

# 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

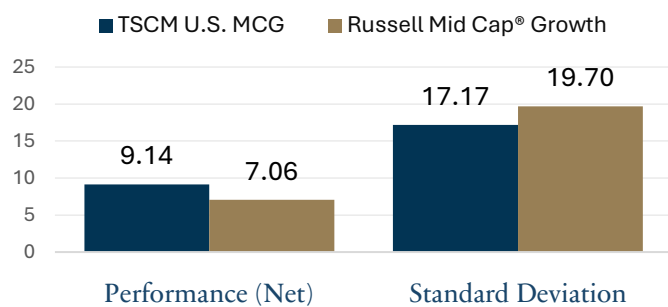


**Edward Salib**  
24 yrs Exp  
24 yrs TSCM

### Strategy Facts

|                   |                                                           |
|-------------------|-----------------------------------------------------------|
| Inception Date    | 09/30/2000                                                |
| Firm Assets*      | \$7.0 Billion                                             |
| Strategy Assets** | \$4.7 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              | 1.56             | -                          |
| Beta               | 0.82             | 1.00                       |
| Information Ratio  | 0.16             | -                          |
| Sharpe Ratio       | 0.11             | 0.05                       |
| Active Share       | 76%              | -                          |
| Mkt Cap (Wtd. Avg) | \$52.2B          | \$45.3B                    |
| 12-Mo Turnover (%) | 32.0%            | -                          |

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

\*\* Includes \$250 million of TimesSquare U.S. Focused Mid Cap Growth assets, of which \$203 million are AUA, and \$1 million of TimesSquare U.S. Mid Cap Growth AUA.

## Quarterly Highlights

- **Summary:** During the period, the Strategy returned -5.70% (Net of fees) vs. -5.84% for the Russell Midcap® Growth Index, producing an excess return of +0.14% as compared to the benchmark.
- **Key Contributors:** Performance was led by holdings in the Consumer Discretionary, Health Care, and Communication Services sectors. Software and health care technology names that beat expectations on AI-driven demand stood out: **Veeva Systems** (+61%), **Dynatrace** (+32%), and **Elastic** (+61%).
- **Key Detractors:** Positioning in the Industrials, Financials, and Energy sectors weighed on results. Holdings with solid results were caught in sharp semiconductor and aerospace and defense de-ratings: **MKS** (-40%), **Carpenter Technology** (-37%), and **Curtiss-Wright** (-28%).
- **Positioning:** We remain committed to the quality-growth discipline that has helped the portfolio hold up on down days, using a difficult September to examine whether benchmark leadership reflects secular themes the portfolio underrepresents. Our sector views are selective, favoring areas where AI adoption is still early while monitoring higher financing costs, crowded valuations, and whether AI spending continues to lift earnings revisions. We initiated 6 new positions and exited 8 while opportunistically adjusting about a quarter of the existing positions.

## Performance

|                         | 3Q    | YTD  | 1-Yr  | 3-Yr  | 5-Yr | 10-Yr | Since Inception<br>(09/30/2000) |
|-------------------------|-------|------|-------|-------|------|-------|---------------------------------|
| Composite (Gross)       | -5.51 | 3.48 | -1.17 | 13.17 | 5.82 | 12.73 | 10.01                           |
| Composite (Net)         | -5.70 | 2.86 | -1.95 | 12.28 | 4.99 | 11.85 | 9.14                            |
| Russell Mid Cap® Growth | -5.84 | 1.01 | -2.73 | 15.34 | 4.91 | 11.85 | 7.06                            |

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

## Top 10 Holdings

| Security                 | Rep. Portfolio*<br>(%) |
|--------------------------|------------------------|
| Snowflake                | 4.21                   |
| EMCOR                    | 3.05                   |
| Comfort Systems          | 2.68                   |
| Cencora                  | 2.67                   |
| Monolithic Power Systems | 2.67                   |
| Palo Alto                | 2.49                   |
| Interactive Brokers      | 2.40                   |
| Carpenter Technology     | 2.38                   |
| IFrog                    | 2.36                   |
| Lattice Semiconductor    | 2.29                   |
| <b>Top 10 Total</b>      | <b>27.21</b>           |

## Sector Allocation

| Sector                 | Rep. Portfolio*<br>(%) | Russell Mid Cap®<br>Growth (%) |
|------------------------|------------------------|--------------------------------|
| Communication Services | 3.23                   | 4.65                           |
| Consumer Discretionary | 5.74                   | 10.69                          |
| Consumer Staples       | 3.71                   | 1.85                           |
| Energy                 | 5.72                   | 4.33                           |
| Financials             | 6.28                   | 5.10                           |
| Health Care            | 13.79                  | 14.10                          |
| Industrials            | 22.41                  | 19.26                          |
| Information Technology | 34.96                  | 33.93                          |
| Materials              | 1.63                   | 1.77                           |
| Real Estate            | 1.35                   | 2.11                           |
| Utilities              | 1.18                   | 2.21                           |

\*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 (10/2000-09/2026)

| All Market Environments     | Gross         | Net           | Negative Markets (<0% return) | Gross         | Net           |
|-----------------------------|---------------|---------------|-------------------------------|---------------|---------------|
| TSCM MCG                    | 12.17%        | 11.30%        | TSCM MCG                      | 3.62%         | 2.80%         |
| Russell Mid Cap® Growth     | 10.33%        | 10.33%        | Russell Mid Cap® Growth       | -2.58%        | -2.58%        |
| <b>Excess Return</b>        | <b>+1.84%</b> | <b>+0.96%</b> | <b>Excess Return</b>          | <b>+6.20%</b> | <b>+5.38%</b> |
| <i># of rolling periods</i> | <i>253</i>    | <i>253</i>    | <i># of rolling periods</i>   | <i>11</i>     | <i>11</i>     |
| <i>Periods Outperformed</i> | <i>212</i>    | <i>153</i>    | <i>Periods Outperformed</i>   | <i>11</i>     | <i>11</i>     |
| <b>Batting Average</b>      | <b>84%</b>    | <b>60%</b>    | <b>Batting Average</b>        | <b>100%</b>   | <b>100%</b>   |

| Normal Markets (0-15% return) | Gross         | Net           | Speculative Markets (>15% return) | Gross         | Net           |
|-------------------------------|---------------|---------------|-----------------------------------|---------------|---------------|
| TSCM MCG                      | 10.64%        | 9.78%         | TSCM MCG                          | 18.93%        | 18.01%        |
| Russell Mid Cap® Growth       | 8.62%         | 8.62%         | Russell Mid Cap® Growth           | 18.55%        | 18.55%        |
| <b>Excess Return</b>          | <b>+2.02%</b> | <b>+1.16%</b> | <b>Excess Return</b>              | <b>+0.38%</b> | <b>-0.54%</b> |
| <i># of rolling periods</i>   | <i>186</i>    | <i>186</i>    | <i># of rolling periods</i>       | <i>56</i>     | <i>56</i>     |
| <i>Periods Outperformed</i>   | <i>172</i>    | <i>127</i>    | <i>Periods Outperformed</i>       | <i>29</i>     | <i>15</i>     |
| <b>Batting Average</b>        | <b>92%</b>    | <b>68%</b>    | <b>Batting Average</b>            | <b>52%</b>    | <b>27%</b>    |

### Disclosures

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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.

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

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