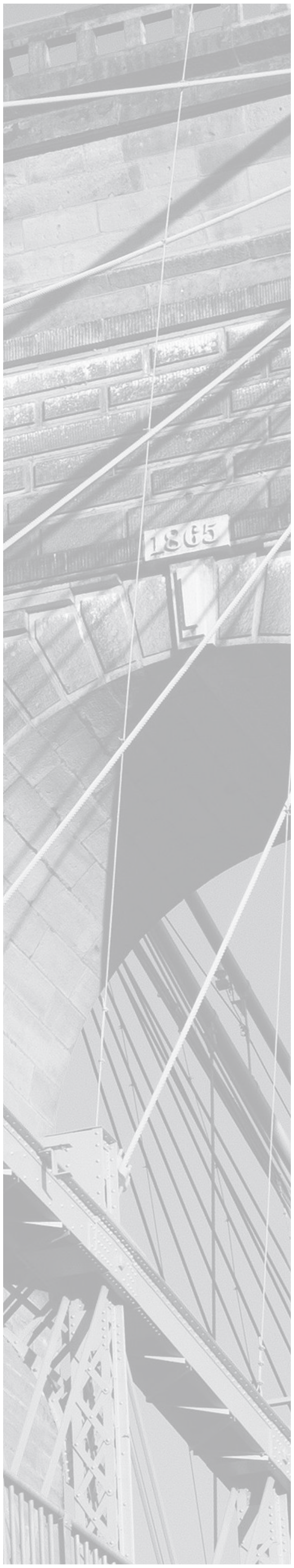
Large Cap Growth
Intra-Quarter Commentary—January 2025



With the S&P 500 reaching new record highs, the U.S. stock market started the year off on a strong note. Despite a shaky first week, a rebound continued through the rest of the month, as U.S. economic data came in better than expected. Importantly, market breadth was positive with the equal-weighted S&P 500 outperforming the cap-weighted S&P 500, which suggests that market momentum is broadening beyond the largest market-cap companies. Overall, the U.S. economy grew a very healthy 2.3% in the fourth quarter of 2024, with stable inflation, solid jobs growth, and high business confidence, all indicative of a strong U.S. economy. Meanwhile, the Federal Reserve continued to pause its monetary easing cycle, reducing the risk that inflation will reaccelerate meaningfully. This pause is likely precautionary following recent increases in both energy and commodity prices.

While macroeconomic conditions and corporate earnings growth remain solid, the last week of January did experience a quick market sell-off after China's DeepSeek released a low-cost, open-source Artificial Intelligence (AI) model. This was a proverbial "left field" event that resulted in stake holders scrambling to understand the impact that this development could have on America's lead in the global AI race. To put it bluntly, the release of a Chinese AI model that is both effective and constructed at a fraction of the cost of current large U.S. AI models puts into doubt whether the hundreds of billions of dollars in capital expenditures spent by mega-cap technology companies was either necessary or prudent. Importantly, with stock market gains over the last couple years driven predominantly by large mega-cap technology companies levered to AI, this only further raises concerns about their stretched valuations and longer-term growth assumptions.

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 12/31/2024	Large Cap Growth Additions & (Large Cap Growth Deletions)[3]
Information Technology	31.8%	-2.2%	
Financials	15.7%	+1.6%	Brown & Brown
Industrials	14.7%	0.0%	Emcor Group (Ferguson Enterprises)
Consumer Discretionary	11.5%	+0.3%	
Health Care	9.4%	+0.8%	
Communication Services	9.0%	+0.2%	
Materials	3.3%	-1.4%	(Sherwin-Williams)
Real Estate	1.8%	+0.1%	
Consumer Staples	1.7%	+0.1%	
Cash	1.2%	+0.5%	
Energy	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

