

# Sustainable Growth Equity

First Quarter 2026 · Investment Commentary

**-5.28%**

Portfolio Return (Gross)  
Q1 2026

**-5.43%**

Portfolio Return (Net)  
Q1 2026

**-9.78%**

Benchmark Return  
Russell 1000® Growth Index

**+435 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 Sustainable Growth Equity Composite (the "portfolio") returned -5.43% net, outperforming the Russell 1000® Growth Index by 435 bps. The strategy's preservation of capital during the quarter was driven by strong stock selection within Industrials 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 (+283 bps):** The portfolio's meaningful overweight to Industrials was the primary driver of relative outperformance. Holdings are concentrated in companies tied to electrification, grid modernization, and clean energy infrastructure -- themes that offer compelling earnings trajectories, strong backlog visibility, and multi-year secular demand supported by the ongoing AI and data center build-out. This positioning also provides meaningful participation in the energy infrastructure build-out, consistent with the portfolio's sustainable growth framework.

**Health Care (+92 bps):** Strong stock selection within Biopharma drove the bulk of relative results in Health Care. The portfolio benefited from both commercial-stage companies executing against established revenue profiles and development-stage names where near-term catalysts proved underappreciated. Ongoing M&A activity from large-cap pharma provided an additional tailwind for names held in the portfolio.

**Communication Services (+34 bps):** Selective positioning in platform companies with durable earnings and defensible competitive moats contributed positively to relative results. These holdings benefited from a quality rotation during the quarter as investors sought businesses with more predictable earnings in an uncertain macro environment.

**Information Technology (+32 bps):** A modest underweight to Information Technology was additive to relative results, as the broad Technology sector faced meaningful pressure from AI disintermediation fears within Software. The portfolio concentrated its technology exposure in companies with the most durable competitive advantages and clearly defensible demand drivers tied to AI infrastructure.

## 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. The position remains a very high-conviction holding with multi-year visibility embedded in its record backlog.

(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.

(RRX-US) **Regal Rexnord Corporation**, a global manufacturer of electric motors, power transmission components, and automation solutions, contributed positively to relative performance during the quarter. Q4 was mixed, with EPS slightly ahead of consensus but revenue and EBITDA light, while orders were the bright spot, surging on substantial data center wins including a large contribution from the E-Pod platform. Full-year guidance was conservative despite recent ISM momentum. We view the stock's attractive valuation and the company's exposure to a cyclical recovery in automation and data infrastructure as supportive of the thesis over the intermediate term.

(MASI-US) **Masimo Corporation**, a medical technology company specializing in noninvasive patient monitoring, was a top contributing name during the quarter. The stock surged after Danaher confirmed an agreement to acquire Masimo at a substantial premium, with the deal expected to be accretive to Danaher's adjusted EPS in the first year. Prior to the announcement, the company had reported a strong preliminary Q4 with EPS above consensus. The deal spread narrowed to a level consistent with a straightforward closing in the second half of 2026.

(PWR-US) **Quanta Services**, a leading provider of infrastructure services for the electric power, oil and gas, and telecommunications industries, contributed positively to relative performance during the quarter. Q4 revenue, adjusted EBITDA, and adjusted EPS all came in well above consensus, and backlog reached a new record. Full-year guidance exceeded expectations across all metrics. We view Quanta as a core holding within our durable AI industrial thesis, a picks-and-shovels play on the multi-year grid and power infrastructure buildout, where utility budgets, regulatory processes, and workforce availability create a long-duration, visible growth trajectory.

## **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 maintained our overweight position.

(SNOW-US) **Snowflake**, the cloud data platform company, detracted from relative performance despite solid operating results. Product revenue grew roughly 30% year-over-year, beating consensus, while remaining performance obligations grew well above expectations and operating margins expanded meaningfully ahead of Street estimates. Fiscal year 2027 product revenue guidance also came in above consensus. Snowflake is one of a small number of software companies accelerating revenue growth at scale while expanding margins, and we believe its ownership of the data layer positions it well as a strategic enabler of agentic AI. The stock's decline reflected the broader software selloff rather than company-specific deterioration. We added to the position, reflecting continued conviction.

(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.

(DHR-US) **Danaher Corporation**, a global science and technology company with significant operations in life sciences tools, diagnostics, and environmental applications, detracted modestly from relative performance during the quarter. Results were broadly in-line and guidance pointed to gradual bioprocessing demand recovery, but the announcement of a major acquisition drew mixed investor reaction, as the target represented a departure from Danaher's traditional focus on the life sciences tools segment. We maintained our position, believing the core bioprocessing recovery thesis remains intact.

