

## TimesSquare U.S. Mid Cap Growth Strategy

### Representative Commentary — 1Q26

Performance	Annualized					
	1Q26	1YR	3YR	5YR	7YR	10YR
TimesSquare U.S. Mid Cap Growth Composite (Gross)	-7.53%	5.40%	10.07%	5.69%	11.21%	12.28%
TimesSquare U.S. Mid Cap Growth Composite (Net)	-7.72%	4.56%	9.21%	4.86%	10.34%	11.40%
Russell Midcap® Growth Index	-6.35%	9.56%	12.73%	5.37%	10.27%	11.68%

*Please see the important performance and other related disclosures at the end of this Commentary, which are an integral part of this quarterly Commentary Newsletter.*

In the first quarter, markets navigated a complex backdrop of geopolitical tensions and economic resilience, alongside temporary global tariffs following a Supreme Court decision. Prior to the Iran conflict, markets had reached all-time highs with lower volatility, a dynamic that reversed following U.S. and Israeli engagement. Oil prices spiked, supply chains were disrupted, financial conditions tightened, and investors shifted toward safer assets. The conflict in Iran further underscored the growing importance of national resilience, prompting a re-evaluation of global supply chains and energy dependencies and accelerating the shift away from efficiency toward resilience and strategic autonomy. Central banks largely held policy steady in response to energy-driven inflation, with both the Federal Reserve and the ECB adopting a wait-and-see approach. Meanwhile, Japan's snap election delivered political stability and a mandate for fiscal expansion, despite ongoing concerns around long-term debt sustainability.

Amidst first-quarter volatility, the portfolio underperformed the Russell Midcap® Growth Index.

For the Communication Services sector, we prefer to invest in media and services companies that are either well placed from an advertising perspective for their target audience or that provide differentiated services. **Take-Two Interactive Software Inc.** develops, publishes, and markets interactive entertainment, including titles such as Grand Theft Auto, LA Noire, Max Payne, Midnight Club, and Red Dead Redemption. Its shares sold off -23% amid speculation that Google's launch of Project Genie will affect game-developing companies. In our research, we determined that Genie does not pose a threat and believe the most important aspect is each company's intellectual property. Take-Two's fiscal third-quarter results give us confidence, and management reiterated that Grand Theft Auto 6 will launch in November. We added to the position on weakness. **Pinterest Inc.** is an image-based social media platform. We exited our position following slower-than-expected fourth-quarter results and cautious guidance, attributed to advertising pullbacks by retailers impacted by tariffs. Its shares were down -44% while held in the quarter. The combination of softer-than-expected results along with lackluster forward guidance led us to liquidate the position. New to the sector this quarter was **Live Entertainment Inc.**, which operates as a live entertainment company worldwide. Its business comprises the Concerts, Ticketing, and Sponsorship & Advertising segments. Importantly, the company reached a settlement with the Department of Justice in March to resolve an antitrust lawsuit. By doing so, artists will have flexibility in choosing their promoters and ticketing strategy, with the goal of keeping concert costs more affordable for fans.

Our preferences in the Consumer-oriented sectors lean toward value-oriented or specialty retailers, franchise models, premium brands, or support services for other consumer companies. **Casey's General Stores Inc.**, an operator of 2,900 convenience stores across nineteen states, gained 32%. Reported mixed fiscal third-quarter results that included a top-line miss, with beats to EBITDA and earnings. SSS grew by 4%, accelerating from the fiscal second quarter. Their outlook remains solid with strong gross margins supported by a favorable mix. Geopolitical volatility has historically been net

positive for fuel spreads. The bigger driver is chicken wings, with the expansion of this offering to more than 550 stores. **BJ's Wholesale Club Holdings Inc.** operates membership warehouse clubs in the eastern half of the U.S. Fourth quarter results outpaced the consensus on better same-store sales and higher gross margins from gasoline sales, leading to a 9% rise in the stock price. **Ross Stores Inc.** saw its shares advance 21% over the quarter after reporting outstanding results. Execution across marketing, customer engagement, new brands, and the store experience demonstrates that their off-price/value-focused model is resonating. **DoorDash Inc.** operates a commerce platform that connects merchants, consumers, and dashers. The combination of a mixed fourth quarter and lower-than-expected first-quarter guidance led to a -34% sell-off. Of note, there was a record number of new Dash Pass enrollers. With investments front-end loaded, DoorDash is positioned for a second-half margin expansion, and that is why we added to the position.

