Next Century Growth Investors

3Q26 NCG PERFORMANCE AND COMMENTARY

Next Century Growth Investors Compound annual returns as of 9/30/2026	3Q26	YTD	Latest 1 Year	Latest 3 Year	Latest 5 Year	Latest 10 Year	Inception^ To Date
Small Cap Growth Composite (%) (net of fees)	(16.41)	18.99	24.00	16.93	5.60	17.19	11.18
Russell 2000® Growth Index (%)	(9.38)	10.70	12.05	17.55	4.71	9.89	7.46
Micro Cap Growth Composite (%) (net of fees)	(13.68)	28.34	36.54	24.71	6.59	22.66	17.66
Russell Microcap® Growth Index (%)	(12.14)	8.50	10.82	23.06	2.59	8.14	8.87
Smicro Cap Growth (%) (net of fees)	(15.71)	19.50	23.33	16.86	4.83	18.16	16.21
Russell 2000® Growth Index (%)	(9.38)	10.70	12.05	17.55	4.71	9.89	10.85
SMID Cap Growth Composite (%) (net of fees)	(17.00)	20.43	24.78	17.33	5.72	17.11	8.12
Russell 2500™ Growth Index (%)	(10.34)	7.27	7.63	14.91	3.45	10.58	6.66
Large Cap Growth Composite (%) (net of fees)	(3.03)	11.30	12.37	22.89	12.33	18.68	11.27
Russell 1000® Growth Index (%)	0.92	6.30	7.49	24.26	13.66	18.16	9.01

Market Review

The third quarter of 2026 proved far more challenging beneath the surface than headline index returns would suggest. Several of the conditions that fueled the broad-based rally of the second quarter reversed. The fragile U.S.-Iran ceasefire broke down in July, renewed hostilities and attacks on shipping again constrained energy flows through the Strait of Hormuz and other key corridors, and Brent crude climbed back above $100 per barrel before ending the quarter near $98. The resurgence in energy prices revived inflation concerns, pushed Treasury yields sharply higher, and ultimately forced the Federal Reserve's hand. Against this backdrop, the S&P 500 still gained 2.3% for the quarter, but the equal-weighted S&P 500 declined 1.9%, underscoring how narrow market leadership became.

On the policy front, inflation proved stickier than hoped. August headline CPI rose 3.4% year-over-year, and in September the Fed raised its policy rate by 25 basis points, its first increase since 2023. The Fed's updated projections raised its 2026 inflation forecast to 3.7% and pushed the expected return to its 2% target out to 2029. Longer-term rates moved even more dramatically, with the 10-year Treasury yield rising above 5% to its highest level since 2007. Economic data was mixed but generally resilient – manufacturing remained in expansion and consumer spending held up – although hiring slowed late in the quarter and housing activity weakened as mortgage rates reached their highest level since 2023.

Large cap growth stocks held up best in the quarter, with the Russell 1000 Growth Index up 0.92% as the mega-cap technology complex reasserted leadership. The path was anything but smooth. July brought a sharp rotation away from AI infrastructure stocks – including many of the semiconductor, optical and data-center-related names that led in the first half – amid concerns about the scale of AI spending. Software on the other hand, which had been pressured by fears of AI disruption in the first half, rebounded in August as those concerns came to be viewed as overdone. In September, the release of OpenAI's GPT-6 reignited enthusiasm for chip makers and helped carry the Nasdaq to a record high, even as most other stocks moved lower.

Small cap stocks, the leaders of the first half, gave back a portion of their gains in the quarter. Performance in the quarter began with a valuation-related pullback, especially from the leadership areas in the first half, stabilized in August, but then pulled back again in September related to the higher interest rate environment. Higher borrowing costs are perceived to weigh more heavily on smaller, more domestically oriented companies. Year-to-date through

September, the Russell 2000 Growth Index is still up 10.70%, well ahead of the 6.30% gain for the Russell 1000 Growth Index.

Portfolio Review

Following an exceptionally strong first half, each of our five strategies declined in the third quarter and trailed its respective benchmark. Despite a difficult quarter, every strategy remains well ahead of its benchmark year-to-date, as well as over the trailing one-year period.

