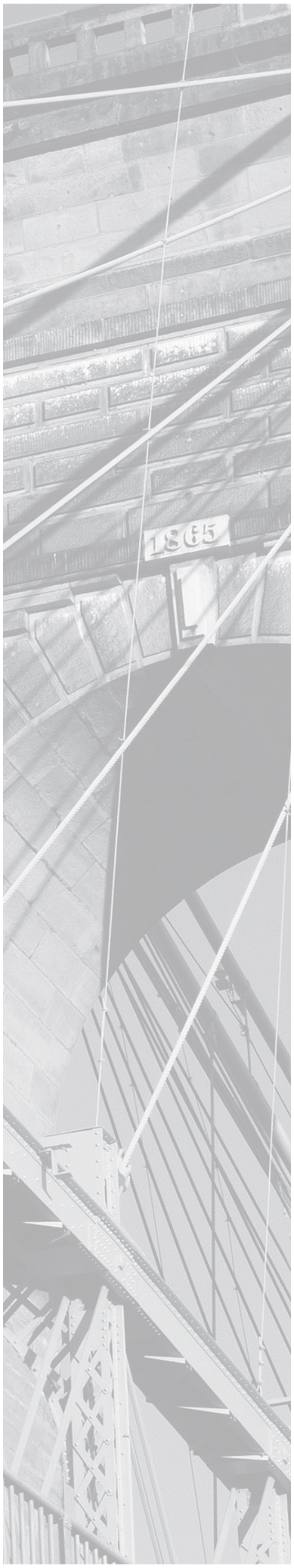
Renaissance®
Investment Management
Month Ending 7/31/2024

Large Cap Growth
Intra-Quarter Commentary—July 2024



July 2024 will likely go down in history as one of the most unexpected and memorable months of our lifetimes. We're not sure that anyone had on their bingo card an assassination attempt on a former U.S. President and the leading candidate for the Republican party followed by the current U.S. President and leading candidate for the Democratic party dropping out of the Presidential race.

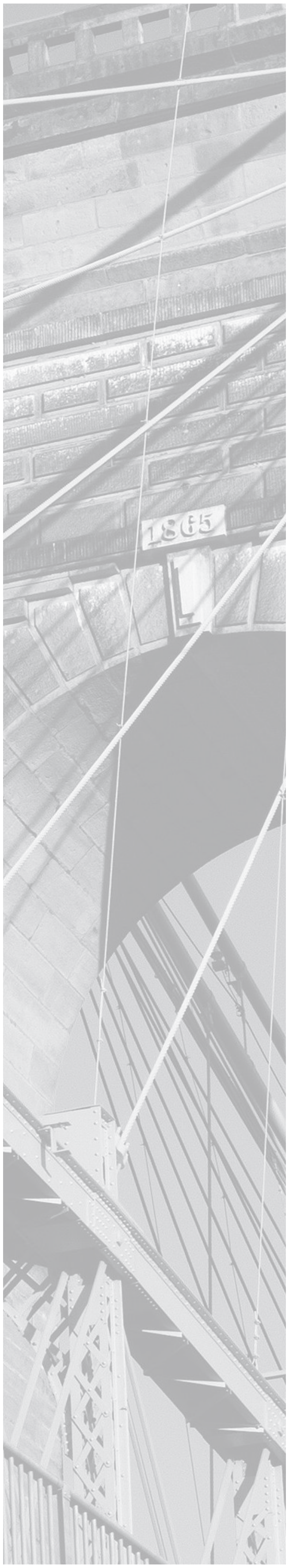
On the surface, the stock market delivered solid returns in July, with the S&P 500 posting its third consecutive month of gains. However, underlying that outcome, we saw one of the biggest market rotations in recent memory, sparked by a better-than-expected June inflation report that showed a decline in the inflation rate for the first time since July 2022. Investors initially celebrated the inflation report on the premise that the improving inflation data proves that the Federal Reserve has engineered a soft landing with the prospects for lower interest rates beginning as early as September. While lower interest rates have historically helped small-cap companies, investors also began to question the monetization path for investments made in artificial intelligence (AI), especially after several technology companies reported disappointing earnings. As a result, investors began to rotate out of mega-cap technology, growth, and momentum stocks—basically a very narrow group of stocks that have driven the market for the better part of the last 18 months—and into small-cap, value, and cyclical stocks—the much broader group of stocks that have lagged the market over the same period. The rotation was fast and furious, resulting in the equal-weighted S&P 500 outperforming the market cap-weighted S&P 500 by the largest margin since February 2021 and the Russell 2000 small cap benchmark posting its best return this year.

