Performance Review (Market)

March 2021 was the best month for stocks since last November, capping off a decent 1Q to start the year. Despite ongoing concerns surrounding election results and dysfunction in our nation's capitol, the pro-cyclical reopening trade continued with financial markets focusing their attention on more and massive fiscal policy stimulus, easy monetary policy, positive vaccine developments, and better than expected 4Q earnings. It was the fourth quarter in a row of positive returns for stocks. Value outperformed Growth, and the DJIA returned an impressive +8.29% for the three-month period. The S&P 500 Index had a solid quarter delivering a +6.17% return, while the tech-heavy NASDAQ was up "only" +2.95% by comparison due to profit taking in some high-momentum and higher-valuation corners of the market. Non-U.S. equities delivered positive results as the MSCI EAFE and Emerging Markets indexes gained +3.60% and +2.34%, respectively.

	QTD	1 Year	3 Year	5 Year	10 Year	Inception*
MCM CGE (Net)	-0.10	71.49	25.32	21.37	16.51	13.00
S&P 500 Growth	2.12	59.3	20.58	19.35	16.16	10.36

**Inception Date is 12/31/1995. Benchmark and Composite detail can be found in GIPS disclosure at end of presentation.*

Performance Review (Portfolio)

The MCM CGE strategy returned -0.10% (net) in 1Q 2021, underperforming the S&P 500 Growth Index. CGE's underperformance was due primarily to security selection in the Consumer Discretionary, Industrial, and Information Technology sectors. Multiple securities that outperformed in 2020, paused or corrected over the course of the quarter.

The Health Care sector continues to be our largest overweight as we expect the group to re-rate to the upside after a period of trading at a discount to historical valuations and their earnings contribution. Our second largest overweight is still allocated to the Information Technology sector that continues to possess enviable secular growth tailwinds and robust profitability.

That said, we are now searching for attractive opportunities within the Industrial and consumer spaces that will continue to be beneficiaries a greater percentage of the population is vaccinated and the country approaches herd immunity.

Contributors

The portfolio's largest positive contribution came from **EPAM Systems Inc. (EPAM)**, with a return of +10.70%. EPAM has been a large beneficiary of the pandemic due to their dominant position as a best-of-breed software development and integration consultant. EPAM is in an enviable niche market, continuing to beat and raise guidance expectations despite some of their customer's businesses being detrimentally affected by the virus. EPAM is poised to continue +20% revenues and earnings growth over the next 3-5 years.

Alphabet, Inc. Class A (GOOGL) was the second biggest contributor to 1Q 2021 performance with a return of +17.68%. GOOGL posted a substantial beat and raise during last reporting season, with contributions from the legacy search advertising business, strong demand from cloud infrastructure, and YouTube (TV). GOOGL is committed to significant capital expenditures that will enable accelerated annual earnings growth of greater than 15% over the next 3 years, as they diversify their revenue mix and deepen user penetration.

Top 5 Contributors				
Ticker	Name	Average Weight %	Total Return %	Contribution to Return %
EPAM	EPAM Systems, Inc.	6.20	10.70	0.64
GOOGL	Alphabet Inc. Class A	3.55	17.68	0.56
PYPL	PayPal Holdings Inc.	5.16	3.69	0.40
TREX	Trex Company, Inc.	4.23	9.34	0.39
ABT	Abbott Laboratories	3.63	9.90	0.33

