Renaissance Investment Management

Quarter Ending 6/30/2024

Midcap Growth
Quarter-End Review—2Q2024

The S&P 500 increased 4.3% in the second quarter, while the Russell Midcap Growth Index declined 3.2%. The divergence in performance between the indices reflects a narrowing of the market led by mega-cap tech stocks. Cyclical sectors gave back some of their gains from earlier in the year, as investors grew more cautious following Fed comments suggesting that rate cuts may be minimal or nonexistent this year, while mixed economic data and lower treasury yields added to concerns about a slowdown in the economy. Real Estate continued its downward trajectory as the only sector that has declined this year, which partly reflects challenging near-term industry fundamentals. For the second quarter, our portfolio outperformed the Russell Midcap Growth Index. Favorable stock selection in the Consumer Staples, Information Technology, and Consumer Discretionary sectors was the main driver of our outperformance.

Casey's General Stores (CASY) was the largest contributor to portfolio performance during the quarter after management reported strong operating results and guidance. Fuel margins remained at high levels, while in-store sales were strong and outperformed peers. Favorable in-store sales were particularly encouraging given the challenging consumer environment, which partly reflects the company's solid prepared-food offerings that skew to the value category. **KLA** (KLAC) was another meaningful contributor to portfolio performance. The semiconductor market remains challenged, but management believes the market has bottomed and is optimistic that business conditions have stabilized, with further progress expected throughout the year. Artificial Intelligence (AI) has been a bright spot that has driven demand for high bandwidth memory (HBM) and boosted investor sentiment. Finally, **Amphenol** (APH) reported another solid quarter,

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 3/31/2024	Midcap Growth Additions & (Midcap Growth Deletions)[3]
Information Technology	27.7%	-2.9%	Nutanix
Industrials	22.1%	-0.8%	
Health Care	17.8%	-1.6%	Medpace Holdings (Agilent Technologies)
Financials	9.7%	-0.6%	
Consumer Discretionary	9.6%	-0.2%	
Consumer Staples	6.2%	+0.7%	
Energy	3.8%	+0.2%	
Cash	3.1%	+0.6%	
Real Estate	0.0%	0.0%	
Utilities	0.0%	0.0%	
Materials	0.0%	0.0%	
Communication Services	0.0%	-1.3%	(Match Group)

(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

Renaissance Investment Management

Quarter Ending 6/30/2024

Midcap Growth
Quarter-End Review—2Q2024

CONTRIBUTORS TO RETURN[(1)(2)]

Ticker	Company Name	Average Weight[(3)]	Contribution to Return
TOP FIVE CONTRIBUTORS—MIDCAP GROWTH			
CASY	Casey's General Stores	2.15%	0.41%
KLAC	KLA	2.38%	0.41%
APH	Amphenol	2.31%	0.37%
PANW	Palo Alto Networks	1.86%	0.35%
TYL	Tyler Technologies	1.91%	0.33%
BOTTOM FIVE CONTRIBUTORS—MIDCAP GROWTH			
MOH	Molina Healthcare	1.69%	-0.57%
WEX	WEX	1.63%	-0.49%
LECO	Lincoln Electric Holdings	1.59%	-0.48%
VEEV	Veeva Systems	1.43%	-0.35%
ODFL	Old Dominion Freight Line	1.49%	-0.34%

(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) The securities listed should not be considered a recommendation to purchase or sell a particular security. These securities represent the top five and bottom five contributors by weight to the performance of 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.
(3) Average weights over the presentation period.

Sources: Renaissance Research, FactSet

outperforming expectations. The company is benefiting from strong momentum from AI and data center products, which is also driving positive sentiment in the stock. The acquisition of Carlisle's connector and cabling business is off to a good start, and there is ample opportunity to drive margins higher, supporting earnings accretion.

Negative contributors to portfolio performance were led by **Molina Healthcare** (MOH), which declined due to near-term headwinds, including Medicaid contract losses in Florida and Virginia, membership losses from Medicaid redetermination, higher costs due to increased patient utilization, and a less favorable government reimbursement environment. Despite the challenges, quarterly results were solid and exceeded expectations across most key metrics, as the company continues to execute relatively well. Management maintained full-year guidance but replacing lost revenue from Florida and Virginia will be important to meeting Molina's long-term goals. **WEX** (WEX) was another detractor to performance, declining due to a less advantageous renewal with a large customer as well as macroeconomic concerns that have weighed on payment stocks recently. While earnings are still on track to increase double digits this year, the company trades near a trough valuation, suggesting investors are concerned that estimates are too high. However, there is upside if the economy remains resilient, especially if fuel prices and the freight market rebound. Lastly, **Lincoln Electric Holdings** (LECO) declined after a disappointing quarterly report in April followed by a negative pre-announcement in May. This was driven by destocking in certain end markets such as machinery, which faces elevated inventories and softening demand. Several other companies confirmed end-market weakness, which will likely persist for another couple of quarters. With that said, we like the company's exposure to automation, and it is well-positioned once customer demand rebounds.