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 6/30/2024	Large Cap Growth Additions & (Large Cap Growth Deletions)[3]
Information Technology	31.5%	-1.7%	
Health Care	17.6%	+2.7%	Neurocrine Biosciences
Consumer Discretionary	12.0%	-0.4%	
Industrials	11.9%	-1.0%	(Illinois Tool Works)
Financials	11.4%	+0.6%	Tradeweb Markets (Everest Group)
Communication Services	6.2%	-0.5%	
Materials	3.5%	+0.2%	
Consumer Staples	3.3%	0.0%	
Energy	1.6%	0.0%	
Cash	1.0%	+0.2%	
Real Estate	0.0%	0.0%	
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—LARGE CAP GROWTH			
SHW	Sherwin-Williams	1.69%	0.27%
FERG	Ferguson	1.67%	0.24%
HCA	HCA Healthcare	1.73%	0.22%
IT	Gartner	1.72%	0.20%
DHR	Danaher	1.70%	0.18%
BOTTOM FIVE CONTRIBUTORS—LARGE CAP GROWTH			
LRCX	Lam Research	2.07%	-0.29%
AMAT	Applied Materials	2.21%	-0.24%
CDNS	Cadence Design Systems	1.67%	-0.22%
MSFT	Microsoft	3.16%	-0.20%
LULU	lululemon athletica	1.03%	-0.15%

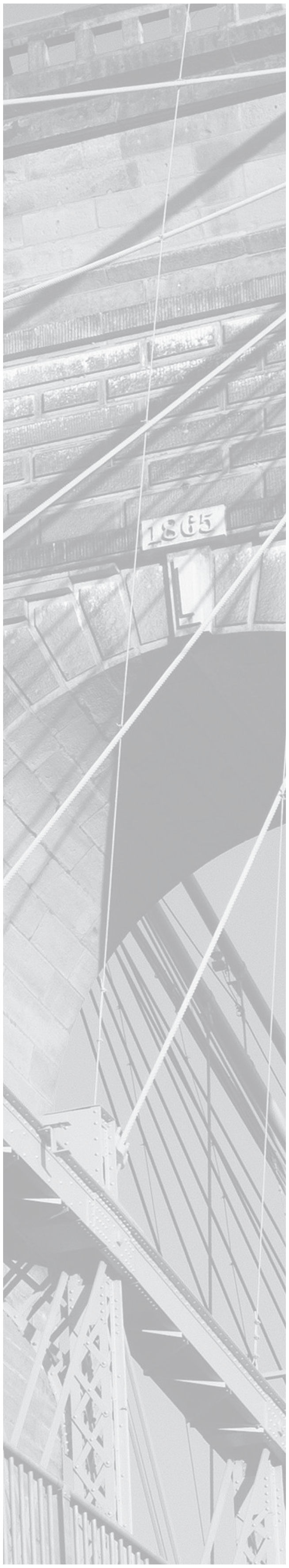
(1) Based on a representative account of the strategy discussed. Portfolio characteristics (e.g., sector weights, valuation, growth rate) are based on a representative account that we believe is illustrative of the strategy. All accounts in the strategy are invested identically in the same securities 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

July was also the start of the second quarter's earnings season, with mostly positive stock reactions driven by better-than-expected corporate earnings. Expectations were sanguine heading into earnings season, with investors accepting the soft-landing scenario. Through the end of July, corporate earnings came in slightly better than expected. With more than 40% of S&P 500 companies having reported second-quarter results, approximately 60% of companies exceeded revenue expectations and 78% reported a positive earnings surprise. As a result, second-quarter earnings growth is tracking at 9.8%, an improvement from the start of the second quarter earnings season *(Source: FactSet)*. Historically, the direction of earnings revisions is positively correlated to stock prices over the long term, and we will continue to monitor the sustainability of the current growth environment.

