



2Q25 NCG PERFORMANCE AND COMMENTARY

Next Century Growth Investors			Latest 1	Latest 3	Latest 5	Latest 10	Inception [^]
Compound annual returns as of 6/30/2025	2Q25	YTD	Year	Year	Year	Year	To Date
Small Cap Growth Composite (%) (net of fees)	12.74	(1.90)	9.91	13.63	12.76	12.42	10.60
Russell 2000® Growth Index (%)	11.96	(0.48)	9.72	12.38	7.41	7.13	6.90
Micro Cap Growth Composite (%) (net of fees)	18.00	0.59	17.23	12.42	16.41	18.03	16.86
Russell Microcap® Growth Index (%)	20.92	(0.53)	20.45	11.54	5.20	4.14	8.01
Smicro Cap Growth (%) (net of fees)	13.66	(2.12)	10.19	14.78	13.34	14.19	15.56
Russell 2000® Growth Index (%)	11.96	(0.48)	9.72	12.38	7.41	7.13	9.96
SMID Cap Growth Composite (%) (net of fees)	13.50	(2.53)	7.84	13.26	12.53	11.98	7.30
Russell 2500™ Growth Index (%)	11.30	(0.71)	8.80	12.04	7.49	8.52	6.26
Large Cap Growth Composite (%) (net of fees)	19.97	5.36	11.57	23.48	16.89	16.70	11.00
Russell 1000® Growth Index (%)	17.83	6.09	17.21	25.75	18.14	17.01	8.75

Market Review

In the second quarter of 2025, equity markets finished higher after a down 1Q25 and now hover at or near all-time highs across most broad indices. The quarter was marked by a swift selloff in early April following President Trump's Liberation Day tariff announcement on April 2nd. The announcement itself was not a surprise, but the breadth of countries included, the level of tariff rates imposed, and the short implementation timeframe created considerable concern for global markets. Equity markets had been under pressure since late February and throughout March as the new administration rolled out initiatives deemed concerning for the economy, and the tariff announcement only added fuel to the fire. However, a week after Liberation Day, the administration put in place a 90-day pause on tariff implementation and started talking about numerous ongoing trade deal negotiations. This caused markets to reverse course, and a strong rally ensued through quarter-end. Other investor concerns around DOGE spending cuts, immigration policy, and geopolitical strategy remain, but they were offset by generally upbeat earnings reports from companies and continued solid economic data, both of which contributed to the 2Q rally. The Fed, which has also been set on keeping rates higher for longer in the face of sticky inflation data, is beginning to hint at multiple rate cuts in 2025. At NCG, we continue to closely monitor each development and the potential impact on our portfolio holdings. Volatile periods create opportunities and challenges, but we continue to rely on our long-tenured, experienced and stable team. There are many exciting areas of growth within the US economy, and we continue to invest in what we believe are the fastest growing and highest quality companies in America.

Portfolio Review

Our investment philosophy emphasizes direct research and adhering to a strong sell discipline. We strive to own companies that we believe can grow revenue and profits at strong rates in any economic and market environment. We feel we have the opportunity, if we pick the right stocks, to perform better than the index in all market environments. In 2Q25, we outperformed in all strategies (net of fees), except the micro cap, and YTD we are slightly behind our respective indexes in all strategies, except the micro cap. Even though investor sentiment has improved from 1Q and the April lows, uncertainty abounds on the forward growth curve of the economy. In periods like this, we remain focused on the fundamental growth drivers of each holding and maintaining portfolios consisting of what we believe are healthy growth companies, while eliminating holdings with deteriorating fundamentals.

For the quarter, our small cap strategy outperformed in basic materials, consumer and health care. The SMID cap strategy outperformed in basic materials, technology, industrials, and consumer. In micro cap, we



outperformed in industrials and consumer but underperformed in technology and financials. Our large cap strategy outperformed industrials, consumer, health care, and technology.

Please see our product review write-ups for more information on performance drivers and portfolio activity in the quarter.

