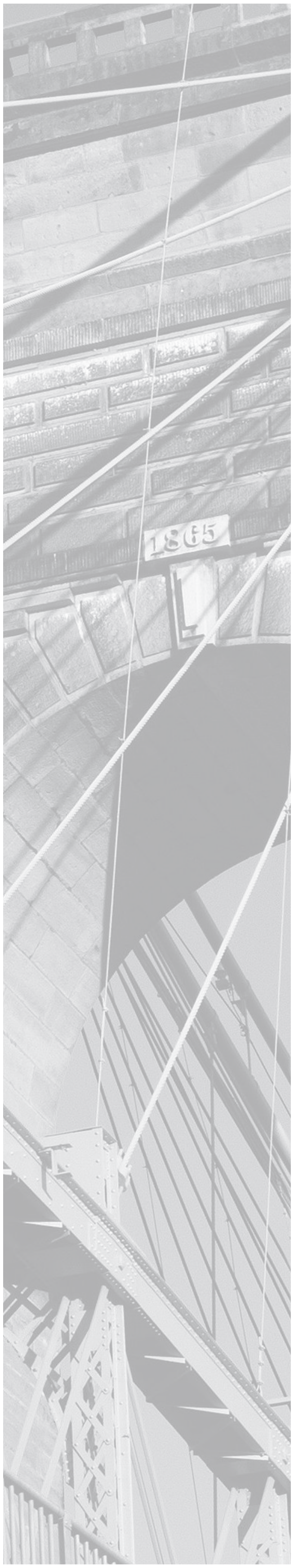
Renaissance Investment Management

Month Ending 10/31/2022

Small Cap Growth
Intra-Quarter Commentary—October 2022



The stock market saw robust returns in October, rebounding off the September lows, as investors embraced renewed hope that the Federal Reserve will "pivot" from its current accelerated monetary tightening policy to a slower pace of tightening in December, followed by a pause early next year. However, we have learned through years of experience that "hope" is not the best investment strategy, and it is often unwise to attempt to predict what the Fed's next moves will be. Instead, we will continue to listen to what the Federal Reserve Chairman is communicating, and Chairman Powell has repeatedly stated that the Federal Reserve will continue to tighten monetary policy until it feels that inflation has been brought under control, especially with unemployment near historic lows. Until the Federal Reserve actually acts on a pivot toward lower rates, we believe that monetary policy will remain a headwind to stock market returns.

For much of this year, deceleration in earnings growth has been a headwind to market performance. Through the end of October, with 52% of S&P 500 companies having reported third-quarter earnings, it has not been surprising to see that the frequency of companies reporting better-than-expected operating results was only 71%, below the 5-year average of 77% (*Source: FactSet*). Meanwhile, the reported earnings growth ***rate*** declined to 2.2%, from the 2.8% that was expected at the beginning of the month. According to FactSet, this marks the lowest earnings growth rate since the third quarter of 2020 (-5.7%). In addition, a number of companies cited macroeconomic uncertainty, weakness in international markets, tightening monetary policy, and heightened inflation as the biggest areas of concern for the remainder of this year. Nevertheless, there have been some positive takeaways, with relatively broad-based earnings growth seen in the Financials, Health Care, Communication Services, Information Technology, and Energy sectors.

