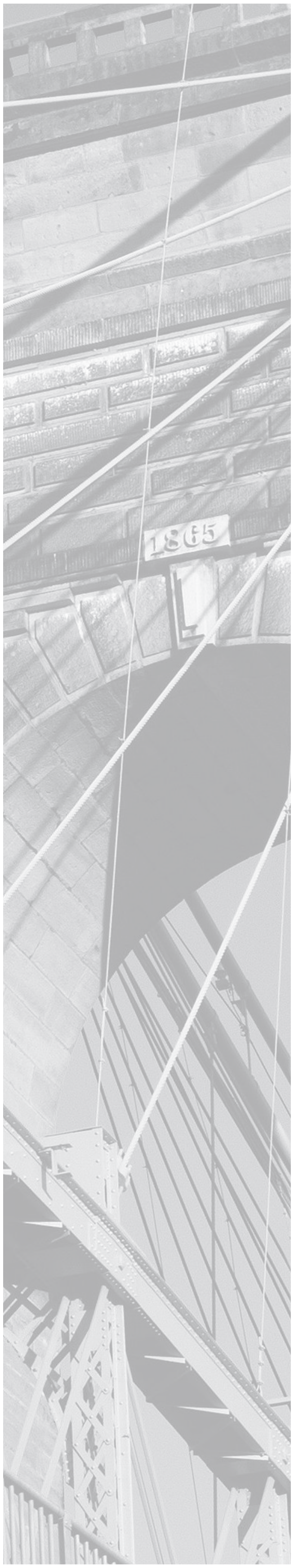
Renaissance® Investment Management

Month Ending 5/31/2022

Large Cap Growth
Intra-Quarter Commentary—May 2022



The S&P 500 was able to squeeze out only slightly positive returns for May despite a strong stock market rally at the end of the month. In what has historically been a positive month for stocks, the mediocre performance follows several months of weak stock market returns, resulting in the worst start of the year since 1970 (Source: FactSet). Despite a relatively strong U.S. economy and tight labor markets, negative investor sentiment continues to revolve around uncertainty from Russia's invasion of Ukraine, supply chain disruptions from China lockdowns, and elevated inflation levels that are forcing the Federal Reserve to accelerate a monetary tightening cycle. More recently, we are beginning to see early signs of consumer spending weakness as another potential risk, as consumers face stiff headwinds from higher prices for everyday essentials like food and energy. Despite a resilient job market and higher wages, retailers are reporting that consumers are pulling back spending in order to adjust for higher prices. The risk is that consumer spending is slowing while companies are still adjusting to higher operating costs, potentially leading to negative earnings revisions and tipping the economy into a recession.

As expected, the Federal Reserve raised the Fed Funds rate by 50 basis points at the beginning of the month and guided to additional rate hikes at each of their next two meetings in June and July. The Fed also remains committed to quantitative tightening beginning in mid-June, whereby $47.5 billion of Treasuries and mortgage-backed securities will run off the Fed's $9 trillion balance sheet on a monthly basis, with the amount increasing to $95 billion per month by September. This should result in additional tightening and higher interest rates, leaving the Fed in an

