

# Large Cap Growth Equity

First Quarter 2026 · Investment Commentary

**-7.74%**

Portfolio Return (Gross)  
Q1 2026

**-7.88%**

Portfolio Return (Net)  
Q1 2026

**-9.78%**

Benchmark Return  
Russell 1000® Growth Index

**+190 bps**

Outperformance vs. benchmark

## MARKET BACKDROP

Equity markets declined broadly in the first quarter, with the S&P 500 falling over 4% in what proved to be a tale of two distinct phases. Through February, indices traded in a relatively tight range despite meaningful rotation beneath the surface, as AI displacement fears weighed heavily on software and spilled into private credit. That dynamic shifted abruptly at the end of February when the conflict with Iran escalated, effectively closing the Strait of Hormuz and removing roughly 20 million barrels per day of crude and refined products from global trade. Energy was the standout sector for the quarter, gaining nearly 40%, while technology, financials, and consumer discretionary bore the brunt of the selloff.

## PERFORMANCE OVERVIEW

Westfield's Large Cap Growth Equity Composite (the "portfolio") returned -7.88% net, outperforming the Russell 1000® Growth Index by 190 bps. The strategy's preservation of capital during the quarter was driven by strong stock selection within Industrials, Information Technology, Consumer Discretionary, and Health Care. The following discussion reflects relative performance from the representative account.

The portfolio's quality-focused positioning allowed the team to navigate a very volatile and ever-changing macro backdrop.

**Industrials (+163 bps):** The portfolio's most significant active overweight was the primary driver of relative performance for the quarter. Holdings aligned with AI and data center-driven power infrastructure, grid modernization, and aerospace aftermarket services benefited from strong backlog growth and durable order trends that support multi-year earnings visibility. The team maintained and modestly added to this overweight through the quarter given the conviction in the secular demand backdrop.

**Information Technology (+42 bps):** Performance was driven by exposure to semiconductor capital equipment companies tied to AI infrastructure buildout and advanced packaging demand. Additionally, the portfolio's underweight to the Software segment, which faced significant multiple compression amid concerns over AI disintermediation, was additive to relative results. The team's preference for companies where AI demand is a clear and defensible tailwind, rather than those where valuations reflect sentiment more than near-term earnings power, supported positioning discipline throughout the quarter.

**Consumer Discretionary (+25 bps):** Selective positioning in names with defensible competitive positions and durable earnings profiles contributed positively. Holdings benefited from exposure to the cyclical recovery trade early in the quarter, and the portfolio's underweight to more cyclically sensitive areas of the sector was additive as macro sentiment deteriorated through the period.

**Health Care (+18 bps):** Strong stock selection within Biopharma drove relative results in the sector. Commercial-stage companies executing against their near-term plans and development-stage names benefiting from continued mergers and acquisitions activity within large-cap pharma and positive clinical catalysts were both contributors to performance.

## TOP CONTRIBUTORS

(VRT-US) **Vertiv Holdings**, a global provider of critical digital infrastructure and continuity solutions for data centers, was the largest contributor to relative performance during the quarter. Q4 results were highlighted by exceptional organic order

growth, book-to-bill well above 1x, and backlog surging to a new record and more than doubling year-over-year. Full-year guidance came in well above consensus, with EPS and revenue significantly ahead of Street estimates, and customer feedback from data center buyer panels ranked Vertiv as the number-one power and thermal management provider ahead of Schneider and Eaton. The stock was also added to the S&P 500, providing a meaningful flow tailwind. We trimmed the position for risk management purposes, maintaining it as our largest active position, and believe Vertiv's competitive moat continues to strengthen as data center purchasing decisions consolidate around leading OEMs.

(ASND-US) **Ascendis Pharma**, a biopharmaceutical company focused on endocrinology rare diseases, was a notable contributor during the quarter. The FDA approved Yuviwel (navepegritide) for achondroplasia in pediatric patients with a favorable label including explicit switching guidance from competing products. The company also reported compelling 52-week COACH trial data evaluating TransCon CNP and TransCon hGH in combination, showing patients essentially reaching normal height after one year of therapy, results we believe position the combination as the new standard of care. Yorvipath Q4 sales beat consensus, and management guided full-year operating cash flow well above Street expectations. We actively managed position size throughout the quarter, reflecting disciplined risk management around a high-conviction holding, and believe the Street continues to significantly undervalue the achondroplasia franchise.

