

Strange Days

Stock market performance rarely moves in straight lines, especially in an environment where the only short-term certainty is more uncertainty. Growth investors faced a convergence of headwinds in the first quarter: geopolitical tensions in the Middle East, renewed inflation fears, and a sustained rotation away from high-growth equities. The S&P 500[®] declined over 4% for the quarter and the NASDAQ Composite Index[®] fell nearly 7%, but even those headline numbers understated the pressure felt in many growth-oriented parts of the market. Value indexes, energy, and small capitalization stocks finished the quarter in positive territory, marking a sharp reversal from the performance leaders of recent years. Two related forces contributed to the rotation. First, questions about the pace and distribution of artificial intelligence's (AI) economic benefits fueled skepticism toward software and high-growth technology companies. Valuation debates intensified and investors were quick to sell companies with perceived AI-displacement risk, even those demonstrating strong underlying fundamental results. Second, escalating conflict in the Middle East reignited energy price pressures, pushing inflation fears back to the forefront and resulted in the Federal Reserve holding rates steady longer than the market had anticipated. Together these dynamics generally rewarded defensive sectors, such as consumer staples and utilities, and penalized many of the high-growth businesses that define our portfolio. Within this context, the Zevenbergen Growth Equity Strategy trailed the Russell 3000[®] Growth Index. Top detractors were broadly distributed across the portfolio, spanning technology (commerce software), electric and autonomous vehicles, and industrials (public safety technology). Contributors were more narrowly concentrated in technology and industrial companies tied to AI infrastructure buildout, including semiconductors, critical power and cooling solutions and services.

Bottom 5 Detractors

Ticker	Security Name	Average Portfolio Weight (%)
SHOP	Shopify Inc.	6.3
TSLA	Tesla, Inc.	8.2
AXON	Axon Enterprise, Inc.	5.4
SNOW	Snowflake Inc.	2.8
MELI	MercadoLibre, Inc.	5.9
	Bottom 5 Total	28.6

Shopify Inc. (SHOP):

Shares of commerce technology company Shopify Inc. reflected a downshift in consumer sentiment and questions about its role in AI shopping experiences, despite 31% year-over-year revenue growth and upbeat management commentary. Healthy fundamental business indicators suggest merchants of all sizes continue to rely on Shopify for increasing product awareness, converting sales, and running more efficiently. While AI may change shopping behaviors and preferences in unexpected ways, we believe Shopify's focus on

merchant success strengthens the company's position as a trusted partner for retailers navigating an era of rapid technological innovation.

Tesla, Inc. (TSLA):

Shares of founder-led technology company Tesla, Inc. faced pressure during the quarter, weighed down by sequentially slower auto sales following the expiration of the U.S. Clean Vehicle Tax Credits and broad market caution around growth equities. Fourth quarter earnings were a brighter spot, with margins coming in ahead of expectations driven by new lower-priced models gaining traction in Asia, and Europe, the Middle East and Africa (EMEA), and the Energy business continuing its strong growth as the company's highest margin segment. Full Self-Driving subscribers grew more than 30% year-over-year, and the company's unsupervised Robotaxi service launched in Austin with expansion planned across Texas, Arizona, Florida, and Nevada in the first half of 2026. Adding to near-term share pressure, capital expenditures are expected to more than double to over \$20 billion this year, reflecting the scale of the transition underway. 2026 has the potential to be a catalyst-rich year, with plans for: Optimus Gen 3 to enter production, the Tesla Semi ramping out of Nevada, a new battery Megafactory in Houston, and the commercial launch of the Cybercab. Tesla's data advantage (number of diverse miles driven, analyzed and incorporated into software updates), expanding autonomous platform, and vertical integration across energy, AI, and physical robotics represent a business in transformation that we believe is building toward what could be one of the more consequential investment opportunities of the decade.

Axon Enterprise, Inc. (AXON):

Public safety technology company Axon Enterprise, Inc. reported 39% year-over-year revenue growth, strong customer retention, and progress serving emerging customer categories, including correctional facilities and non-U.S. law enforcement agencies. Shares initially jumped on the positive earnings results then languished under general selling pressure on software-dominant business models. Although AI presents legitimate risk to some companies, we believe the market may underappreciate the opportunity AI presents for Axon, which aggregates hard-to-replicate sensor data and provides tools that empower public servants in real-life situations. Through organic product development and strategic acquisitions, Axon is building an impressive ecosystem that should fuel new contract bookings and help the company fulfill its \$6 billion revenue target for 2028, which would represent more than a doubling from 2025 performance if achieved.