Detractors

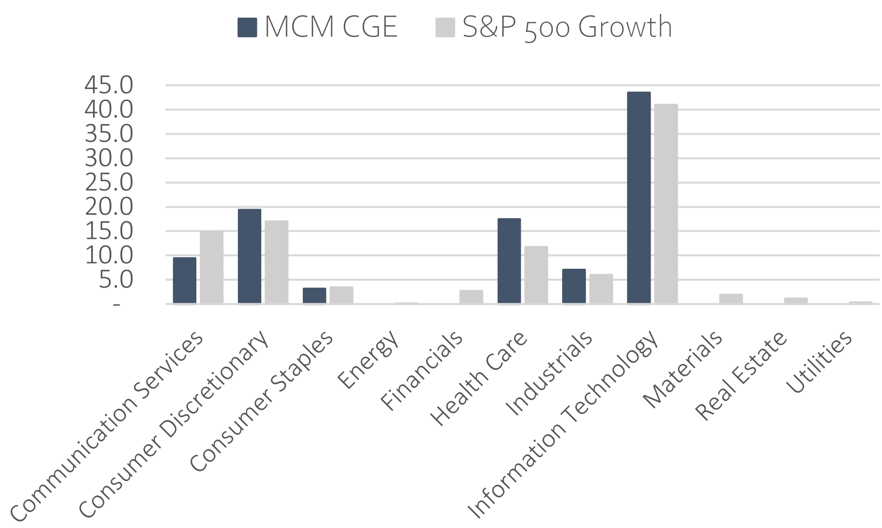
Paycom Software, Inc. (PAYC) was our top detractor during the quarter, declining -18.17%. The cloud based human resources corporation continues to penetrate larger market cap companies with their offerings. This continued penetration will deliver robust long-term growth; but their "per employee" pricing model is causing a softening of results short term due to reduced corporate headcounts. The current pullback represents a consolidation after an impressive 2020. Over the next 3-5 years, we expect revenue growth of +20% and net profitability of greater than 25%.

Trade Desk, Inc. (TTD) was our second worst performing stock during the quarter in terms of contribution. After a strong 2020 where we trimmed the position twice, shares corrected to start 2021 consolidating gains and pricing in a possible competitive threat from Alphabet, Inc. (GOOGL). TTD is the leading platform in data driven digital media advertising sales. The company dominates advertising sales outside of the "walled gardens" of the social media behemoths across all mediums. TTD is projected to grow top line sales greater than +30% annually over the next 5 years.

Top 5 Detractors				
Ticker	Name	Average Weight %	Total Return %	Contribution to Return %
PAYC	Paycom Software, Inc.	4.77	(18.17)	(0.96)
TTD	Trade Desk, Inc. Class A	3.91	(18.64)	(0.76)
AAPL	Apple, Inc.	6.61	(7.81)	(0.54)
AMZN	Amazon.com, Inc.	6.96	(5.00)	(0.33)
ISRG	Intuitive Surgical, Inc.	2.82	(9.68)	(0.30)

**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.*

Sector Weightings and Trading Activity



Additions

Ticker	Name	Sector
WING	Wingstop, Inc.	Consumer Discretionary

Deletions

Ticker	Name	Sector
LMT	Lockheed Martin Corp.	Industrials

Outlook

Based on quarter-end data from FactSet, the current forward 12-month P/E ratio for the S&P 500 is 21.9x. Still not as high as the record 24.1x level set in 4Q 1999, but well above its five-year average of 17.8x. 1Q 2021 earnings season is upon us, and the estimates are robust.

According to FactSet, the expected earnings growth rate for 1Q 2021 is +23.8%. If that number is realized, it would mark the highest year-over-year growth rate reported by the S&P 500 Index since 3Q 2018. 96% of stocks in the S&P 500 Index are above their 200-day moving average. In layman's terms this means that market breadth is broad. This is one of the best readings since late 2009. While it suggests the market could be overbought and that stocks are fully valued, we do not believe it suggests we are near a top. Major market tops rarely develop from this condition. Importantly, there are no signs of stress in the credit markets. You can get corrections from here, which we would expect, but major tops are rare when participation is this broad.

Due to valuations and other obvious headwinds, we would not be surprised if stocks were range bound for periods in 2021, but deliver positive returns for the full year. This is precisely what happened after big market bounces off the lows in both August 1982 and March 2009. We have been optimistic regarding corporate earnings, vaccination rollouts, and re-opening prospects for months. The recent economic data bolsters our confidence despite the amount of fiscal spending, potential tax increases, and the threat of rising interest rates and inflation on the horizon. We will be paying close attention to messaging from Fed Chair Powell and Treasury Secretary Yellen for clues on potential stresses to the economy and markets. At the risk of being repetitive, we continue to have faith in the power of accommodative policy, and the old mantra "don't fight the Fed", cannot be underestimated. Based on this alone, we continue to favor equities over fixed income. We remain committed to being a capable steward of our clients' assets, diligent in our pursuit of competitive risk-adjusted returns, and in constant pursuit of identifying quality growth opportunities while carefully constructing portfolios.

