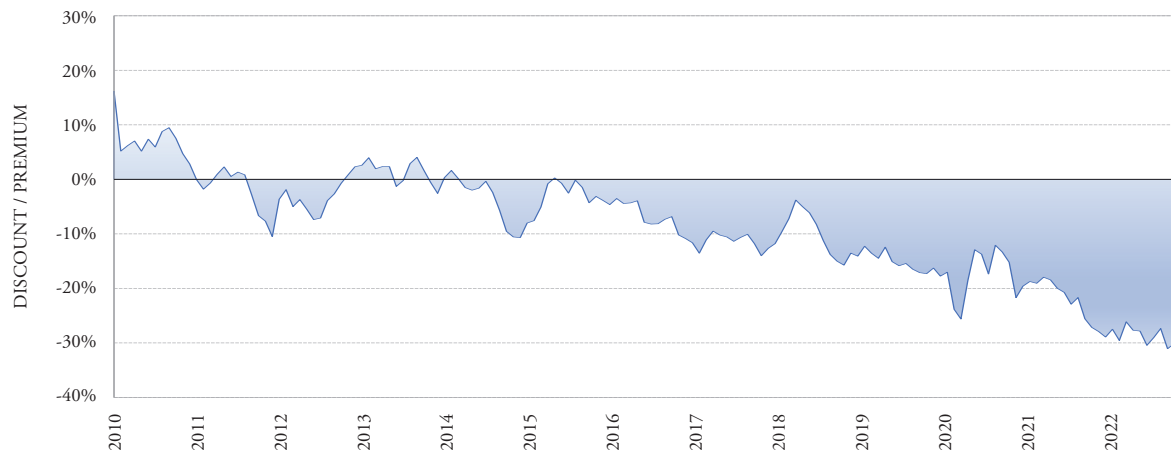


Market Update—International Small Cap Equity

Globally, 2022 was a tumultuous year for stocks, as virtually every market index worldwide posted negative returns for the year. A positive can be gleaned from this development, however, as most equity market indices around the world are now selling at more attractive valuations than they were a year ago, suggesting better potential investment returns going forward.

This is apparent in the case of international small cap stocks. The constituents of the Vanguard FTSE All World ex-US Small Cap ETF sold at a 27% forward price-to-earnings discount to the S&P 500, a differential that is close to the largest recorded over the past 10+ years.

International Small Cap Valuation Discount has Widened⁽¹⁾
Vanguard FTSE all World ex-US Small Cap ETF vs. S&P 500



Data from 1/31/2010–12/31/2022

⁽¹⁾Based on NTM P/E.

Sources: Renaissance Research, BlackRock, FactSet, S&P Dow Jones

Our Renaissance International Small Cap portfolio sells at an even lower valuation than the Vanguard ETF, but our portfolio holdings, on average, also offer better growth characteristics.

	P/E using FY1 Est	5-Year EPS Growth	Return on Equity
Renaissance International Small Cap	10.0x	19.0%	18.8%
Vanguard FTSE All World ex-US Small Cap ETF	10.8x	11.5%	13.8%

Data as of 12/31/2022
Sources: Renaissance Research, FactSet, The Vanguard Group

The combination of reasonable valuation along with high-quality growth characteristics has been part of a consistent portfolio profile since we began managing international small cap portfolios in 2005. Our historical results compare favorably, not only against our benchmark, but against broader measures of developed and emerging market indices as well.

	1 Year Return	Annualized 5 Year Return	Annualized 10 Year Return
Renaissance International Small Cap Institutional Composite (gross)	-13.1%	3.7%	8.0%
Renaissance International Small Cap Institutional Composite (net)	-13.2%	3.2%	7.5%
Vanguard FTSE All World ex-US Small Cap ETF	-21.5%	-0.4%	4.0%
iShares MSCI EAFE ETF	-14.4%	1.6%	4.4%
iShares MSCI Emerging Markets ETF	-20.6%	-2.1%	0.6%

Data as of 12/31/2022
Sources: Renaissance Research, BlackRock, FactSet, The Vanguard Group

While markets may remain volatile as inflationary pressures continue, we believe that a disciplined approach to investing in international small cap stocks can offer both good investment returns and good diversification potential for investors in the years ahead.

