

Select Growth Equity

Second Quarter 2026 · Investment Commentary

+18.39%

Portfolio Return (Gross)
Q2 2026

+18.30%

Portfolio Return (Net)
Q2 2026

+16.74%

Benchmark Return
Russell 1000® Growth Index

+156 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 Select Growth Equity Composite (the "portfolio") returned 18.30% 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; cyclical recovery names also participated as sentiment improved following the de-escalation of geopolitical tensions in the Middle East.

SECTOR HIGHLIGHTS

The portfolio's concentrated, high-conviction positioning across secular growth themes, combined with strong stock selection within Health Care and Industrials, drove outperformance, outweighing modest weakness in Information Technology and Financials.

Health Care (+81 bps): Biopharma sentiment shifted meaningfully over the course of the quarter as clinical readouts and an active M&A backdrop reinforced conviction, and June saw technology-oriented capital rotate back into the group, rewarding the portfolio's biopharma tilt. The GLP-1/obesity theme also remained a dominant driver of performance within the space. Medical technology remained an area of weakness, 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, and our lack of exposure to these lower-innovation corners of the sector was a tailwind.

Industrials (+75 bps): AI and data center-driven power infrastructure was the dominant driver of returns, fueled by a wave of blowout earnings prints and guidance raises across data-center and power-infrastructure holdings. Broader cyclical industrial trade stalled mid-quarter as the market shifted from pricing rate cuts to potential hikes and the AI/momentum trade dominated investor attention; aerospace and defense holdings also gave back some of the risk premium tied to Middle East tensions as the conflict de-escalated.

Communication Services (+38 bps): Strong stock selection, supported by continued advertising and subscription growth trends, contributed positively to relative results.

Information Technology (-23 bps): Underperformance was driven almost entirely by the portfolio's underweight to semiconductors, which advanced sharply — and at times parabolically — across memory, networking/connectivity, and semiconductor capital equipment on robust hyperscaler capital spending and a broader cyclical upturn; the portfolio remained concentrated in higher-quality, mega-cap names and under-owned the highest-beta movers. This was nearly offset by positive stock selection within IT services and software, where the group stayed bifurcated — AI-displacement fears drove indiscriminate selling in beaten-down legacy applications, while data-security and agent-observability names advanced sharply — and the portfolio remained selective and underweight.

Financials (-10 bps): AI-disintermediation fears repriced financials subsectors at various points during the year, weighing most heavily on alternative asset managers, retail brokers, and exchanges during the quarter. The sector was a modest detractor, driven by weakness within capital markets exposure tied to investor concern around AI-driven disintermediation of client cash balances.

TOP CONTRIBUTORS

(FIX-US) **Comfort Systems USA, Inc.**, a high-conviction AI “picks-and-shovels” provider of mechanical and electrical installation and service for commercial and industrial buildings, was the largest contributor to relative performance during the quarter. The company reported results well above expectations, including a sharp increase in backlog tied to data center construction and other AI-related infrastructure demand. We trimmed the position for risk management purposes, but it remains a high-conviction holding with multi-year visibility embedded in its record backlog.

(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 trimmed the position on strength and continue to hold shares, viewing the company's cross-cloud architecture and usage-based pricing as well positioned at a critical, data-readiness layer of enterprise AI infrastructure.

(FLEX-US) **Flex Ltd.**, a diversified contract manufacturer with growing exposure to AI-related data center power infrastructure, was a notable contributor. Shares advanced sharply following an earnings beat, raised guidance, and the announced spin-off of its cloud and power business, which anchored the investment thesis and drove a re-rating in the stock. We sold the position following the spin-off announcement given the magnitude of the appreciation, though we continue to view the underlying secular exposure to AI-driven data center power favorably.

(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.

(MRVL-US) **Marvell Technology, Inc.**, a designer of data center and custom networking semiconductors, was a notable contributor. Shares advanced sharply after the company reported results and raised guidance supported by exceptional AI-related bookings. We exited the position during the quarter, largely on valuation and index-rebalance mechanics; we believe the custom ASIC opportunity remains underappreciated by the market, and an expanding partnership with a large cloud customer on new ASIC designs should help diversify its customer base going forward.

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. 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 added to the position during the quarter, though the underweight remained a drag on relative results as we continue to see better relative value elsewhere in the semiconductor space.

(LRCX-US) **Lam Research Corporation**, a supplier of semiconductor etch and deposition equipment, was a meaningful detractor. The position is a longstanding underweight and shares advanced sharply alongside broader strength in semiconductor capital equipment names, a rally we believe was fueled in part by speculative flows. We added to the position during the quarter to reduce the underweight, viewing the company as best-in-class within etch, deposition, and memory-related equipment.