Renaissance®
Investment Management
Quarter Ending 6/30/2024

Midcap Growth
Quarter-End Review—2Q2024

We made two changes to the portfolio this quarter starting with the addition of **Medpace Holdings** (MEDP), which is a contract research organization that serves biotech, pharmaceutical, and medical technology companies with services supporting phase I-IV clinical development. The company has a strong presence among small and medium-sized clients, and it has one of the highest growth profiles in the industry, reflecting the "growthier" nature of smaller companies as well as Medpace's expansion into additional therapeutic areas. Management has done an excellent job of executing their strategy, with consistent share gains and a conservative approach that permeates the organization. With relatively small market share, we believe that the company will continue outgrowing the market for the foreseeable future. Moreover, the funding environment for biotech clients has improved over the last six months, which increases our confidence in the near-term prospects of the firm. We funded the purchase with the sale of **Match Group** (MTCH) following a deterioration of fundamental factors. The company has struggled to turn its business around, and the recent earnings report failed to provide comfort that a positive inflection is imminent, as management lowered guidance. The company is attempting to resurrect Tinder, but usage trends remain sluggish against a backdrop of potentially slowing demand for dating apps, which we fear could be a longer-term dynamic.

The other transaction included the purchase of **Nutanix** (NTNX), a software company that has a leading position in hyperconverged infrastructure (HCI), which combines storage and compute functions into one appliance to reduce the complexity and cost for customers, particularly in hybrid cloud environments. The company has expanded beyond HCI to provide a more complete cloud platform, increasing its addressable market. Growth prospects are promising, given favorable secular tailwinds such as customer upgrades to modern infrastructure and adoption of hybrid infrastructure, potential share gains following the acquisition of a major competitor by Broadcom, and expanded product capabilities. We sold **Agilent Technologies** (A) following a deterioration in fundamental factors, with growth prospects diminishing against a healthy valuation. Earnings estimates have been in an extended downtrend, and the recovery we have been anticipating continues to get pushed out, driven by headwinds in China and cautiousness among pharmaceutical customers. Given uncertainty around the recovery of the business, other opportunities became more attractive.

While the S&P 500 posted a return of 4.3% for the second quarter, the return was somewhat misleading in terms of typical stock performance within the index. More than 60% of the stocks in the index *declined* in price during the quarter, and the equal-weighted S&P 500 Index generated a total return of -2.6%. Strong performance from a small number of very large capitalization stocks drove the gain in the S&P 500. In fact at quarter-end, the market capitalization of the five largest stocks in the index accounted for more than 28% of the total capitalization of the total index, the highest such level in over 40 years.

The return difference between the S&P 500 and the equal-weighted index thus far this year is 10.2%, one of the largest six-month differentials since 1990. Since 1990, the equal-weighted S&P 500 has slightly outperformed the cap-weighted index on an annualized basis (11.1% vs 10.5%). However, over short-term periods such as six months, the two indices have experienced significant variability in returns. In the past, periods of significant underperformance by the equal-weighted index have been followed by equally significant outperformance in subsequent periods, and we believe that the current environment will favor broadly diversified portfolios going forward.

The strong price performance of the capitalization-weighted S&P 500 Index relative to its equal-weighted version is largely due to expansion in the price-to-earnings ratios (P/Es) of mega-cap stocks. The largest 50 stocks in the index trade at a median P/E of 25.1x, compared to 19.2x for the overall index. As a result, the P/E of the cap-weighted S&P is over 30% higher than the same P/E calculated on an equal-weighted basis, the highest such difference in recent history.

Renaissance
Investment Management

Quarter Ending 6/30/2024

Midcap Growth
Quarter-End Review—2Q2024

Forecasts for corporate earnings are generally bullish for this year and 2025, supporting the case for continued gains for stock prices. After wide swings during and immediately after the COVID pandemic, earnings growth for the S&P 500 is expected to be in the low double-digit range over this year and next. Earnings growth is likely needed to drive stock prices higher, given the relatively high valuations of many stocks today, particularly in the mega-cap segment of the market.

One possible obstacle for higher stock prices is the current level of interest rates. At its June meeting, the Federal Reserve kept its interest rate policy unchanged for the seventh consecutive meeting. The Fed now expects only one cut in interest rates this year, down from three that were previously anticipated, and revised its near-term inflation outlook upward. As a result, consensus market expectations for interest rates have risen from their levels of three months ago, although still reflecting a decline in rates over time.

Much of the market advance thus far this year has been driven by investor enthusiasm for Artificial Intelligence (AI) related stocks. We are impressed with the potential opportunities for AI-related securities and hold a number of stocks in our portfolio that we believe will benefit from the trend toward broader use of AI applications. Nevertheless, we should note that investor enthusiasm for new technologies frequently results in over-optimistic valuations of stocks and strong company performance does not always translate into strong stock price performance.