Market Outlook

The market has strongly rebounded since the early April sell-off that was caused by trade policy uncertainty and fears of an imminent economic contraction. There are still many unknowns and seemingly every day we are presented with new information which could impact the path of the economy and the direction of earnings estimates. As of now, investors are expecting solid earnings growth in 2025 for small, mid and large cap companies. *See Exhibit 1.* If this growth materializes, it would be a continuation of strong growth in large cap and a return to positive earnings growth in small and mid cap. While earnings estimates were broadly and indiscriminately lowered in the face of trade policy uncertainty earlier this year, we are encouraged that the earnings outlook now appears to be stabilizing across the market cap tiers following generally positive 1Q earnings reports and continued solid economic data. *See Exhibit 2.* We are on the cusp of earnings reports for 2Q and will be monitoring to see if less economic uncertainty can lead to an improvement in the earnings outlook.

At all times it is important for us to incorporate both risks and potential opportunities into our thinking and portfolio construction positioning. After a period of heightened uncertainty, we see some potentially significant positives in the current environment. First, while international trade and tariff policies have not been finalized, the administration has shown a willingness to push out timelines to allow time for more meaningful bilateral negotiations. Second, the Federal Reserve has held rates unchanged so far in 2025 following rate cuts totaling 100bps in the back half of 2024. The Fed remains committed to evaluating the incoming data to determine the path of future rate decisions but has recently signaled a willingness to cut rates at some point this year. The market currently expects between two to three 25bp cuts in 2025. Third, we believe there are pro-growth policies being put in place, including the recent passage of the OBBB. For example, strong forces driving increased infrastructure spending in the US have been gaining momentum for the past couple years and, we believe, remain intact. We feel the new administration is working to accelerate this trend and we are finding companies which are direct beneficiaries. Finally, we believe there are good opportunities in growth stocks across our strategies. Large cap growth stocks remained leaders during the recent market rally supported by strong fundamental business drivers. In small caps, it has been a different story relative to large caps. The rolling 10-year annualized return by small vs large stands at -7.3% and is the worst ever going back to 1926 (*See Exhibit 3*), and the valuation of the small cap sector relative to large caps is in the 5th percentile historically (zero being the least expensive relatively and 100 being the most expensive). *See Exhibit 4.* Small cap growth stocks also participated in the recent up move, but we believe further opportunity exists.

As always, we will stay focused on our core investment philosophy. We believe a portfolio of high-quality growth companies, selected using our original research, and combined with a strong sell discipline will lead to compounding of portfolio value and market outperformance over time. We believe our since inception investment results continue to support this approach.



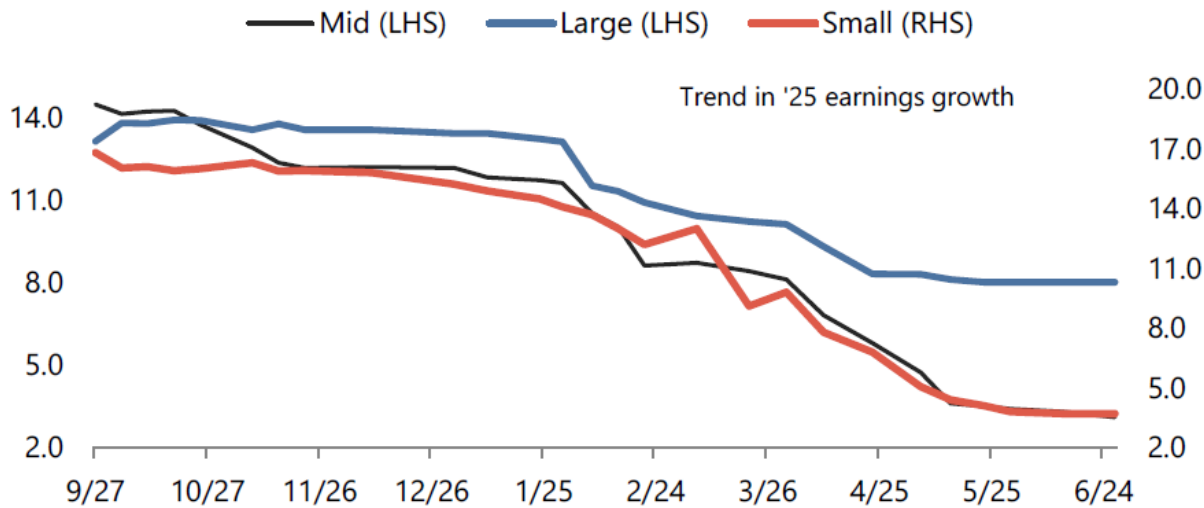
Earnings Growth (%)

