

Large Cap Growth Equity

Second Quarter 2026 · Investment Commentary

+19.59%

Portfolio Return (Gross)
Q2 2026

+19.43%

Portfolio Return (Net)
Q2 2026

+16.74%

Benchmark Return
Russell 1000® Growth Index

+269 bps

Outperformance vs. benchmark (Net)

MARKET BACKDROP

The second quarter of 2026 marked a decisive turnaround for U.S. equities, with major indices posting their strongest quarter in six years and reaching new highs across market caps and styles alike. Strong fundamentals kept the market resilient despite ongoing inflation concerns, powered by relentless AI infrastructure spending and an earnings season that kept beating expectations. That resilience was reinforced by a broader global backdrop, as PMIs across developed and emerging markets broke out together to multi-year highs, signaling a recovery in economic momentum more genuine and widespread than the headline numbers suggest. Leadership broadened away from the Mag 7 at the index level, but underneath the surface the rally told a more complicated story of narrow leadership around AI winners, momentum outperformance and low quality. We saw an unprecedented second straight quarter of 30%+ single-sector dominance as Energy collapsed from Q1's top sector to Q2's worst as oil retreated, while Technology roared back to become the quarter's sole outperformer, driven by renewed AI optimism. Small caps resumed leadership, but that leadership was driven by unprofitable, heavily shorted, and speculative names — small cap breadth ran well below historical norms, and not owning the R2000's top performers was costly for active managers.

PERFORMANCE OVERVIEW

Westfield's Large Cap Growth Equity Composite (the "portfolio") returned 19.43% net, outperforming the Russell 1000® Growth Index return of 16.74%. The following discussion reflects relative performance from the representative account. The quarter's benchmark strength was led by a concentrated rally in AI-tied names, particularly across memory and semiconductor capital equipment, which advanced sharply on continued hyperscaler capital spending and positive earnings revisions. Within the portfolio, stock selection within Industrials, Health Care and Information Technology outweighed modest weakness within Communication Services and headwinds from residual cash in a strong market backdrop.

Industrials (+152 bps): Broad-based outperformance across holdings tied to secular growth themes, including AI infrastructure and data center power, was reinforced by strength from aerospace and more cyclically oriented names, driven by company-specific execution in conjunction with cyclical recovery tailwinds following the de-escalation of geopolitical tensions in the Middle East.

Health Care (+78 bps): 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. Contribution was broad-based across the obesity theme and commercial-stage biopharma holdings, supplemented by the portfolio's underweight to a number of unowned Health Care Equipment names that underperformed the benchmark.

Information Technology (+62 bps): Relative outperformance from AI-driven semiconductor and connectivity holdings, several of which advanced sharply on continued hyperscaler capital spending, and software holdings that have emerged as near-term beneficiaries of enterprise AI adoption in areas such as data storage and data security, which offset allocation headwinds and relative weakness within application software.

Communication Services (-27 bps): Relative weakness driven by select internet and media holdings which were under pressure during the quarter.

TOP CONTRIBUTORS

(MKS-US) **MKS Inc.**, a supplier of process and materials equipment for semiconductor manufacturers, was the largest contributor to relative performance during the quarter. Shares advanced after the company reported revenue and earnings well above consensus and raised full-year guidance, benefiting from continued capital spending among its largest customers on AI-related chip capacity. We trimmed the position as valuations in the semiconductor equipment space became more extended, though fundamentals remain strong, in our opinion.

(PANW-US) **Palo Alto Networks, Inc.**, a provider of enterprise cybersecurity and firewall solutions, was a notable contributor. The company reported a strong quarter with accelerating annual recurring revenue growth and raised guidance well above Street expectations, as security continues to be viewed as a critical layer of enterprise AI adoption.

(AXON-US) **Axon Enterprise, Inc.**, a provider of connected public safety hardware and software, was a notable contributor. The company reported a strong beat-and-raise, marking its ninth straight quarter of 30%-plus growth, with guidance raised on accelerating contributions from newer product lines. We added to the position during the quarter, maintaining high conviction in the company's competitive moat, pricing power, and switching costs within law enforcement technology, and believe the market continues to incorrectly bucket the name with high-multiple software at risk of AI-driven disintermediation.

(SNOW-US) **Snowflake, Inc.**, a cloud-based data platform provider, was a top contributing name and the single best software contributor of the quarter. Shares advanced sharply after the company reported strong revenue growth and expanding margins, and raised full-year guidance, supported by continued enterprise adoption of its platform for artificial intelligence readiness. We added to the position during the quarter, viewing the company's cross-cloud architecture and usage-based pricing as well positioned at a critical, data-readiness layer of enterprise AI infrastructure.

(MU-US) **Micron Technology, Inc.**, a manufacturer of memory and storage semiconductors, was a notable contributor. Shares advanced sharply after the company reported a significant beat-and-raise quarter, supported by tight memory supply and robust AI-related demand.

BOTTOM CONTRIBUTORS

(AMD-US) **Advanced Micro Devices, Inc.**, a designer of processors and chips for personal computing, gaming, and data center applications, was the largest detractor from relative performance during the quarter driven by not owning the stock for the majority of the quarter. The position is a longstanding underweight reflecting our view on relative valuation and shares advanced sharply on renewed enthusiasm for server-CPU demand following an agentic-AI-driven wave of bullish revisions to the company's long-term growth targets. We initiated a position during the quarter, though our overall underweight remained a drag on relative results.

(LRCX-US) **Lam Research Corporation**, a supplier of semiconductor etch and deposition equipment, was a meaningful detractor driven by not owning the stock for the majority of the quarter. The position is a longstanding underweight reflecting our view on relative valuation and shares advanced sharply alongside broader strength in semiconductor capital equipment names. We initiated a position during the quarter, but our overall underweight allocation was a drag on relative results.

