

# Mid Cap Growth Portfolio

Commentary | 1Q26 | Managed Accounts

## Highlights

- The Congress Mid Cap Growth Portfolio (“the Portfolio”) returned -0.2% (net of fees) vs -6.3% for the Russell Midcap Growth Index (“the Index”) in 1Q26.
- Markets were volatile during the quarter, driven by continued concerns of AI disruption across industries and the sharp sell-off in March caused by the conflict in Iran.
- Portfolio outperformance was broad-based with positive relative returns in 8 of 11 sectors, including four sectors with over 100bps each.
- Since June 30, 2025, which marks the Index rebalance, the Portfolio outperformed the Index by over 300bps (net of fees), which we see as validation of the improvements implemented over the last year.
- While longer-term results remain challenged, primarily from negative security selection in Technology (notably not owning Palantir, which was ~25% of the Index total return over the last 3 years), the Portfolio has seen three consecutive quarters of positive selection in the sector.
- We believe the Portfolio is positioned to capitalize on sustainable trends in the mid cap space, including data center buildout, power consumption, and aerospace and defense.
- Since inception, the Portfolio has compounded capital 15x (net) vs 9x for the Index and 8x for the broader market (S&P 500), with a 91% upside capture and 68% downside capture (gross of fees\*).

## Portfolio Review

- Index returns started the quarter relatively flat, as the benefit of capex spending from megacap tech companies was offset by concerns of AI disruption and weakening capital markets. Volatility spiked to its highest levels in a year in March due to the conflict in Iran, and the Index fell on the broadening impact of the conflict and heightened uncertainty around its resolution.
  - The Portfolio outperformed in each month of the quarter, offering meaningful participation in up markets and risk mitigation in down markets.
- Security selection in Consumer Discretionary aided relative returns, as the Portfolio’s holdings outperformed the Index sector by over 1100bps. Notable contributors included Cava and Tapestry, recent additions that posted strong quarterly results. Within Technology, we saw the third consecutive quarter of positive security selection and our holdings outperformed the Index sector by over 700bps. Advanced Energy Industries reported solid earnings and is poised to potentially benefit from data center growth, a rebound in semiconductors, and exposure to industrial and medical business. Qnity, a new addition during the quarter that provides chemicals and materials for semiconductor manufacturers, has benefited from increased chip complexity.
- Energy was the largest detractor, notably a lack of exposure to the sector. The Portfolio is typically underweight this sector as it tends to outperform the Index only in times of crisis. Within Communication Services, Pinterest detracted on concerns of growing competition and tariff pressure. While our holdings in Technology overall outperformed, we saw some weakness in our software holdings on AI disruption concerns, notably MongoDB and Guidewire. FICO also underperformed because of growing competition in the mortgage credit scoring market.

- Transactions during the quarter were focused on companies we believe will benefit from durable growth drivers. In Industrials, we added Karman, which has exposure to increased defense spending. In Technology, we are focusing on companies with hard assets that have less exposure to AI disruption, including Qnity and Teradyne, both of which are oriented to the demand for more chips. We also added holdings in Consumer Discretionary and Communication Services.

## Outlook

- We continue to evaluate and respond to macro volatility but are cognizant of not overreacting as we believe the US remains fundamentally strong and most key market themes are intact. The private sector also appears to be on solid ground with reshoring initiatives and technology investments.
- In our view, the midcap asset class is poised to benefit from several favorable trends. Megacap hyperscalers are expected to spend over \$700bn this year on AI and AI-related capex, defense spending is poised to grow double digits, and the consumer continues to show resilience.
- We believe the Portfolio is well-positioned to benefit from these trends with companies that exhibit durable, long-term growth drivers.
  - The Portfolio maintains exposure to AI-related spending and data center buildout across sectors. In Industrials, Emcor and nVent provide electrical and construction services, while Quanta is exposed to power generation and Curtiss-Wright is well positioned for growth in nuclear power. In Technology, we have both direct AI exposure (Cloudflare) and a “picks and shovels” approach (Credo, Advanced Energy Industries). We also have exposure to the strong semiconductor cycle (Qnity, Monolithic).
  - Karman and HEICO should benefit from growing defense spending.
  - In the Consumer sectors, our holdings have exposure to more value-oriented spending (Casey’s, Ross) as well as higher-end spending (Tapestry, Viking).

