

U.S. FOCUS Growth Strategy

Representative Commentary — 4Q25

Performance	Annualized						
	4Q25	YTD	1YR	3YR	5YR	7YR	10YR
FOCUS Growth Equity Composite (Gross)	-3.55%	14.84%	14.84%	21.18%	11.87%	18.41%	14.82%
FOCUS Growth Equity Composite (Net)	-3.76%	13.88%	13.88%	20.11%	10.84%	17.30%	13.72%
Russell Midcap® Growth Index	-3.70%	8.66%	8.66%	18.62%	6.64%	14.19%	12.48%

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.

Global equity markets ended the fourth quarter in positive territory, with Europe as a standout performer, followed by Emerging Markets. Large caps outperformed small in most markets. The U.S. and China extended their trade truce for another year, though geopolitical issues—tariffs or otherwise—continued to simmer worldwide. In Europe, the U.K. and France signed a declaration of intent to deploy troops to Ukraine if a peace deal is reached with Russia; territory remains a key outstanding issue in negotiations. Within the Western Hemisphere, the Trump administration launched a strike in Venezuela to seize Maduro. This signals a tougher approach toward Latin America, with additional ramifications for the Energy sector. Across major central banks, the U.S. Federal Reserve and the Bank of England eased further, while the ECB held steady and the Bank of Japan tightened. Manufacturing activity decreased, while service industries fared better.

Third-quarter GDP was better than expected; however, consumers remain cautious amid continued signs of labor-market softening. That proved to be the key consideration for the Fed's further interest rate cuts. There was a low-quality bias in the market across small- to mid-cap stocks, with strong results for companies with low Returns on Equity. Among small-cap growth stocks, where companies without earnings were far more common, those stocks were highly rewarded.

Amidst this market environment, the portfolio slightly outperformed the Russell Midcap® Growth Index in the fourth quarter, and ended the year well ahead of the benchmark.

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 auto parts and accessories, lost -15%. Third quarter results featured better-than-expected revenues, same-store sales, and earnings; however operating expenses were higher. Do-it-for-me professional mechanic sales trends were positive while do-it-yourself (DIY) saw lower transaction levels. Management commented on tariff-driven price increases taking effect and affecting DIY. New to the portfolio this quarter was **Performance Food Group Co.**, a food products distributor. Its customers include restaurants, businesses, schools, healthcare facilities, big-box retailers, theaters, and convenience stores.

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 Louisiana and Texas. Management reported a slight miss on third-quarter profits due to volume mix, which caused its shares to slide by -17%. Full-year profit guidance was maintained. Share buybacks, however, surprised to the upside and that continued into the fourth quarter.

In the Financials sector, we tend to avoid banks facing credit deterioration or rising deposit costs, preferring asset managers, specialized insurance companies, or financial technology providers. Alternative asset manager **TPG** highlighted stronger-than-expected fundraising in the third quarter. The company continues to see healthy LP demand for its flagship Private Equity strategies while building momentum in cross-selling Credit strategies and showing early success in the Wealth channel. As a result, TPG's share price rose 12%. **Interactive Brokers Group Inc.** offers custody and account services for hedge funds, mutual funds, exchange-traded funds, registered investment advisers, and individual investors. Third-quarter earnings surpassed Street estimates. The upside was driven by robust account growth, higher revenues, and lower expenses. December marked the thirteenth consecutive month with year-over-year account growth above 30%. Reflecting a broader market pullback, total client Daily Average Revenue Trades (DARTs) declined sequentially in December as volumes softened across equities, options, and futures. Despite this year-end dip, fourth-quarter DARTs comfortably surpassed Wall Street estimates. Shares of Interactive Brokers fell by -6% in the quarter.

