

# U.S. Mid Cap Growth Profile

## OVERVIEW

TimesSquare Capital Management, LLC (TimesSquare) offers a U.S. mid cap growth strategy primarily for institutional investors, managed by a tightly knit team of experienced professionals with a time-tested, successful strategy for identifying quality growth companies.

## PHILOSOPHY

TimesSquare believes that its proprietary fundamental mid cap research skills, which place a particular emphasis on the assessment of management quality and an in-depth understanding of sustainable growth business models, enable it to build a diversified portfolio of mid cap growth stocks that will generate competitive returns.

## OBJECTIVE

To outperform the Russell Midcap® Growth Index in a risk-controlled manner.

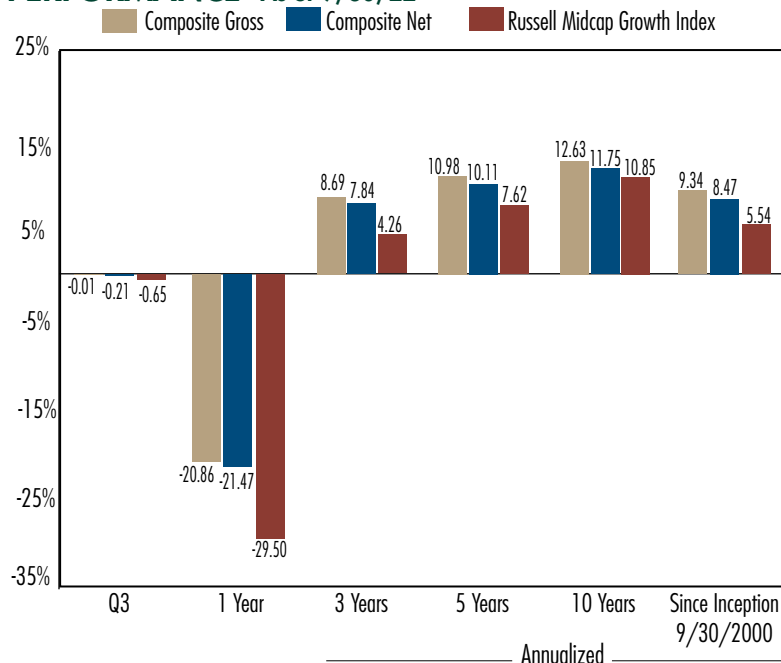
## STRATEGY

The team uses a unique bottom up, fundamental research-intensive approach to identify mid cap growth stocks which we believe have the greatest potential to achieve 25%-50% price appreciation over a long-term horizon. TimesSquare invests in companies with market capitalizations between \$2 billion and \$30 billion at time of purchase. Investment ideas are primarily internally generated and confirmed through traditional financial analysis, company visits, and management assessments.

## ASSETS UNDER MANAGEMENT

As of 9/30/22, TimesSquare managed \$4.1 billion in U.S. mid cap growth assets.

## PERFORMANCE As of 9/30/22



For investment professional use only

## Purchase Criteria for Quality Growth Companies

Primary and Supporting Requirements:

- **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

## Valuation Criteria

- Current p/e at a discount to absolute earnings growth
- Attractive p/e relative to industry group

## Risk Management Through Portfolio Construction

- Generally 75 stocks in a diversified portfolio
- Strict sell discipline - loss of confidence in management, deterioration in fundamentals, operating objectives not met, reason for purchase no longer exists, overvaluation, displacement by better idea

See important disclosure on reverse page.

Past performance does not indicate future results. There is a risk that invested capital may be lost.

Data for Russell Index is sourced from FactSet.