(HWM-US) **Howmet Aerospace**, a global supplier of advanced engineered products for the aerospace and transportation industries, was a notable contributor during the quarter. Q4 earnings and revenue exceeded expectations, and Q1 guidance came in well above Street estimates. Positive read-throughs from peer Woodward, Inc. (WWD-US), whose Q4 results showed strong year-over-year OE sales growth, reinforced the view that commercial aerospace OE demand remains robust. We believe Howmet's margins should continue to expand as the business mix shifts toward higher-margin aerospace products, and the company's substantial share repurchase authorization provides additional support for shareholder returns.

(GEV-US) **GE Vernova**, a global energy technology company serving the power generation and electrification markets, was a top contributing name during the quarter. The stock benefited from heightened conviction around the durable, multi-year power infrastructure buildout driven by data center and AI-related demand. Industry developments, including reports that the administration may push utilities to hold emergency auctions compelling tech companies to fund new power plants, reinforced the favorable backdrop for power equipment providers. We view GEV as part of a broader thesis on durable AI industrials, where grid and infrastructure spending operates on a multi-year lag to leading-edge AI buildout, with permitting, regulation, and workforce constraints creating a long and visible growth runway.

(TSM-US) **Taiwan Semiconductor Manufacturing Company**, the world's leading semiconductor foundry, contributed positively to relative performance during the quarter. The company continues to benefit from robust AI-driven demand, with management significantly increasing capital expenditure plans, a signal we interpret as confidence that AI-related capacity needs will continue to grow over the next five to ten years. With the leading position in advanced node manufacturing and serving as a critical supplier to virtually every major semiconductor design company, we believe TSM should remain well positioned as AI workloads continue to scale.

## **BOTTOM CONTRIBUTORS**

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(NOW-US) **ServiceNow, Inc.**, an enterprise workflow automation and AI platform company, detracted from relative performance despite reporting results with billings and revenue well ahead of consensus. Shares underperformed alongside the broader enterprise software universe facing AI disruption concerns, even as the company announced a partnership with OpenAI for AI agent integration into business software workflows. We believe ServiceNow is among the most favorably positioned enterprise software companies in the AI transition, as its platform approach to automating cross-functional workflows positions it well to capture productivity gains rather than face displacement. We added to the position during the quarter, reflecting our conviction in the platform's durability through the AI transition.

(AXON-US) **Axon Enterprise Inc**, a provider of technology solutions for public safety including conducted energy devices, body cameras, and cloud-based software platforms for law enforcement, detracted from relative performance despite reporting strong quarterly results and setting ambitious new multi-year financial targets. Shares declined alongside the broader software and high-multiple technology universe as the AI disruption narrative weighed on sentiment. We do not believe the AI bear case applies to Axon in the same manner as enterprise software peers, given its deeply intertwined hardware-software

subscription stack serving law enforcement where switching costs are high and competitive substitution is difficult. We added to the position, maintaining strong conviction in the long-term thesis.

(CRM-US) **Salesforce, Inc.**, a provider of enterprise CRM, sales automation, and cloud-based business applications, detracted from relative performance during the quarter. Billings and revenue broadly met expectations, but operating margin guidance came in slightly below Street estimates and AI agent revenue conversion lagged elevated investor expectations. Notably, major enterprise customers signaled continued platform commitment, with some of the largest corporate IT spenders explicitly citing Salesforce as a name where they were increasing spend, a meaningful data point against the sector-wide AI bear narrative. Despite this evidence of sustained customer demand, CRM was caught in the broader software selloff. We added to the position during the quarter, believing its dominant position in enterprise CRM and early mover advantage in agentic AI for sales workflows are underappreciated.

