Renaissance®
Investment Management
Quarter Ending 3/31/2025

Midcap Growth
Quarter-End Review—1Q2025

The S&P 500 posted a loss of 4.3% for the first quarter, as uncertainty about technology stock valuations and the U.S. government's economic policies raised investor concerns. However, seven of the S&P 500's eleven economic sectors actually posted positive returns for the quarter, with the strongest results coming from the Energy, Health Care, and Utilities sectors. Virtually all of the weakness in the S&P 500 came from negative performance within the Consumer Discretionary, Information Technology, and Communication Services sectors. The S&P 500 on an equal-weighted basis declined only 0.6% for the quarter.

The Federal Reserve elected to hold interest rates steady at its meeting in March. This marked the second meeting in a row in which the Fed has held rates unchanged. The Fed's decision came after data showed some slowness in the economy and inflation that remained above the Fed's target of 2%. Apprehension over how the economic policies of the Trump administration will impact government spending cutbacks, layoffs of government employees, and volatile changes in proposed tariffs contributed to the Fed's decision to hold interest rates steady. The Fed slightly reduced its estimate of expected economic growth and increased its inflation forecast relative to its December projections.

The so-called "Mag 7" stocks were among the weakest performers in the first quarter. While these stocks as a group have been extremely strong performers in recent years, they are not immune to concerns over valuation (Nvidia) or slowing earnings growth (Tesla). Even after recent declines, the Mag 7 stocks account for almost 30% of the S&P 500 and 42% of the Russell 1000 Growth Index by market capitalization.

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 12/31/2024	Midcap Growth Additions & (Midcap Growth Deletions)[3]
Industrials	26.4%	-1.2%	
Information Technology	23.5%	+0.6%	AppLovin
Financials	17.2%	+0.6%	SoFi Technologies (FactSet)
Health Care	12.0%	-1.1%	(Hologic)
Consumer Discretionary	7.9%	+0.3%	
Consumer Staples	4.8%	+0.8%	
Cash	2.4%	-0.3%	
Energy	2.2%	+0.2%	
Communication Services	2.0%	+0.1%	
Real Estate	1.8%	0.0%	
Utilities	0.0%	0.0%	
Materials	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—MIDCAP GROWTH			
BJ	BJ's Wholesale Club	2.37%	0.55%
BRO	Brown & Brown	2.04%	0.40%
COR	Cencora	1.85%	0.40%
RSG	Republic Services	2.22%	0.39%
ORLY	O'Reilly Automotive	2.15%	0.39%
BOTTOM FIVE CONTRIBUTORS—MIDCAP GROWTH			
FIX	Comfort Systems USA	1.82%	-0.41%
PWR	Quanta Services	1.66%	-0.32%
NBIX	Neurocrine Biosciences	1.62%	-0.31%
PTC	PTC	1.88%	-0.30%
IT	Gartner	2.17%	-0.29%

(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

While the S&P 500 has not suffered a "correction" (a decline from a recent high of 10% or more) since 2023, typically, a correction can be expected to occur every couple of years. However, we continue to find good investment opportunities, particularly among high-quality, reasonably priced stocks that have not kept pace with concentrated market indices over the past several years.

In the first quarter, the S&P 500 decreased 4.3% and the Russell Midcap Growth Index decreased 7.1%. Excitement about a new administration that drove stocks higher in the fourth quarter reversed in the first quarter, with a broad sell-off across most sectors. Our portfolio outperformed the Russell Midcap Growth Index during the quarter. Stock selection was broadly additive to performance, led by the Financials, Industrials, Consumer Discretionary, and Consumer Staples sectors. Favorable sector allocation also contributed to our performance due mostly to our underweight to the Consumer Discretionary, Information Technology, and Communication Services sectors, which underperformed the benchmark.

Our top performing holdings were led by more defensive companies that reported favorable quarterly results. **BJ's Wholesale Club** (BJ) was our top contributor in the first quarter. The company reported solid operating earnings, which showed an acceleration in organic growth, and margin expansion driven by an improvement in general merchandising. We were particularly encouraged by the company's progress in both its national expansion strategy and membership growth. **Brown & Brown** (BRO) was another contributor. The company reported strong results with upside across sales, margins and earnings. The stock is also benefiting from the company's stable and predictable business model, seen as a desirable attribute in the current economic

environment. In addition, Brown & Brown currently sees solid pricing trends that should support near-term growth projections.

Quanta Services (PWR) and **Comfort Systems** (FIX) were the two largest detractors to our portfolio performance. While both companies reported solid results and maintained favorable outlooks for project demand, especially in data centers, the stocks have been punished given increasing concerns that AI infrastructure demand may slow next year. This concern has been exacerbated by recent tariff policy that may lead companies to pause projects due to heightened uncertainty.

