Strategy Commentary

Concentrated Growth Equity

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Market Review

Both stocks and bonds were negative in the second quarter as markets moved to price in further interest rate hikes and an increased risk of recession. Equity declines have been widespread and not one of the eleven major stock market sectors posted a positive return for the quarter. The Energy sector remains the only real winner on the heels of higher oil prices, with an outlying +31.84% return thus far in 2022. The DJIA "led" the major U.S. indexes with a decline of -10.78% for the quarter, while the S&P 500 and the tech-heavy NASDAQ declined -16.10% and -22.28%, respectively. Non-U.S. equities suffered similar results amidst the turmoil as the MSCI EAFE Index lost -14.29% and the MSCI Emerging Markets Index fell -11.34%.

When equity markets struggle, fixed income securities usually provide some ballast. This has not been the case thus far in 2022. Bonds have provided no relief for investors as Fed rate hikes and traders' assessment of risk to the economy have caused yields to grind higher throughout the year. The 10-Year U.S. Treasury bond finished the quarter with a yield of 2.97%, nearly 70 basis points (+0.70%) higher than where it started, after rising as high as 3.49% in mid-June. As the ascent in yields continued, so did the move lower in bond prices. The Barclays Intermediate Government/Credit Bond Index and the Barclays 5-Year Municipal Bond Index declined -2.37% and -0.42%, respectively. Of the 186 quarters since 1976, a negative quarterly return for both stocks and bonds has occurred just twenty times, including 2Q 2022. Furthermore, over the same 46-year period, there are just five instances where both stocks and bonds were negative for two consecutive quarters as they have been in 2022.

	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception*
MCM CGE	-19.73	-35.49	-29.44	7.53	12.45	12.40	10.85
S&P 500 Growth Index	-20.81	-27.62	-16.41	11.64	13.46	14.35	10.33

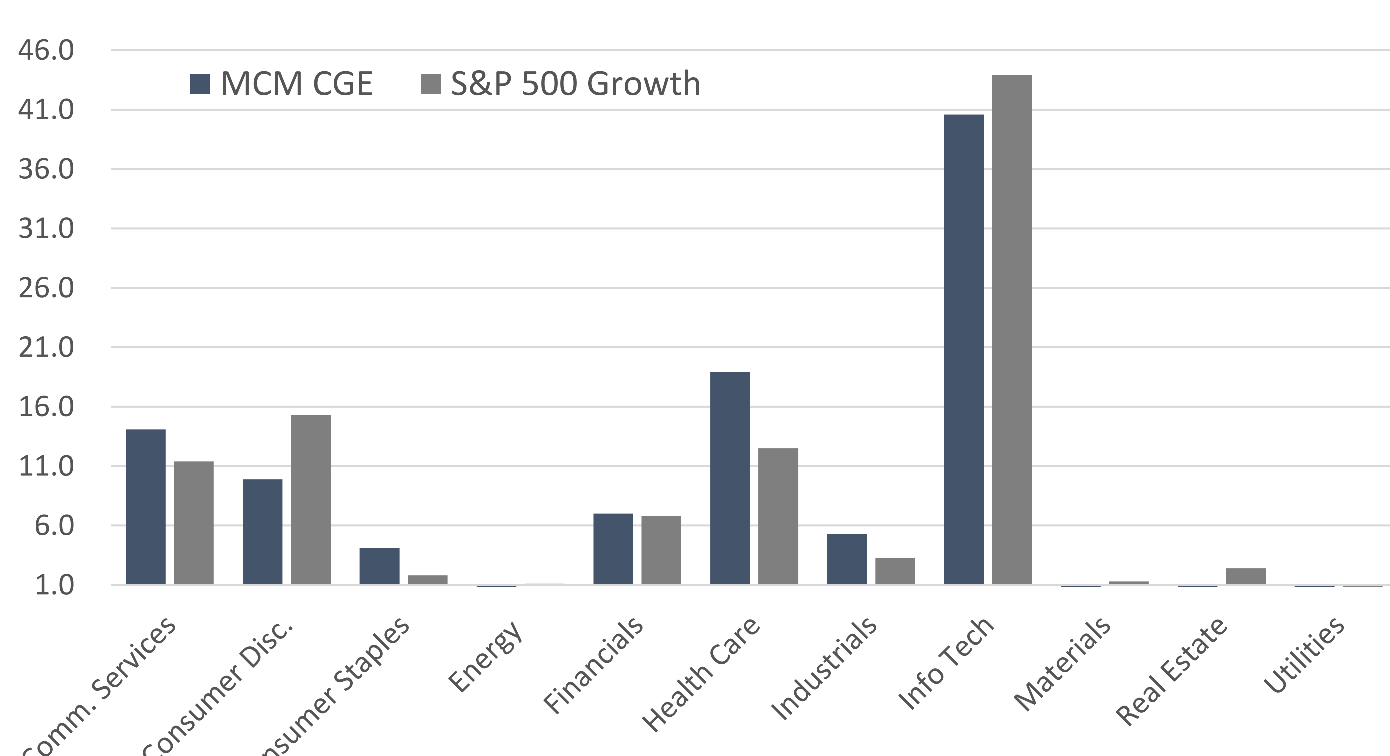
**Inception date of Concentrated Growth Equity is November 01, 2004. Performance data presented above is net of advisory fees.*