We often see the ebb and flow of the Energy sector tied to underlying commodity prices. In this area, we seek low-cost exploration & production companies with high-yielding acreage or specialized service providers. **Cheniere Energy Inc.** operates liquefied natural gas terminals in New Orleans and Corpus Christi. Heightened geopolitical tensions with Iran and structural damage to Qatari LNG facilities have sidelined 20% of global capacity, significantly tightening the supply-demand balance. This along with solid fourth-quarter earnings and increased forward guidance drove a 47% surge in the stock price. The company maintained elevated share buybacks and increased its authorization for the 2026–2030 period. **Permian Resources** is an independent oil and natural gas company with operations in the Delaware Basin. Escalating geopolitical tensions with Iran and the subsequent rally in oil prices have driven a significant appreciation in Permian Resources' stock. The combination of better price realizations and lower operating expenses contributed to a strong quarter. We decided to exit this small position on the 35% improvement in its stock price. **Targa Resources Corp.** owns, operates, acquires, and develops natural gas infrastructure assets. The geopolitical tensions in Iran contributed to stock price appreciation. A solid fourth quarter, driven by strong production volumes, led to a 37% stock price increase. Management announced increased planned capital expenditures and announced construction of a new natural gas liquids (NGL) plant in Delaware, as well as expansion of their NGL pipeline. New to the sector this quarter was **Cameco Corp.**, which supplies uranium for electricity generation in the Americas, Europe, and Asia. They own and operate some of the largest uranium mines and sell to utility companies across sixteen different countries.

In the Financials sector, we tend to avoid banks experiencing credit deterioration or rising deposit costs, preferring asset managers, specialized insurance companies, or financial technology providers. Electronic broker **Interactive Brokers Group Inc.** edged forward by 4% over the quarter. Account growth and trading volume were contributing factors in their latest results. Alternative asset manager **TPG Inc.** retreated by -36%, along with other alternative asset managers, primarily due to a sharp, sector-wide rotation out of the sector, driven by investor fears over software exposure and AI disruption. While no limited partners have stepped back to date, management indicated that fundraising may slow and monetization could be delayed. Of note, TPG announced a long-term strategic partnership with Jackson Financial, a move that significantly bolsters its insurance-linked fee income and credit scale. We have scaled back the position size. **Robinhood Markets Inc.** operates a financial services platform enabling users to invest in stocks, exchange-traded funds, American depository receipts, and cryptocurrency. In the latest results, core earnings were weaker due to lower net revenue, resulting in a -39% pullback. Management struck a constructive tone on the 2026 outlook and expects revenue growth to continue to exceed expense growth. We had trimmed back the position prior to Q4 earnings.

Our preferences among Health Care stocks are those companies providing novel therapies for unmet needs that command premium pricing, or specialized service providers. **Insmed Inc.**, a developer of therapies for patients with serious and rare diseases, dropped -6%. The launch of Brinsupri is well ahead of expectations. That medication received FDA approval last summer as the first treatment for non-cystic fibrosis bronchiectasis, a chronic lung disease. Management also noted that Arikayce sales were below the Street. That prescription antibiotic is used to treat refractory Mycobacterium avium complex lung disease. In our view, Brinsupri is their primary driver, with expectations of \$1 billion in sales for 2026. We added to the position. **Stevanato Group** supplies drug containment, drug delivery, and diagnostic solutions to the biopharmaceutical industry. Its shares declined by -32% on market concerns that the shift to oral GLP1 drug formulations could slow growth in injectable products. However, we believe these concerns may be overblown as Stevanato has several multi-year contracts representing strong revenue visibility. **Repligen Corp.** is a global life sciences company offering bioprocessing technologies and solutions used in manufacturing biological drugs. Fourth quarter revenues and earnings were ahead of the consensus. Forward guidance factored in uncertainty regarding biopharmaceutical industry capital expenditures and the pace of FDA approvals causing the stock to sell off by -28%. New to the sector this quarter was **Ionis Pharmaceuticals Inc.**, a commercial-stage biotechnology company focused on neurology and cardiovascular

indications. They have several commercially approved drugs plus a deep pipeline with important clinical trial readouts this year.