## Average Annualized Performance (%) as of 3/31/2026

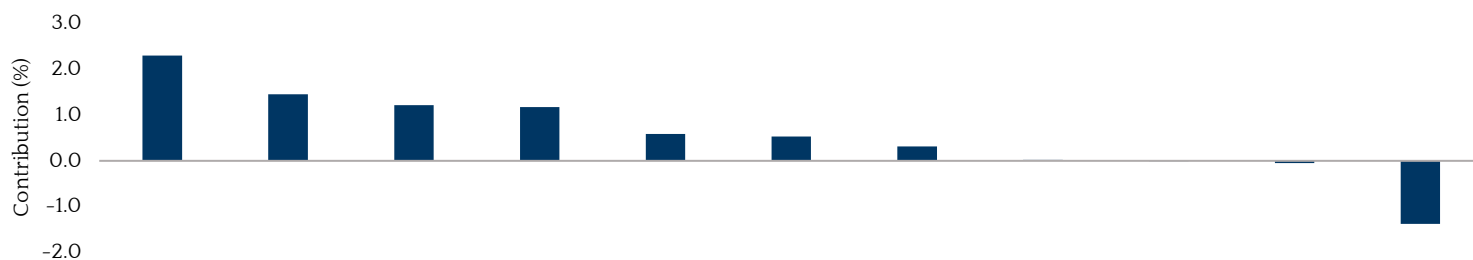
	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (10/1/1999)
Mid Cap Growth Composite (Gross)	-0.1	-0.1	6.8	3.5	1.1	9.8	11.4
Mid Cap Growth Composite (Net)	-0.2	-0.2	6.3	2.9	0.6	9.3	10.7
Russell Midcap Growth <sup>®</sup>	-6.3	-6.3	9.6	12.7	5.4	11.7	8.5

**Past performance does not guarantee future results** \*Characteristics are gross of fees and are computed without the deduction of fees and expenses.

Data is as of 3/31/2026. Sources throughout this presentation: Congress Asset Management, Bloomberg, Russell Investments, and Morningstar Direct. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings are subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. Actual holdings and sector weightings may vary by client. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. This information is supplemental to the GIPS Report. Performance returns of less than one year are not annualized. This managed account strategy involves risk, may not be profitable, may not achieve its objective, and may not be suitable or appropriate for all investors. Investors should consider the investment objectives, risks, and fees of this strategy carefully with their financial professional before investing. Performance is preliminary and subject to change at any time. Specific investments described herein do not represent all investment decisions made by Congress Asset Management. The reader should not assume that investment decisions identified and discussed were or will be profitable. <sup>1</sup>Morgan Stanley Global Macro Forum Data Center Financing – Bridging the Gap July 21, 2025

### % Total Effect Composite vs. Index\*

12/31/2025 - 3/31/2026



	Cons Disc	Industrials	Info Tech	Cons Staples	Comm Svcs	Health Care	Financials	Utilities	Real Estate	Materials	Energy
<b>Allocation Effect</b>	0.07	0.86	-0.66	0.03	0.69	0.14	0.06	0.02	-0.01	-0.05	-1.38
<b>Selection Effect</b>	2.22	0.59	1.87	1.14	-0.11	0.40	0.25	0.00	0.00	0.00	0.00
<b>Total Effect</b>	2.29	1.45	1.21	1.17	0.58	0.53	0.31	0.02	-0.01	-0.05	-1.38

\*Characteristics are gross of fees and are computed without the deduction of fees and expenses.

#### Top 5 Contributors/Detractors

Stock	Avg. Weight%
Casey's General Stores, Inc.	4.35
Advanced Energy Industries, Inc.	2.84
Curtiss-Wright Corp.	5.45
Quanta Services, Inc.	3.19
EMCOR Group, Inc.	4.00

#### Bottom 5 Contributors/Detractors

Stock	Avg. Weight%
MongoDB, Inc.	1.56
Fair Isaac Corp.	1.56
Guidewire Software, Inc.	1.83
Ollie's Bargain Outlet Holdings, Inc.	3.58
Credo Technology Group Holding Ltd.	1.51

**Casey's General Stores, Inc. (CASY)** is a convenience store operator with a differentiated model centered on prepared foods, grocery, and fuel. The company reported solid earnings that reinforced the durability of its core business, highlighted by accelerating same-store sales in inside merchandise categories such as prepared foods and beverages, which have higher-margins. Margin expansion across both inside and fuel segments, supported by favorable mix and cost discipline, drove upside to earnings and increased investor confidence.

