

# TimesSquare

## U.S. Mid Cap Growth

### Portfolio Management Team



**Sonu Chawla, CFA**  
26 yrs Exp  
8 yrs TSCM



**Grant Babyak**  
38 yrs Exp  
26 yrs TSCM

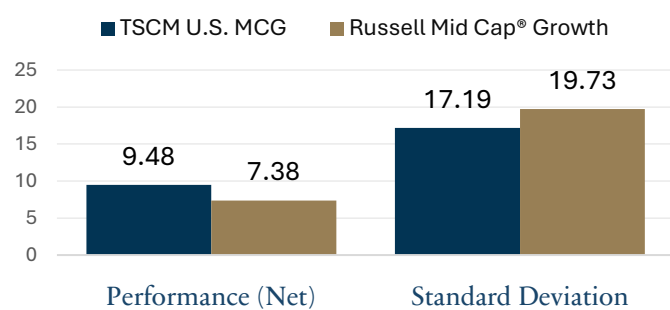


**Edward Salib**  
24 yrs Exp  
24 yrs TSCM

### Strategy Facts

|                   |                                                           |
|-------------------|-----------------------------------------------------------|
| Inception Date    | 09/30/2000                                                |
| Firm Assets*      | \$8.3 Billion                                             |
| Strategy Assets** | \$5.0 Billion                                             |
| Strategy Capacity | \$20 Billion                                              |
| Holdings (target) | 60-80 stocks                                              |
| Style             | Growth                                                    |
| Sub-style         | Quality                                                   |
| Benchmark         | Russell Mid Cap® Growth                                   |
| Vehicles          | Sep. Account   CIT   Mutual Fund<br>Model Portfolio   ETF |

### Risk-Return Metrics (Since Inception)



### The TimesSquare Investment Approach

*Seeking companies with:*

#### Quality management

- Alignment of interests with shareholders
- Experience and integrity
- Meaningful proportion of net worth tied to company

#### Distinct, sustainable competitive advantage

- Proprietary products and services
- Demonstrated franchise value
- High barriers to entry
- Relatively few competitors

#### Strong, consistent growth

- Both top line and bottom line
- Strong probability of retaining or widening margins
- High proportion of recurring revenues
- Sales to many customers in multiple markets

### Portfolio & Risk Characteristics – Five Year

|                    | TSCM<br>U.S. MCG | Russell Mid Cap®<br>Growth |
|--------------------|------------------|----------------------------|
| Alpha              | 2.08             | -                          |
| Beta               | 0.83             | 1.00                       |
| Information Ratio  | 0.24             | -                          |
| Sharpe Ratio       | 0.22             | 0.12                       |
| Active Share       | 78%              | -                          |
| Mkt Cap (Wtd. Avg) | \$49.2B          | \$42.4B                    |
| 12-Mo Turnover (%) | 34.8%            | -                          |

\* Includes Assets Under Management (AUM) and Assets Under Advisory (AUA).

\*\* Includes \$232 million of TimesSquare U.S. Focused Mid Cap Growth assets, of which \$185 million are AUA, and \$2 million of TimesSquare U.S. Mid Cap Growth AUA.

## Quarterly Highlights

- **Summary:** During the period, the Strategy returned 18.20% (Net of fees) vs. 14.55% for the Russell Midcap® Growth Index, producing an excess return of +3.66% as compared to the benchmark.
- **Key Contributors:** Performance during the quarter was led by key holdings in the Technology and Industrials sectors: **Palo Alto** (+112%), **JFrog** (+92%), **Carpenter Technology** (+57%), **Marvell** (+203%), and **MKS** (+94%) were standout contributors, all either benefiting from AI infrastructure demand or their own sales momentum.
- **Key Detractors:** Performance was influenced by weakness in specific holdings in the Energy, Health Care, Industrials, and Consumer Discretionary sectors: **Karman Holdings** (-38%), **Insmid** (-35%), **Cheniere Energy** (-16%), **Tractor Supply** (-30%), and **GFL Environmental** (-12%).
- **Positioning:** We stay disciplined and bottom-up, leaning into pricing dislocations created by a policy-driven capital allocation backdrop (energy, defense, tech supply chains). We added 6 new positions and exited 4 while opportunistically adjusting about a quarter of the existing positions. We also raised our market-cap purchase range (\$66B upper / \$2.5B lower) as a function of the benchmark's new profile post-Russell reconstitution.

## Performance

|                         | 2Q    | YTD  | 1-Yr  | 3-Yr  | 5-Yr | 10-Yr | Since Inception<br>(09/30/2000) |
|-------------------------|-------|------|-------|-------|------|-------|---------------------------------|
| Composite (Gross)       | 18.42 | 9.51 | 10.34 | 13.80 | 7.31 | 13.85 | 10.36                           |
| Composite (Net)         | 18.20 | 9.08 | 9.47  | 12.91 | 6.47 | 12.95 | 9.48                            |
| Russell Mid Cap® Growth | 14.55 | 7.27 | 6.17  | 15.59 | 6.02 | 13.04 | 7.38                            |

Annualized for periods greater than one year. See important disclosures.

