

Health Care

Second Quarter 2026 · Investment Commentary

+15.03%

Portfolio Return (Gross)
Q2 2026

+14.84%

Portfolio Return (Net)
Q2 2026

+15.17%

Benchmark Return
Russell 3000® Growth Health Care Index

-33 bps

Underperformance vs. benchmark (Net)

MARKET BACKDROP

Health Care sentiment shifted meaningfully over the course of the second quarter. Biopharma's momentum, which had cooled in the first quarter as investor attention rotated toward artificial intelligence, reasserted itself sharply in the back half of the quarter, particularly through the month of June, as a wave of M&A activity and positive clinical data presentations drew technology-oriented capital back into the sector. The Russell growth indices' annual reconstitution also lifted biopharma's weight within the health care benchmarks, amplifying the sub-industry's influence on relative performance heading into the third quarter.

Biotechnology was again the standout performer, though leadership within the rally was notably narrow and concentrated in the more speculative, non-earning corner of the group, a dynamic that stands in contrast to our process's longstanding preference for commercial-stage, earnings-generating biopharma. Medical technology remained the weakest area of the sector for a second consecutive quarter, weighed down by idiosyncratic issues among several large-cap bellwethers and lingering uncertainty over whether softer procedure volumes reflect a transient or more structural trend, though valuations have compressed to levels we consider increasingly attractive. Health care distributors, which we view as a defensive subsector insulated from broader macro and geopolitical crosscurrents, continued to benefit from steady prescription volume growth and GLP-related tailwinds.

We remain constructive on Health Care overall, and our conviction in biopharma across the market-cap spectrum remains strong. The quarter's rally was a reminder that the sub-industry can move quickly once sentiment turns, and while a portion of that move was concentrated in lower-quality names that sit outside our process, we believe the underlying drivers remain firmly in place: improving M&A conditions, a more accommodative regulatory backdrop, and a maturing group of commercial-stage companies with genuine standalone growth prospects.

PERFORMANCE OVERVIEW

The Westfield Health Care Composite (the "portfolio") returned 14.84% net of fees during the second quarter of 2026, underperforming the Russell 3000® Growth Health Care Index (the "index"), which returned 15.17%. Strong stock selection within Biotechnology was outweighed by relative weakness within Pharmaceuticals and Health Care Providers & Services. The following discussion reflects relative performance from the representative account.

CONTRIBUTORS & DETRACTORS

Biotechnology:

Biotechnology was the largest contributor to relative performance during the quarter, with strong stock specific returns from several holdings driven by clinical data catalysts and M&A activity. The M&A environment for biopharma assets with established commercial franchises remains unusually favorable, and we believe the portfolio's emphasis on commercial-stage biopharma along with innovative, quality earlier stage companies is well-positioned to participate in continued consolidation.

Legend Biotech Corp. (LEGN) was the top contributor, as shares advanced on a positive early-stage CAR-T data readout for LB2501 alongside continued strong commercial execution for CARVYKTI, its approved multiple myeloma therapy, which again posted net trade sales ahead of consensus during the quarter. We continue to view the company as a share-taking leader in a fast-growing market.

Revolution Medicines, Inc. (RVMD), a clinical-stage oncology company developing targeted therapies for RAS-driven cancers, was a notable contributor. Shares advanced following positive clinical data and favorable competitive safety comparisons. We maintain conviction in the company's platform and continue to hold the position ahead of a pivotal pancreatic cancer data readout expected later this year.

Ascendis Pharma A/S (ASND), the portfolio's largest biotechnology holding, outperformed during the quarter as Yorvipath commercial momentum continued and additional long-term growth hormone data reinforced the durability of the franchise; we continue to view the company as a high-quality earnings compounder.

Insmed Incorporated (INSM), a commercial-stage biopharmaceutical company focused on rare disease therapies, declined on investor concern around treatment discontinuation rates for its lead rare disease therapy, which we believe is overblown given the company's intact commercial trajectory. We added to the position during the quarter.

