

# U.S. FOCUS Growth Equity Profile

## OVERVIEW

TimesSquare Capital Management, LLC (TimesSquare) offers a concentrated U.S. growth equity strategy, 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 growth equity 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 concentrated portfolio of growth equity stocks that will generate competitive returns over the long term.

## OBJECTIVE

To outperform the Russell Midcap<sup>®</sup> Growth Index over a full market cycle.

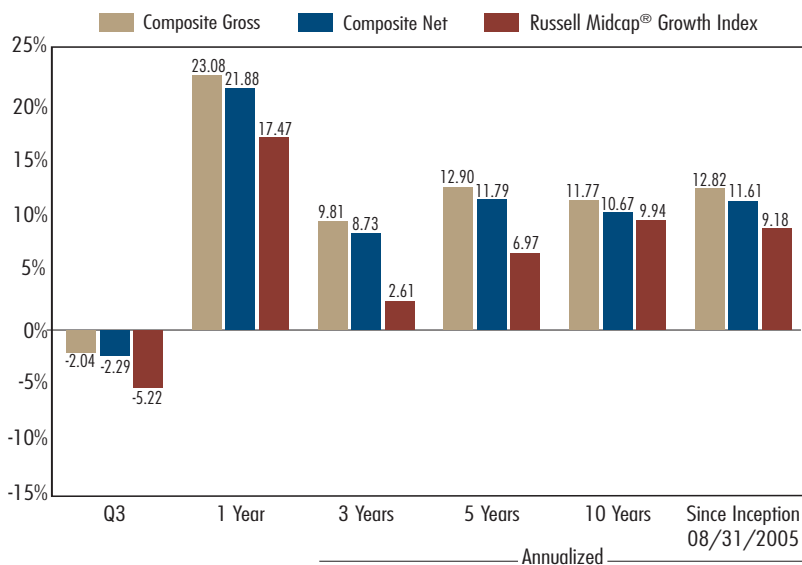
## STRATEGY

The team uses a unique bottom up, fundamental research-intensive approach to identify a select group of approximately 15 growth stocks which we believe have the greatest potential to achieve 25%-50% price appreciation over a long-term horizon. TimesSquare FOCUS Growth Equity generally invests in approximately 15 companies in which we have the highest conviction with market capitalizations between \$1.5 billion and \$40 billion at time of purchase. Investment ideas are primarily internally generated and confirmed through traditional financial analysis, company visits, and management assessments. By focusing on a concentrated portfolio of our "best ideas", average position size is higher leading to greater potential performance contribution when a stock gains value.

## ASSETS UNDER MANAGEMENT

As of 09/30/23, TimesSquare managed \$35 million in U.S. FOCUS Growth Equity assets.

## PERFORMANCE As of 09/30/23



*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
- Price/cash flow, price/revenue, etc., as appropriate depending on industry

### Risk Management Through Portfolio Construction

- Diversification - Prudent diversification by market sector and industry
- 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. FOCUS GROWTH EQUITY STRATEGY

Calendar Year Performance			
	Composite Gross	Composite Net	Russell Midcap® Growth
2022	-20.18%	-20.98%	-26.72%
2021	23.35	22.15	12.73
2020	31.81	30.53	35.59
2019	41.38	40.02	35.47
2018	-4.55	-5.51	-4.75
2017	25.42	24.19	25.27
2016	1.93	0.92	7.33
2015	-1.73	-2.71	-0.20
2014	5.11	4.07	11.90
2013	35.80	34.48	35.74

Top Ten Holdings (As of 09/30/23)	
Security Description	% of Representative Portfolio <sup>1</sup>
Palo Alto Networks	8.07
Waste Connections	7.93
Chemed	7.69
Gartner	7.20
Cintas	7.05
RenaissanceRe	6.81
O'Reilly Automotive	6.12
Brunswick	6.08
Martin Marietta Materials	6.01
Synopsys	5.71

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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. FOCUS GROWTH EQUITY TEAM

Investment Focus		Years of Experience
<b>Portfolio Managers</b>		
Sonu Chawla, CFA	Generalist / Technology Services, Software, Internet & Communications	23
Grant R. Babyak	Generalist	35
<b>Analysts</b>		
Seth M. Bienstock	Financial Services	26
Kenneth C. Duca, CFA	Business & Information Services, Energy	33
David Ferreira, Ph.D.	Biotechnology, Pharmaceuticals, Medical Devices	17
Mark E. Grzynski	Industrials, Materials & Processing, Transportation, Aerospace, Defense	26
Bret D. Jones, CFA	Health Care Services, Tools & Diagnostics	19
Michael J. Russell	Consumer Discretionary, Consumer Staples, Marketing Services	30
Edward F. Salib	Consumer Discretionary, Consumer Staples, Marketing Services	21
Jason A. Shum, CFA	Semiconductors, Travel, Gaming, Telecommunications/Cable & IT Hardware	14
Greg J. Vasse	Industrials, Materials & Processing, Transportation, Environmental Services	19
<b>Analysts</b>		
Robert Majek	Software, Technology Services, Internet & Communications	11
Jacob C. Troutman, CFA	Business & Information Services, Energy	14
Margot Waldron	Health Care	7

### Important Disclosure Regarding Performance Information

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. Since this strategy is a concentrated strategy, it will generally hold fewer stocks than other investment strategies, and will thus be less diversified and may be more volatile, with possibly greater swings in value due to the performance of individual portfolio holdings.

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 amount of the highest fee charged to any client employing this strategy during the period presented. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. TimesSquare's fee schedule is available upon request and may also be found in Part 2A of our Form ADV.

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.

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.

### About TimesSquare Capital Management, LLC

TimesSquare is a fundamental research-oriented equity investment management firm specializing in growth equity strategies for institutional investors. Senior team members have a long tenure managing equity portfolios for institutional investors, with the Firm's investment process tracing its roots back to 1984. TimesSquare is a significantly employee-owned organization. We believe that this broad equity participation aligns the interests of our clients and associates, and promotes retention of key professionals.

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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09/30/23