During the quarter, we purchased two companies with attractive growth profiles following a pullback in their shares. The first company is **AppLovin** (APP), which has a software advertising platform that provides tools to assist app developers in marketing and monetizing their apps, underpinned by its AI algorithms. The company's core market is mobile gaming, and it has recently entered the e-commerce market. Early indications from third-party advertising agencies confirm the platform is producing favorable returns on targeted advertising spending. If successful, the e-commerce market significantly expands the company's total addressable market.

Another addition was **SoFi Technologies** (SOFI), a leading fintech company that provides a broad range of financial services through its digital platform, including lending and investment services. It also has a technology platform that provides other companies with the infrastructure to facilitate core banking services. Membership growth has been robust, and the company has continued to expand its offerings, which are especially resonating with younger customers. As the company has scaled the business, it is starting to generate attractive operating leverage that is flowing to the bottom line.

Conversely, we sold **Hologic** (HOLX) and **FactSet** (FDS) following a deterioration in fundamental factors. The growth profiles of both companies are mediocre, with each facing some near-term challenges reflected in downward earnings revisions. Hologic recently lowered guidance due to challenges in its breast imaging end market. FactSet is facing sales choppiness due to end market softness while it is increasing investment that will likely temper margins. Until we have more confidence about a reacceleration in their businesses, we have decided to step to the sidelines.

Much of the blame for the market decline in the first quarter can be placed on increased uncertainty over U.S. government economic policy. Whether the focus is on proposed regulatory changes, federal budget issues, tax changes, or tariffs, the range of possible outcomes from government actions has meaningfully increased. An index of economic policy uncertainty has surged to over 300, its highest level since the onset of the COVID crisis in early 2020.

This index was consistently above 200 from March 2020 through January 2021. Even so, the S&P 500 posted strong gains over the following year in all of these months. In fact, after the index first moved above 200 in March 2020, the S&P 500 achieved a robust 53.7% price gain over the following 12 months. Looking at every month from 1984 to the present, when the index was above 200, we found that the S&P 500 averaged a gain of 23.7% over the ensuing 12 months, with positive returns 88% of the time.

Of course, positive returns 88% of the time also means that returns were negative 12% of the time. Most notably, after the index rose above 200 in September 2001 the S&P 500 dropped 21.7% over the next 12 months before the market began another uptrend in late 2002 and early 2003.

Consumer confidence fell in March to its lowest level since 2022, according to a survey by the University of Michigan. The same survey also indicated that consumer expectations for the rate of inflation over the next year rose sharply to 5%. The combination of lower sentiment

and higher expected inflation may present a headwind for consumer spending over the next several quarters.

Historically, stock market drawdowns have occurred in every calendar year since 1980 (a drawdown is defined as a decline in the price of the S&P 500 at some point in the year from a previous high price in that year). The average drawdown in all calendar years since 1980 was 14%. A significant drawdown does not necessarily mean a poor year for the market overall, as over half of the drawdowns of more than 10% occurred in years when the market return was positive over the full year. Given the uncertainty surrounding government economic policies, market volatility will likely remain high over the coming months. However, we believe that disciplined long-term investors will benefit from the investment opportunities presented from any drawdowns in the stock market.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of March 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.

PERFORMANCE

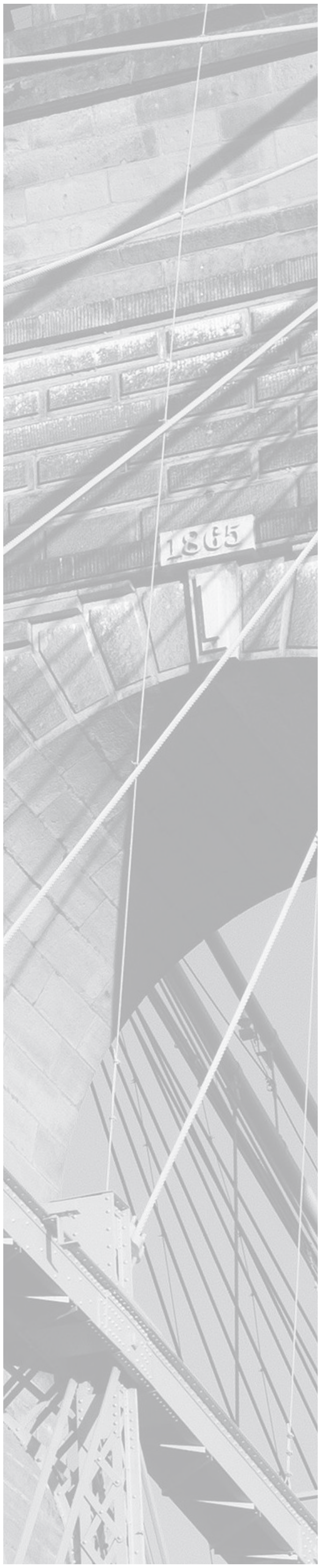
If Renaissance or benchmark performance is shown, it represents historically achieved results, and is no guarantee of future performance. All performance is shown in U.S. dollars unless otherwise stated. Future investments may be made under materially different economic conditions, in different securities 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 3/31/2025

Midcap Growth
Quarter-End Review—1Q2025



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