Vaxcyte, Inc. (PCVX), a clinical-stage biotechnology company developing vaccines for infectious disease, was a detractor during the quarter. Shares came under pressure after management's commentary was interpreted as tempering expectations ahead of a year-end Phase 3 data readout, compounded by investor concern over competitive dynamics. We trimmed the position to manage risk but continue to view the vaccine candidate's broad serotype coverage favorably heading into the data.

MedTech:

Our underweight position in **Intuitive Surgical, Inc.** (ISRG) was the leading contributor, as shares declined sharply amid broader pressure on medical technology valuations tied to concerns over slowing procedure volumes, a theme that weighed on large-cap bellwether names across the sub-industry during the quarter.

Boston Scientific Corporation (BSX), a diversified medical device manufacturer, was a detractor from relative results as shares lagged amid the broader pressure on medical technology valuations described above.

Health Care Providers & Services:

UnitedHealth Group Incorporated (UNH) advanced after the Centers for Medicare & Medicaid Services' calendar year 2027 Medicare Advantage rate update came in well ahead of expectations, a tailwind for managed care broadly; we continue to hold the position.

GeneDx Holdings Corp. (WGS), a leader in genetic testing for rare diseases and pediatrics, declined further after a difficult prior quarter, pressured by continued concern around pricing and reimbursement dynamics within its genomic testing business. We decided to exit the position during the quarter as our conviction in the business model viability started to waver.

Pharmaceuticals:

Pharmaceuticals was the largest detractor from relative performance during the quarter driven by our underweight exposure to **Eli Lilly and Company** (LLY), the benchmark's largest constituent by a wide margin. Shares outperformed driven by continued execution across its obesity and diabetes franchise. While we continue to view Eli Lilly as the best positioned player in the GLP-1 market, supported by strength of weight loss data and longer IP duration relative to Novo Nordisk, we remain underweight relative to the index weight of over 45%. We continue to believe that GLP-1 remains one of the most powerful product cycles in global pharma with a long runway ahead.

OUTLOOK

Heading into the third quarter, we see the M&A backdrop for biopharma as even more favorable than it was earlier in the year. The pipeline needs of large pharmaceutical companies are becoming more acute as patent cliffs draw closer, and that urgency is translating into real capital commitments, supported by an accommodative FDA and FTC posture. Importantly, the improving path to standalone commercialization means the portfolio is less reliant on deal activity to realize value in many of its biopharma

holdings, giving us confidence in the underlying thesis whether or not a given name is ultimately acquired. We expect continued deal flow, concentrated in the areas of greatest need for large pharma: oncology, immunology, and rare disease.

Biotechnology remains our highest-conviction sub-industry, but after such a rapid move, we are inclined to add to positions on pullbacks rather than chase strength at current levels. We continue to favor a balance of mature, commercial-stage compounders alongside select development-stage names with near-term data catalysts, while maintaining discipline against the unprofitable, non-earning biotech cohort that drove much of the quarter's more speculative gains and that we believe remains vulnerable if the macro backdrop turns less accommodative. Within pharmaceuticals, we continue to see more differentiated innovation in biotech than in the broader pharma group and remain selective, favoring the handful of large-cap names with genuine organic growth drivers over those more reliant on acquired growth to offset patent expirations.

We are becoming incrementally more constructive on medical technology following its extended period of underperformance and valuation compression, and are beginning to selectively add exposure to names we believe have been overly punished for what look like idiosyncratic, rather than structural, issues. We continue to view distributors as an attractive defensive complement within the sector. We are also monitoring the growing use of artificial intelligence in drug discovery and molecule optimization across the industry, which we believe should improve the long-term probability of success and investability of biopharma research and development, even though we remain cautious about underwriting pure-play AI-adjacent stories directly given the difficulty in isolating true differentiation.

