

TimesSquare U.S. Focused Mid Cap Growth Strategy

Representative Commentary — 1Q26

Performance	Annualized					
	1Q26	1YR	3YR	5YR	7YR	10YR
TimesSquare U.S. Focused Mid Cap Growth Composite (Gross)	0.96%	13.20%	18.25%	12.23%	15.91%	15.10%
TimesSquare U.S. Focused Mid Cap Growth Composite (Net)	0.75%	12.26%	17.22%	11.20%	14.83%	14.01%
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 outperformed the Russell Midcap® Growth Index. There was strength across most sectors, with some relative weakness in Health Care, Consumer Staples, and Materials.

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. **O'Reilly Automotive Inc.**, a specialty retailer of aftermarket automotive parts and accessories, edged forward 1%. The company reported a solid quarter, outpacing consensus estimates. Their do-it-for-me, professional-mechanic-focused business continues to perform well, posting double-digit sales growth while its do-it-yourself segment exhibited signs of stabilization.

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.

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 7% 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. We decided to liquidate the position.

Our preferences among Health Care stocks are those companies providing novel therapies for unmet needs that command premium pricing, or specialized service providers. **Veeva Systems Inc.** provides cloud-based software for the life sciences industry. Despite reporting strong fiscal fourth quarter results and offering guidance that surpassed Street expectations, its shares traded down by -21%. This stems from investor concerns regarding their Vault customer relationship management system. Vault CRM was launched in 2024 as they moved away from Salesforce.com and Veeva's management team has been conservative in customer migration estimates. **Cencora Inc.** sources and distributes pharmaceutical products. Reported mixed fiscal first quarter results as revenues for the US Healthcare business came in slightly below sell-side projections, and the International was in-line. Its stock price pulled back -7% and we added to the position on weakness. Of note, the index sector had an average return for the quarter of -10%.

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. We trimmed the position on strength. **Carpenter Technology Corp.** manufactures, fabricates, and distributes specialty metals. Its share price jumped 25% 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. **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 -21% in the quarter due to AI disruption fears. The most important moat against AI disruption narrative is VRSK's proprietary data, and management has highlighted that 90% of its revenues are underpinned by unique data sources. What makes VRSK data unique is the ISO database to which P&Cs contribute and from which they underwrite risk. Verisk's competitive advantage isn't workflow automation. It's a multi-decade data aggregation network with regulatory embedding that creates compounding returns. Contributory data and statistical submissions scale Verisk's databases to tens of billions of records, improving model accuracy and actuarial outputs as more carriers contribute. This creates a data flywheel. **Karman Holdings Inc.** is engaged in the design, test, and manufacture of mission-critical missile systems. announced the acquisition of Seemann Composites and Materials Sciences, a strategic move extending its reach into the high-priority maritime defense market. This momentum was compounded by solid fourth-quarter earnings. Additionally, the stock is benefiting from broader tailwinds in the defense and space sectors, as heightened geopolitical tensions and proposals to increase defense spending have driven investor interest. We trimmed back the position as the stock climbed 10%.

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. **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 its full-year enterprise data segment growth outlook, which boosted the stock by 21%. **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 -39% before it was sold.

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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The holdings discussed represent a particular point in time. It should not be assumed that the securities continue to be held, and/or continue to be held in the same percentage, and/or were held continuously throughout the period. In addition, the holdings of a particular client account may differ from the information provided. Securities discussed do not represent the entire portfolio and, in aggregate, may represent only a small percentage of a portfolio's holdings. Information is subject to change without notice. It should not be assumed that any of the securities discussed were or will prove to be profitable. Past performance does not guarantee future results.

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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 15 stocks. Historical turnover has averaged 73% per year. Composite inclusion threshold \$500,000. From January 1, 2007 to April 30, 2010 the fee is 150 basis points. From May 1, 2010 the fee is 100 basis points. The composite creation and inception date is September 1, 2005.

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.

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portfolio, in terms of return, time horizon, and risk constraints, as well as diverging investment perspectives and assumptions. All material has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed.

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. From January 1, 2007 to April 30, 2010 the applied standard fee was 150 basis points. From May 1, 2010 through present the applied standard fee is 100 basis points. To illustrate performance net of fees, assume \$20,000,000 is placed under management for ten years sustaining 10% compound gross total return. If an advisory fee of 1.00% of average assets under management is charged per year, for each year of the ten-year period, the resulting compound annual return would be reduced to 9.0%. The ending dollar value of the account would be \$47,347,274 compared with the unreduced account value of \$51,874,849. TimesSquare's fee schedule is available upon request and may also be found in Part 2A of our Form ADV.

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. The three-year annualized standard deviation calculation is not presented for the composite and/or benchmark for years when 36 monthly returns are not available. 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.

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