DISCLOSURES

This Market Update reflects the thoughts of Renaissance as of January 31, 2023. This information has been provided by Renaissance Investment Management. All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This is not to be construed as an offer to buy or sell any financial instruments and should not be relied upon as the sole factor in an investment making decision, nor should it be considered a recommendation. The views and opinions expressed are those of the Portfolio Managers at the time of publication and are subject to change. There is no guarantee that these views will come to pass. As with all investments, there are associated inherent risks. Please obtain and review all financial material carefully before investing.

PERFORMANCE

If Renaissance or benchmark performance is shown, it represents historically achieved results, and is no guarantee of future performance. 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.

REFERENCED ETFs

iShares MSCI EAFE ETF—The iShares MSCI EAFE ETF seeks to track the investment results of an index composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada.

iShares MSCI Emerging Markets ETF—The iShares MSCI Emerging Markets ETF seeks to track the investment results of an index composed of large- and mid-capitalization emerging market equities.

Vanguard FTSE All World ex US Small Cap ETF—The Vanguard FTSE All World ex US Small Cap ETF seeks to track the performance of a benchmark index that measures the investment return of stocks of international small-cap companies.

REFERENCED INDICES

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

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.

S & P DATA

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GIPS Report International Small Cap Equity Institutional Composite

Year						As of Year End or Current Quarter					
	International Small Cap Equity Institutional Composite Gross-of-Fee Return	International Small Cap Equity Institutional Composite Net-of-Fee Return	Vanguard FTSE All World ex-US Small Cap ETF Return	Net Composite 3 Year Annualized Standard Deviation	Benchmark 3 Year Annualized Standard Deviation	Annual Asset Weighted Composite Dispersion	Number of Portfolios in Composite	Market Value of Composite (Millions)	Market Value of Firm's GIPS Assets (Millions)	Market Value of Firm's AUA (Millions)	Market Value of Total Firm AUM (Millions) **
2010	23.97%	23.80%	25.60%			NMF*	2	\$0.3	\$3,800.2	\$833.4	\$4,633.6
2011	-16.40%	-16.47%	-19.63%	25.93%	23.37%	NMF*	6	\$0.4	\$2,862.3	\$836.1	\$3,698.4
2012	19.95%	19.84%	20.73%	20.15%	21.31%	0.40	6	\$0.5	\$2,409.8	\$969.9	\$3,379.7
2013	48.27%	48.13%	16.60%	19.51%	17.48%	0.56	7	\$0.9	\$2,767.7	\$1,190.3	\$3,958.0
2014	-11.58%	-11.95%	-5.06%	15.05%	13.75%	0.34	9	\$11.8	\$2,986.2	\$1,347.8	\$4,334.0
2015	-1.34%	-2.05%	-0.01%	14.06%	11.73%	0.28	9	\$11.4	\$2,703.8	\$1,534.0	\$4,237.8
2016	6.44%	5.66%	4.26%	12.91%	12.03%	0.14	10	\$12.8	\$1,762.0	\$2,686.1	\$4,448.1
2017	30.86%	29.93%	30.60%	11.77%	10.86%	NMF*	4	\$15.7	\$2,202.4	\$3,281.7	\$5,484.1
2018	-16.17%	-16.79%	-18.47%	13.55%	11.84%	NMF*	4	\$12.9	\$1,682.2	\$2,517.0	\$4,199.2
2019	19.04%	18.17%	21.36%	13.98%	11.88%	NMF*	4	\$14.9	\$883.1	\$2,656.5	\$3,539.6
2020	6.86%	6.47%	11.84%	24.95%	21.17%	NMF*	1	\$0.6	\$879.0	\$2,177.1	\$3,056.1
2021	29.13%	29.01%	13.07%	23.87%	20.05%	NMF*	1	\$0.8	\$977.0	\$2,128.6	\$3,105.6
2022	-13.12%	-13.20%	-21.47%	26.54%	23.19%	NMF*	2	\$0.8	\$845.4	\$1,743.4	\$2,588.8
FINAL 12/31/2022											