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

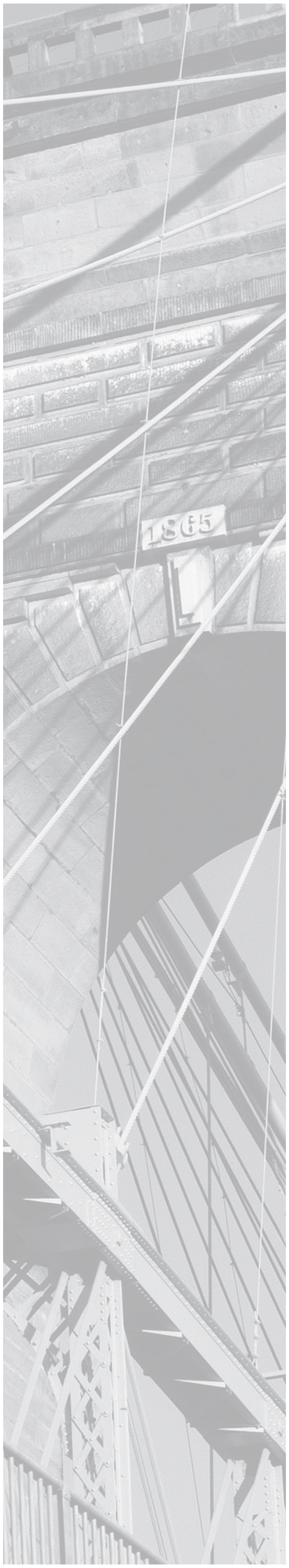
Sector	Ending Weight[2]	Change from 4/30/2022	Large Cap Growth Additions & (Large Cap Growth Deletions)[3]
Information Technology	36.0%	+0.3%	
Health Care	18.9%	-0.3%	
Industrials	12.4%	+0.7%	W.W. Grainger (Vertiv Holdings)
Consumer Discretionary	11.7%	-0.3%	
Communication Services	5.5%	+0.2%	
Financials	5.3%	0.0%	
Consumer Staples	3.4%	-0.4%	
Energy	2.4%	+0.4%	
Materials	1.7%	-0.1%	
Real Estate	1.6%	0.0%	
Cash	1.1%	-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. Characteristics and/or holdings may not be the same for all accounts invested in the strategy due to factors such as pending trades or account restrictions. Additions/Deletions reflect security transactions completed by the date stated on this presentation, and the securities mentioned may not be held by all accounts invested in the strategy.

[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 may represent a portion or all of the companies held in a representative account in this strategy as of the date stated and are intended for informational purposes only. Non-performance based criteria have been used to select the securities listed. 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. The reader should not assume that investments in the securities identified or discussed were or will prove to be profitable. Portfolio holdings may not be current recommendations to buy or sell any security, and may no longer be held in the representative account. To request a complete list of portfolio holdings recommendations for the past year, the calculation methodology, or a list showing the contribution of every holding to the representative account's performance 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			
EOG	EOG Resources	2.20%	0.36%
EA	Electronic Arts	1.49%	0.26%
KLAC	KLA	1.80%	0.25%
G	Genpact	1.74%	0.18%
LRCX	Lam Research	1.51%	0.17%
BOTTOM FIVE CONTRIBUTORS—LARGE CAP GROWTH			
ROST	Ross Stores	1.39%	-0.24%
AAPL	Apple	3.62%	-0.24%
AKAM	Akamai Technologies	1.80%	-0.18%
VRT	Vertiv	0.76%	-0.16%
PG	Procter & Gamble	1.76%	-0.15%

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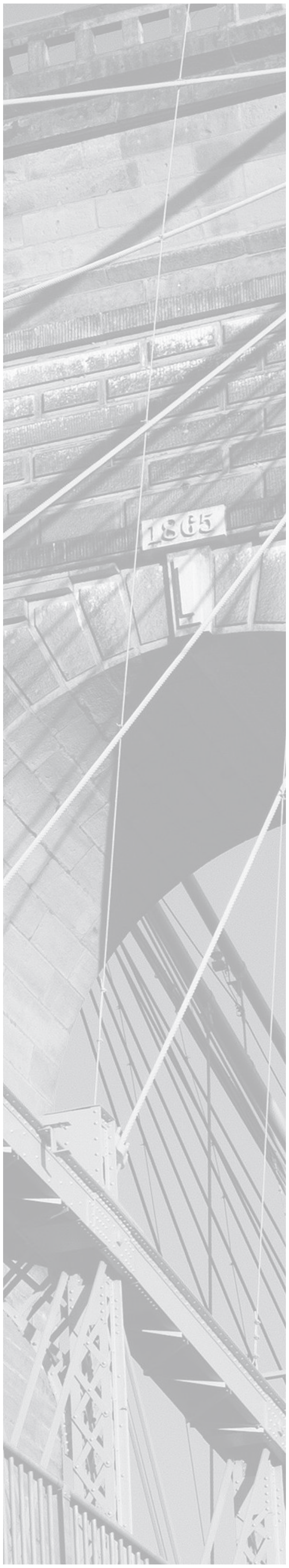
(2) The securities listed should not be considered a recommendation to purchase or sell a particular security. These securities represent the top five and bottom five contributors by weight to the performance of a representative account in this strategy, excluding spinoffs, as of the date stated and are intended for informational purposes only. 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. The reader should not assume that investments in the securities identified or discussed were or will prove to be profitable. Portfolio holdings may not be current recommendations to buy or sell a security and may no longer be held in the representative account. To request a complete list of portfolio holdings recommendations for the past year, the calculation methodology, or a list showing the contribution of every holding to the representative account's performance for the time period stated, please contact Renaissance at compliance@reninv.com.
(3) Average weights over the presentation period.