Our preferred Health Care stocks are companies that provide novel therapies for unmet needs and command premium pricing, or specialized service providers. **Cencora Inc.**, a pharmaceutical sourcing and distribution company, gained 8%. Fiscal fourth-quarter earnings outpaced consensus estimates, with strength in the U.S. offsetting a miss in international business. Management also announced that it is considering strategic alternatives for the animal health and non-core parts of its PharmaLex business. **Veeva Systems Inc.** provides industry cloud solutions to the global life sciences industry. The company delivered solid fiscal third-quarter results and issued guidance above the Street. Veeva management reiterated confidence in achieving its 2030 financial targets, maintaining that the current focus on competitive dynamics with Salesforce.com in the customer relationship management (CRM) market (20% of Veeva's total revenues) does not undermine its long-term trajectory. Despite these positives, the stock sold off by -25% on competitive concerns in the CRM market as Veeva projected lower Vault CRM customer versus its initial expectations.

Many of our Industrial positions provide necessary business-to-business operational services, highly technical components, equipment enabling automation & efficiency improvements, or essential infrastructure services. **Carpenter Technology Corp.** manufactures, fabricates, and distributes specialty metals. They are a key supplier to the aerospace, defense, medical, transportation, energy, and industrial markets. The combination of strong fiscal first-quarter results and higher-than-expected forward guidance lifted the stock by 29%. **EMCOR Group Inc.** provides electrical, mechanical, construction, and facilities services. Although the company's third-quarter revenues and earnings outpaced sell-side projections, the results were overshadowed by very strong performance from a key competitor during the same quarter, which led to a -6% pullback. **Verisk Analytics Inc.** provides data, analytics, and technology services to the insurance industry. Third-quarter results were mixed, and forward profit guidance was lowered to reflect the closing of its AccuLynx acquisition and moderating organic growth trends. The latter was impacted by lower storm activity and a reduction in a government contract. Management views these headwinds as temporary. Nevertheless, shares of Verisk Analytics retreated by -11%. During the quarter we initiated a position in **Karman Holdings**, a missile systems design and manufacturing specialist. Despite good third quarter results, its share price experienced weakness amid a broader sell-off in space and defense stocks, which provided a good entry point. We believe Karman remains well-positioned as a vital picks-and-shovels provider in the defense and commercial space industries. As a critical enabler across the sector, the company supports the replenishment of defense stockpiles, the expansion of commercial satellite constellations like Starlink and Amazon Kuiper, and major Department of Defense investments in hypersonic and air defense systems.

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. **Amphenol Corp.** designs and manufactures electrical, electronic, and fiber-optic connectors. Its shares climbed 9% on the heels of a strong quarter, with revenues and earnings well above both company guidance and Street estimates. Management noted their production cycle times have shortened after adding capacity to service demand. Defense, commercial aerospace, and data communications were highlighted for solid sales. **HubSpot Inc.**, a cloud-based customer relationship management platform provider, dropped by -14%. The company delivered a beat-and-raise quarter, but elevated expectations following its September Analyst Day—where it disclosed 25% year-on-year growth in net new annualized recurring revenues for the first half of 2025—led investors to anticipate near-term revenue acceleration. This improvement is expected to materialize gradually rather than immediately. In our subsequent meeting with the company, their CEO expressed confidence in sustained core growth levers, including platform consolidation, multi-hub adoption, and strong upmarket momentum. The share price of access security solutions provider **CyberArk Software** fell -8%,

despite reporting strong third quarter results. The stock is now closely linked to Palo Alto Networks following its stock and cash acquisition offer. A post-earnings pullback in Palo Alto Networks shares drove the decline in CyberArk.

As we enter 2026, the global landscape continues to evolve, shaped by trends toward national economic resilience and shifting trade dynamics. We are currently awaiting a Supreme Court decision on the Trump Administration's tariffs; should the court rule against the current measures, we expect the administration to pivot toward alternative trade enforcement frameworks. The implementation of the "One Big Beautiful Bill" is projected to drive higher consumer tax refunds and catalyze corporate capital spending. Furthermore, we anticipate a significant acceleration in AI adoption as the year unfolds. Regional frictions—from Venezuela to maritime tensions in the Pacific—continue to elevate geopolitical uncertainty. Through this complexity, we remain focused on the fundamentals, seeking those steady management teams capable of creating economic growth at their companies, which we believe will be rewarded over time by the markets. As always, we are available to answer any questions you may have.

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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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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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