Renaissance Investment Management

Month Ending 1/31/2025

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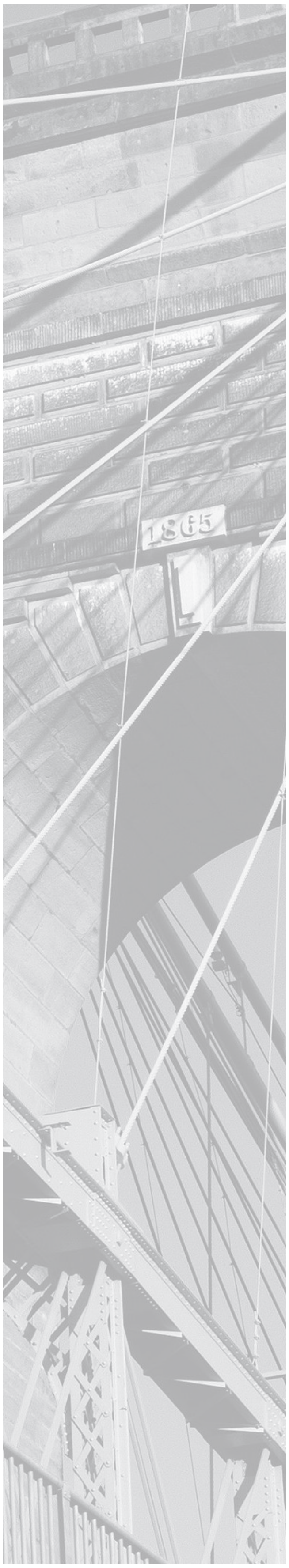

CONTRIBUTORS TO RETURN[(1)(2)]

Ticker	Company Name	Average Weight[(3)]	Contribution to Return
TOP FIVE CONTRIBUTORS—LARGE CAP GROWTH			
META	Meta Platforms	2.41%	0.40%
RCL	Royal Caribbean Group	1.85%	0.28%
JBL	Jabil	2.13%	0.27%
APP	AppLovin	1.88%	0.26%
KLAC	KLA	1.57%	0.26%
BOTTOM FIVE CONTRIBUTORS—LARGE CAP GROWTH			
AAPL	Apple	3.27%	-0.22%
AVGO	Broadcom	3.05%	-0.21%
EME	EMCOR Group	1.55%	-0.10%
NOW	ServiceNow	2.00%	-0.07%
TW	Tradeweb Markets	1.82%	-0.06%

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(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.

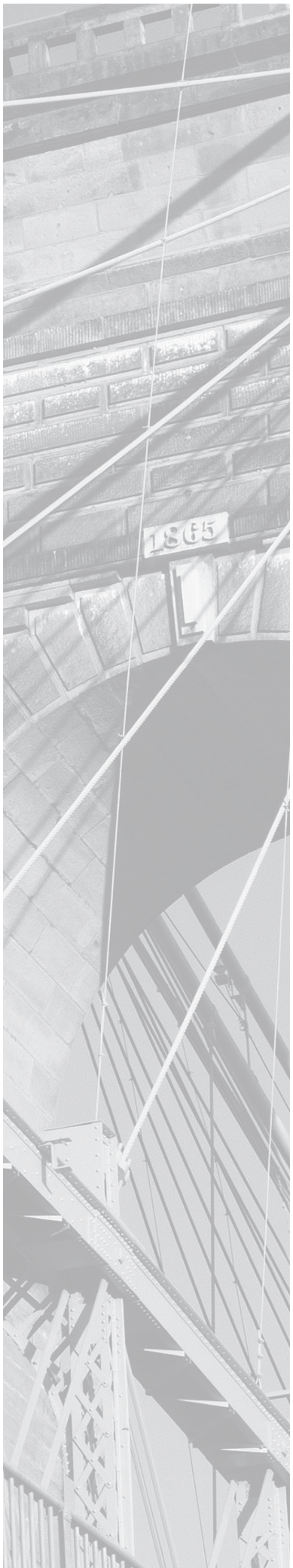
(3) Average weights over the presentation period.

