MARINER

Small Cap Core Review

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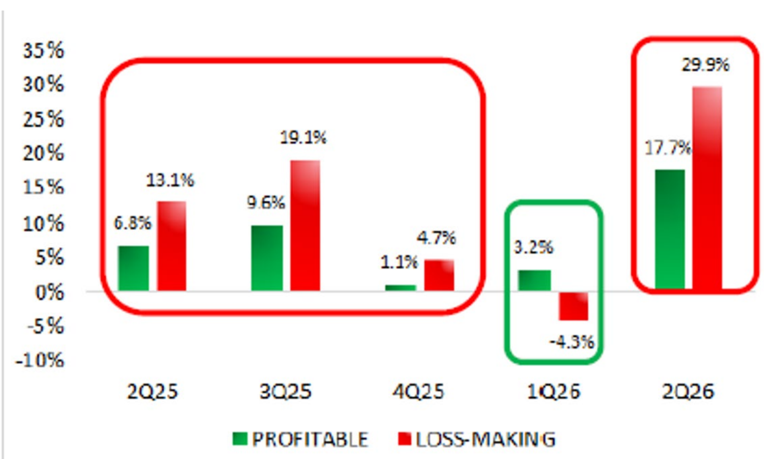
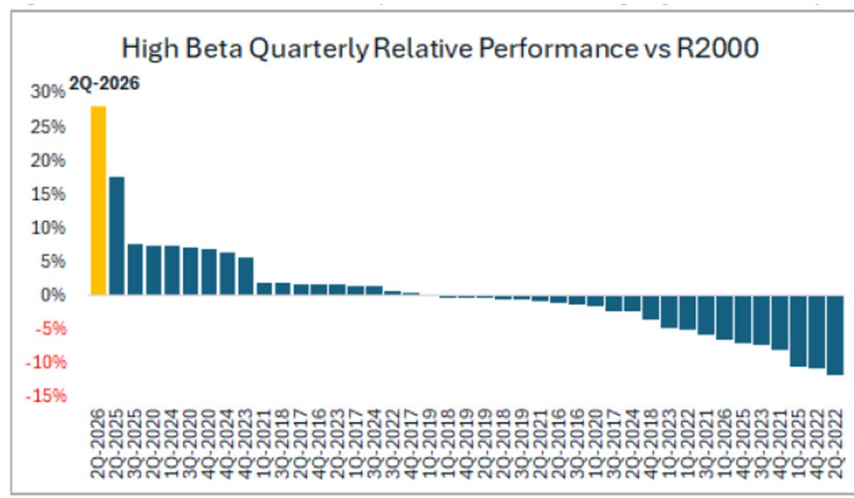
Small Cap Core – Active Manager Headwinds

- **Active Managers Typically Struggle to Keep Up During Risk-On Environments** - 2Q26 marked the Russell 2000 Index's strongest quarterly return since 4Q20 and its eighth-best quarter on record. The index also posted its best first half of the year (+18.7%) since 1991 and up 40.3% over the past 12 months.

- **Profitable Companies Lag** - Unprofitable companies have led the market in four of the past five quarters.

- **Higher Beta Stocks Shine** - Higher beta stocks have significantly outperformed the index over the past several quarters and 2Q26 represented the strongest quarter for the highest-beta quintile within the Russell 2000 over the past decade.





Sourced from Fury Research. Data as of June 30, 2026. LTM net income is measured as known at the start of each quarter. Beta represents the highest-beta quintile of the Russell 2000 Index.

Invesco Small Cap

Performance Review

- Invesco has lagged the Russell 2000 Index over the past year. Most of the underperformance occurred in 3Q25 (+4.9% versus +12.4%), when the portfolio was underexposed to more speculative, higher-volatility, and lower-quality segments that led the market.
- During 3Q25, 138 names were up more than 50%, many of which were highly speculative with no earnings or revenue (Source: FactSet). The fund's underweight to these names served as a 5.9% headwind.

Manager Distinguishing Characteristics

The team is experienced. Matthew Ziehl has served as Lead PM since May 2009. Ziehl is supported by Co-PM Adam Weiner and an experienced team of 9 investment professionals.