**Advanced Energy Industries, Inc. (AEIS)** provides power conversion and control systems that regulate and deliver electricity to complex equipment used in semiconductor manufacturing, data centers, and industrial and medical applications. AEIS posted strong quarterly results that included raising guidance, with revenue and earnings coming in well ahead of expectations driven by accelerating semiconductor and data center demand. Rising expectations for semiconductor equipment investment in the years ahead further strengthen the outlook, potentially positioning AEIS to compound its growth across multiple end markets simultaneously, in our view.

**Curtiss-Wright Corp. (CW)** is a diversified manufacturer of highly engineered products and critical technologies for the aerospace and defense, commercial nuclear power, and general industrial markets. The company delivered double-digit organic revenue growth, supported by strong demand across its end markets and a healthy 1.2x book-to-bill. Looking ahead, management guided to another year of robust organic growth, margin expansion, and double-digit EPS growth, with free cash flow conversion exceeding 100% driven by improved contract structure, revenue advances, and greater systems visibility.

**MongoDB, Inc. (MDB)** develops database software optimized for modern application architectures. Underperformance during the quarter was the result of a minor deceleration of growth in its cloud business and some management team turnover. However, we view the company as well positioned to benefit from secular growth trends, including AI-driven workflows and enterprise cloud migrations.

**Fair Isaac Corp. (FICO)** provides data analytics solutions and is best known for its flagship credit score, which is widely used to assess consumer creditworthiness. Underperformance was due to a perceived deterioration in competitive positioning from fears of VantageScore making inroads in the mortgage scoring market. There is also uncertainty regarding FICO's new licensing model and regulatory overhang from politicians blaming FICO for the high cost of housing.

**Guidewire Software, Inc. (GWRE)** is a leading provider of software for the Property and Casualty (P&C) insurance market. The P&C market is transitioning to the cloud after years of reliance on mainframe environments which is serving as a tailwind for GWRE's business. Underperformance was due to the continued narrative that AI will replace the need for application software. However, we view the integrated nature of GWRE's platform in a highly regulated environment as a critical competitive moat.

*Information is as of 3/31/2026. Sources: Congress Asset Management and Bloomberg. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings, sector weightings and securities identified as top contributors and detractors throughout this presentation are subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. Actual holdings may vary by client. The securities identified do not represent all the securities purchased, sold or recommended to clients. The reader should not assume that investment decisions identified and discussed were or will be profitable. For information regarding the methodology used to select these holdings or to obtain a list showing the contribution of every holding in the strategy's composite account, which we believe is most representative to both a current and/or prospective client, please contact us at 1-800-234-4516. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. Past performance does not guarantee future results.*

## Portfolio Activity

Purchases	Sector	Sales	Sector
Karman Holdings, Inc.	Industrials	Garmin Ltd.	Consumer Discretionary
Expedia Group, Inc.	Consumer Discretionary	Sprouts Farmers Market, Inc.	Consumer Staples
Qnity Electronics, Inc.	Information Technology	Dynatrace, Inc.	Information Technology
TKO Group Holdings, Inc.	Communication Services	Pinterest, Inc.	Communication Services
Teradyne, Inc.	Information Technology	Brown & Brown, Inc.	Financials
		Everpure, Inc.	Information Technology

**Karman Holdings, Inc. (KRMN)** designs, engineers, and manufactures mission-critical aerospace and defense systems, including payload protection, propulsion components, and interstage structures for space launch, missile defense, and national security programs. The company is integrated early in customer programs, securing multi-year contracts with major defense contractors and government clients, often in sole- or single-source positions due to specialized engineering and certification requirements. This sourcing profile, combined with exposure to structurally growing defense and space markets, supports expectations for durable revenue growth and strong margin potential, in our view.

