Small Cap Growth
Quarter-End Review—2Q2026

Stocks posted strong returns during the second quarter, bouncing back from their decline in the first quarter. The market advance in April and May was led by a small group of mega-cap technology stocks, but many of those stocks faltered in June. Even so, Information Technology was the best performing sector for the quarter, along with Industrials and Financials, while the Energy, Utilities, and Consumer Staples sectors underperformed. Bond yields crept up slightly, as the 10-year Treasury yield finished June at 4.44%, compared to 4.32% at the end of March.

The Russell 2000 Growth Index strongly rallied in the second quarter and posted its best performance since the fourth quarter of 2020. The Small Cap Growth portfolio also saw a solid gain for the quarter but trailed the index. All sectors in the Russell 2000 Growth Index were positive for the quarter except for Energy, which was down modestly. The Information Technology sector led index performance, with notable outperformance from semiconductor stocks. Industrials were also solid performers in the quarter, led by the Electrical Equipment and Construction and Engineering industries. Outside of the Energy sector, Materials lagged all other sectors with only a small gain as Metals and Mining stocks declined during the quarter.

The relative underperformance of the Small Cap Growth strategy was driven by our stock selection in Health Care and Information Technology. Within Health Care, stock selection in Providers & Services and Equipment & Supplies detracted the most from performance, as our steady growth companies did not keep up with the index. Within the Information Technology sector, software detracted the most from performance and IT Services was a negative contributor, as AI and quantum computing-related providers meaningfully outperformed. Conversely, our underweight

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 3/31/2026	Small Cap Growth Additions & (Small Cap Growth Deletions)[3]
Industrials	30.4%	1.8%	Cardinal Infrastructure, Federal Signal, SPX Technologies (Limbach, Primoris Services)
Health Care	20.1%	-4.2%	BrightSpring Health Services (ADMA Biologics, Catalyst Pharmaceuticals, GeneDx)
Information Technology	17.6%	0.0%	Commvault Systems, Zeta Global (BlackLine, Credo Technology)
Financials	10.3%	1.5%	Remitly Global
Consumer Discretionary	9.0%	-1.7%	
Energy	3.8%	3.8%	Solaris Enegy Infrastructure
Communication Services	2.3%	-0.3%	
Consumer Staples	2.0%	-2.1%	(e.l.f. Beauty, Vital Farms)
Real Estate	1.9%	-0.6%	
Materials	1.3%	1.3%	
Cash	1.2%	0.4%	
Utilities	0.0%	0.0%	

(1) Based on a representative account of the strategy discussed. Portfolio characteristics (e.g., sector weights, valuation, growth rate) are based on a representative account that we believe is illustrative of the strategy. All accounts in the strategy are invested identically in the same securities unless a client has imposed restrictions. Characteristics and/or holdings on a given date may vary due to pending trades.
(2) Weights as of the end of the presentation period. Cumulative total weighting may not add up to 100% due to rounding of percentages to the nearest decimal place.
(3) Any securities referenced should not be considered a recommendation to purchase or sell a particular security. These securities represent a portion of the companies held in a representative account in this strategy as of the date stated and are intended for informational purposes only. The reader should not assume that investments in the securities identified or discussed were or will prove to be profitable. The past performance of these securities is no guarantee of future results. The specific securities identified and described may not represent all of the securities purchased, sold, or recommended for this strategy. To request a complete list of holdings recommendations for this strategy over the past year or a list showing the contribution of every holding to the performance of the representative account for the time period stated, please contact Renaissance at compliance@reninv.com.

Source: Renaissance Research, FactSet

CONTRIBUTORS TO RETURN(1)(2)

Ticker	Company Name	Average Weight(3)	Contribution to Return
TOP FIVE CONTRIBUTORS—SMALL CAP GROWTH			
CRDO	Credo Technology	2.71%	3.55%
INOD	Innodata	2.53%	2.05%
STRL	Sterling Infrastructure	2.77%	1.98%
SANM	Sanmina	2.83%	1.77%
RMBS	Rambus	2.54%	1.32%
BOTTOM FIVE CONTRIBUTORS—SMALL CAP GROWTH			
TMDX	TransMedics	1.73%	-0.69%
HURN	Huron Consulting	1.87%	-0.60%
ENSG	Ensign	2.11%	-0.52%
CENX	Century Aluminum	1.80%	-0.51%
PRIM	Primoris Services	1.22%	-0.48%

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(3) Average weights over the presentation period.

Sources: Renaissance Research, FactSet

position and stock selection in Energy and stock selection in Industrials were positive contributors. Energy contributed the most to our relative performance, as oil prices declined steadily from their early April highs and our underweight position helped performance. In addition, our stock selection and overweight position in Construction and Engineering meaningfully benefited our performance within the Industrials sector.

Credo Technology (CRDO) was our top contributor during the quarter as the company reported solid results for its most recent quarter and, more importantly, raised full year Fiscal 2027 revenue guidance to at least 80% growth from previous guidance of at least 50% growth. Credo provides intra-rack connections for AI data centers. The company recently introduced optical products that expand its market opportunities and should continue to drive growth into the future. However, Credo's market capitalization has exceeded the upper threshold of our portfolio, therefore we exited our position at the end of the quarter.

TransMedics Group (TMDX) detracted the most from our performance, as the company reported sales in-line with expectations but profitability was much lower than expected. The company is a leader in organ transplant technology and logistics, and investments in FDA trials and next-gen technology negatively impacted margins. The company reiterated its full-year revenue guidance and stated that its first quarter margins were the trough for the year. Recent data points suggest that second quarter revenues should be in line with expectations, and we expect margins to show some improvement. We believe that the company can continue to gain market share in the organ transplant market and that its execution should improve going forward.