Across our smaller cap strategies, industrials was the largest detractor from both absolute and relative performance. Many of the holdings that drove our strong first-half results – businesses tied to data center site development, electrical infrastructure, aerospace and defense, transportation, and specialized manufacturing – gave back a portion of their gains as AI spending fears, higher energy costs, and rising interest rates weighed on the group. Consumer discretionary was the second major detractor, as a small number of holdings, including positions in vocational education and a restaurant concept, declined on stock-specific issues. Basic materials also detracted, led by holdings tied to aerospace specialty materials. Within health care, strong results from holdings in AI-enabled cardiac diagnostics and precision oncology were more than offset by declines in a Medicare Advantage carrier and a rare-disease biopharmaceutical company.

On the positive side, technology was additive on a relative basis in our small, smicro and micro cap strategies and roughly neutral in smid. Weakness in semiconductor capital equipment and photonics holdings was offset by strength in software and internet-enabled businesses – including financial reporting and compliance software, cross-border e-commerce, customer engagement, and digital bill payment – which benefited from the August rebound in software stocks. Energy also added value through stock selection, as our energy holdings advanced while the benchmark's energy names declined.

Our large cap strategy trailed its benchmark primarily due to its overweight position in industrials, which accounted for essentially all of the strategy's relative shortfall. Holdings in aerospace and defense, construction equipment, trucking, and electrical and data center infrastructure were generally weak, which followed outperformance during the first half. Holdings in semiconductor capital equipment, optical components, and a biopharmaceutical position also detracted. These were partially offset by strong results from some of our technology holdings, which outperformed the benchmark's technology sector, led by security software, cloud and productivity software, e-commerce, and consumer hardware. Our holdings in precision oncology and networking also added value.

During the quarter, we continued the portfolio repositioning we began in the second quarter. In our smaller cap strategies, we exited or trimmed several positions, including holdings in AI infrastructure, semiconductors, semiconductor capital equipment, and thermal management, and initiated or added positions in software, health care technology and services, life sciences tools, and specialty insurance – areas where we see healthy growth prospects and more attractive valuations. In our large cap strategy, we exited positions in electric vehicles, commercial aerospace, and ad-tech, among others, and added positions in agricultural equipment, pharmaceuticals and enterprise software. 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, as well as adhering to our strong sell discipline.

Periods of giveback following outsized gains are a normal part of investing in smaller, faster-growing companies, and the third quarter was a reminder that leadership can shift quickly. While our results this quarter were disappointing,

we remain confident in the fundamentals of the businesses we own, and our strong year-to-date and longer-term results reflect the value of holding well-researched positions through periods of volatility.

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 fundamental backdrop for high-quality growth investing remains constructive, even as the macro environment has grown more complicated. The U.S. economy continues to prove resilient – manufacturing activity remains in expansion, consumer spending has held up, and corporate earnings growth has been strong. Importantly, upward earnings revisions mean profits have generally grown faster than share prices this year, allowing valuation multiples to compress across much of the market even as indexes advanced. Capital spending tied to AI infrastructure and re-industrialization remains robust, and we continue to view these as multi-year investment cycles rather than short-term trends.

Policy is now the key swing factor. The renewed energy shock and sticky inflation have moved the Federal Reserve into tightening mode, and markets expect additional rate hikes in the coming quarters. Higher long-term rates, with the 10-year Treasury yield now above 5%, raise the bar for equity valuations and weigh disproportionately on smaller companies that depend on outside financing. We view this as a meaningful but manageable headwind. Much of the recent inflation pressure is energy-driven, and a durable resolution in the Middle East that restores energy flows could ease price pressures quickly, as we saw in the second quarter. The upcoming midterm elections and evolving trade policy may also add volatility in the near term.

Within this backdrop, we continue to believe the multi-year case for small caps remains intact. The third quarter pullback followed the strongest first half for small caps since 1991, and some consolidation was to be expected. Even after the decline, small caps remain ahead of large caps year-to-date and since the market low in April 2025. Small cap earnings growth continues to be driven by many of the same themes powering the large cap complex – semiconductors, data-center buildout, power and grid infrastructure, aerospace and defense, and reshored manufacturing – and valuations remain attractive relative to large caps. We view the recent weakness as an opportunity to add to high-quality businesses at more attractive prices.