Quarter/Year	Small	Mid	Large	Small Caps		Mid Caps		Large Caps	
				Growth	Value	Growth	Value	Growth	Value
1Q25A	-4.9	-2.9	14.5	-4.8	-7.3	-3.9	-2.5	16.9	9.8
2Q25P	-4.0	-3.2	2.9	0.7	-5.9	-3.5	-3.6	11.4	-2.1
3Q25P	7.1	4.8	5.1	6.9	5.8	0.9	4.3	10.9	1.8
4Q25P	8.2	5.0	3.6	-3.4	13.2	1.4	4.8	8.1	1.2
2025P	3.7	3.1	8.0	2.3	2.2	1.3	2.6	12.3	4.3

Source: FactSet; Standard & Poor's; Jefferies

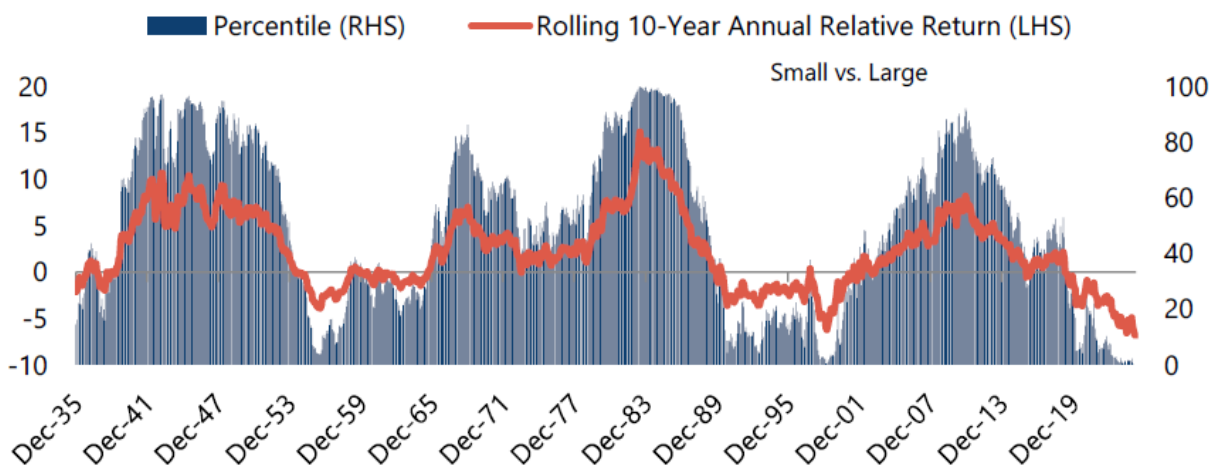
*Small represented by Russell 2000, Mid by Russell Midcap, Large by Russell 1000

Exhibit 2. 2025 Earnings Estimate Growth Trend



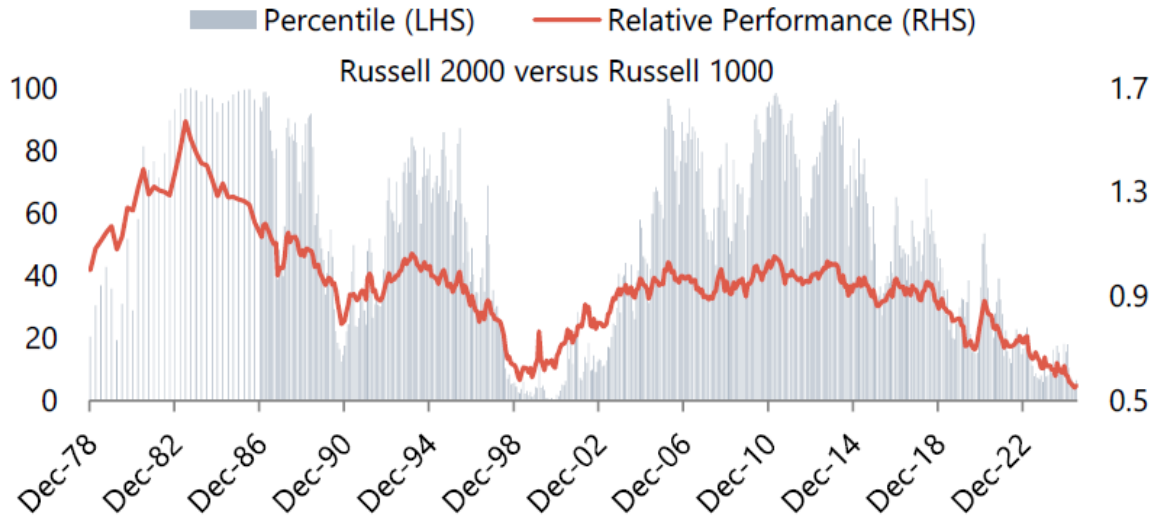
Source: FactSet; FTSE Russell; Jefferies