(KKR-US) **KKR & Co Inc**, one of the world's largest alternative asset managers spanning private equity, credit, real estate, and infrastructure, detracted from relative performance during the quarter. Management fee revenue came in ahead of expectations, but transaction fee revenue and gross capital flows fell below consensus. Sentiment toward alternative asset managers was broadly challenged as rising geopolitical uncertainty raised questions about deal activity and exit assumptions. We added to the position during the quarter, believing KKR's growing share of infrastructure and credit strategies and its institutional fundraising momentum are undervalued by the market.

(AAPL-US) **Apple Inc.**, was a bottom detractor, driven by our underweight as the stock demonstrated relative resilience compared to software and discretionary peers. The company reported results ahead of consensus, supported by stronger-than-expected iPhone revenue and continued Services segment growth. We trimmed the position during the quarter to fund other opportunities, leaving us below index weight in a name that outperformed the broader growth universe.

## POSITIONING HIGHLIGHTS

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**Quality and selectivity as defense.** Across the portfolio, we have been consolidating into our highest-conviction positions, not retreating into purely defensive names, but emphasizing companies with durable competitive advantages, strong free cash flow, and the ability to execute through a more challenging environment.

**Information Technology and AI.** Information Technology is our largest absolute sector exposure, but we carry an underweight relative to the benchmark, reflecting our preference for companies where AI demand is a clear and defensible tailwind over names where valuations reflect sentiment more than near-term earnings power. AI infrastructure demand fundamentals remain strong, and we maintain meaningful exposure in the companies we believe are best positioned to sustain growth. In software, valuations have become more attractive but the near-term disruption narrative is difficult to disprove, and we have not added broadly.

**Industrials.** Industrials is our most significant active overweight, with holdings spanning power infrastructure, aerospace aftermarket services, and industrial automation. We see multi-year earnings growth visibility in these companies that is not well represented in the benchmark. We maintained and modestly added to this overweight through the quarter.

**Energy.** We added Energy exposure during the quarter through domestic producers with strong free cash flow profiles and disciplined capital allocation, which we view as well-positioned for higher-for-longer oil pricing and as a modest inflation hedge.

**Communication Services, Health Care, and Consumer.** Communication Services and Health Care were both reduced meaningfully as we refined our highest-conviction positions. Consumer Discretionary and Consumer Staples remain underweights, reinforced by the combination of elevated energy costs, higher rates, and uncertainty around discretionary spending.

## OUTLOOK

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Looking ahead, we see two paths from here. If the Iran conflict resolves, we would expect the cyclical broadening that was taking hold through February to reassert itself, with small and mid cap stocks and value-oriented areas of the market likely to lead. If the conflict persists, oil remains above \$100 and the inflation shock risks becoming a growth shock, with earnings estimates likely too high. In either scenario, we believe quality and selectivity will be rewarded. Valuations have compressed,

and the dispersion across sectors, styles, and capitalizations has created meaningful opportunities for active stock selection. We are constructive but patient, ready to capitalize on attractive risk-reward opportunities as they emerge.

# Performance Attribution Analysis

Representative Account vs. Russell 1000® Growth Index · January 1, 2026 – March 31, 2026

## SECTOR ATTRIBUTION

Source: FactSet. All effects in basis points. Positive = contribution to relative performance.

SECTOR	PORT. WT.	BENCH. WT.	PORT. RET.	BENCH. RET.	ALLOC. EFF.	SEL. EFF.	TOTAL EFF.
Industrials	12.4%	6.6%	+13.7%	+3.5%	+59	+104	+163
Information Technology	45.2%	49.3%	-11.3%	-11.9%	+12	+29	+42
Consumer Discretionary	10.4%	13.3%	-9.4%	-11.7%	+1	+24	+25
Health Care	9.7%	8.2%	-7.5%	-8.7%	+4	+14	+18
Cash	1.2%	--	+1.0%	--	+12	--	+12
Communication Services	14.7%	12.3%	-9.8%	-9.5%	+4	-3	+1
Utilities	--	0.3%	--	-7.1%	-1	--	-1
Energy	0.3%	0.4%	+10.9%	+43.6%	-8	+7	-1
Materials	--	0.3%	--	+0.5%	-3	0	-3
Real Estate	--	0.5%	--	-2.6%	-3	--	-3
Financials	6.1%	6.1%	-14.7%	-14.7%	-7	-1	-8
Consumer Staples	--	2.8%	--	+10.9%	-51	0	-51
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-7.83%</b>	<b>-9.78%</b>	<b>+20</b>	<b>+175</b>	<b>+195 bps</b>