Source: Renaissance Research, FactSet

unenviable position as it fights the highest inflation rates in over 50 years in the face of slowing economic growth. We will stay in our lane and avoid making predictions on the future intentions of the Federal Reserve. Instead, we will take the Fed at their word when they state that their goal is to raise interest rates until they create a level of demand destruction that will lower the inflation rate. Unfortunately, no one knows what that level is, not even the Fed.

The Russell 1000 Growth Index declined 2.3% and the S&P 500 returned 0.2% in May. The performance was similar across all market caps as market momentum skewed defensively, with the exception of Energy, which continues to benefit from rising oil prices. Interestingly, Consumer Staples holdings in the index underperformed following disappointing earnings from Walmart and Target, as persistently high inflation caused significant pressures for their core consumers that led to more conservative spending on food and other essentials. Value outperformed Growth, with the Energy and Real Estate sectors providing positive contributions, while the Information Technology and Consumer Discretionary sectors detracted the most from performance. Many of these factors are consistent with expectations for slowing economic growth that is driven by monetary policy tightening. For the month, we outperformed the Russell 1000 Growth Index and performed roughly in line with the S&P 500, with positive contribution from both stock selection and sector allocation relative to the Russell 1000 Growth benchmark.

We made one change to the portfolio in May, adding a new position in the Industrials sector with **W.W. Grainger** (GWW), the largest industrial distributor in North America. We like Grainger's strategy of using its scale and service capabilities to gain market share in a fragmented market.



We also like the company's resilient business model which generates consistent free cashflow, a solid balance sheet, and pricing power that helps cushion Grainger from high inflation, as it is able to pass along price increases. Conversely, we sold our position in **Vertiv** (VRT) in the wake of a deterioration in fundamental factors. Following a fundamental review of the company, we believe Vertiv will continue to face supply-chain and inflationary pressures for much longer than we previously anticipated. Meanwhile, recent price increases by the company will take more time than anticipated before revenue growth may reaccelerate. As a result, operating margins could remain under pressure, limiting operating leverage and positive earnings revisions as operational challenges coincide with the headwinds from a slowing economy as customers reassess capital expenditures.

EOG Resources (EOG) was our best performing stock in May. The company reported solid quarterly results driven by high oil prices and production growth that came in above expectations. Importantly, EOG also announced a formal cash return strategy to shareholders, with plans to return 60% of free cash flow through dividends and share repurchases, confirming management's focus on profitability over production despite high oil prices. Another strong performer in the month was **Electronic Arts** (EA). The company also reported solid operating results with particular strength in Live Service revenues, highlighting EA's ability to grow revenue as gamers transition to real-time, online game play, while also reducing cyclicality from this recurring revenue stream. In addition, Electronic Arts announced that it was able to dissolve its FIFA partnership without losing access to popular players and teams with little if any disruption, removing a near-term overhang on the stock.

Conversely, **Ross Stores** (ROST) was the worst performer in the month after reporting disappointing quarterly results and providing guidance that was well below expectations. Historically, discount department stores such as Ross benefit from a slowing economy as consumers readjust their spending lower. However, recent industry trends showed an abrupt weakening in consumer demand, as high inflation and energy prices caused a meaningful pullback in consumer spending with a shift towards food and other essentials. Another underperformer in May was **Apple** (AAPL). The recent COVID lockdowns in China will likely exacerbate semiconductor supply constraints for the remainder of this year, while tough growth comparisons against last year's pandemic-driven demand will also remain a headwind. In addition, we are seeing rising interest rates negatively impact the stock's valuation multiple by reducing the value of future earnings.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of May 31, 2022 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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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.

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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.

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