Exhibit 3. Rolling 10-year Relative Performance of Small Cap Stocks vs Large Cap Stocks



Source: Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business; Jefferies

Exhibit 4. Relative Valuation and Relative Performance of Russell 2000 vs Russell 1000



Source: FactSet; FTSE Russell; Jefferies

† Past performance is not an indicator of future performance. The Russell 2000 Index is a small-cap U.S. stock market index that makes up the smallest 2,000 stocks in the Russell Index. The Russell 1000 Index is a U.S. stock market index that tracks the highest-ranking 1,000 stocks in the Russell 3000 Index, which represent about 93% of the total market capitalization of that index. The Russell Midcap Index measures performance of the 800 smallest companies in the Russell 1000 Index.



Next Century Growth Investors, LLC

NCG LARGE CAP 2Q25 REVIEW

	2Q25	YTD	1 year	3 year	Annualized		Since Inception^
					5 year	10 year	
Large Cap Growth (%) (Net of fees)	19.97	5.36	11.57	23.48	16.89	16.70	11.00
Russell 1000® Growth Index (%)	17.83	6.09	17.21	25.75	18.14	17.01	8.75

^Inception 1/1/1999

2Q Attribution

Contributors	Detractors
<ul style="list-style-type: none"> Sector outperformance: industrials, consumer, health care, technology Top 3 contributors to absolute performance: NVDA, MSFT, SNOW 	<ul style="list-style-type: none"> Sector underperformance: financials Top 3 detractors to absolute performance: AAPL, SAIA, UNH

2Q Portfolio Activity

- In technology, we are underweight, but we maintain significant exposure to the sector as growth fundamentals remain strong in many of the large index positions as well as in many other areas. We are underweight the Mag 7 and have added additional holdings in the sector.
- In consumer, we are slightly underweight and continue to focus on companies we believe have long-term secular growth opportunities.
- The portfolio is underweight the health care sector. We are relying on our direct research to invest in companies with strong growth prospects trading at attractive valuations.
- Overweight in industrials driven by companies with what we believe have secular growth drivers.
- The portfolio is overweight the financial sector.
- We added 5 new positions in Q2:
 - two in technology: CyberArk Software, Toast
 - one each in consumer (Dutch Bros), industrials (Caterpillar), health care (UnitedHealth Group)
- We sold 5 positions to zero in Q2:
 - three in technology: Cadence Design Systems, Trade Desk, Marvel Technology
 - one each in health care (UnitedHealth Group) and consumer (Chipotle Mexican Grill)

Sector Weights

As of 06/30/2025

	Large Cap Growth	Russell 1000 Growth Index
Technology	54%	60%
Consumer Discretionary	18%	19%
Industrials	15%	9%
Financials	8%	3%
Health Care	4%	7%
Basic Materials	0%	0%
Consumer Staples	0%	2%
Energy	0%	0%
Real Estate	0%	1%
Telecommunications	0%	1%
Utilities	0%	1%
Cash	0%	0%

DISCLOSURES (2Q25)

Past performance is not indicative of future results. Mention of companies/stocks herein is for illustrative purposes only and should not be interpreted as investment advice or recommended securities. The securities identified do not represent all of the securities purchased, sold or recommended and the reader should not assume that any listed security was or will be profitable. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by NCG) or any other discussion made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. You should not assume that any discussion or information contained in this commentary serves as the receipt of, or as a substitute for, personalized investment advice from NCG. Performance related information provided in this document is available. A description of our services and fees is included in our Brochure, ADV Part 2, which is available upon request.

