

# Small Cap Growth Equity

First Quarter 2026 · Investment Commentary

**+0.87%**

Portfolio Return (Gross)  
Q1 2026

**+0.73%**

Portfolio Return (Net)  
Q1 2026

**-2.81%**

Benchmark Return  
Russell 2000® Growth Index

**+354 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 Small Cap Growth Equity Composite (the "portfolio") returned 0.73% net, outperforming the Russell 2000® Growth Index by 354 bps. The strategy's strong performance during the quarter was driven by strong stock selection within Industrials, Information Technology, and Health Care. The following discussion reflects relative performance from the representative account.

The portfolio's selective, high-conviction positioning allowed the team to navigate a very volatile and ever-changing macro backdrop.

**Industrials (+374 bps):** Broad-based outperformance across holdings aligned with secular growth themes, including AI and data center-driven power infrastructure, electrification, and aerospace aftermarket services. Backlog growth and strong order trends across these end markets supported continued outperformance despite broader macro volatility, and the team maintained high conviction in the underlying secular drivers through the quarter.

**Information Technology (+158 bps):** Strong performance from semiconductor capital equipment companies with direct exposure to AI infrastructure and advanced packaging demand was the primary driver of results within the sector. Our underweight exposure to the Software segment, which faced significant pressure from AI disintermediation fears, was also additive to relative results.

**Health Care (+43 bps):** Strong stock selection within Biopharma, which was the best performing vertical within the sector, drove relative contribution. Within the segment, the portfolio benefitted from strong execution at commercial-stage companies and positive sentiment toward names with near-term clinical catalysts, including M&A activity from large-cap pharma.

## TOP CONTRIBUTORS

(FIX-US) **Comfort Systems USA**, a leading provider of mechanical, electrical, and plumbing services for commercial and industrial buildings, was the largest contributor to relative performance during the quarter. Shares advanced sharply after Q4 earnings and revenue came in well above consensus, with backlog nearly doubling year-over-year to a new record. The company continues to benefit from data center construction, chip plant build-outs, K-12 education, and pharmaceutical onshoring. We trimmed the position for risk management purposes, but it remains a very high-conviction holding with multi-year visibility embedded in its record backlog.

(FTAI-US) **FTAI Aviation**, a provider of aerospace products and aviation leasing services, was a top contributing name over the quarter. Shares rallied despite a modest Q4 miss as management raised full-year guidance well above Street expectations. A new repair parts agreement with CFM International directly refuted the bear case that FTAI's business model relies on financial engineering. A CFO departure in March prompted additional diligence, but we concluded the investment thesis was unchanged and maintained conviction in continued aerospace products momentum and the power business contribution driving significant upside over the coming year.

(NXT-US) **Nextpower Inc.**, a provider of solar tracker systems and utility-scale solar infrastructure, was a notable contributor during the quarter. Revenue, EBITDA, and EPS all came in well above consensus, and management raised full-year guidance. Bookings and backlog hit new records driven by strong U.S. demand, record European bookings, and the first major order from the Nextpower Arabia joint venture. The company continues to take share in a tough utility solar market and remains a potential acquisition target.

(MKS-US) **MKS Instruments**, a provider of instruments, systems, and process control solutions for semiconductor manufacturing, was a top contributing name during the quarter. The company positively pre-announced Q4 results in January, raising revenue guidance above the prior range on broad-based demand, with the formal report confirming results and Q1 guidance representing a slight raise. We view the stock as attractively valued relative to semiconductor equipment peers, trading at a meaningful discount to names like KLA Corporation and ASML Holding.

(RVMD-US) **Revolution Medicines**, a clinical-stage oncology company developing targeted therapies for RAS-driven cancers, was a significant contributor during the quarter, driven by a dramatic M&A episode. Reports of an AbbVie acquisition sent shares sharply higher; after Merck emerged as a potential acquirer at higher valuations, we trimmed aggressively around what we viewed as a binary event. When Merck's talks broke down and shares reversed, the position remained a top contributor given the substantial appreciation already realized. We continue to monitor the upcoming 2L pancreatic cancer pivotal data as a significant standalone catalyst.

## BOTTOM CONTRIBUTORS

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(GENI-US) **Genius Sports**, a sports data and technology provider, was the largest detracting name in the portfolio during the quarter. Shares fell sharply after the company announced the acquisition of Legend, a sports betting technology platform, at a price investors viewed skeptically, with many characterizing the target as an affiliate marketing business. Prediction market competition added further pressure. After channel checks with online sports book operators yielded mixed-to-negative feedback on Legend's differentiation, we exited the position in March, concluding the risk/reward did not support maintaining exposure until the deal thesis could be demonstrated.

(WGS-US) **GeneDx Holdings Corp.**, a clinical genomics company focused on exome and genome sequencing for rare diseases, was a meaningful detractor during the quarter. Shares came under pressure as average selling price improvement lagged expectations and diagnostics sentiment remained cautious. Accounting-related concerns that emerged during the quarter added further pressure to the stock.