(NOW-US) **ServiceNow, Inc.**, a provider of cloud software that automates enterprise workflows, was a detractor following a mixed quarterly report, with subscription revenue and current remaining performance obligations ahead of expectations but softer forward guidance that included a modest deal-delay headwind tied to the Middle East. We added to the position during the quarter, funded in part by trims to AI-winners, given the company's system-of-record status and agentic product credibility, in our opinion.

(CRM-US) **Salesforce, Inc.**, a provider of cloud-based customer relationship management and sales automation software, was a detractor following mixed quarterly results, with billings and current remaining performance obligations slightly below expectations, though earnings and operating margin exceeded consensus. We added to the position during the quarter given a valuation near all-time lows on a cash-flow basis and the company's system-of-record status.

(AMAT-US) **Applied Materials, Inc.**, a supplier of semiconductor fabrication equipment, was a detractor driven by not owning the stock for the majority of the quarter. The position is a longstanding underweight reflecting our view on relative valuation and shares advanced as investors grew more constructive on capital spending plans among leading memory manufacturers. We initiated a position during the quarter, but our overall underweight allocation was a drag on relative results.

POSITIONING HIGHLIGHTS

Information Technology. We added selectively to longstanding underweight positions in semiconductor capital equipment names as froth concerns grew across more extended parts of the AI trade, while reducing exposure to select names following outsized gains. We remain significantly underweight the sector overall, a position which was magnified in the annual Russell Rebalance, with exposure concentrated in higher-conviction, less-extended semiconductor and platform names and select software names that we view as near-term beneficiaries of AI.

Industrials. Industrials remain our largest overweight with positioning anchored in data center and power infrastructure, aerospace and defense, and select quality cyclicals.

Consumer Discretionary. Positioning remains selective and tilted toward quality brands and experiences, broadline retail, and auto parts.

Health Care. Positioning remains concentrated in obesity and commercial-stage biopharma, where we believe fundamentals are undervalued.

OUTLOOK

Looking ahead, we believe the environment favors selectivity and balance over concentration. We continue to favor the other 493 over the Mag 7 and see potential for a multi-year small cap performance run, as decreasing correlations and a broadening earnings recovery across sectors should prove a tailwind for active managers able to look beyond the largest names. Crowding within AI winners warrants cautious positioning and disciplined risk management, but we don't see a broken thesis — unlike 1999, the earnings underpinning this cycle are real. At the same time, the momentum trade that carried much of the market higher looks extended and is beginning to crack, and we expect capital to keep rotating into laggards like Health Care and Financials as the market broadens. This is an environment where disciplined capital rotation, prudent risk management and deep fundamental research should be rewarded.

Performance Attribution Analysis

Representative Account vs. Russell 1000® Growth Index · April 1, 2026 – June 30, 2026

SECTOR ATTRIBUTION

Source: FactSet. All effects in basis points. Positive = contribution to relative performance (gross). Attribution is based on gross returns: The Large Cap Growth Composite returned +19.43% net of investment advisory fees in Q2 2026.

SECTOR	PORT. WT.	BENCH. WT.	PORT. RET. (GROSS)	BENCH. RET.	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Industrials	14.0%	6.6%	+29.7%	+21.3%	+34 bps	+119 bps	+152 bps
Health Care	7.8%	7.1%	+21.8%	+11.5%	-10 bps	+88 bps	+78 bps
Information Technology	47.9%	51.8%	+23.5%	+21.8%	-19 bps	+81 bps	+62 bps
Consumer Staples	--	2.6%	--	+0.2%	+40 bps	--	+40 bps
Financials	5.3%	5.4%	+13.6%	+8.3%	+2 bps	+36 bps	+38 bps
Consumer Discretionary	9.4%	12.6%	+10.5%	+11.8%	+9 bps	-9 bps	--
Energy	0.2%	0.4%	-12.4%	-1.8%	-10 bps	-3 bps	-13 bps
Communication Services	12.7%	12.5%	+8.8%	+10.0%	-12 bps	-15 bps	-27 bps
Cash	2.7%	--	+1.3%	--	-58 bps	--	-58 bps
Total	100.0%	100.0%	+19.59%	+16.74%	-11 bps	+296 bps	+285 bps

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
(MKS) MKS Inc.	1.77%	+115 bps
(PANW) Palo Alto Networks, Inc.	1.77%	+93 bps
(AXON) Axon Enterprise Inc	2.37%	+77 bps
(SNOW) Snowflake, Inc.	1.10%	+64 bps
(MU) Micron Technology, Inc.	0.54%	+62 bps

BOTTOM 5 DETRACTORS

Representative account, Q2 2026

SECURITY	AVG. WT.	TOTAL EFFECT
(AMD) Advanced Micro Devices, Inc.	0.10%	-114 bps
(LRCX) Lam Research Corporation	0.05%	-73 bps
(NOW) ServiceNow, Inc.	1.92%	-40 bps
(CRM) Salesforce, Inc.	1.01%	-36 bps
(AMAT) Applied Materials, Inc.	0.05%	-30 bps

COMPOSITE TRAILING PERFORMANCE

Large Cap Growth Equity Composite · As of June 30, 2026 · Annualized for periods greater than one year

	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPT.
Composite (Gross)	19.59%	10.33%	17.65%	24.11%	13.65%	18.68%	12.53%
Composite (Net)	19.43%	10.02%	16.98%	23.44%	13.05%	18.07%	11.90%
Russell 1000® Growth Index	16.74%	5.33%	17.71%	22.58%	13.71%	18.58%	11.70%

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 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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