The holdings are from a representative account in the composite. Reader should not assume that investments in the securities identified were or will be profitable. Please see Important Disclosures page for additional information.

Top 5 Contributors

Ticker	Security Name	Average Portfolio Weight (%)
VRT	Vertiv Holdings Co.	2.7
PWR	Quanta Services, Inc.	2.1
MPWR	Monolithic Power Systems, Inc.	1.9
NFLX	Netflix, Inc.	2.5
EXAS	Exact Sciences Corporation	1.6
	Top 5 Total	10.8

Vertiv Holdings Co. (VRT):

Robust demand for digital infrastructure lifted shares of power and HVAC equipment vendor Vertiv Holdings Co. in the quarter. Data center operators are optimizing behind-the-meter systems to improve data processing and distribution efficiency, a dynamic favorable for Vertiv, which doubled its backlog to \$15 billion over the course of 2025. Substantial capital expenditure commitments by the large cloud and AI computing companies support sales visibility and instill confidence in management's ability to meet (or surpass) their 28% year-over-year organic sales growth guidance for 2026.

Quanta Services, Inc. (PWR):

Shares of specialty electrical and infrastructure contractor Quanta Services, Inc. outperformed following the company's strong quarterly earnings results in which backlog increased by 27% year-over-year to a record \$44 billion. The company's record backlog reflects the growing need for new grid infrastructure to power AI data centers, a trend that was validated by the massive 2026 capital expenditure budgets of the hyperscalers that were announced during the quarter. Based on its existing backlog and healthy demand backdrop, management expects to deliver year-over-year growth of 17-18% for revenue and 20% for adjusted earnings in 2026. With the U.S.'s aging and insufficient electric grid serving as a key constraint to the buildout of critical AI infrastructure, Quanta Services remains well-positioned to ride a multi-year investment cycle in the U.S. power sector.

Monolithic Power Systems, Inc. (MPWR):

Shares of power semiconductor company Monolithic Power Systems, Inc. rose on above-consensus quarterly results and positive management remarks on order trends, particularly in its enterprise server end market. Monolithic Power's chips help regulate the flow of energy in electronics, a strategic focus area among data center operators and device makers as they strive to boost system performance under cost and space constraints. Product design wins and strong customer demand across an array of computing applications give management confidence that strong fundamental performance should continue near term. The board's decision to increase the dividend per share by 28% provides an optimistic signal for future earnings growth.

Top 10 Holdings

Ticker	Security Name
NVDA	NVIDIA Corporation
TSLA	Tesla, Inc.
SHOP	Shopify Inc.
MELI	MercadoLibre, Inc.
AMZN	Amazon.com, Inc.
AXON	Axon Enterprise, Inc.
GOOGL	Alphabet Inc. Class A
AMD	Advanced Micro Devices, Inc.
RKLB	Rocket Lab Corporation
PWR	Quanta Services, Inc.

Zevenbergen Growth Equity Composite Performance

Returns as of 03/31/2026	Zevenbergen Growth Equity (Gross of Fees) (%)	Zevenbergen Growth Equity (Net of Fees) (%)	Russell 3000 [®] Growth (%)
1Q2026	(14.5)	(14.7)	(9.5)
One Year*	11.1	10.0	18.8
Three Year*	17.8	16.7	20.6
Five Year*	(0.8)	(1.8)	12.1
Ten Year*	15.5	14.4	16.4
Since Inception ^{^*}	12.5	11.4	11.2

*Annualized Return [^]12/31/1986

Perspective

Patience & Perspective: The first quarter of 2026 was a vivid reminder that during periods of market turbulence, investors are willing and eager to dramatically reevaluate their expectations for industries in a matter of weeks. That volatility dominated investor psychology, leading to a sharp rotation away from the high-growth companies at the core of our portfolio. As fellow investors and shareholders in ZCI's strategies, we felt that discomfort and pressure directly; but we also have historical perspective, and in moments like this, perspective may be the most valuable tool available.

