



1Q26 NCG PERFORMANCE AND COMMENTARY

Next Century Growth Investors		Latest 1	Latest 3	Latest 5	Latest 10	Inception [^]
Compound annual returns as of 03/31/2026	1Q26	Year	Year	Year	Year	To Date
Small Cap Growth Composite (%) (net of fees)	(2.09)	21.83	9.30	4.02	16.09	10.61
Russell 2000® Growth Index (%)	(2.80)	23.57	12.26	1.62	9.78	7.09
Micro Cap Growth Composite (%) (net of fees)	0.04	31.38	10.87	4.17	22.45	16.81
Russell Microcap® Growth Index (%)	(4.24)	41.84	15.48	(1.20)	8.34	8.48
Smicro Cap Growth (%) (net of fees)	(2.15)	20.44	9.45	3.65	17.28	15.12
Russell 2000® Growth Index (%)	(2.80)	23.57	12.26	1.62	9.78	10.19
SMID Cap Growth Composite (%) (net of fees)	0.18	26.15	10.52	4.35	16.06	7.52
Russell 2500™ Growth Index (%)	(3.51)	19.31	10.60	1.74	10.45	6.35
Large Cap Growth Composite (%) (net of fees)	(10.16)	17.95	17.69	10.03	16.72	10.62
Russell 1000® Growth Index (%)	(9.77)	18.81	21.18	12.76	16.83	8.53

Market Review

In the first quarter of 2026, U.S. equity markets experienced heightened volatility and generally weaker large-cap returns as investors grappled with a shifting macroeconomic and geopolitical backdrop. Early in the quarter, markets were supported by resilient economic data, solid corporate earnings trends exiting 2025, and expectations that the Federal Reserve would remain accommodative. However, sentiment deteriorated meaningfully as geopolitical tensions escalated late in the quarter, particularly following the U.S.-led military conflict with Iran and the resulting disruption of global energy supplies through the Strait of Hormuz. The sharp increase in oil prices drove renewed inflation concerns, pushed interest rates higher, and weighed on risk assets overall.

Large cap equities experienced underperformance through the quarter, heavily influenced by the performance of the mega-cap stocks. These stocks, which had driven much of the market's gains over the prior several years, came under renewed scrutiny in regards to the health of business momentum, capital expenditure acceleration, and valuation concerns. As a result, the Russell 1000 Index declined approximately 4% during the quarter, while the mega-cap heavy Russell 1000 Growth Index fell nearly 10%, marking one of the weakest relative quarters for large caps since 2022.

By contrast, small cap stocks demonstrated notable resilience. Despite broad market volatility, the Russell 2000 finished the quarter modestly positive and the 2000 Growth Index was down just 3%, outperforming large-cap benchmarks by a wide margin. This relative strength reflected a continuation of the market broadening that began in 2025, as investors increasingly looked beyond a narrow group of mega-cap stocks toward more domestically oriented companies with improving earnings momentum and more attractive valuations. Lower interest rate expectations earlier in the quarter and fiscal policy support aimed at U.S. investment further benefited small-cap companies, which tend to be more sensitive to changes in financing conditions.

Overall, the quarter highlighted a potentially important shift in market leadership. While geopolitical risks and inflation concerns created near-term headwinds for equities broadly, small cap stocks continued a recent trend of outperforming large caps, reinforcing the broadening out of index returns and underscoring our belief in the importance of selectivity and fundamental quality in active portfolio construction.

Portfolio Review

Our small cap portfolios performed better than the index in 1Q driven by our consistent emphasis on strong growth drivers, fundamental quality, and proven business models. Our good relative performance held up despite a broad-based selloff in March following the geopolitical conflict in the Middle East. We saw considerable daily volatility during the month, including declines when the conflict was viewed as escalating and strong relief rallies on days with

prospects of the conflict ending. As is normal in these situations, we tend to see growth stocks sell off the most as investors are less willing to give credit for future growth prospects due to the uncertainty.

Relative performance benefited from exposure to several areas of sustained fundamental strength and favorable long-term demand. Investments tied to AI infrastructure, including semiconductors, optical components, power buildout and site development, performed well as spending on computing capacity, networking, and data-center build-outs remained robust. We also saw positive contributions from aerospace and defense holdings, supported by elevated global defense spending and growing order backlogs, as well as select positions in basic materials that benefited from supply-demand imbalances and pricing resilience. In addition, for-profit education companies contributed positively as enrollment trends remained strong. These gains were partially offset by stock-specific weakness in some health care holdings, despite decent earnings results and guidance, along with our underweight to the energy sector, which outperformed during the quarter amid rising oil prices driven by geopolitical disruptions.

Our large cap strategy outperformed in industrials, supported by positions benefiting from AI-related infrastructure spending as well as continued strength in aerospace and defense. These positives were offset by underperformance in technology, as several software holdings were caught up in a selloff across the sector, as investors fear AI native companies could significantly alter the growth trajectory of traditional SaaS software companies. In addition, select consumer holdings experienced stock-specific weakness, even as they reported generally positive earnings results. We believe these periods of near-term dislocation continue to reinforce the importance of discipline, valuation awareness, and a focus on long-term earnings durability within large-cap growth portfolios.

Across all strategies, we remain committed to our core investment philosophy of emphasizing high-quality growth businesses with durable competitive advantages, strong balance sheets, and long-term earnings power. We continue to view the current environment as increasingly favorable for our approach as markets broaden and fundamentals reassert their influence on returns.