The growth opportunities for many AI-related companies appear significant, but valuation should be considered along with growth when it comes to investing in stocks. We remain confident that our disciplined investment approach will continue to reward patient investors with favorable long-term returns.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of June 30, 2024 and are subject to change at any time due to changes in market or economic conditions.

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.

PERFORMANCE

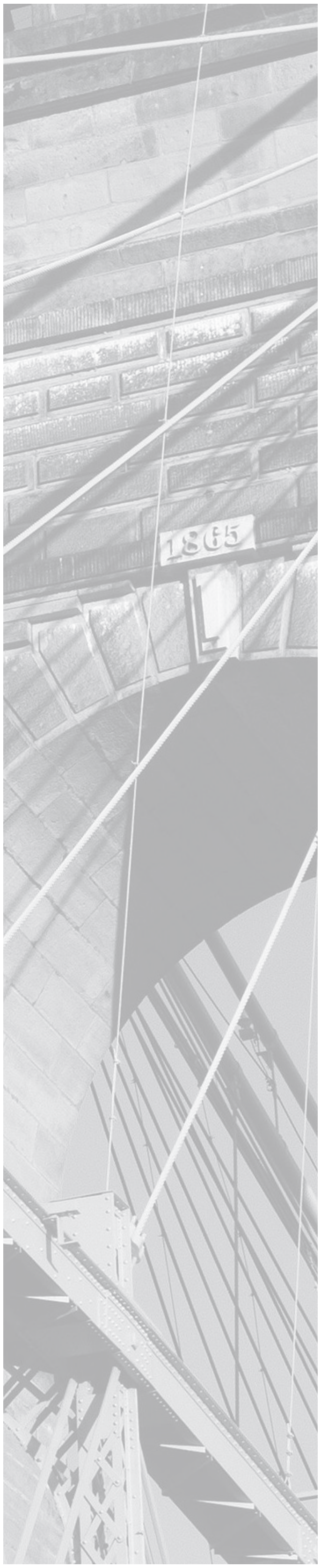
If Renaissance or benchmark performance is shown, it represents historically achieved results, and is no guarantee of future performance. All performance is shown in U.S. dollars unless otherwise stated. Future investments may be made under materially different economic conditions, in different securities and using different investment strategies and these differences may have a significant effect on the results portrayed. Each of these material market or economic conditions may or may not be repeated. Therefore, there may be sharp differences between the benchmark or Renaissance performance shown and the actual performance results achieved by any particular client. Benchmark results are shown for comparison purposes only. The benchmark presented represents unmanaged portfolios whose characteristics differ from the composite portfolios; however, they tend to represent the investment environment existing during the time periods shown. The benchmark cannot be invested in directly. The returns of the benchmark do not include any transaction costs, management fees or other costs. The holdings of the client portfolios in our composites may differ significantly from the securities that comprise the benchmark shown. The benchmark has been selected to represent what Renaissance believes is an appropriate benchmark with which to compare the composite performance.

The value of an investment may fall as well as rise. Please note that different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will either be appropriate or profitable for a client or prospective client's investment portfolio. Investor principal is not guaranteed and investors may not receive the full amount of their investment at the time of sale if asset values have fallen. No assurance can be given that an investor will not lose invested capital. Consultants supplied with these performance results are advised to use this data in accordance with SEC guidelines. The actual performance achieved by a client portfolio may be affected by a variety of factors, including the initial balance of the account, the timing and amount of any additions to or withdrawals from the portfolio, changes made to the account to reflect the specific investment needs or preferences of the client, durations and timing of participation as a RIM client, and a client portfolio's risk tolerance, investment objectives, and investment time horizon. All investments carry a certain degree of risk, including the loss of principal and are not guaranteed by the U.S. government.

Continued

Renaissance
Investment Management
Quarter Ending 6/30/2024

Midcap Growth
Quarter-End Review—2Q2024



REFERENCED INDICES

(Indices are unmanaged and are not available for direct investment.)

Russell Midcap Growth Index—The Russell Midcap® Growth Index measures the performance of the Russell Midcap companies with higher price-to-book ratios and higher forecasted 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.

RUSSELL DATA

FTSE Russell is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of FTSE Russell. This presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a presentation of Renaissance Investment Management. FTSE Russell is not responsible for the formatting or configuration of this material or for any inaccuracy in Renaissance's presentation thereof.

S&P DATA

S&P Dow Jones is the source and owner of the trademarks, service marks and copyrights related to the S&P Indexes. S&P® is a trademark of S&P Dow Jones. This presentation may contain proprietary S&P data and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a presentation of Renaissance Investment Management. S&P Dow Jones is not responsible for the formatting or configuration of this material or for any inaccuracy in Renaissance's presentation thereof. This data is to be used for the recipient's internal use only.

STOCK REFERENCES

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. Nonperformance-based criteria have been used to select the securities listed unless otherwise stated. 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.

Renaissance Investment Management

800.837.3863 ■ 513.723.4500 ■ Fax: 513.723.4512 ■ www.reninv.com