Sources: Renaissance Research, FactSet

January also saw President Trump officially sworn in as the 47th President. To the delight of some and the horror of others, he has been following through on many of his campaign promises. From an investment perspective, we're focused on his promises to grow the economy, reduce regulations, and tackle the Federal budget deficit. In this regard, it is helpful to understand why President Trump is so keenly focused on lowering taxes, reducing regulations and reducing imports. As the largest contributor to U.S. GDP growth, consumer spending should benefit from tax cuts, while fewer regulations should jump-start business investments, another large contributor. In addition, while protectionist trade policies are ***historically*** not good for the U.S. economy, the use of tariffs could improve the impact of net exports from overall GDP growth calculations.

For January, the Russell 1000 Growth returned 2.0% and the S&P 500 returned 2.8%, with the Communication Services and Consumer Discretionary sectors providing the largest contributions to the month's solid returns. Conversely, the Information Technology sector was the largest detractor from performance, as sentiment surrounding the artificial intelligence investment theme deteriorated. Large-cap stocks performed similarly to smaller-cap stocks and Value outperformed Growth in an early sign that investors may be seeking diversification away from the aforementioned mega-cap stocks. For the month, we outperformed both our Russell 1000 Growth benchmark and the S&P 500.

During the month, we made a few changes to the portfolio, adding a new position in the Industrials sector with **EMCOR Group** (EME), a specialty contractor that provides engineering, construction, maintenance, and repair services. We believe EMCOR is well positioned to benefit



from the longer-term secular growth of artificial intelligence, as the company helps to construct and maintain the data centers that form the backbone of the infrastructure for the deployment of artificial intelligence applications. Conversely, we sold our position in **Ferguson Enterprises** (FERG) following a deterioration in fundamental factors. We believe the company could face multiple headwinds in the near-to-intermediate future. Ferguson's customers continue to face weak end markets, as high interest rates are impeding new home construction growth and residential remodeling activity. Furthermore, while the company has seen volumes improve, driven by market share gains, deflationary forces will remain a drag on revenue growth this year.

Meta Platforms (META) was our best performing stock in January after reporting solid fourth quarter operating results that saw usage and subscriber data come in much better than expected, driven by better overall advertising spending and market share gains. While capital expenditure will continue to increase in 2025, the company is also seeing strong growth in artificial intelligence revenues, indicating that Meta could become a leader in AI. Importantly, we believe Meta's foundational open-source artificial intelligence model is a competitive advantage with a lower cost of operation and the ability to scale with the developer community. Another strong performer in January was **Royal Caribbean** (RCL). The company also reported solid fourth quarter operating results that saw strong ticket sales driving higher occupancy and better net yields. In addition, Royal Caribbean announced its entry into the River Cruise segment in 2027, providing another leg of growth in the intermediate term. We are encouraged by set-up for 2025, with continued positive earnings revisions, driven by strong demand and higher ticket prices coupled with cost improvements which should lead to margin expansion.

Conversely, **Apple** (AAPL) was our worst performing stock in January. Despite reporting solid operating results, iPhone sales continue to face growth headwinds despite some early green shoots in China growth. Investors focused on the company's continued tepid iPhone growth, which is now extending to a slowdown in the company's other segments. In addition, initial guidance for 2025 was below expectations, as Apple will likely experience a continued slowdown in sales in their iPhone businesses. Another underperformer in the month was **Broadcom** (AVGO). In general, companies that have benefited from the growth of AI-related investments saw their stocks sell off at the end of January following the announcement of China's DeepSeek AI model. We think Broadcom's sell-off is an overreaction, given that the company focuses on making alternative low-cost AI-semiconductor chips. In addition, the company's semiconductors are primarily suited for applications that will form the next phase of AI-growth, where companies use their own data to leverage off existing AI-models.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of January 31, 2025 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.

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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

S&P DATA

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.