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

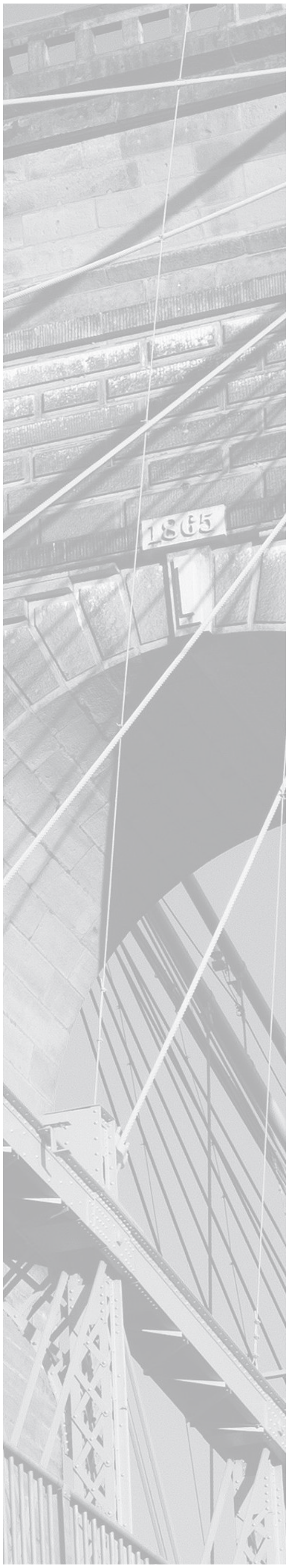
Sector	Ending Weight[2]	Change from 9/30/2022	Small Cap Growth Additions & (Small Cap Growth Deletions)[3]
Information Technology	31.6%	+0.5%	No Small Cap Growth portfolio additions or deletions during the period.
Industrials	19.9%	+0.5%	
Health Care	18.4%	-0.1%	
Consumer Discretionary	11.4%	-2.1%	
Financials	8.7%	+0.3%	
Energy	5.2%	+0.6%	
Consumer Staples	2.0%	+0.2%	
Communication Services	1.9%	0.0%	
Cash	0.9%	-0.1%	
Real Estate	0.0%	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—SMALL CAP GROWTH			
MEDP	Medpace	1.95%	0.75%
KNSL	Kinsale Capital Group	3.23%	0.71%
MTDR	Matador Resources	2.25%	0.66%
AXON	Axon Enterprise	2.63%	0.63%
EXLS	ExlService	2.56%	0.56%
BOTTOM FIVE CONTRIBUTORS—SMALL CAP GROWTH			
GDYN	Grid Dynamics	2.27%	-0.79%
GNRC	Generac Holdings	1.16%	-0.53%
EVH	Evolent Health	2.01%	-0.27%
FFWM	First Foundation	1.67%	-0.20%
ALRM	Alarm.com	1.99%	-0.17%

(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.

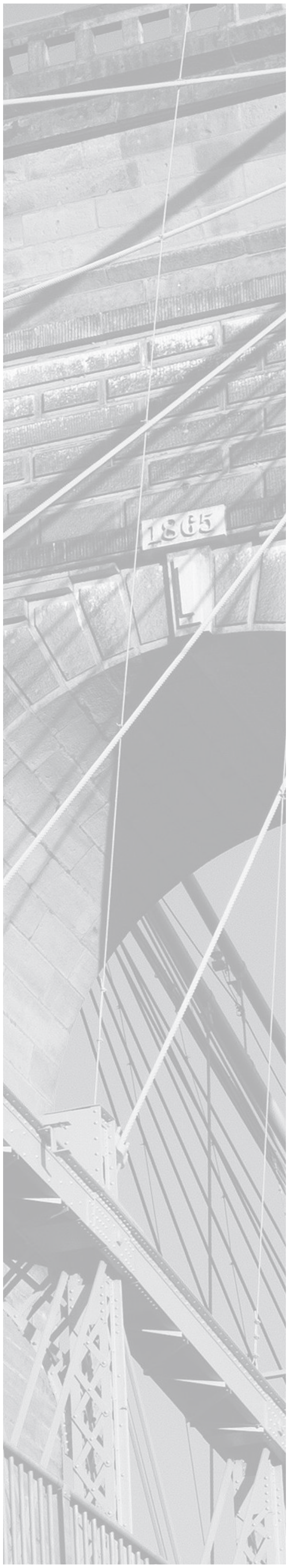
Sources: Renaissance Research, FactSet

In addition, we have seen elevated inventory levels, especially among semiconductor manufacturers, indicating that supply chain issues are improving, which should help ease future inflation pressures.

As 2022 draws to a conclusion, it is prudent to remember that earnings growth has historically been correlated with stock market returns. Consequently, weak year-to-date stock market returns should not be surprising, especially in light of the deceleration in earnings growth we have seen thus far. Looking towards next year, we remain concerned about the trajectory of earnings growth. While the fourth quarter earnings growth estimates of 0.5% appear to be achievable, expectations for 6.4% growth in 2023 may be too optimistic.

The Russell 2000 Growth Index rebounded in October after declining in the previous two months. The Renaissance Small Cap Growth portfolio gained but underperformed the index. The top performing sectors in the index were the Energy and Materials sectors, while Health Care and Utilities were the worst performers. The relative underperformance of the Small Cap Growth Strategy was driven by stock selection in Information Technology followed by our underweight position and stock selection in the Energy sector. Our underweight position and stock selection in Health Care added the most to relative performance along with our stock selection in the Financials sector.