**Expedia Group, Inc. (EXPE)** is a global online travel company that helps people book flights, hotels, vacation rentals, and experiences through brands like Expedia, Hotels.com, and Vrbo. New management is focused on boosting profits and running the business more efficiently, especially by better managing marketing spending. Expedia's B2B business, which powers travel bookings for partners like airlines, banks, and retailers, continues to gain momentum and has a long runway for growth. At the same time, Expedia trades at a meaningful discount to its closest competitor despite having clear opportunities to expand margins and close that gap as execution improves, in our view.

**Qnity Electronics, Inc. (Q)** is a global leader in materials and solutions for the semiconductor and electronics industries, recently spun off from DuPont. We purchased Qnity as a direct beneficiary of increasingly complex semiconductor architectures and the burgeoning advanced packaging trend, where demand for specialized materials compounds as chip density increases. The stock has traded at a notable discount to peers, which we believe offers an attractive entry point into a quality business with durable secular tailwinds.

**TKO Group Holdings, Inc. (TKO)** is a sports entertainment company with leading brands, including WWE and UFC. TKO has leveraged an asset-light model and deep audience engagement to deliver reliable, long-term growth. With high revenue visibility from recent multi-year media rights deals and a clear roadmap for international and cross-market expansion, the company has several levers to compound growth. Further, management's commitment to cash flow generation and disciplined capital return ensures a high alignment with shareholders.

**Teradyne, Inc. (TER)** is a leading provider of automated test equipment and one of two dominant players in the global semiconductor testing industry. We purchased TER as several significant and largely independent revenue drivers converge simultaneously across memory, NVIDIA GPU production, hyperscaler custom silicon, and optical networking components. The breadth and independence of these drivers reduce reliance on any single end market and support a highly diversified growth profile.

**Garmin Ltd. (GRMN)** designs and manufactures GPS products across five key segments: fitness, outdoor, aviation, marine, and automotive OEM. The company's sales growth is slowing, especially in its Outdoor segment, after strong product launches last year created tougher comparisons. At the same time, profit margins are under pressure as higher input costs, including tariffs and manufacturing expenses, are weighing on results.

**Sprouts Farmers Market, Inc. (SFM)** is a specialty grocery retailer focused on fresh, natural, and organic products in the US. We sold the position following signs of a meaningful deceleration in comparable sales, with expectations for flat to slightly negative comps in the near term, which would mark a notable shift after several years of consistent growth. In the medium term, AMZN's continued push into fresh grocery and stronger organic offerings at WMT and KR pose a risk to comparable sales recovery. Additionally, margin pressure is building, driven by fixed-cost deleverage on weaker comps, elevated loyalty program costs, and a normalization of shrink after a period of benefit.

**Dynatrace, Inc. (DT)** provides software that enables enterprises to monitor and manage the performance of complex digital systems. We sold the position due to concerns over decelerating growth, increasing competition in the space, and management expressing interest in large scale M&A.

**Pinterest, Inc. (PINS)** operates an online platform that enables users to explore and save ideas related to lifestyle, home, fashion, food, and more. Following an announced headcount cut, the Committee became increasingly concerned about the company's competitive positioning, AI strategy, and ability to efficiently monetize user engagement. As a result, we exited the position ahead of their Q4 earnings announcement.

**Brown & Brown, Inc. (BRO)** is an insurance brokerage and distribution company earning commissions and fees by placing coverage for commercial and personal clients. We sold the position after results indicated a softening insurance market and weaker organic growth, with misses versus expectations in both Retail and Specialty Distribution. We are additionally concerned about the large Accession integration and potential competitive disruption from employee departures to Howden.

**Everpure, Inc. (PSTG)** delivers software-defined, all-flash data storage solutions for enterprises. PSTG was sold due to a management team that has consistently failed to translate genuine business momentum into investor confidence, raising concerns about execution and strategic clarity. After two consecutive quarters of messaging that obscured rather than illuminated the thesis, the position became difficult to justify.