Portfolio Review

The MCM CGE strategy returned -19.73% (net) in 2Q 2022. The outperformance relative to the S&P 500 Growth Index was due primarily to positive allocation effects from our cash position, Health Care and Consumer Staples overweights, as well as our Consumer Discretionary underweight. From a stock selection perspective, our Information Technology and Consumer Staples holdings were beneficial, while our Industrial holdings were a drag. The Health Care sector continues to be our largest overweight and it has displayed relative strength against the broader market. Our largest underweight is to the Information Technology sector where we are significantly underweight due to stretched valuations in some segments of the industry such as Mega Caps, and SaaS.

The growth equity market will remain volatile as inflation, interest rates, earnings, domestic politics, and geopolitical tensions are discounted by investors. However, the emergence of disinflation, and political clarity post US Midterm elections could provide a catalyst to the upside.

Sector Weightings (%)



Benchmark and Composite detail can be found in GIPS Disclosure at end of presentation. All data presented above is supplemental to the GIPS disclosure. This report is not a recommendation to buy or sell specific securities.

INVESTMENT OBJECTIVE

The MCM **Concentrated Growth Equity** Strategy seeks to provide capital appreciation by investing primarily in high-quality, large-cap companies with above-average growth potential.

INVESTMENT TEAM

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Portfolio Activity

Purchases	Sector
Advanced Micro Devices, Inc. (AMD)	Communication Services
Visa Inc. (V)	Financials

Sells	Sector
Azek Company Inc. (AZEK)	Industrials
Wingstop Inc. (WING)	Consumer Discretionary
YETI Holdings, Inc. (YETI)	Consumer Staples

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Contributors

The portfolio's largest positive contribution in the second quarter came from **Monster Beverage Corporation (MNST)**, with a return of +16.02%. Despite aluminum pricing volatility and surging fuel costs, this consumer staple delivered and served as a ballast in this tumultuous environment. A litigation win over competitor Bang Energy provided a lift to shares due to a settlement payment. Bang and PepsiCo terminating their distribution agreement during the quarter also lends to confidence in market share gains for the energy drink maker moving forward.

Visa, Inc. (V) was the second biggest contributor to the portfolio's 2Q 2022 performance with a return of +2.41%. This new addition to the portfolio is an electronic payments behemoth benefitting from the reopening of the global economy and cross-border travel. Shares sport a 20%+ ROIC and traded at a 20% discount to their 5-year average P/E at entry. Total payment volume increased 17% and cross border volumes increased 38% YoY, recovering more quickly than expected.

Top Five Contributors

Ticker	Name	Avg. Weight %	Total Return %	Contribution to Return %
MNST	Monster Beverage Co.	3.37	16.02	0.46
V	Visa Inc.	0.61	2.41	0.07
UNH	UnitedHealth Group	5.63	1.08	0.06
EPAM	EPAM Systems, Inc.	4.60	(0.62)	(0.15)
IQV	IQVIA Holdings Inc.	5.16	(6.15)	(0.30)

Detractors

Amazon.com, Inc. (AMZN) was our top detractor during the second quarter in terms of contribution with a return of -38.84%. Shares suffered due to a variety of cost pressures on their consumer business in this inflationary environment, as well as large non-operating losses due to their investment in electric cargo vehicle maker Rivian Automotive. That said, shares look attractive on a sum-of-the-parts analysis with the stock flat over the last few years despite revenue being up +56% and AWS going from a $41B annual run rate business to a $74B annual run rate business.