Medpace (MEDP) was the top contributor to our portfolio performance during the month as the company reported surprisingly strong third-quarter results coupled with a substantial raise



to 2022 growth guidance by management. The results were impressive, especially in the midst of a tighter funding environment for biotechnology companies, with organic revenue growth of 32% and a bookings 1.23 times as large as revenues. In addition, management gave an optimistic initial outlook for 2023 that was well-above consensus expectations, also incorporating the difficult funding environment for some of its clients.

Kinsale Capital Group (KNSL) was another top contributor to performance, as Q3 results were better than expected as underwriting margins in its Excess and Surplus Lines insurance continue to expand. Despite losses from hurricane Ian, the company was able to keep its expenses in check while its interest income benefited from rising interest rates. We remain positive on the outlook for Kinsale, as its low-cost operating model should allow it to continue to take market share, and rising interest rates should benefit the company's investment portfolio.

Grid Dynamics (GDYN) detracted the most from performance during the month, as the IT consulting company reported healthy results for Q3 but economic uncertainty impacted some of its clients, leading to a reduced outlook for the fourth quarter. Retail client services, which makes up close to 30% of Grid Dynamics revenues, was especially impacted. The company continues to add new clients, including two new Fortune 30 companies that contracted with Grid in the third quarter. We still see the need for many organizations to implement digital transformation strategies, and Grid remains well-positioned to capitalize on the trend. While near-term growth will likely slow, we believe that the long-term opportunity remains large.

Generac Holdings (GNRC) was also a laggard in October as the company pre-announced disappointing results due to a build-up of home-standby generators in its distribution channel and challenges in its clean energy business. One of Generac's largest distributors for its solar/energy storage products declared bankruptcy in October and will no longer be installing Generac's products. While the stock is trading at an attractive valuation, we are awaiting clarity on these issues before deciding what action to take with our position.

We made no changes to our portfolio holdings during the month.

DISCLOSURES

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

PERFORMANCE

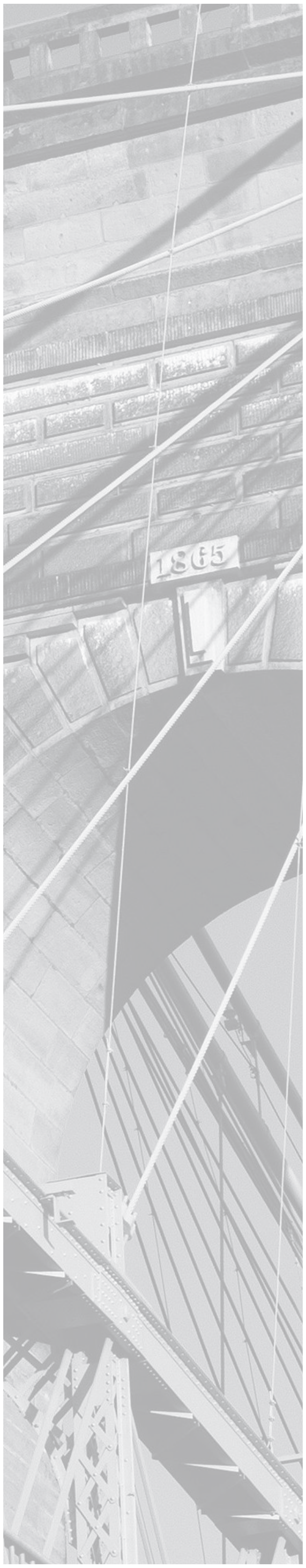
If Renaissance or benchmark performance is shown, it represents historically achieved results, and is no guarantee of future performance. All performance is shown in U.S. dollars unless otherwise stated. Future investments may be made under materially different economic conditions, in different securities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

Continued

Renaissance
Investment Management

Month Ending 10/31/2022

Small Cap Growth
Intra-Quarter Commentary—October 2022



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 2000 Growth Index—The Russell 2000 Growth Index is composed of the smallest 2,000 of the 3,000 largest U.S. companies based on total market capitalization with higher price-to-book ratios and higher forecast 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

If securities are referenced, they 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. Nonperformance-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.