Attribution based on the representative account. Allocation and selection effects may not sum exactly to Total Effect due to rounding and interaction terms. Attribution is based on gross returns: The Large Cap Growth Composite returned -7.88% net of investment advisory fees in Q1 2026.

## TOP 5 CONTRIBUTORS

Representative account, Q1 2026

SECURITY	AVG. WT.	TOTAL EFF.
(VRT) Vertiv Holdings Co. Cla...	3.21%	+140 bps
(ASND) Ascendis Pharma A/S Spo...	4.05%	+66 bps
(HWM) Howmet Aerospace Inc.	3.10%	+53 bps
(GEV) GE Vernova Inc.	1.68%	+34 bps
(TSM) Taiwan Semiconductor Ma...	1.84%	+30 bps

## BOTTOM 5 DETRACTORS

Representative account, Q1 2026

SECURITY	AVG. WT.	TOTAL EFF.
(NOW) ServiceNow, Inc.	2.23%	-45 bps
(AXON) Axon Enterprise Inc	2.28%	-37 bps
(CRM) Salesforce, Inc.	1.00%	-21 bps
(KKR) KKR & Co Inc	0.99%	-18 bps
(AAPL) Apple Inc.	8.59%	-16 bps

## COMPOSITE TRAILING PERFORMANCE

Large Cap Growth Equity Composite · As of March 31, 2026 · Annualized for periods greater than one year

	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPT.
Composite (Gross)	-7.74%	-7.74%	18.36%	21.40%	11.96%	16.52%	12.08%
Composite (Net)	-7.88%	-7.88%	17.70%	20.75%	11.38%	15.93%	11.45%
<b>Russell 1000® Growth Index</b>	<b>-9.78%</b>	<b>-9.78%</b>	<b>18.81%</b>	<b>21.18%</b>	<b>12.76%</b>	<b>16.83%</b>	<b>11.31%</b>

Composite inception date: July 1, 1989. Returns are preliminary and unaudited. Past performance is not indicative of future results. Source: FactSet.

## Disclosures & Important Information

Specific securities identified do not represent all of the securities purchased, sold or recommended. The top 5 and bottom 5 securities mentioned have been selected by calculating the average weight invested in each holding in the representative account multiplied by the rate of return for that holding during the period noted and then comparing each to the respective benchmark return during the same period to obtain a relative return contribution. A list showing the relative contribution of each holding in the representative account during the period is available by contacting Westfield's Marketing and Client Service department via email at [clientservice@wcmgmt.com](mailto:clientservice@wcmgmt.com) or 617-428-7100.

Past performance is not indicative of future results. Returns are preliminary and unaudited; the attribution table and the relative contribution tables are presented gross of management fees and include the reinvestment of all income and the deduction of transaction costs. Actual net returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. The net return for the time period referenced can be found within the first paragraph of this commentary. Our current disclosure statement and fee schedules are set forth in Part 2A of Form ADV, which is available upon request. A GIPS Compliant Presentation also is available upon request.

The product is evaluated against the Russell 1000® Growth Index, which is designed to measure the large-cap segment of the U.S. growth equity universe. We have chosen this benchmark as it most closely represents the investment strategy discussed in this commentary. The product's holdings, characteristics, and performance may differ substantially from the benchmark and will therefore have different risk and reward profiles. Stock performance is based on price movement during the quarter or for the time held during the quarter in our representative account. Due to differences in investment restrictions, account holdings, account funding periods, timing and frequency of contributions and withdrawals, as well as other factors, client account performance may differ substantially from the composite performance and/or the representative account performance that is discussed in this commentary. Existing clients can request their account performance and holdings by contacting your Marketing & Client Service representative.

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