(LPLA-US) **LPL Financial Holdings Inc.**, a platform provider for independent financial advisors, was a meaningful detractor. Shares declined on investor concern that emerging AI-driven cash management tools could disintermediate advisor platform cash balances. While we believe the disintermediation risk as overstated, we exited the position during the quarter as a source of capital.

(RKLB-US) **Rocket Lab Corporation**, a rocket launch and satellite manufacturer, advanced on investor enthusiasm towards the growing space economy and a strong earnings report featuring sales and profitability ahead of expectations. While we held a position for some of the quarter, we missed some of the move which weighed on relative results. We continue to view the company as a best-in-class, pure-play space business and may revisit the name at a more attractive entry point.

(AMAT-US) **Applied Materials, Inc.**, a supplier of semiconductor fabrication equipment, was a detractor due to our underweight allocation. Shares advanced as investors grew more constructive on capital spending plans among leading memory manufacturers, including a large announced fab investment from two major memory producers. We added to the position during the quarter to reduce the underweight, viewing the company as an indispensable supplier of fabrication tools amid structural AI- and cloud-related demand, even as valuations remain elevated ahead of expected earnings-revision normalization.

POSITIONING HIGHLIGHTS

Industrials. We took profits on several data center and power infrastructure winners following sharp appreciation, rotating into short-cycle cyclical growth names and high-conviction, less-extended secular growers. The sector remains our largest overweight, anchored in secular AI-power infrastructure and select cyclical recovery names.

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, concentrated in higher-conviction, less-extended semiconductor and platform names.

Financials. We exited select capital markets holdings most exposed to AI-driven cash-disintermediation concerns — a theme that weighed on alternative asset managers, retail brokers, and exchanges broadly this quarter — a modest change to the sector's positioning.

Health Care. Positioning remained concentrated in commercial-stage biopharma, including obesity/GLP-1 exposure, where we continue to see an active mergers and acquisitions environment supporting further upside; we remain overweight the sector.

Consumer and Communication Services. Exposure remained selective, concentrated in holdings with durable secular growth drivers and clear AI-readiness beneficiaries.

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 Select Growth Composite returned +18.30% net of investment advisory fees in Q2 2026.

SECTOR	PORT. WT.	BENCH. WT.	PORT. RET. (GROSS)	BENCH. RET.	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Health Care	6.9%	7.1%	+22.0%	+11.5%	-2 bps	+83 bps	+81 bps
Industrials	23.6%	6.6%	+22.2%	+21.3%	+42 bps	+33 bps	+75 bps
Consumer Staples	0.3%	2.6%	-1.2%	+0.2%	+53 bps	-5 bps	+48 bps
Communication Services	10.8%	12.5%	+11.3%	+10.0%	+21 bps	+17 bps	+38 bps
Consumer Discretionary	8.0%	12.6%	+10.5%	+11.8%	+20 bps	-5 bps	+15 bps
Real Estate	--	0.4%	--	+4.0%	+6 bps	--	+6 bps
Utilities	--	0.3%	--	+3.2%	+4 bps	--	+4 bps
Materials	--	0.3%	--	+8.2%	+3 bps	--	+3 bps
Energy	0.1%	0.4%	-8.1%	-1.8%	-7 bps	-2 bps	-9 bps
Financials	3.6%	5.4%	+3.7%	+8.3%	+7 bps	-18 bps	-10 bps
Information Technology	44.6%	51.8%	+21.9%	+21.8%	-26 bps	+3 bps	-23 bps
Cash	2.1%	--	+0.5%	--	-44 bps	--	-44 bps
Total	100.0%	100.0%	+18.58%	+16.74%	+77 bps	+107 bps	+184 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
(FIX) Comfort Systems USA, Inc.	3.76%	+86 bps
(SNOW) Snowflake, Inc.	1.53%	+64 bps
(FLEX) Flex Ltd.	0.52%	+63 bps
(AXON) Axon Enterprise Inc	2.53%	+55 bps
(MRVL) Marvell Technology, Inc.	0.28%	+43 bps

BOTTOM 5 DETRACTORS

Representative account, Q2 2026

SECURITY	AVG. WT.	TOTAL EFFECT
(AMD) Advanced Micro Devices, Inc.	0.34%	-83 bps
(LRCX) Lam Research Corporation	0.06%	-72 bps
(LPLA) LPL Financial Holdings Inc.	0.78%	-37 bps
(RKLB) Rocket Lab Corporation	0.32%	-27 bps
(AMAT) Applied Materials, Inc.	0.06%	-27 bps

COMPOSITE TRAILING PERFORMANCE

Select 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)	18.39%	10.74%	21.40%	26.98%	15.99%	21.07%	17.95%
Composite (Net)	18.30%	10.54%	20.93%	26.34%	15.29%	20.22%	17.12%
Russell 1000® Growth Index	16.74%	5.33%	17.71%	22.58%	13.71%	18.58%	16.38%

Composite inception date: January 1, 2014. 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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