

Q1 2026 Strategy Overview

The AMI Small Cap Growth strategy returned -12.43% (-12.68% on a net basis) in Q1 versus -2.81% for the Russell 2000 Growth index. Security selection was the main driver of relative performance, with asset allocation also a headwind. Underperforming stock picks in Information Technology and Consumer Discretionary hurt performance. Being underweight Information Technology and Financials helped, but was offset by being overweight Health Care and underweight Energy.

As seen in the table below, the top contributors to Q1 performance were CG Oncology, Planet Labs, Primoris, Kiniksa Pharma, and Scholar Rock. The bottom contributors were Veracyte, GeneDx, Braze, Genius Sports, and Nuvation Bio.

Top Contributors in Q1

Company	Avg. Weight	Return	Contribution
CG Oncology	6.13%	63.01%	2.72%
Planet Labs	2.10%	41.73%	1.02%
Primoris	3.89%	15.29%	0.62%
Kiniksa	4.53%	16.73%	0.61%
Scholar Rock	4.35%	11.60%	0.51%

Bottom Contributors in Q1

Company	Avg. Weight	Return	Contribution
Veracyte	4.87%	-23.49%	-1.20%
GeneDx	1.93%	-50.62%	-1.22%
Braze	1.10%	-53.95%	-1.37%
Genius Sports	2.28%	-59.80%	-2.06%
Nuvation Bio	3.23%	-52.12%	-2.15%

As of 3/31/26. Data from Bloomberg.

**Please see last page for important disclosures.

Top Contributors



CG Oncology announced in early January that its phase 3 trial in intermediate risk non-muscle invasive bladder cancer (NMIBC) had recruited faster than originally expected and that trial data would be released in 1H 2026. This, along with progress on filing the FDA application for high risk NMIBC, which should be the first of several approvals, drove the shares higher.



Satellite imagery firm, Planet Labs, rose on the signing of several large long-term contracts with defense and intelligence customers. Partnerships with Nvidia to develop space-ready chips, Google for space-based data center concepts, and Anthropic to expand AI-driven analytics built on its satellite imagery, have added to the growth story.



Primoris Services continues to benefit from sustained demand for electrical infrastructure construction with bookings accelerating significantly. Its oil and gas business positions the company to benefit from the shift toward natural gas fired electricity generation and the pipeline infrastructure needed to supply it. The recent acquisition of PayneCrest Electric expands Primoris' exposure to data center construction while also adding to its skilled workforce for continued growth.



Kiniksa reported solid Q4 growth and the outlook for its pericarditis (inflammation around the heart) treatment remains strong. The company became profitable in 2025, exceeding estimates, and its next generation drug is progressing nicely with data likely later this year.



Scholar Rock supplies an anti-myostatin drug that removes the body's natural "breaks" from muscle growth. The drug's approval for a rare neuromuscular disease has been delayed by manufacturing issues at a supplier's plant but these appear to be nearing final resolution. At the end of Q1, the company announced that it resubmitted its application to the FDA, signaling confidence in the plant's resolution, and the drug should be approved within six months.

Bottom Contributors



Veracyte reported solid Q4 results and gave good guidance for 2026. The cancer prediction lab company will be launching two new tests in 2026 to expand beyond its current thyroid and urological cancer menu. We see no clear reason for the stock decline and we attribute it to a pullback following solid Q4 stock performance and remain bullish on the name.



GeneDx reported very good revenue growth as the company's genomic tests are increasingly used in routine pediatric screening. The stock has declined as management will increase spending to capitalize on new screening guidelines and has given only vague guidance as to the added expenses. This uncertainty in a difficult market has led to the outsize stock decline. However, we believe that following a year of spending for growth, the future outlook is attractive.



Braze was caught in the broader software selloff driven by concerns that AI agents and tools could displace SaaS platforms. As a customer engagement and marketing automation provider, Braze sits squarely in the crosshairs of that narrative, given that much of its core functionality around campaign optimization and content generation is increasingly replicable by AI. While the company reported decent results late in the quarter, we concluded the risk/reward had shifted unfavorably and we exited the position.



Genius Sports came under pressure during Q1 due to ongoing concern about prediction markets taking share from online sports betting players, which are not required to purchase official NFL data from Genius. In addition, Genius announced the acquisition of Legend, which operates gambling content platforms, such as covers.com, which was viewed as a pricey deal for web traffic that could be disrupted by artificial intelligence. We believe the Legend deal is misunderstood, that prediction markets will prove to be a large opportunity for Genius, and that the company will continue to grow nicely as wagering on the NFL across all platforms shows no signs of slowing.