Performance Attribution Analysis

Representative Account vs. Russell 3000® Growth Health Care Index · April 1, 2026 – June 30, 2026

INDUSTRY ATTRIBUTION

Source: FactSet. Attribution is based on gross returns: The Health Care Composite returned +14.84% net of investment advisory fees in Q2 2026.

INDUSTRY	AVG. PORT. WT.	AVG. BENCH. WT.	PORT. RET. (GROSS)	BENCH. RET.	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Biotechnology	54.31	40.01	18.19	13.88	0.12	2.07	2.19
Health Care Technology	0.27	1.03	15.07	-14.95	0.16	0.06	0.22
Health Care Equipment & Supplies	10.31	14.54	-15.02	-7.24	0.87	-1.02	-0.15
Life Sciences Tools & Services	3.16	1.26	15.56	25.52	0.19	-0.44	-0.25
Cash	1.25	--	0.77	--	-0.31	--	-0.31
Health Care Providers & Services	6.67	5.35	5.86	21.89	0.16	-0.87	-0.71
Pharmaceuticals	24.03	37.67	27.58	26.60	-1.31	0.21	-1.10
Total	100.0%	100.0%	15.03	15.17	-0.15	0.01	-0.14

Attribution based on the representative account. Allocation and selection effects may not sum exactly to Total Effect due to rounding and interaction terms.

TOP 5 CONTRIBUTORS

Representative account, Q2 2026

SECURITY	AVG. WT.	TOTAL EFFECT
(LEGN) Legend Biotech Corp. Spons. ADR	4.93%	+218 bps
(RVMD) Revolution Medicines, Inc.	2.44%	+156 bps
(ISRG) Intuitive Surgical, Inc.	4.12%	+74 bps
(ASND) Ascendis Pharma A/S	15.36%	+67 bps
(UNH) UnitedHealth Group Incorporated	1.75%	+55 bps

BOTTOM 5 DETRACTORS

Representative account, Q2 2026

SECURITY	AVG. WT.	TOTAL EFFECT
(LLY) Eli Lilly and Company	20.50%	-186 bps
(INSM) Insmed Incorporated	3.43%	-175 bps
(BSX) Boston Scientific Corporation	1.93%	-108 bps
(WGS) GeneDx Holdings Corp. Class A	0.81%	-104 bps
(PCVX) Vaxcyte, Inc.	3.46%	-95 bps

COMPOSITE TRAILING PERFORMANCE

Health Care Composite · As of June 30, 2026 · Annualized for periods greater than one year

	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPT.
Health Care Composite - Gross	15.03%	7.62%	27.90%	16.34%	10.51%	12.21%
Health Care Composite - Net	14.84%	7.25%	27.03%	15.55%	9.78%	11.47%
Russell 3000® Growth Health Care Index	15.17%	4.90%	27.08%	13.49%	6.15%	9.17%

Composite inception date: October 1, 2020. Multi-year periods are annualized. 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 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 3000® Growth Health Care Index, which is designed to measure the health care segment of the broad 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.

Individual account characteristics and performance may differ depending on factors such as specific client guidelines and restrictions. The representative account has been deemed appropriate by Westfield Capital Management Company, L.P. based on portfolio characteristics. The representative account is an account that has been in the Strategy for no less than one year, had minimal withdrawals or distributions and has similar restrictions to our product guidelines. All accounts in the Strategy are traded in a similar fashion, so that the returns shown are representative of the majority of all participants in the specific Strategy. Another representative account will be substituted if the current account fails to meet the criteria.

Westfield Capital Management Company, L.P. is a registered investment advisor under the Investment Advisers Act of 1940. Westfield Capital Management Company, L.P. claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The Russell 3000® Growth Health Care Index is a trademark/service mark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company. This material is for informational purposes only and should not be construed as investment advice or a recommendation to buy or sell any security. © 2026 Westfield Capital Management Company, L.P. All rights reserved.