Over nearly four decades, ZCI has navigated many distinct periods of doubt and meaningful relative underperformance - from Black Monday to the Tech Bubble, through the Global Financial Crisis, wars, pandemics, sovereign debt downgrades, and rate cycles. Each felt uncomfortable in the moment. Each was followed by a recovery, often a meaningful one. The current drawdown carries a different set of catalysts, but the underlying pattern is familiar: growth is being discounted by a market prioritizing near-term certainty over long-term value creation.

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Review & Perspective 1Q2026

What sustains our conviction is not a valuation spread or a historical chart, it's our assessment of the businesses themselves and our conversations with management teams. Across our portfolio, companies are generally growing revenues, while simultaneously expanding margins and investing in new product cycles, which should position them for the next wave of demand. The market's near-term questions about AI monetization are legitimate, but we believe investors may be underweighting the deep industry expertise, proprietary data assets, and network effects (i.e. the compounding advantages that grow stronger as more customers use a platform) that many of our portfolio companies have spent years building. We believe these would not be easily replicated by new entrants or AI agents and should represent durable competitive moats that tend to compound in value over time.

We remain encouraged by the structural changes at work beneath the recent market volatility: the electrification of the grid and the buildout of data center infrastructure, next-generation diagnostics and personalized medicine, physical AI in the form of robotics and autonomy, and a generational increase in space and defense spending. The current portfolio is invested where ZCI sees these long-cycle opportunities which remained intact during this difficult period.

ZCI was founded on a simple and enduring idea: invest alongside the people and companies shaping the future, follow the fundamentals, and stay invested for the long term. Thirty-nine years and multiple storms later, that conviction remains intact, and so does our gratitude for the partners who share it with us.

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Important Disclosures (as of 03/31/2026)

Top 10 Holdings as of 03/31/2026. Top and bottom contributors and detractors are for the quarter ending 03/31/2026.

Investing involves risk, including the possible loss of principal and fluctuation of value. The strategy typically contains high growth companies of any market capitalization, which can exhibit substantially greater volatility within the stock market as a whole due to its sector-specific focus, leading to increased volatility compared to the Russell 3000[®] Growth Index.

The information presented relating to portfolio holdings is from a representative account in the Zevenbergen Growth Equity Composite (Strategy), which reflects the typical portfolio management style of the strategy. Other accounts in the strategy may vary due to assets, client guidelines, and other factors. The Strategy contains fully discretionary, tax-exempt, fee-paying accounts managed in the Zevenbergen Growth Equity investment style. The Strategy is capital appreciation characterized by concentrated portfolios (generally 30-50 securities) and limited income generation and is generally fully-invested at all times. Portfolios in the Strategy typically invest in high-growth companies of any market capitalization which at times can exhibit substantially greater volatility than the stock market as a whole. The Russell 3000[®] Growth Index (Benchmark) has been chosen as the performance benchmark by virtue of its similar capitalization ranges and fundamental growth characteristics when compared to the Strategy. The Benchmark measures the performance of those Russell 3000[®] Index companies with higher price-to-book ratios and higher forecasted growth values. One cannot invest directly in an index. The Strategy inception date is December 31, 1986.

Performance data quoted represents past performance; past performance does not guarantee future results.

All returns are net of transaction costs and reflect the reinvestment of dividends and other earnings. Gross of fees performance is shown prior to the deduction of realized management fees, and composite net of fees performance reflects the deduction of a model management fee of 1.00% applied monthly. Foreign withholding taxes and other expenses may be incurred in the management of an account which will reduce all returns. Actual investment advisory fees incurred by clients may vary. All composite returns presented are time-weighted and reflective of realized and unrealized gains and losses. ZCI's standard fee schedule for separately managed accounts begins at 1.00% for both Wealth Management and Institutional clients. Advisory fees are further described in Part 2A of ZCI's Form ADV. Unless otherwise noted, performance for the referenced indices do not include investment management fees, brokerage commissions and other expenses associated with investing in equity securities.

Investors should recognize the limitations inherent in composites and should consider all information regarding the firm's investment management capabilities.

The holdings identified were obtained from a representative client portfolio in the Strategy, and do not represent all the securities purchased and sold. Holdings are subject to change and should not be considered a recommendation to buy or sell any security. A complete list of ZCI's holdings over the preceding 12 months is available upon request. Reader should not assume that investments in the securities identified were or will be profitable. This material is for informational purposes only.

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