Trading and stock movements during the quarter led to several changes in sector weights. Energy, Industrials, Financials, and Materials increased during the quarter, while Health Care, Consumer Staples, Consumer Discretionary, Real Estate, and Communication Services decreased.

BrightSpring Health Services (BTSG) was added during the quarter. The company operates through two primary segments: Pharmacy Solutions (87% of revenue) and Provider Services (13%). The company's specialty pharmacy platform is heavily concentrated on oncology therapies in which they are a key partner for low distribution drugs. It is essential that such drugs are delivered on time to prevent patients from suffering significant complications that can often end in hospital admission. BrightSpring added 29 of these drugs from 2024-2025, bringing its total to 153 low distribution drugs, and 31% of the new wins were exclusive distribution arrangements. An upcoming wave of oral oncology generics should be a large driver of future growth for the company. There are roughly $9.8B of branded market revenues that are undergoing generic conversion through 2027 and another $18.2B through 2032. As branded drugs lose exclusivity, BrightSpring should earn significantly higher gross profit dollars despite lower drug prices. It is estimated that the company earns 2-3x the gross profit dollars when a drug goes generic. We see the company's strong competitive moat and generic opportunities driving growth for many years to come.

We exited our position in **Catalyst Pharmaceuticals** (CPRX) as the company agreed to be acquired by Angelini Pharma in an all-cash transaction.

We continue to see a dramatic bifurcation in the market, with artificial intelligence and data center stocks performing well, combined with a rotation out of more traditional growth stocks We examined the range of returns across the small-cap growth universe, defined as the profitable companies within the Russell 2000 Growth Index as measured on a quarterly basis. The range is defined as the average return of all stocks in the universe for the quarter plus and minus two standard deviations. In the first quarter, stocks ranged from -78% to +130% by this measure. Notably, the current level of dispersion has not been seen in any other period over the past two decades, and only the second quarter of 2020 came close.

However, this does not fully capture the extreme level of dispersion in stock returns within our universe during the second quarter. The top ten stocks by total return were up an average of 322%. Of the top ten by total return, none were profitable on a GAAP basis over the trailing four-quarter period except for Credo Technology, which was also the only stock we owned. Of the remaining nine that were not profitable on a GAAP basis over the trailing four quarters, only two are expected to be profitable in 2026, and one of those is expected to generate a grand total of one penny in earnings for the year.

Stocks that are beneficiaries of the AI/Data Center capex boom accounted for about 31% of the portfolio as of June 30. These stocks are showing tremendous growth and strong estimate revisions, but they are also trading at relatively high P/E multiples. We strive to own stocks that we think present a positive risk/return profile, primarily through the lens of expected growth relative to valuation.

The remaining stocks of the portfolio include a well-diversified group spanning ten different sectors. The stocks represent a compelling group of steady compounders that we think have become discounted relative to their historical P/E ranges, due largely to a market rotation out of conservative growth stocks and into more aggressive segments of the market. Our goal is to continue to identify companies with attractive expected growth relative to valuation while ensuring that we are capturing genuine innovation when the fundamentals justify it. We are dissatisfied with our relative result for the quarter, yet we continue to believe that our underlying portfolio remains healthy, differentiated, and increasingly well positioned for the next phase of the small-cap growth cycle.

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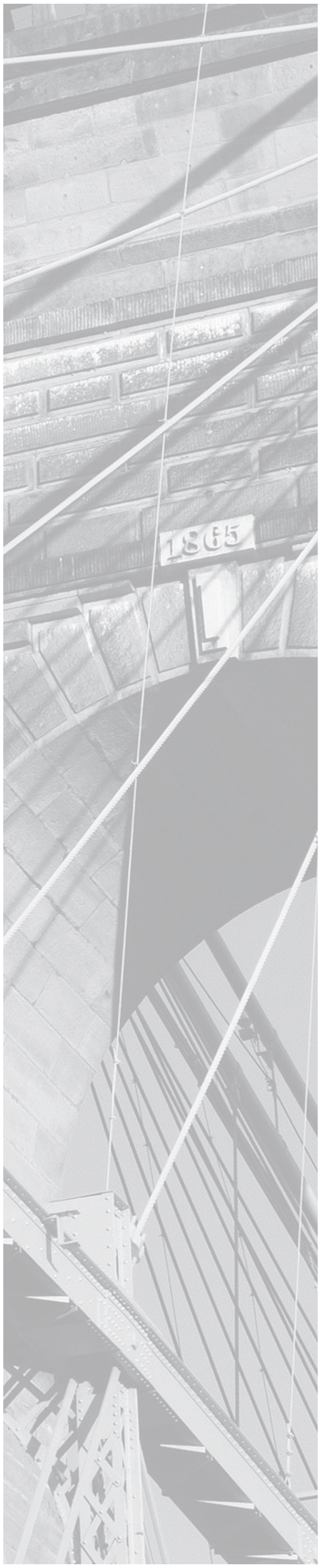
Quarter Ending 6/30/2026

Small Cap Growth
Quarter-End Review—2Q2026



DISCLOSURES

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GICS SECTOR INFORMATION

Sector Listing according to MSCI and S&P Dow Jones data: MSCI and S&P Dow Jones do not make any express or implied warranties or representations and shall have no liability whatsoever with respect to any GICS data contained herein.

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REFERENCED INDICES

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Russell 2000 Growth Index—The Russell 2000 Growth Index is composed of the smallest 2,000 of the 3,000 largest U.S. companies based on total market capitalization with higher price-to-book ratios and higher forecast growth values.

S&P 500 Index—The S&P 500 Stock Index is a market capitalization weighted index and consists of 500 stocks chosen for market size, liquidity and industry group representation.

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