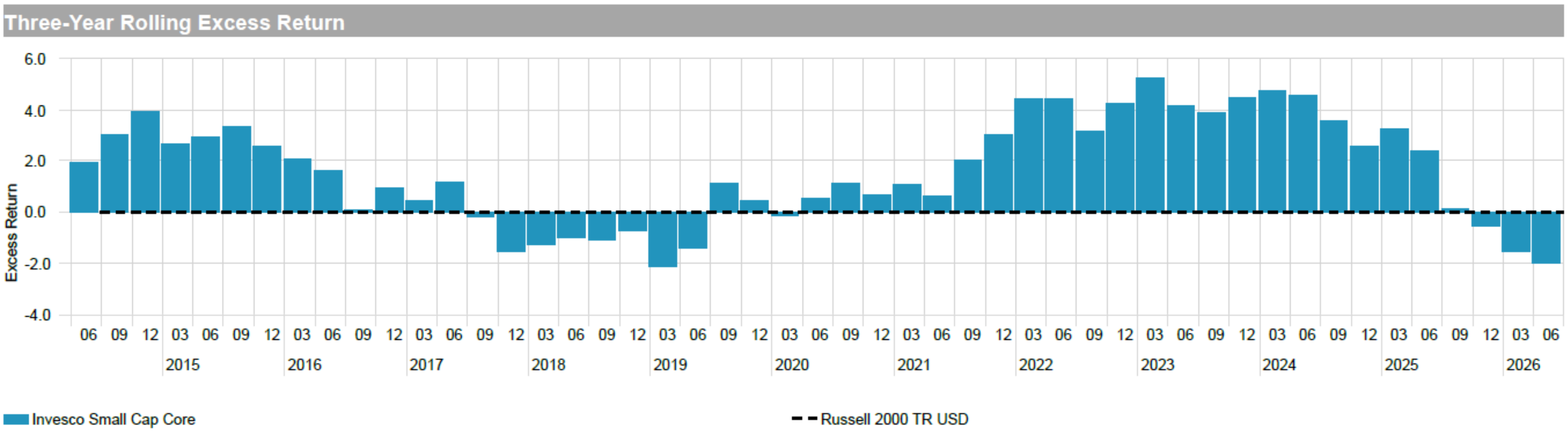
The team seeks to build an "all-weather" portfolio capable of outperforming the index across a variety of market environments through stock selection while limiting top-down sector and factor bets.

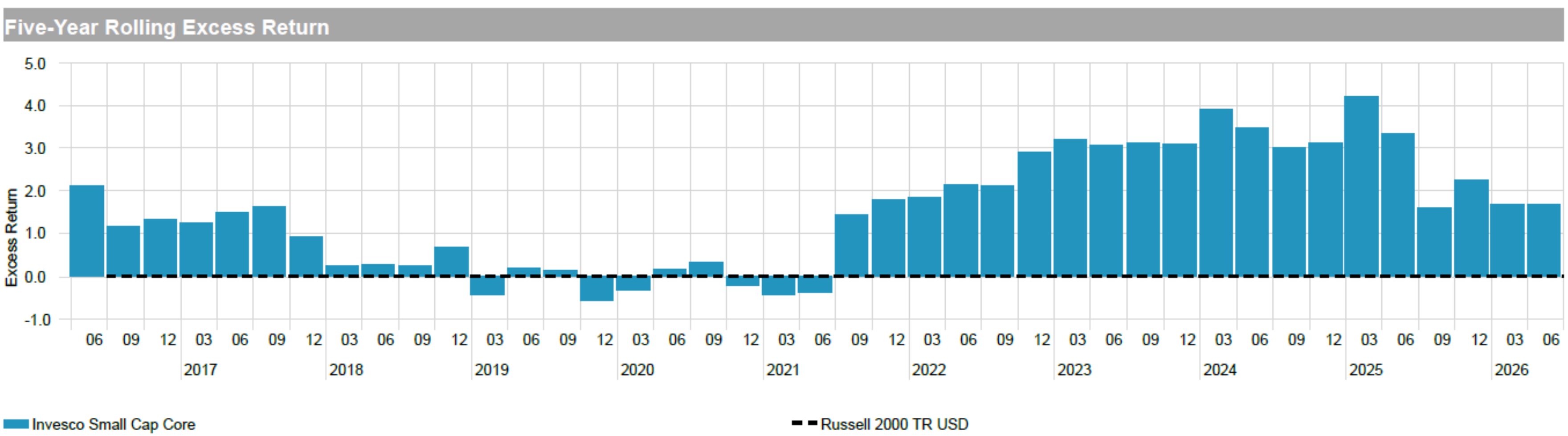
The team employs a disciplined investment process focused on identifying companies with strong management teams, durable competitive advantages, and attractive long-term growth prospects.