With a decline of -21.65%, **Alphabet Inc. (GOOGL)** was the portfolio's second worst performing stock during Q2 2022 in terms of contribution to performance. Earnings reported by the communication services company during the quarter disappointed, missing the consensus estimate due to higher-than-normal capital expenses from headcount and data center expansion. Capital investments of $9.5B infrastructure over the next year will bolster the company for continued growth in cloud servicing. With shares trading at a valuation near pandemic lows, Alphabet is attractive at current levels.

Top Five Detractors

Ticker	Name	Avg. Weight %	Total Return %	Contribution to Return %
AMZN	Amazon	6.46	(34.84)	(2.54)
GOOGL	Alphabet, Inc.	7.22	(21.65)	(1.60)
FIVE	Five Below, Inc.	4.22	(28.38)	(1.39)
ISRG	Intuitive Surgical, Inc.	3.05	(33.47)	(1.14)
DIS	Walt Disney Company	3.33	(31.18)	(1.07)

Outlook

Strategas Research's Jason Trennert summed it up pretty well when he recently opined that, "Given a pandemic that shuttered the world's economy, and the overwhelming fiscal and monetary responses employed to combat the concomitant recession that followed, perhaps it's not all-that-surprising that the bill for the global economy would come due sooner or later. The real question now is whether that debt has been paid, at least metaphorically, or whether a balance remains." Interest rates are moving higher, although still at historically low levels. Consumers are experiencing elevated prices at the pump and elsewhere. We may or may not currently be in a recession. If not, the odds of recession in the coming quarters has certainly increased.

The stock market is in bear market territory. The question for markets now, for which no one knows the answer, is – how much bad news is currently priced into the markets? Many stocks are now trading back at pre-pandemic levels. Over $14 trillion in market value has been lost in the U.S. equity market alone (not to mention bonds, crypto currencies, etc.), dwarfing the $8 trillion that evaporated in the 2009 bear market.

As we enter the dog days of summer and what is historically a seasonally weak period for markets, we remain focused on upgrading portfolios by finding high-quality, "shorter-duration" companies with strong cash flows and lower valuations. Higher interest rates means that bond yields are finally more attractive for balanced portfolios, especially in the shorter end of the yield curve. We anticipate continued choppiness over the coming months that could test investors' nerves. Markets will react to headline earnings results and guidance, consumer spending trends, and employment and inflation data. We remain committed to being a prudent advisor, adding value for our clients, and steadfast in our pursuit of delivering competitive risk-adjusted returns across MCM's various investment strategies. Thank you for the continued confidence you have placed in us. As always, do not hesitate to contact us should you have any questions or concerns.

Top five and bottom five contributors are inclusive of cash and cash equivalents. The security returns listed represent the period of when the security was held during the quarter. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Contact MCM to obtain calculation methodologies and a list showing the contribution of each holding in the composite to performance during the period. The portfolio information provided is based on our Concentrated Growth Equity composite. Past performance does not guarantee future results.

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Concentrated Growth Equity Composite (1/1/12 – 12/31/21)