Many of our Industrial positions provide necessary business-to-business operational services, highly technical components, equipment enabling automation & efficiency improvements, or essential infrastructure services. **EMCOR Group Inc.** provides electrical, mechanical, construction, industrial, and facilities services. The stock price gained 21% on the heels of a strong fourth quarter. 2026 guidance surpassed Street estimates. The company continues to benefit from the booming demand for data center infrastructure. It is an essential "pick-and-shovel" play for the construction of massive data centers required by AI hyper-scalers. **Carpenter Technology Corp.** manufactures, fabricates, and distributes specialty metals. Its share price jumped 27% after management confirmed a rebound in aerospace demand. Rising 24% was **Curtis Wright Corp.**, a provider of engineered products, solutions, and services to aerospace, defense, commercial nuclear power, and industrial markets. Fourth quarter revenues beat sell-side expectations and that led to higher earnings. Their aerospace and defense business was a highlight, led by ground defense and naval defense. **Regal Rexnord Corp.**, a provider of power and control motion products, climbed 34% rising on the back of impressive contract wins for its data center power management solutions. Mixed results included a slight beat on earnings and a slight miss on revenue. Orders were, however, a standout, leaping 54% y/y with wins in the company's new datacenter power management offering. **Verisk Analytics Inc.** provides data, analytics, and technology solutions to the insurance industry. While there were some concerns heading into fourth-quarter earnings, the company delivered solid results, a large share buyback, in-line forward guidance, and the rollout of AI-enabled solutions for clients. Its stock price dropped by -15% in the quarter.

Among the wide variety of Information Technology companies, we prefer critical systems providers, specialized component designers, systems that improve client productivity or efficiency, and others that are growing their share of corporate IT budgets. **Lattice Semiconductor Corp.** develops semiconductor, silicon-based, silicon-enabled products including programmable gate arrays. A solid quarter was rewarded with a 26% run-up in the stock price. Management highlighted that the demand signals strengthened over the last quarter, and first quarter guidance was well ahead of projections. Robust demand for data centers and AI-related physical infrastructure supported revenue upside. **Monolithic Power Systems Inc.** provides semiconductor-based power electronics solutions to direct current as well as convert and control voltages for electronic systems. The company is benefiting from the broader enthusiasm for AI picks and shovels as investors position themselves for continued growth in data center spending. They reported a modest fourth-quarter beat and gave solid first-quarter guidance. The major surprise from the earnings call was that management raised full-year enterprise data segment growth, which boosted the stock by 21%. **Onestream Inc.** delivers a unified, AI-enabled, and extensible software platform. The company entered into a definitive agreement to be acquired by private equity firm Hg in an all-cash transaction. Its shares rose 29% while held in the quarter. **HubSpot Inc.** offers a cloud-based customer relationship management platform. We exited the position due to the combination of potential AI disruption and the seat-based model's potential challenges. The stock tumbled -43% before it was sold. **ServiceTitan Inc.** provides an end-to-end cloud-based software platform to connect and manage a range of business workflows for trade-based businesses. Its shares declined by -40% as investors sold everything software-related. The company has been gaining traction in new markets, supported by recent enterprise wins and increased adoption of its Pro products and AI virtual agents, with contract sizes doubling. Fiscal fourth quarter results were solid, with overall subscription revenues above the street. There was continued strength in Pro products, commercial, and roofing. Qualitative commentary from management suggests an accelerating growth potential as AI usage revenues ramp, and that is not baked into guidance. **JFrog Ltd.** offers a platform for software supply chain management. It continues to experience significant cloud growth, driven by increased AI adoption and higher data-transfer intensity. Despite reporting a strong fourth-quarter 2025 beat, the stock fell -25% after being caught in the "Claude trade" sell-off. As has been common recently, investors reacted to AI-related fears first and assessed fundamental reality later. New to the sector this quarter was **MKS Inc.**, a provider of foundational technology solutions to semiconductor manufacturing, electronics & packaging, and specialty industrial applications. The company is well positioned to benefit from strong semiconductor AI-related spending across foundry, logic, and memory.

Within the real estate sector, **CBRE Group Inc.**, a commercial real estate services and investment company, dropped by -16%. Results from the latest quarter were high quality across business lines. Nevertheless, commercial real estate brokers have come under pressure due to concerns about potential AI disintermediation, which we believe is low. **CoStar Group Inc.** provides information, analytics, and marketplace services to the real estate industry. Reported solid fourth quarter results and reiterated guidance for 2026, although net new bookings were a touch light of buy-side expectations.