Strategy	Net Returns						Peer Ranks						5Yr Beta	5Yr Tracking Error	5Yr Info Ratio
	3Mo	YTD	1Yr	3Yr	5Yr	10Yr	3Mo	YTD	1Yr	3Yr	5Yr	10Yr			
Invesco Small Cap Core	20.69	19.56	28.70	16.61	8.66	12.31	50	61	67	49	44	39	0.91	5.59	0.30
Russell 2000	*21.49*	*22.57*	*40.78*	*18.60*	*6.98*	*11.62*									
US Small Cap Core Peer Group Median	*20.77*	*21.95*	*33.62*	*16.84*	*8.69*	*12.21*									

Sourced from eVestment – Composite Performance Net of Fees. Invesco subadvises the MassMutual Small Cap Opportunities fund.

Invesco Small Cap – Rolling Excess Return





Sourced from Morningstar. Net of Fees. As of June 30, 2026.

Nomura Small Cap

Performance Review

- Nomura has lagged the Russell 2000 Index over the past year, largely due to weaker relative results in 2025. From the April 8, 2025, market low through year-end, the Russell 2000 gained 41.4%, with the rally led by lower-quality, higher-risk stocks that were less aligned with its investment approach.

- Earnings Quality and Beta were the largest factor detractors, collectively accounting for nearly 450 basis points of relative underperformance over the past year.

Manager Distinguishing Characteristics

The strategy combines a disciplined quantitative and qualitative investment process designed to identify compelling investment opportunities across market environments.

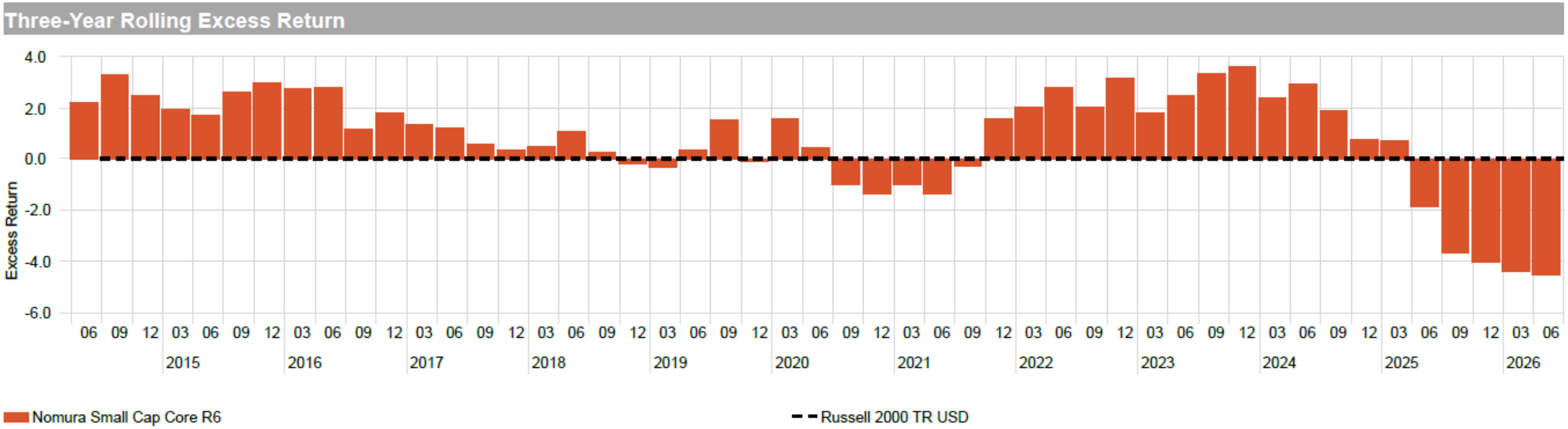
The investment team conducts rigorous fundamental research to identify high-quality companies trading at attractive valuations.