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	S&P 500 Benchmark Returns (%)	S&P 500 Growth Benchmark Returns (%)	Composite Dispersion (%)	Composite 3 Yr Standard Deviation (%)	S&P 500 3 Yr Standard Deviation (%)	S&P 500 Growth 3 Yr Standard Deviation (%)	Composite Number of Portfolios	Composite Assets ($Millions)	Total Firm Assets Under Management ($Millions)	Assets Under Advisement ($Millions)	Total Entity Assets ($Millions)*
2012	21.56	20.66	16.00	14.61	2.40	13.32	15.09	15.08	33	49.74	745.53	0.00	745.53
2013	39.49	38.47	32.39	32.75	1.43	11.48	11.94	11.42	41	72.33	893.04	0.00	893.04
2014	12.44	11.55	13.69	14.89	0.62	8.93	8.97	9.13	48	67.70	882.65	0.00	882.65
2015	0.64	-0.13	1.38	5.52	0.56	10.83	10.47	10.92	67	81.38	974.29	0.71	975.00
2016	-2.28	-2.74	11.96	6.89	0.73	11.77	10.59	11.34	55	99.39	964.15	2.66	966.81
2017	28.02	27.21	21.83	27.44	1.08	11.55	9.92	10.66	54	71.54	1038.24	0.28	1038.52
2018	3.50	2.64	-4.38	-0.01	0.50	12.79	10.80	11.86	58	77.82	1049.06	0.22	1049.28
2019	40.31	39.17	31.49	31.13	0.61	13.47	11.93	12.25	82	120.67	1382.27	3.10	1385.37
2020	43.58	42.45	18.40	33.47	1.11	21.83	18.79	18.92	134	206.47	1948.11	55.66	2003.77
2021	22.99	22.04	28.71	31.01	0.43	21.34	17.41	17.66	204	256.90	2475.24	85.83	2561.07

Global Investment Performance Standards (GIPS®)

Maryland Capital Management, LLC ("MCM") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MCM has been independently verified for the periods 12/31/95 – 12/31/21. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all of the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. The Concentrated Growth Equity ("CGE") composite has been examined for the periods 11/01/04 – 12/31/21. Verification and performance examination reports are available upon request.

Firm and Composite Information

MCM is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. MCM manages a variety of equity, fixed income, alternative and balanced investment strategies for both high net worth and institutional investors.

The CGE composite was created on 12/31/09 and incepted on 11/1/04**. The CGE composite seeks capital appreciation by investing solely in large capitalization equities with above average growth potential. The composite typically holds twenty-five positions representing the MCM Investment Committee's best ideas. The CGE composite includes actively managed fee paying and non-fee paying equity accounts with a minimum asset value of $250,000 that are managed with an investment objective of Growth. The percentage of the composite represented by non-fee paying accounts is 2% or less for the period 2014 - 2021. Some accounts hold a cash balance that may impact performance. The standard investment management fee for the CGE composite is 1% of AUA per annum and is negotiable in certain circumstances.

Benchmarks

The composite benchmark is the S&P 500 Index, a market-capitalization weighted index containing the 500 most widely held companies (400 industrial, 20 transportation, 40 utilities and 40 financial companies) chosen with respect to market size, liquidity, and industry.

The FTSE Russell 1000© Growth Index was removed as the secondary benchmark in October 2019 due to increased expenses associated with licensing and usage fees of FTSE Russell Indexes. On 9/30/20, the S&P 500 Growth Index was added as a secondary benchmark. The S&P 500 Growth Index measures stocks using three factors: sales growth, the ratio of earnings change to price, and momentum (12 month change in price). Both indexes are unmanaged and cannot be invested in directly.

Performance Calculations

Valuations and returns are computed and stated in U.S. dollars. Results reflect the reinvestment of dividends and capital gains.

MCM calculates an asset-weighted return using the aggregate method on a monthly basis. This method aggregates market values and cash flows for all accounts and treats the composite as if it were one account. Portfolios included in a composite belong to the composite for the entire one-month period. The Modified Dietz Method (average capital base equation) is used to calculate monthly return for separate accounts. Results for the full historical period are time-weighted.

Gross-of-fees returns are presented before investment management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are calculated using actual investment management fees paid by clients.

Dispersion is calculated using the equal-weighted standard deviation of the gross portfolio returns of all accounts included in the composite for the entire year. The three-year annualized standard deviation measures the variability of the gross composite returns and the benchmark returns over the preceding 36-month period using returns gross of fees.

Past performance does not guarantee future results. A list of MCM composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are also available upon request.

*Total Entity Assets includes both Assets Under Management and Assets Under Advisement.
**On 6/30/21, the CGE composite inception date was changed from 12/31/95 to 11/1/04 to better represent changes in MCM ownership and the investment management of the CGE composite that occurred in November 2004. The inception date change does not impact the performance data displayed in this GIPS report.

GIPS® Standards