For the month, the S&P 500 gained 1.2% while the Russell 1000 Growth declined 1.7%. The performance between Growth and Value factors experienced a large reversal in July, with Value significantly outperforming Growth. In addition, smaller-cap stocks outperformed larger-cap stocks by a wide margin for the month. The Real Estate and Materials sectors were the best performing sectors, while the Communication Services and Utilities sectors were the worst performing. During the month, we outperformed our Russell 1000 Growth benchmark and performed roughly in line with the S&P 500.

We made several changes to the portfolio in May. A new position added in the Health Care sector was **Neurocrine Biosciences** (NBIX), a biopharma company focused on the treatment of chronic neurological and endocrine disorders. The company's top drug, Ingrezza, is the market leader and gold standard for treating tardive dyskinesia disorder, which is a side effect of antipsychotic



treatments that causes involuntary body movements. Importantly, Neurocrine is also on the verge of launching a new drug for the treatment of enzyme deficiencies, specifically addressing congenital adrenal hyperplasia, a condition that currently has no cure. A successful launch of this new drug in 2025 will greatly diversify the company's revenue stream and help validate a drug pipeline that currently has 20 mid-to-late-stage developmental targets. Conversely, we sold our position in **Everest Group** (EG), in the wake of deteriorating fundamental factors. From a qualitative perspective, we believe that the company will face multiple headwinds that put future earnings estimates at risk. Specifically, the company will face a less favorable underwriting market as the catastrophic reinsurance market is seeing an increase in weather events. In addition, the previously strong pricing market that has helped Everest over the past couple of years has recently begun to deteriorate as new competitors enter the segment, potentially leading to weaker pricing and lower underwriting returns. Lastly, with interest rates expected to decline, the company could also see pressure on net interest income from its investment portfolio.

Sherwin-Williams (SHW) was our best performing stock in July. The company saw solid demand from its professional-focused Paint Stores Group, driven by market share gains, strong residential construction, and solid U.S. consumer spending. Meanwhile, earnings are benefiting from lower raw materials prices combined with higher unit volumes, driving operating margin improvements. While revenue growth remains tepid, we like how the company is executing in a difficult environment with easier growth comparisons beginning in the second half of this year. Another strong performer in the month was **HCA Healthcare** (HCA). The company reported solid operating results, with pent-up demand for healthcare driving broad-based admissions growth. The increase in volumes allowed HCA to leverage off its fixed operating costs base, driving incremental operating margins. Importantly, labor costs, the largest component of operating expenses, remain stable with wage growth expected to continue trending better than initial expectations.

Conversely, **Lam Research** (LRCX) was the worst performer in July despite reporting solid operating results and raising its guidance for the remainder of the year. The stock had been a strong performer through the first half of the year, and the weakness in July likely reflects the general weakness in artificial intelligence-related stocks. In addition, an escalation in sanctions against technology products sold to China remains a near-term risk, as China is both a material percentage of revenues and a substantial driver of revenue growth. Another underperformer in the month was **Microsoft** (MSFT). Similar to Lam Research, Microsoft's stock enjoyed solid performance through the first half of the year, until the recent rotation in the stock market negatively impacted almost all AI-related stocks. The company reported solid operating results. However, guidance reflected a deceleration in growth for Azure, its cloud computing segment. Similar to other cloud computing providers, Microsoft is currently experiencing decelerating trends while needing to make large capital investments to alleviate capacity constraints from heightened demand for AI offerings. While this is likely transitory, it will negatively impact operating margins in the near term.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of July 31, 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

Continued

Large Cap Growth
Intra-Quarter Commentary—July 2024

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.

REFERENCED INDICES

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

Russell 1000 Growth Index—The Russell 1000® Growth Index is a market capitalization weighted index that measures the performance of those Russell 1000® 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.