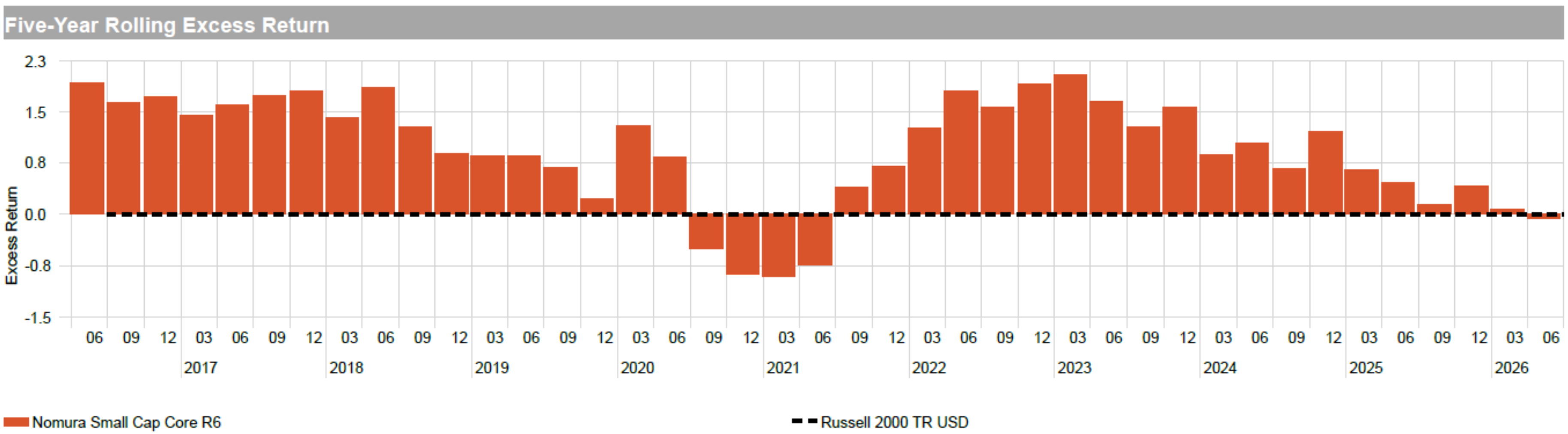
A differentiated portfolio construction process and disciplined management of factor and portfolio risks contributes to a more consistent risk-adjusted return pattern over time. The team targets a portfolio Beta of 0.9 to 0.95.

Strategy	Net Returns						Peer Ranks						5Yr Beta	5Yr Tracking Error	5Yr Info Ratio
	3Mo	YTD	1Yr	3Yr	5Yr	10Yr	3Mo	YTD	1Yr	3Yr	5Yr	10Yr			
Nomura Small Cap Core	20.74	20.33	30.79	13.85	6.73	11.05	49	58	61	67	66	69	0.90	4.94	-0.05
Russell 2000	*21.49*	*22.57*	*40.78*	*18.60*	*6.98*	*11.62*									
US Small Cap Core Peer Group Median	*20.77*	*21.95*	*33.62*	*16.84*	*8.69*	*12.21*									

Sourced from eVestment Composite Performance Net of Fees.

Nomura Small Cap – Rolling Excess Return





Sourced from Morningstar. Net of Fees. As of June 30, 2026.

Nomura Small Cap – Team Update

Generational Transition Near Complete

- June 2025, CIO Frank Morris retired, with Dave Reifinger promoted to Head of the US Core Equity team.
- Senior PM Don Padilla subsequently retired as planned on July 1, 2026. PM Chad Bolen joined the team last year, bringing more than two decades of consumer-sector experience.
- The team is actively interviewing for a Health Care specialist to work alongside and eventually succeed Chris Adams
- Separately, Nomura plans to hire a senior professional with technology expertise this quarter to bolster its capabilities in this area.






	Dave Reidinger	Chris Adams, CFA	Mike Morris, CFA	Christina Van Het Hoen, CFA	Will Mitchell	Chad Bolen, CFA
Title	**Head of US Core Equity**	**Senior Portfolio Manager**	**Senior Portfolio Manager**	**Portfolio Manager**	**Portfolio Manager**	**Portfolio Manager**
Industry experience	32 years	37 years	33 years	14 years	13 years	27 years
Firm experience	9 years	30 years	26 years	4 years	2 years	1st year
Sector focus	▪ Capital goods ▪ Media ▪ Technology	▪ Healthcare ▪ Communication services ▪ Technology	▪ Financials ▪ REITs ▪ Technology	▪ Business services ▪ Credit cyclicals ▪ Transportation ▪ Technology	▪ Basic materials ▪ Energy ▪ Utilities	▪ Consumer discretionary ▪ Consumer staples ▪ Consumer services

Sourced from Nomura