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

Market Outlook

Looking ahead, we believe the investment environment presents a mix of near-term uncertainties and longer-term opportunities. From a macroeconomic perspective, U.S. economic growth remains resilient, supported by steady consumer spending, improving earnings trends, and the lagged benefits of monetary easing implemented over the past year. While inflation remains sensitive to energy-price volatility, broader pricing pressures have moderated, giving the Federal Reserve greater flexibility to respond should growth conditions weaken. Interest rates remain elevated relative to the past decade, but we believe the rate environment is increasingly supportive of companies with strong balance sheets, pricing power, and durable growth drivers.

Geopolitical risks remain an important consideration. Ongoing instability in the Middle East, particularly concerns around energy supply disruptions, has added volatility to markets and contributed to periodic spikes in inflation expectations. In addition, shifting global trade dynamics and evolving industrial and fiscal policy priorities continue to influence capital flows and sector leadership. While these forces can drive short-term market dislocations, they also reinforce the importance of focusing on underlying business fundamentals rather than attempting to time macro or geopolitical events.

Within this backdrop, we believe conditions remain favorable for continued market broadening, in both small cap and large cap stocks. First, small cap earnings growth turned positive during 2025 and growth is expected to stay positive and potentially accelerate in 2026. This continues to be the case as of early April. Secondly, there has been significant easing from the Fed over the past year and small caps have historically been a prime beneficiary during rate-cutting cycles. We expect easier financial conditions to translate into improving business fundamentals as we go through the



year. Finally, small cap stocks continue to trade at attractive valuations relative to large cap stocks. Combined with an improving fundamental backdrop, we believe this presents further opportunities in small caps.

By contrast, large-cap stocks, especially mega-cap growth names, continue to face higher expectations embedded in valuations. While many of these companies remain high-quality businesses, returns are likely to be more sensitive to earnings delivery, capital-spending discipline, and discount-rate assumptions than in recent years. As a result, we expect a more selective environment for investors, which should be a good environment for our large cap strategy.

Overall, we believe this environment reinforces the value of active management and fundamental research. Periods characterized by elevated volatility, geopolitical uncertainty, and shifting leadership often create opportunities for disciplined investors focused on identifying high-quality growth businesses with sustainable competitive advantages.

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.



NCG LARGE CAP 1Q26 REVIEW

	1Q26	1 year	3 year	Annualized		
				5 year	10 year	Since Inception^
Large Cap Growth (%) (Net of fees)	(10.16)	17.95	17.69	10.03	16.72	10.62
Russell 1000® Growth Index (%)	(9.77)	18.81	21.18	12.76	16.83	8.53

^Inception 1/1/1999

1Q Attribution*

What worked	What didn't
<ul style="list-style-type: none"> • Sector outperformance: industrials • Top 3 contributors to absolute performance: VRT, GEV, HWM • Industrials performance driven by AI infrastructure and aerospace & defense holdings 	<ul style="list-style-type: none"> • Sector underperformance: technology, consumer • Top 3 detractors to absolute performance: MSFT, APP, HOOD • Technology performance primarily impacted by a few software holdings caught up in the broad-based software sell-off occurring in the market • Consumer performance impacted by stock specific weakness despite generally positives earnings reports

1Q Portfolio Activity

- In technology, we are inline and we maintain significant exposure to the sector as growth fundamentals remain solid in many of the large index positions. We have reduced our exposure to the software sector due to concerns around AI native solutions impacting the longer-term growth outlook for established companies. Our holdings remain diversified across semiconductors, AI infrastructure, software, and digital advertising.
- Overweight in industrials driven by companies with what we believe have secular growth drivers in areas such as aerospace, power generation and AI infrastructure buildout, among others.
- In consumer, we are underweight and continue to focus on companies we believe have long-term secular growth opportunities, with holdings in online and offline retail, EVs, and restaurants.
- The portfolio remains overweight the financial sector with one company in the full service online brokerage market and one serving global capital markets and private wealth management.
- The portfolio remains underweight the health care sector with one holding in pharmaceuticals, and one in diagnostics.

- We added 7 new positions in Q1:
 - five in technology: Seagate Technology Holdings, MACOM Technology Solutions Holdings, Applied Materials, Coherent, Palantir Technologies
 - two in industrials: RBC Bearings, FTAI Aviation
- We sold 7 positions to zero in Q4:
 - five in technology: MongoDB, Guidewire Software, Oracle, ServiceNow, Snowflake
 - one each in health care (Boston Scientific) and industrials (Boeing)

Sector Weights*

As of 03/31/2026

	Large Cap Growth	Russell 1000 Growth Index
Technology	59%	59%
Industrials	19%	9%
Consumer Discretionary	9%	18%
Financials	5%	2%
Health Care	4%	7%
Basic Materials	1%	0%
Telecommunications	1%	1%
Consumer Staples	0%	2%
Energy	0%	0%
Real Estate	0%	0%
Utilities	0%	1%
Cash	2%	0%

*Source: Factset

DISCLOSURES (1Q26)

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 13.04% firm AUM ^SMID Cap Growth Composite Inception 4/1/2000, represent 1.83% firm AUM
^Small Cap Growth Composite Inception 1/1/1999, represent 40.75% firm AUM ^SMicro Cap Growth Composite Inception 1/1/2013, represent 1.50% firm AUM
^Micro Cap Growth Composite Inception 1/1/2003, represent 34.55% 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.

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