## Top 10 Holdings

| Security                 | Rep. Portfolio*<br>(%) |
|--------------------------|------------------------|
| Carpenter Technology     | 3.61                   |
| EMCOR                    | 3.18                   |
| Monolithic Power Systems | 3.11                   |
| Comfort Systems          | 3.00                   |
| Snowflake                | 2.74                   |
| MKS                      | 2.64                   |
| Lattice                  | 2.63                   |
| Curtiss-Wright           | 2.52                   |
| Interactive Brokers      | 2.49                   |
| Axon                     | 2.40                   |
| <b>Top 10 Total</b>      | <b>28.32</b>           |

## Sector Allocation

| Sector                 | Rep. Portfolio*<br>(%) | Russell Mid Cap®<br>Growth (%) |
|------------------------|------------------------|--------------------------------|
| Communication Services | 2.62                   | 5.33                           |
| Consumer Discretionary | 6.75                   | 11.61                          |
| Consumer Staples       | 4.00                   | 1.98                           |
| Energy                 | 5.39                   | 3.59                           |
| Financials             | 6.15                   | 4.58                           |
| Health Care            | 12.39                  | 12.63                          |
| Industrials            | 27.80                  | 22.55                          |
| Information Technology | 30.34                  | 31.28                          |
| Materials              | 1.57                   | 1.65                           |
| Real Estate            | 1.36                   | 2.20                           |
| Utilities              | 1.63                   | 2.61                           |

\*The representative portfolio is an account that reflects the current management style for this strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio may differ from those of other managed accounts and from those of a start-up portfolio. The characteristics relate to the portfolio as of a particular point in time and should not be regarded as predictive.

## Market Environment Analysis: TimesSquare U.S. Mid Cap Growth

Average Monthly Rolling 5-Year Returns Since Inception (10/2000-06/2026)

| All Market Environments     | Gross         | Net           |
|-----------------------------|---------------|---------------|
| TSCM MCG                    | 12.25%        | 11.37%        |
| Russell Mid Cap® Growth     | 10.40%        | 10.40%        |
| <b>Excess Return</b>        | <b>+1.85%</b> | <b>+1.97%</b> |
| <i># of rolling periods</i> | <i>250</i>    | <i>250</i>    |
| <i>Periods Outperformed</i> | <i>209</i>    | <i>150</i>    |
| <b>Batting Average</b>      | <b>84%</b>    | <b>60%</b>    |

| Normal Markets (0-15% return) | Gross         | Net           |
|-------------------------------|---------------|---------------|
| TSCM MCG                      | 12.72%        | 9.85%         |
| Russell Mid Cap® Growth       | 8.69%         | 8.69%         |
| <b>Excess Return</b>          | <b>+2.03%</b> | <b>+1.17%</b> |
| <i># of rolling periods</i>   | <i>183</i>    | <i>183</i>    |
| <i>Periods Outperformed</i>   | <i>169</i>    | <i>124</i>    |
| <b>Batting Average</b>        | <b>92%</b>    | <b>68%</b>    |

| Negative Markets (<0% return) | Gross         | Net           |
|-------------------------------|---------------|---------------|
| TSCM MCG                      | 3.62%         | 2.80%         |
| Russell Mid Cap® Growth       | -2.58%        | -2.58%        |
| <b>Excess Return</b>          | <b>+6.20%</b> | <b>+5.38%</b> |
| <i># of rolling periods</i>   | <i>11</i>     | <i>11</i>     |
| <i>Periods Outperformed</i>   | <i>11</i>     | <i>11</i>     |
| <b>Batting Average</b>        | <b>100%</b>   | <b>100%</b>   |

| Speculative Markets (>15% return) | Gross         | Net           |
|-----------------------------------|---------------|---------------|
| TSCM MCG                          | 18.93%        | 18.01%        |
| Russell Mid Cap® Growth           | 18.55%        | 18.55%        |
| <b>Excess Return</b>              | <b>+0.38%</b> | <b>+0.54%</b> |
| <i># of rolling periods</i>       | <i>56</i>     | <i>11</i>     |
| <i>Periods Outperformed</i>       | <i>29</i>     | <i>56</i>     |
| <b>Batting Average</b>            | <b>52%</b>    | <b>27%</b>    |

### Disclosures

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Variations in performance can be attributed to a number of factors, including, but not limited to, cash flows, timing of purchases and sales of portfolio securities, and investment restrictions imposed by account holders. There can be no assurance that the future performance of an individual account will be the same as the performance of any other account, including those represented in the historical record we present.

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.

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](#).

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For the TimesSquare Glossary, please visit [here](#).

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