The Russell Midcap Growth Index measures the performance of the Mid cap growth segment of the US equity universe. It includes those Russell Midcap companies with higher price-to-value ratios and higher forecasted growth values. Indices are unmanaged, do not reflect fees and expenses and are not available for direct investment. **Upside Capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only months that are positive in the benchmark. An Upside Capture Ratio of more than 100% indicates a manager who outperforms the relative benchmark in the benchmark's positive months. **Downside Capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only months that are negative in the benchmark. A Downside Capture Ratio of less than 100% indicates a manager who underperforms the relative benchmark in the benchmark's negative months and protects more of a portfolio's value during down markets. **Capex** (Capital Expenditures) refers to the funds used by a company to acquire, upgrade, or maintain physical assets such as property, buildings, technology, or equipment. These expenditures are typically made to expand business operations, improve operational efficiency, and extend the useful life of existing assets.

*Specific investments mentioned should not be considered recommendations. The reader should not assume that investment decisions identified and discussed were or will be profitable.*

## Congress Asset Management Co. Mid Cap Growth Composite 1/1/2015 - 12/31/2024

Year	Total Return Gross of Fees%	Total Return Net of Fees%	Russell Mid Cap Growth Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex-post St Dev (%)	Russell Mid Cap Growth 3-Yr annualized ex-post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period (\$ millions)	Total Firm Discretionary Assets End of Period (\$ millions)	Total Firm Advisory-Only Assets End of Period (\$ millions)	Total Firm Assets End of Period # (\$ millions)
2024	5.6	5.0	22.1	19.7	22.2	749	0.34	2,211	14,207	9,471	23,678
2023	17.1	16.5	25.9	19.8	21.1	745	0.62	2,535	12,146	8,514	20,660
2022	-26.7	-27.0	-26.7	23.0	24.5	758	0.81	2,307	10,083	6,799	16,882
2021	30.6	30.0	12.7	18.3	20.2	719	0.41	3,243	12,778	8,018	20,796
2020	32.0	31.4	35.6	19.8	21.5	629	1.14	2,729	10,746	5,523	16,269
2019	35.8	35.2	35.5	12.8	13.9	558	0.49	954	8,445	4,083	12,528
2018	-3.5	-3.9	-4.8	12.2	12.8	506	0.45	850	7,102	3,132	10,234
2017	17.7	17.2	25.3	10.8	10.9	447	0.65	763	7,272	3,274	10,546
2016	13.9	13.3	7.3	12.0	12.2	105	0.54	431	5,693	2,445	8,139
2015	1.9	1.4	-0.2	11.4	11.3	50	0.42	221	5,941	1,153	7,094

#The "Total Firm Assets" column includes unified managed account (UMA) assets

Congress Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Congress Asset Management has been independently verified for the periods 1/1/96 – 12/31/24. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Mid Cap Growth Composite has had a performance examination for the periods 10/1/99 – 12/31/24. The verification and performance examination reports are available upon request.

Firm Information: Congress Asset Management Co. (CAM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. CAM manages a variety of public equity, private equity, fixed income, and ETF managed portfolios for private and institutional clients. CAM acquired Prelude Asset Management, LLC on March 15, 2010. CAM merged with Congress Capital Partners, LLP on June 30, 2015. CAM acquired certain strategies of Century Capital Management, LLC on September 15, 2017.

Composite Characteristics: The creation and inception date of the Mid Cap Growth Composite is October 1, 1999, which reflects the first full month in which an account was fully invested in the strategy and met the inclusion criteria. The composite includes all fully discretionary portfolios with a value over \$100 thousand (US dollars) managed in the mid cap growth style for a minimum of one full month. The mid cap growth strategy invests in the equity of high-quality companies with market capitalizations between \$800 million and \$15 billion (at the time of purchase) exhibiting consistent earnings growth. Accounts with wrap commissions are excluded from the composite. Prior to January 1, 2016, the composite minimum was \$500 thousand (US dollars). Prior to September 1, 2005, the composite did not include private client accounts or accounts with less than \$1 million. The primary composite benchmark is the Russell Midcap Growth Index. The benchmark returns are not covered by the report of independent verifiers. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. The % of the composite represented by non-fee paying accounts at annual period end was 100% 1999-2001, 36% in 2002, 20% in 2003, 15% in 2004, 13% in 2005, 22% in 2006 and 18% in 2007. A list of composite descriptions, a list of broad distribution pooled funds, and a list of limited distribution pooled fund descriptions are available upon request.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Prior to 2007 net of fees returns were calculated by reducing gross returns by 1/4th of the highest management fee in the Mid Cap Growth Composite, which was 1.00%, applied quarterly. Effective January 1, 2007, net of fees returns are calculated using actual management fees. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Accruals for equity securities are included in calculations. Internal dispersion is calculated using the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