Source: FactSet for Attribution and Sectors.

Reported in USD. Performance figures for less than one year are not annualized. An investment in this strategy is speculative and involves substantial risks, including the possible loss of the entire investment and the potential for economic and market conditions and factors to materially adversely affect the value of the investments. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Performance information presented may include "estimated" figures in circumstances where "final" figures are not yet available. Both gross and net performance reflects the reinvestment of dividends and interest, and the deduction of brokerage or other commissions, and any other expenses that a client would have paid or actually paid, other than custodial fees. For the Small Capitalization Growth Equity Composite IPOs contributed significantly to performance in 1999. Next Century Growth Investors 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.

^Large Cap Growth Composite Inception 1/1/1999, represent 14.52% firm AUM

^SMID Cap Growth Composite Inception 4/1/2000, represent 1.88% firm AUM

^Small Cap Growth Composite Inception 1/1/1999, represent 39.94% firm AUM

^SMicro Cap Growth Composite Inception 1/1/2013, represent 1.52% firm AUM

^Micro Cap Growth Composite Inception 1/1/2003, represent 34.65% firm AUM

The Russell Microcap® Growth Index measures the performance of the microcap growth segment of the U.S. equity market. It includes Russell Microcap companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The Russell Microcap Growth Index is constructed to provide a comprehensive and unbiased barometer for the microcap growth segment of the market. The Index is completely reconstituted annually to ensure larger stocks do not distort performance and characteristics of the microcap opportunity set. The Russell Microcap Growth Index is not an actual investment and does not reflect the deduction of transaction charges and other expenses that your account must bear. Additional information regarding policies for calculating and reporting returns is available upon request.

The NCG Micro Cap Growth Equity Composite contains portfolios investing primarily in the equity securities of smaller U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. Investment results are measured versus the Russell Microcap® Growth Index.

The Next Century Growth Investors Small/Micro Cap Growth Equity Composite contains portfolios investing primarily in the equity securities of smaller companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. The strategy invests in both small and microcap companies. Investment results are measured versus the Russell 2000® Growth Index.

The NCG Small Capitalization Growth Equity Composite contains portfolios investing primarily in the equity securities of smaller U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. Investment results are measured versus the Russell 2000® Growth Index.

The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the US equity universe. It includes those Russell 2000® companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics. The Russell 2000® Growth Index is not an actual investment and does not reflect the deduction of transaction charges and other expenses that your account must bear.

The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The Russell 1000® Growth Index is not an actual investment and does not reflect the deduction of transaction charges and other expenses that your account must bear.

The NCG Focused Large Capitalization Growth Composite contains portfolios investing primarily in equity securities of U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. The strategy invests in both large and medium companies with an emphasis on large capitalization. Investment results are measured versus the Russell 1000® Growth Index.

The Russell 2500™ Growth Index measures the performance of the small to mid-cap growth segment of the US equity universe. It includes those Russell 2500™ companies with higher growth earning potential as defined by FTSE Russell's leading style methodology. The Russell 2500™ Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect growth characteristics.

The NCG Small/Mid Capitalization Equity Composite contains portfolios investing primarily in the equity securities of small and medium-sized U.S. companies that the portfolio manager believes have substantial potential for high long-term growth. The portfolio manager seeks to identify the fastest growing and highest quality companies for investment. Investment results are measured versus the Russell 2500™ Growth Index.

A GIPS Report and/or the firm's list of composite descriptions is available upon request. The Russell Indexes ("Russell Indexes") are a trademark of Frank Russell Company ("Russell"). The FTSE Indices and/or Russell Indexes are not in any way sponsored, endorsed, sold or promoted by FTSE, Russell or the LSEG (together, the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE Indices and/or Russell Indexes, (ii) the figures at which the FTSE Indices and/or Russell Indexes are said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the FTSE Indices and/or Russell Indexes for any purpose. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the FTSE Indices and/or Russell Indexes. The Russell Indexes are calculated by Russell or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the FTSE Indices and/or Russell Indexes or (b) under any obligation to advise any person of any error therein.