(CVLT-US) **Commvault Systems, Inc.**, a provider of data protection, backup, and security software, was a detractor during the quarter. Net-new ARR came in below buy-side expectations despite exceeding sell-side consensus, guidance implied a modest reduction in ARR growth, and free cash flow conversion was well below Street estimates. We exited, reallocating into other software holdings with a more attractive risk/reward profile.

(CELH-US) **Celsius Holdings**, a health and wellness-focused energy drink company, was a detractor during the quarter. We initiated opportunistically following a sharp pullback, and Q4 results were encouraging, with revenue exceeding consensus and confirming the Pepsi distribution changeover. Shares gave back gains on broader market weakness and a late-quarter selloff triggered by Costco's launch of a Kirkland Signature private label energy drink, a reaction we believe is overdone given private label's negligible success in the category. The company's 2025 acquisition of Alani Nu provides a meaningful second growth vector, and we added on pullbacks.

(ADMA-US) **ADMA Biologics, Inc.**, a specialty biopharmaceutical company focused on plasma-derived therapies, detracted from relative performance and was exited during the quarter. Full-year results came in ahead of consensus and Asceniv continued to grow strongly, but concerns accumulated including a meaningful increase in days sales outstanding, a CFO

transition, and third-party research raising questions about the company's financial reporting. Further diligence did not resolve these concerns, and we exited the position.

## 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.

**Industrials.** Industrials remains our most significant active overweight. Our positions were built prior to the quarter and held through it, concentrated in companies tied to electrification, grid infrastructure, and aerospace. We trimmed modestly at the margin as the geopolitical environment introduced uncertainty into the cyclical recovery, but our conviction in these secular themes remains high.

**Health Care.** We reduced Health Care exposure significantly during the quarter, reflecting a more selective view of the sector. Our remaining positions are concentrated in commercial-stage biopharma, where we believe fundamentals are undervalued. We have pulled back from names with less clear near-term catalysts or greater sensitivity to a rising rate environment.

**Technology.** Information Technology is roughly neutral to the benchmark. We have been selective, concentrating in companies where AI infrastructure demand is a clear and defensible tailwind, and avoiding broader additions to software where the near-term disruption narrative is difficult to disprove.

**Consumer and Energy.** We added selectively to Consumer names with strong brands and defensible positioning, as well as to Energy, where we view domestic producers as well-positioned for higher oil prices. Consumer Discretionary and Materials remain underweights despite the additions, and we continue to monitor the potential impact of elevated costs on consumer 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 2000® 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	29.4%	24.0%	+19.0%	+5.6%	+29	+345	+374
Information Technology	19.3%	20.2%	-2.4%	-9.8%	+6	+152	+158
Health Care	22.1%	24.2%	-4.5%	-6.5%	-11	+54	+43
Cash	3.4%	--	+0.8%	--	+14	--	+14
Energy	2.2%	3.3%	+42.9%	+26.1%	-29	+32	+3
Real Estate	--	2.1%	--	-4.0%	+3	--	+3
Utilities	--	0.5%	--	-7.8%	+3	--	+3
Communication Services	2.1%	2.2%	-5.1%	-5.1%	0	-3	-2
Materials	1.6%	3.9%	+10.6%	+8.4%	-26	+4	-22
Consumer Staples	1.8%	2.1%	-20.1%	-2.7%	-9	-31	-40
Financials	10.2%	9.6%	-9.0%	-5.3%	-4	-41	-46
Consumer Discretionary	8.0%	7.9%	-19.5%	-5.8%	+7	-132	-125
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>+0.81%</b>	<b>-2.81%</b>	<b>-19</b>	<b>+380</b>	<b>+361 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 Small Cap Growth Composite returned +0.73% net of investment advisory fees in Q1 2026.

## TOP 5 CONTRIBUTORS

Representative account, Q1 2026

SECURITY	AVG. WT.	TOTAL EFF.
(FIX) Comfort Systems USA, Inc.	3.62%	+144 bps
(FTAI) FTAI Aviation Ltd.	4.66%	+100 bps
(NXT) Nextpower Inc. Class A	2.37%	+54 bps
(MKSJ) MKS Inc.	1.41%	+54 bps
(RVMD) Revolution Medicines, Inc.	1.20%	+53 bps

## BOTTOM 5 DETRACTORS

Representative account, Q1 2026

SECURITY	AVG. WT.	TOTAL EFF.
(GENI) Genius Sports Limited	0.91%	-78 bps
(WGS) GeneDx Holdings Corp. C...	1.18%	-76 bps
(CVLT) Commvault Systems, Inc.	0.74%	-34 bps
(CELH) Celsius Holdings, Inc.	0.57%	-33 bps
(ADMA) ADMA Biologics, Inc.	1.13%	-33 bps

## COMPOSITE TRAILING PERFORMANCE

Small 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)	+0.87%	+0.87%	26.24%	12.60%	4.31%	12.87%	13.73%
Composite (Net)	+0.73%	+0.73%	25.56%	11.99%	3.72%	12.20%	12.95%
<b>Russell 2000® Growth Index</b>	<b>-2.81%</b>	<b>-2.81%</b>	<b>23.58%</b>	<b>12.26%</b>	<b>1.62%</b>	<b>9.79%</b>	<b>7.99%</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 2000® Growth Index, which is designed to measure the small-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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