Fee Schedule: The firms' individual account fee schedule is as follows: 1.00% for first \$1 million, 0.80% for next \$4 million, 0.60% for next \$5 million. Management fees for individual accounts with assets under management exceeding \$10 million, and for institutional accounts are negotiated. The individual account fee schedule may be subject to negotiation where circumstances warrant. As fees are deducted quarterly, the compounding effect will increase the impact of the fees by an amount directly related to the gross account performance. For example, an account earning a 10% annual gross return with a 1% annual fee deducted quarterly would earn an 8.9% annual net return due to compounding. The management fee schedule and expense ratio for the Mid Cap Growth Fund Institutional Shares is 0.60% and 0.79%, respectively. The management fee schedule and expense ratio for the Mid Cap Growth Fund Retail Shares is 0.60% and 1.04%, respectively. The management fee schedule for the Mid Cap Growth Collective Investment Trust is 0.68%.

Other Disclosures: Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. 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.

### Important Disclosure:

**Not an Offer, Recommendation or Professional Advice:** This document does not constitute advice or a recommendation or offer to sell or a solicitation to deal in any security or financial product. It is provided for information purposes only and on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make their own evaluation of the proposals and services described herein, any risks associated therewith and any related legal, tax, accounting or other material considerations. To the extent that the reader has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, prospective investors are encouraged to contact Congress Asset Management or consult with the professional advisor of their choosing.

**Use of Third-Party Information:** Certain information contained herein has been obtained from third party sources and such information has not been independently verified by Congress Asset Management. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such information by Congress Asset Management or any other person. While such sources are believed to be reliable, Congress Asset Management does not assume any responsibility for the accuracy or completeness of such information. Congress Asset Management does not undertake any obligation to update the information contained herein as of any future date.

**Currentness:** Except where otherwise indicated, the information contained in this presentation is based on matters as they exist as of the date of preparation of such material and not as of the date of distribution or any future date. Recipients should not rely on this material in making any future investment decision

**Benchmarks:** Any indices and other financial benchmarks shown are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. Investors cannot invest directly in an index. Comparisons to indexes have limitations because indexes have volatility and other material characteristics that may differ from a particular fund or strategy. For example, a hedge fund may typically hold substantially fewer securities than are contained in an index.

**Forward-Looking Statements:** Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

**Mid-Capitalization Investing Risk:** The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. The securities of mid capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole.

**Growth Style Investment Risk:** Growth stocks may lose value or fall out of favor with investors. Growth stocks may be more sensitive to changes in current or expected earnings than the prices of other stocks.

**Equity Securities Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value. These fluctuations may cause a security to be worth less than its cost when originally purchased or less than it was worth at an earlier time.

**Sector-Focus Risk:** Investing a significant portion of the Strategy's assets in one sector of the market exposes the Strategy to greater market risk and potential monetary losses than if those assets were spread among various sectors.

**General Market Risk:** Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Securities in the Strategy's portfolio may underperform in comparison to securities in the general financial markets, a particular financial market, or other asset classes due to a number of factors, including: inflation (or expectations for inflation); deflation (or expectations for deflation); interest rates; global demand for particular products or resources; natural disasters or events; pandemic diseases; terrorism; regulatory events; other governmental trade or market control programs and related geopolitical events. In addition, the value of the Strategy's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics or pandemics.

**Foreign Investment Risk:** Foreign securities involve increased risks due to political, social and economic developments abroad, as well as due to differences between U.S. and foreign regulatory practices. When the Strategy invests in ADRs as a substitute for an investment directly in the underlying foreign shares, the Strategy is exposed to the risk that the ADRs may not provide a return that corresponds precisely with that of the underlying foreign shares.

**Management Risk:** The Strategy is actively-managed and may not meet its investment objective based on the Advisor's success or failure to implement investment strategies for the Strategy.