(UNH-US) **UnitedHealth Group Inc.**, the largest U.S. health insurer and managed care organization, detracted meaningfully from relative performance and was exited during the quarter. Shares declined sharply as the prospect of materially below-expectation 2027 Medicare Advantage reimbursement rates emerged as a central concern, compounding existing anxiety around the company's medical cost ratio trajectory. We concluded that the path to earnings recovery had become significantly less certain and exited to redeploy capital into healthcare holdings with clearer near-term catalysts.

## POSITIONING HIGHLIGHTS

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**Quality and selectivity as defense.** The portfolio is concentrated in companies we believe represent the intersection of durable growth and sustainable business practices. In the current environment, we have focused on businesses with strong pricing power, defensible competitive positions, and earnings visibility that does not depend on a smooth macro backdrop.

**Industrials.** We actively increased our Industrials overweight during the quarter, concentrating exposure in companies tied to electrification, grid modernization, and clean energy infrastructure. These themes align directly with the portfolio's sustainable growth framework while offering compelling earnings trajectories and strong backlog visibility. We have high conviction in this positioning.

**Health Care.** Health Care is a significant overweight, held steady through the quarter. Positions are concentrated in biopharma and select medical device companies. We are most excited about commercial-stage names with established revenue profiles and development-stage names where we believe near-term catalysts are underappreciated. M&A activity within large-cap pharma remains a meaningful tailwind for the names we own.

**Information Technology and AI.** Information Technology is a modest underweight. We reduced exposure during the quarter, concentrating our technology holdings in companies with the most durable competitive advantages and clearly defensible AI-related demand drivers. We have been cautious on software broadly.

**Consumer and Energy.** Consumer Discretionary is a meaningful underweight, reflecting our concern about the macro environment's impact on discretionary spending. Consistent with our sustainable investment philosophy, the portfolio does not hold fossil fuel producers or direct exposure to traditional energy extraction. We believe our Industrials overweight provides meaningful participation in the energy infrastructure build-out.

## 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	16.0%	6.6%	+18.3%	+3.5%	+100	+183	+283
Health Care	13.2%	8.2%	-2.1%	-8.7%	+5	+87	+92
Communication Services	9.8%	12.3%	-5.9%	-9.5%	-1	+34	+34
Information Technology	47.8%	49.3%	-11.3%	-11.9%	+2	+30	+32
Consumer Discretionary	6.1%	13.3%	-9.8%	-11.7%	+14	+12	+25
Cash	2.1%	--	+1.3%	--	+23	--	+23
Financials	5.0%	6.1%	-12.9%	-14.7%	+5	+9	+15
Utilities	--	0.3%	--	-7.1%	-1	--	-1
Materials	--	0.3%	--	+0.5%	-3	0	-3
Real Estate	--	0.5%	--	-2.6%	-3	--	-3
Energy	--	0.4%	--	+43.6%	-16	0	-16
Consumer Staples	--	2.8%	--	+10.9%	-51	0	-51
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-5.48%</b>	<b>-9.78%</b>	<b>+74</b>	<b>+356</b>	<b>+430 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 Sustainable Growth Composite returned -5.43% 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.	2.79%	+111 bps
(ASND) Ascendis Pharma A/S Spo...	4.83%	+77 bps
(RRX) Regal Rexnord Corporation	1.99%	+65 bps
(MASI) Masimo Corporation	1.65%	+62 bps
(PWR) Quanta Services, Inc.	1.97%	+57 bps

## BOTTOM 5 DETRACTORS

Representative account, Q1 2026

SECURITY	AVG. WT.	TOTAL EFF.
(NOW) ServiceNow, Inc.	1.48%	-30 bps
(SNOW) Snowflake, Inc.	1.43%	-29 bps
(AXON) Axon Enterprise Inc	2.36%	-22 bps
(DHR) Danaher Corporation	1.44%	-11 bps
(UNH) UnitedHealth Group Inco...	0.32%	-9 bps

## COMPOSITE TRAILING PERFORMANCE

Sustainable 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)	-5.28%	-5.28%	22.47%	21.05%	11.46%	16.55%	16.18%
Composite (Net)	-5.43%	-5.43%	21.72%	20.33%	10.77%	15.79%	15.42%
<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>16.48%</b>

Composite inception date: January 1, 2016. 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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