

### Rolling 1-Year Returns

|                                   |                              |
|-----------------------------------|------------------------------|
| Periods of Outperformance         | 59 out of 98 periods, or 60% |
| Average Annualized Outperformance | 2.94 percentage points       |

### Rolling 3-Year Returns

|                                   |                              |
|-----------------------------------|------------------------------|
| Periods of Outperformance         | 62 out of 90 periods, or 69% |
| Average Annualized Outperformance | 2.82 percentage points       |

### Rolling 5-Year Returns

|                                   |                              |
|-----------------------------------|------------------------------|
| Periods of Outperformance         | 56 out of 82 periods, or 68% |
| Average Annualized Outperformance | 2.78 percentage points       |

Source: IDC, WestEnd Advisors

## PORTFOLIO COMPOSITION\*

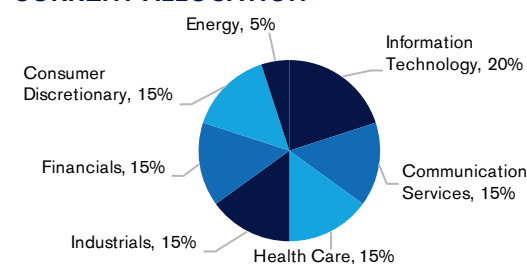
|                           |               |
|---------------------------|---------------|
| Number of Holdings        | 20 on average |
| Typical Position Size     | 5% at cost    |
| Maximum Position Size     | 10%           |
| Maximum Industry Exposure | 15% at cost   |
| Maximum Sector Exposure   | 35% at cost   |
| Target Cash Position      | 2% to 5%      |
| Annual Turnover Range     | 26% to 61%**  |

## MODEL PORTFOLIO WEIGHTS\*

### Equity Sectors

|                        |     |
|------------------------|-----|
| Information Technology | 20% |
| Communication Services | 15% |
| Health Care            | 15% |
| Industrials            | 15% |
| Financials             | 15% |
| Consumer Discretionary | 15% |
| 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 12/31/20.

## PORTFOLIO POSITIONING as of 3/31/21

- Sector allocation will be increasingly important in 2021, in our view, as the ongoing recovery and expansion drive a rebound in earnings for cyclical sectors and areas of the economy hardest hit by the pandemic, such as retail, travel, and leisure.
- Given our outlook for the U.S. economic expansion to continue in 2021, we are overweight more economically-sensitive sectors such as Financials, Industrials, and Energy, which should continue to benefit from early-phase cyclical tailwinds.
- Over the past year, we have reduced exposure to less economically-sensitive sectors, most recently eliminating our Consumer Staples exposure, while seeking to balance opportunity against ongoing medical, political, and economic risks.
- We also maintain exposures to sectors benefitting from positive secular trends, like Information Technology and Communication Services.

## Q1 2021 ATTRIBUTION\*

### Positive Contributors

| Overweight | Financials<br>Industrials<br>Energy |
|------------|-------------------------------------|
|------------|-------------------------------------|

### Negative Contributors

| Underweight | Consumer Discretionary<br>Consumer Staples<br>Materials |
|-------------|---|
|-------------|---|

## HISTORICAL RETURNS\*

|          | Large-Cap Core Equity Composite |         | S&P 500 |
|----------|---------------------------------|---------|---------|
|          | Gross                           | Net     |         |
| 2021 YTD | 8.50%                           | 8.37%   | 6.17%   |
| 2020     | 29.28%                          | 28.69%  | 18.40%  |
| 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)    |                      |

### Energy

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

### Financials

|                            |                            |
|----------------------------|----------------------------|
| American Express Co. (AXP) | JPMorgan Chase & Co. (JPM) |
|----------------------------|----------------------------|

|                             |  |
|-----------------------------|--|
| Bank of America Corp. (BAC) |  |
|-----------------------------|--|

### 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) | PayPal Holdings, Inc. (PYPL) |
|-------------------|------------------------------|

|                        |                      |
|------------------------|----------------------|
| Mastercard Inc. (MA)   | Qualcomm Inc. (QCOM) |
| Microsoft Corp. (MSFT) |                      |