**Benchmark and Composite detail can be found in GIPS disclosure at the end of presentation. All the data presented above is supplemental to the GIPS disclosure.*

Maryland Capital Management

Composite Update – Concentrated Growth Equity, Q1 2021

M·C·M

Wednesday, March 31, 2021

MCM Concentrated Growth Equity Composite 12/31/10 – 12/31/20

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)*
2011	4.54	3.72	2.11	4.65	3.87	15.04	18.71	17.31	26	33.86	596.78	0.00	596.78
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

Global Investment Performance Standards

Firm Information: Maryland Capital Management (MCM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Registration of an investment advisor does not imply any level of skill or training. MCM manages a variety of equity, fixed income, alternative and balanced investment strategies for both high net worth and institutional investors. The standard management fee is calculated at an annual rate of 1% of assets under management (AUM), but is subject to negotiation in certain instances.

Composite Characteristics: The Concentrated Growth Equity composite was created in December 2009 and incepted in January 1996. Accounts included are comprised of all actively managed fee paying and non-fee paying equity accounts with assets greater than $250,000 that are managed with an investment objective of Growth for benchmarking purposes. The percentage of the composite represented by non fee paying portfolios at the end of each annual period is as follows: 2013 - 1%, 2014 - 2%, 2015 - 2%, 2016 - 1%, 2017 - 2%, 2018 - 2%, 2019 - 1%, 2020 - 1%. The composite performance results are compared primarily to the S&P 500 Index[1.] Effective October 11, 2019, the FTSE Russell 1000® Growth Index was removed as a secondary benchmark, since FTSE Russell index returns are no longer available to use and display without paying substantial annual licensing fees. Effective 9/30/20, the S&P 500 Growth Index was added as a secondary benchmark. The S&P 500 Index is presented gross of withholding taxes. The strategy seeks capital appreciation by investing solely in large capitalization equities with above-average growth potential. Portfolios generally hold twenty-five positions representing MCM's best thinking for a concentrated portfolio. Accounts in the composite may hold a cash balance that may impact performance. A complete list and description of all firm composites is available upon request.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars, and individual portfolios are revalued monthly and at large cash flows. The Modified Dietz method (average capital base equation) is used to calculate monthly returns for separate accounts. Results for the full historical period are time-weighted. MCM calculates an asset-weighted return using the aggregate method. This method aggregates market values and cash flows for all accounts and treats the composite as if it were one account. The results portrayed reflect the reinvestment of dividends, capital gains and other earnings when appropriate. Gross of fees returns are calculated gross of management fees, custodial fees, and withholding taxes on foreign dividends and net of transaction costs. Net of fees returns are calculated using actual client fees, pro-rated on a quarterly basis. Dispersion is calculated as the equal-weighted standard deviation of the gross returns of all accounts included in the composite for the entire year around the annual composite return. The three-year annualized standard deviation is calculated by Orion and measures the variability of the gross composite returns and the benchmark returns over the preceding 36-month period using returns gross of fees. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Other Disclosures: 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 – 12/31/20. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Concentrated Growth Equity Composite has had a performance examination for the periods 12/31/95 – 12/31/20. The verification and performance examination reports are available upon request. The benchmark returns are not covered by the report of independent verifiers. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. GIPS® 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.

[1]The S&P 500 Index is widely regarded as the best single gauge of the large cap U.S. equities market. It includes 500 leading companies in leading industries of the U.S Economy, capturing 75% coverage of U.S. Equities. The S&P 500 Growth Index measures growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum. Constituents are drawn from the S&P 500. Both indexes are unmanaged and cannot be invested in directly.

[2]Composite dispersion and standard deviation calculated on an annual basis.

*Total Entity Assets include both Assets Under Management and Assets under Advisement

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