Trends in the core business remain strong, and profitability continues to outpace guidance and estimates. Its shares tumbled -40% in the quarter.

We are moving into a world where capital is increasingly directed by strategic necessity rather than pure economic returns, transforming energy, defense, and supply chains into critical instruments of national policy. Our investment team are closely monitoring interest rate paths, geopolitical developments in Iran, and the evolving regulatory landscape following recent trade-related legal rulings. While these macro forces and shifting trade frameworks create headlines and near-term volatility, they also generate the dislocations where our fundamental, bottom-up approach thrives. We remain focused on identifying disciplined management teams capable of compounding value by navigating this new era of complexity. As always, we are available to answer any questions you may have.

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### **Firm and Composite Information**

*TimesSquare Capital Management, LLC ("TimesSquare") is a registered investment adviser that is owned by the former equity management team of TimesSquare Capital Management, Inc. ("TimesSquare Inc.") and Affiliated Managers Group, Inc. TimesSquare was formed to manage TimesSquare Inc.'s growth equity investment advisory business which was sold to TimesSquare in a transaction that closed on November 19, 2004*

*This composite invests in stocks with market capitalizations at time of purchase generally within the range of capitalizations of stocks in the Russell Mid Cap Growth Index. The process is fundamental research driven. The investment style is growth. Primary selection criteria include quality management, distinct competitive advantage, and strong, sustainable growth. Portfolios will hold approximately 75 stocks. Historical turnover has averaged 51% per year. Composite inclusion threshold \$5mm. Fee basis is 80 basis points. The composite creation and inception date is October 1, 2000.*

From 04/01/2015 until 12/31/16, accounts are removed from the composites when significant cash flows occur. A significant cash flow is defined as an external flow that exceeds 10% of the composite's market value on the day of the cash flow. Effective January 1, 2017 this composite does not have a significant cash flow policy.

In July 2014, TimesSquare modified its purchase capitalization range to match the changes in the mid cap market as represented by the Russell Midcap® Growth Index. The purchase range was amended to reflect a range bounded by the approximate value of the smallest security in the index (in most cases) and the approximate value of 75% of the largest security's capitalization. These targets will be maintained for the subsequent 12 months, and may be adjusted based on the above rules each July following the reconstitution. In that manner, the targets would be responsive to higher or lower capitalization profiles of the indexes over time. Previously, in August 2007, TimesSquare had modified its purchase capitalization range to match the mid cap market as represented by the Russell Midcap® Growth Index at that time, with a change from \$1.5 billion to \$10 billion at time of purchase to \$2.5 billion to \$15 billion.

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TimesSquare's list of composites is available upon request. Past performance does not guarantee future results. The firm's list of limited distributed pooled funds are available upon request.

### **Benchmark**

Performance is measured against the Russell Midcap® Growth – a market capitalization-weighted index that measures the performance of those Russell Midcap® companies with higher price-to-book ratios and higher forecasted growth rates. All indexes, including the Russell Midcap® Growth Index, are based on gross-of-fee returns. FTSE Russell is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto.

Benchmark returns are not covered by the report of independent verifiers.

### **Performance Calculations**

The performance figures shown are calculated in U.S. dollars on a size-weighted basis and reflect the reinvestment of dividends and other earnings, and the deduction of brokerage commissions and other transaction costs. Performance is provided on a gross basis (before the deduction of management fees) as well as net of the highest fee level from the standard fee schedule listed for this strategy during the period presented. Investment advisory fees generally charged by TimesSquare are described in Part 2A of its Form ADV. This composite may contain some accounts that have used performance based fees. To illustrate performance net of fees, assume \$20,000,000 is placed under management for ten years and sustains 10% annual gross return for each year during this period. If an advisory fee of 0.80% of average assets under management is charged per year, for each year of the ten-year period, the resulting annual net return would be 9.2%. The ending dollar value of the account would be \$48,223,239, as compared to \$51,874,849 if the advisory fees had not been deducted.

Internal dispersion is calculated using the equal-weighted standard deviation of all accounts included in the composite on a gross basis for the entire year; it is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns on a gross basis over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. To receive additional information regarding TimesSquare Capital Management, LLC, including a GIPS Composite Report for the strategy presented in this commentary, contact TimesSquare at [info@tscmlc.com](mailto:info@tscmlc.com).

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75 Rockefeller Plaza, 30<sup>th</sup> Floor New York, NY 10019  
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