## INVESTMENT MANAGEMENT TEAM

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

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

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

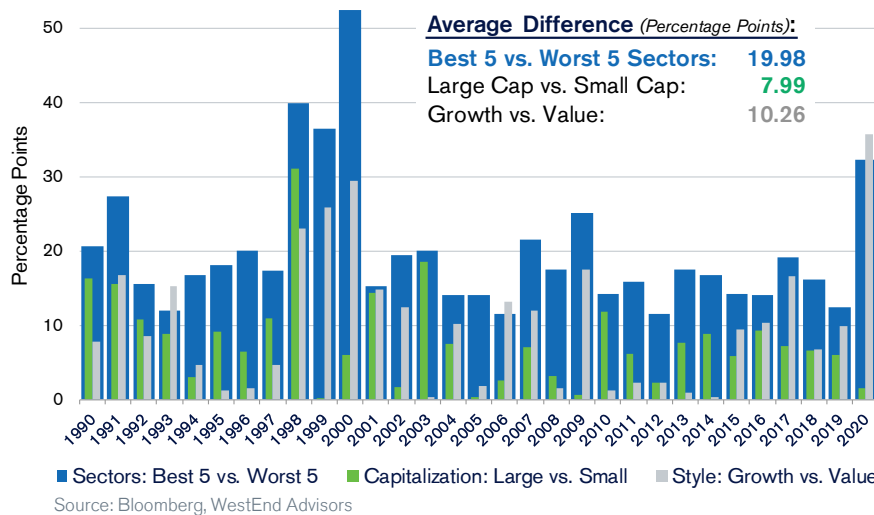
Outlook → Allocation Decisions → Implementation



## THE IMPORTANCE OF SECTOR ALLOCATION

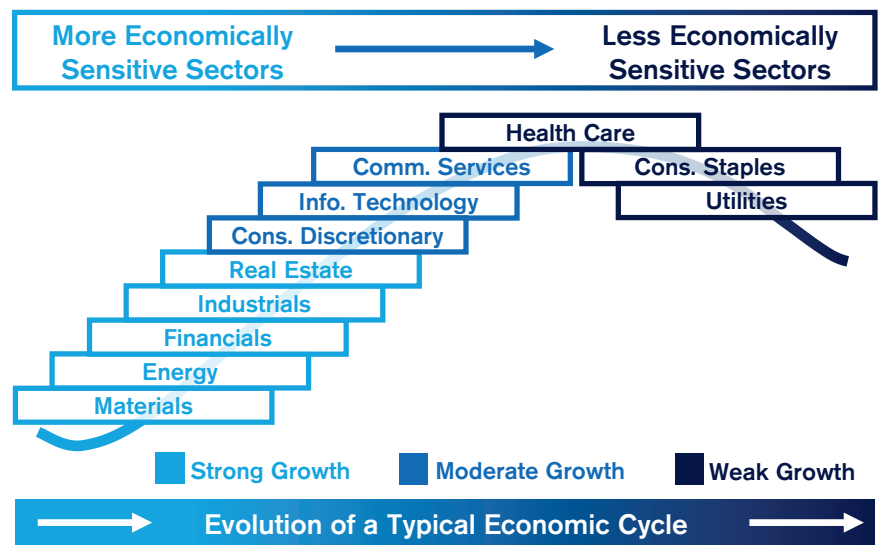
The path of economic growth is a key driver of U.S. equity sector performance. The investment team analyzes recurring cyclical trends and identifies the characteristics particular to the current economic cycle. Portfolios are typically invested in four to six large-cap U.S. sectors at any one time based 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.

\* 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 advisor. 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 individual, institutional and wrap clients. Total firm assets include all discretionary assets managed by WestEnd Advisors.

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. The Large-Cap Core Equity Composite creation and inception 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<sup>®</sup> is used for comparative purposes only. The S&P 500<sup>®</sup>, 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<sup>®</sup> Index measures the performance of 500 leading companies in the U.S. economy. The S&P 500<sup>®</sup> Index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities. The S&P 500<sup>®</sup> 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<sup>®</sup> Index is a market capitalization-weighted index - each stock's weight in the index is proportionate to its market capitalization. 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. The 3-year ex post standard deviation is calculated based upon gross returns.

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<sup>®</sup>), is available upon request by phone (888-500-9025) or email (info@westendadvisors.com). Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request. GIPS<sup>®</sup> is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Strategy Advisory-Only assets include assets in Unified Managed Account (UMA) programs for which WestEnd provides Model Portfolios but has no discretion to effect trades, and no supervisory responsibility over the assets in the program.

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

Any portfolio characteristics, including position sizes and sector allocations among others, are generally averages and are for illustrative purposes only and do not reflect the investments of an actual portfolio unless otherwise noted. The investment guidelines of an actual portfolio may permit or restrict investments that are materially different in size, nature, and risk from those shown. The investment processes, research processes, or risk processes shown herein are for informational purposes to demonstrate an overview of the process. Such processes may differ by product, client mandate, or market conditions. Portfolios that are concentrated in a specific sector or industry may be subject to a higher degree of market risk than a portfolio whose investments are more diversified.

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 March 31, 2021 WestEnd Advisors had \$35.7 million of assets in the Large-Cap Core Equity Composite. This information is included as supplemental information only.

April 2021