Nuvation stock fell on the announcement that it treated 200 patients in its 2nd quarter since launch. This was viewed as disappointing as it was equal to its first quarter and not the expected acceleration. However, we believe the holidays likely played a role in patient starts and we believe patients on the drug will grow every quarter. This new treatment for a rare form of lung cancer is appealing in our view and we believe investor expectations were originally too far ahead of reality but are now too pessimistic.

Portfolio Additions and Deletions

In Q1, we added Mirium Therapeutics, Guidewire Software, TTM Technologies, Onto Innovation, Viavi, and Rambus. We sold Braze, Commvault, Varonis, and Stevanato.



Mirium is a supplier of drugs to treat rare bile acid disorders, painful and debilitating conditions. The company has several drugs on the market that are growing rapidly and should see approval for a label expansion of an existing drug and a brand-new drug in this space in 2027. Mirium also completed an acquisition of a drug to treat hepatitis D in Q1, which is a sizable market and could also come to market in 2027.



We initiated a position in Guidewire, which provides software for the property and casualty insurance industry. Guidewire stands apart in the current software landscape because its end market is defined by deep regulatory complexity, long implementation cycles, and mission-critical compliance requirements that make AI disintermediation far less likely than in other software categories. More than 570 insurers across 43 countries rely on its platform, and the ongoing cloud migration provides a durable, multi-year growth runway.



TTM Technologies is a direct play on AI infrastructure buildout. TTM manufactures the advanced printed circuit boards that go inside AI servers and networking equipment, with data center computing now representing 36% of revenue and growing 57% year-over-year. As hyperscalers commit hundreds of billions in capital expenditure, TTM is a critical and under-appreciated link in the physical supply chain.



We established a position in Onto Innovation, a semiconductor equipment company specializing in process control metrology and advanced packaging inspection. Advanced packaging is emerging as one of the key bottlenecks and innovation drivers across AI chips, memory, and optics, and Onto holds an early-mover advantage in a technically complex, high-barrier niche. We see the company benefiting from multiple waves of demand as the AI infrastructure cycle matures.



VIavi Solutions is a leader in optical test and measurement for next-generation data center and telecom networks. As AI data centers transition to 800 gigabits-per-second and 1.6 terabits-per-second transmission speeds, VIavi's validation and testing platforms become essential to ensuring the reliability and performance of high-speed optical interconnects. The company's NSE segment grew 24% organically year-over-year, reflecting strong momentum in data center demand.

Rambus

We added Rambus, which designs high-performance memory interface chips and silicon intellectual property for data center and AI infrastructure. As AI workloads drive surging demand for DDR5 and high-bandwidth memory, Rambus is positioned at the critical bottleneck between processing and memory, enabling the bandwidth and efficiency that next-generation compute platforms require. The company's product portfolio aligns directly with the memory architecture upgrades underway across the AI server ecosystem.

braze

As mentioned previously, we exited our position in Braze.

 Commvault

We exited our position in Commvault during the quarter. While the company has executed well in its transition to a SaaS-based data protection model, the broader software selloff and growing concerns around AI displacement of traditional enterprise software weighed on our conviction. As AI-native tools become increasingly capable of managing data workflows autonomously, we see elevated long-term competitive risk for incumbent data management platforms. We redeployed the capital into areas where we see more favorable risk/reward.

 VARONIS

We sold our position in Varonis, a data security and analytics platform. Varonis faces similar headwinds to the broader software sector, as AI-driven security and compliance tools threaten to commoditize capabilities that have historically commanded premium pricing. With the stock facing multiple compression alongside its software peers, we opted to reallocate toward AI infrastructure names where the spending cycle provides greater near-term earnings visibility and less disruption risk.

 Stevanato Group

We sold Stevanato as we saw better opportunities elsewhere.

Sincerely,

Your AMI Investment Management Team

Disclosures

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** Source AMI and Bloomberg. The top five and bottom five contributors information is based on a representative account taken from the AMI Small Cap Growth composite. The representative account was selected because it closely reflects the AMI Small Cap Growth investment strategy. Due to factors such as portfolio size, specific investment guidelines and inception dates of individual accounts, there will be dispersion between the weight, returns, and contributions of this account and other accounts in the composite. The Contribution is calculated by multiplying the weight (i.e., percentage of the total account) invested in each holding times the rate of return for that holding during the measurement period. The holdings identified do not represent all of the securities purchased, sold or recommended for AMI's clients. Actual client holdings and characteristics may vary and holdings are subject to change. The reader should not assume that (1) an investment in the securities identified was or will be profitable or (2) that the AMI Small Cap Growth Strategy will hold these stocks in the future. References to specific securities are not intended as representative of past recommendations by AMI. The securities shown should not be considered recommendations or solicitations and may not have been or in the future be, profitable. Nothing presented herein is or is intended to be constitute investment advice, and no investment decision should be made based on any information provided herein. Past performance is not an indication of future returns. There is a risk of loss from an investment in securities, including the risk of loss of principal.

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