By contrast, leadership in large cap growth has once again narrowed to a handful of mega-cap technology companies. Many of these are extraordinary businesses, but their valuations embed high expectations, and forward returns will increasingly depend on earnings delivery, capital discipline, and the success of AI monetization. The growing reliance on debt financing to fund AI buildouts adds another dimension worth monitoring. We expect this to remain a selective environment for large cap growth investors, which we believe suits the concentrated, research-driven approach we take in our large cap strategy.

Geopolitical risk, rising interest rates, above-target inflation, and concentrated market leadership remain risks worth respecting, and we expect periods of volatility along the way. However, we believe environments like this – marked by shifting leadership, dispersion, and rapid capital reallocation – tend to reward disciplined, fundamentally driven active managers. 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.

Next Century Growth Investors, LLC

NCG SMID CAP 3Q26 REVIEW

			Annualized				
	3Q26	YTD	1 year	3 year	5 year	10 year	Since Inception^
SMID Cap Growth (%) (Net of fees)	(17.00)	20.43	24.78	17.33	5.72	17.11	8.12
Russell 2500™ Growth Index (%)	(10.34)	7.27	7.63	14.91	3.45	10.58	6.66

^Inception 4/1/2000

3Q Attribution*

What worked	What didn't
• Top 3 contributors to absolute performance: HTFL, GH, WK	• Sector underperformance: industrials, consumer, health care, basic materials • Top 3 detractors to absolute performance: ALHC, CRS, UCTT • Industrials underperformance driven by aerospace & defense, AI infrastructure, and transportation logistics • Consumer underperformance driven by for-profit education and restaurant holdings • Health care underperformance driven by stock specific weakness in one managed care holding • Basic materials underperformance driven by aerospace and rare/critical minerals holdings

3Q Portfolio Activity

Portfolio Positioning		
Sector	**Relative Weight**	**Industry Exposure**
Basic Materials	Overweight	Aerospace, general industrial, rare/critical minerals
Consumer	Underweight	Restaurants, consumer goods
Financials	Underweight	Insurance (carriers and broker)

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Health Care	Underweight	Medical device, diagnostics, pharma, health care services, health care technology
Industrials	Overweight	Aerospace & defense, transportation logistics, AI infrastructure, infrastructure construction, payment services
Technology	Overweight	Semiconductors, semicap equipment, AI infrastructure, marketplace networks, software, IT services

We added 15 new positions in Q3:

- four in technology: WK, U, BAND, BLZE
- four in health care: HNGE, WAY, RGEN, URGN
- three in financials: RYAN, KNSL, PLMR
- two in industrials: ANDG, FEIM
- one in consumer: WING
- one in energy: FTK

We sold 10 positions to zero in Q3:

- four in industrials: MOD, AAON, PL, EQPT
- three in consumer: OLLI, UTI, LINC
- one in health care: ALHC
- one in technology: UCTT
- one in telecommunications: AAOI

Industry Classification Benchmark (ICB)*

As of 09/30/2026

	SMID Cap Growth	Russell 2500 Growth Index
Technology	29%	22%
Industrials	29%	20%
Health Care	24%	26%
Basic Materials	6%	4%
Financials	4%	6%
Consumer Discretionary	2%	12%
Energy	2%	4%
Consumer Staples	1%	1%
Real Estate	0%	2%
Telecommunications	0%	3%
Utilities	0%	1%
Cash	3%	0%

**Source: Factset*

Industry Classification Benchmark (ICB), a product of FTSE International Limited that is used under license

Disclosures (3Q26)

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 13.15% firm AUM
^SMID Cap Growth Composite Inception 4/1/2000, represent 1.91% firm AUM
^Small Cap Growth Composite Inception 1/1/1999, represent 39.21% firm AUM
^SMicro Cap Growth Composite Inception 1/1/2013, represent 1.33% firm AUM
^Micro Cap Growth Composite Inception 1/1/2003, represent 35.24% 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 semi-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 semi-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 semi-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 semi-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.

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