## U.S. MID CAP GROWTH STRATEGY

| Calendar Year Performance |                 |               |                        | Sector Allocation (As of 9/30/22) |                                       |                        |
|---------------------------|-----------------|---------------|------------------------|-----------------------------------|---------------------------------------|------------------------|
|                           | Composite Gross | Composite Net | Russell Midcap® Growth |                                   | Representative Portfolio <sup>1</sup> | Russell Midcap® Growth |
| 2021                      | 17.25%          | 16.33%        | 12.73%                 | Communication Services            | 2.4%                                  | 5.5%                   |
| 2020                      | 34.45           | 33.41         | 35.59                  | Consumer Discretionary            | 12.4                                  | 14.5                   |
| 2019                      | 38.54           | 37.47         | 35.47                  | Consumer Staples                  | 2.1                                   | 3.0                    |
| 2018                      | -3.45           | -4.23         | -4.75                  | Energy                            | 4.1                                   | 4.7                    |
| 2017                      | 23.79           | 22.82         | 25.27                  | Financials                        | 7.7                                   | 5.6                    |
| 2016                      | 8.59            | 7.73          | 7.33                   | Health Care                       | 15.7                                  | 16.4                   |
| 2015                      | 1.61            | 0.80          | -0.20                  | Industrials                       | 19.3                                  | 15.3                   |
| 2014                      | 6.40            | 5.56          | 11.90                  | Information Technology            | 30.9                                  | 29.2                   |
| 2013                      | 38.43           | 37.36         | 35.74                  | Materials                         | 3.0                                   | 3.8                    |
| 2012                      | 19.88           | 18.94         | 15.81                  | Real Estate                       | 2.4                                   | 1.9                    |
| 2011                      | -0.73           | -1.53         | -1.65                  | Utilities                         | 0.0                                   | 0.3                    |

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<sup>1</sup>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.

## TIMESQUARE U.S. MID CAP GROWTH TEAM

| Investment Focus          |  | Years of Experience |
|---------------------------|--|---------------------|
| <b>Portfolio Managers</b> |  |                     |
| Sonu Chawla, CFA          | Generalist / Technology Services, Software, Internet & Communications                  | 22                  |
| Grant R. Babyak           | Generalist   | 34                  |
| Tony Rosenthal, CFA       | Generalist   | 33                  |
| <b>Analysts</b>           |  |                     |
| Seth M. Bienstock         | Financial Services   | 25                  |
| Kenneth C. Duca, CFA      | Business Services, Transaction Processing, Energy                                      | 32                  |
| David Ferreira, Ph.D.     | Biotechnology, Pharmaceuticals, Medical Devices  | 16                  |
| Mark E. Grzymiski         | Industrials, Materials & Processing, Machinery, Transportation, Aerospace, Defense     | 25                  |
| Bret D. Jones, CFA        | Health Care Services, Tools & Diagnostics  | 18                  |
| Michael J. Russell        | Consumer Discretionary, Consumer Staples, Marketing Services                           | 29                  |
| Edward F. Salib           | Consumer Discretionary, Consumer Staples, Marketing Services                           | 20                  |
| Jason A. Shum, CFA        | Semiconductors, Travel, Gaming, Telecommunications/Cable & IT Hardware                 | 13                  |
| Greg J. Vasse             | Industrials, Machinery, Transportation, Environmental Services, Materials & Processing | 18                  |

### Important Disclosure Regarding Past Performance 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. From October 1, 2000 to November 18, 2004, the performance is that of the TimesSquare Inc. mid cap composite. From November 19, 2004, the performance is that of the TimesSquare mid cap composite which consists of all discretionary mid cap accounts managed by the team at TimesSquare and TimesSquare Inc. with market values greater than \$5 million and investments consistent with the composite definition. There has been no change in the investment management responsibility or strategy from the prior firm.

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.

The performance figures shown 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 as well as net of the highest management fee of 0.80% charged by TimesSquare to separately managed institutional accounts in this composite. 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.

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. Russell Investment Group is the source and owner of the Russell Index data contained herein and all trademarks and copyrights related thereto.

The opinions and information expressed and provided are for general information only and are not intended to provide specific advice or recommendations but rather, a basis from which strategies can be built, taking into account the specific objectives of each 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.

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.

The performance information represented herein is intended for use only by institutional and high-net-worth investors and is not for distribution to a wider audience.



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