* Not meaningful figure due to five or fewer accounts invested for the entire year.
** Renaissance Total Firm assets under management include Non-Discretionary Assets (UMA Programs), for which Renaissance does not have trading authority. The Non-discretionary management of UMA Sponsor accounts consists of Renaissance providing the UMA Sponsor with changes to each participating Renaissance model portfolio on an ongoing basis.

Renaissance Investment Management (RIM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RIM has been independently verified for the periods from January 1, 2006 through June 30, 2022.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The International Small Cap Equity Institutional Composite has had a performance examination for the periods January 1, 2006 through June 30, 2022. The verification and performance examination reports are available upon request.

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Firm Definition: The Renaissance Group LLC, which does business as Renaissance Investment Management (RIM), is a registered investment advisor established in 1978, with an office in Covington, KY. RIM is an affiliate of Affiliated Managers Group based in West Palm Beach, FL. RIM manages equity, tactical, balanced, and fixed income assets for a variety of clients including high net worth, institutional and sub-advisory relationships. A list of all composite descriptions is available upon request.

Composite Composition: The International Small Cap Equity Institutional Composite (inception date: 11/1/2005) portfolios consist of approximately 45-55 equities exhibiting a combination of strong earnings growth, reasonable valuation, rising earnings expectations and profitability. The initial universe begins with all American Depository Receipts (ADRs) and U.S. listed shares of foreign corporations with a market capitalization between \$100 million and \$3 billion. The International Small Cap Equity Institutional Composite, created on November 1, 2005, includes all fee-paying, non-wrap International Small Cap Equity accounts. As of January 1, 2021, the composite was redefined to also include tax managed accounts which were previously excluded. The composite does not include non-fee-paying managed accounts. RIM will add new fully discretionary portfolios to the composite at the first full month under management. RIM will exclude terminated portfolios from the composite after the last full month they were under management. Composite dispersion is measured using an asset-weighted standard deviation of gross returns of the portfolios.

Calculation of Performance Returns: Performance is calculated using total returns. Monthly composite performance is asset-weighted using beginning-of-period values. Rates of return are time-weighted with geometric linking of monthly returns. Valuations and returns are computed and stated in U.S. dollars. Account performance is based on total assets in the account, including cash and cash equivalents. Performance is actual performance.

RIM has chosen to present performance both gross- and net-of-fees. The gross-of-fee performance returns are presented before deduction of management and custodial fees but after the deduction of all trading expenses. Net performance is reported after the deduction of all trading costs and actual RIM management fees. These gross- and net-of-fee investment results for the Renaissance International Small Cap Equity Institutional Composite include reinvestment of dividends and other earnings. Clients' returns will be reduced by the advisory fee and any other expenses that may be incurred in the management of the client's investment advisory account. For example, if the gross annualized return of an account over a five-year period were 5.0%, deducting one twelfth of an annual advisory fee of 90 basis points each month on the ending monthly account balance would produce a cumulative net return of 22.7%. The cumulative gross return at 5.0% per annum over a five-year period would be 28.3%. A \$1 million starting portfolio would thus have an ending net market value of \$1,227,096, \$56,262 less than the gross return ending value of \$1,283,359. There is no minimum asset size for inclusion in the composite. RIM uses trade date accounting and income is accrued. Actual performance may differ from returns, depending on the size of the account, brokerage commissions, investment guidelines and/or restrictions, inception date and other factors. After-tax results will vary from the returns presented herein for those accounts that are subject to taxation. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Standard Deviation: The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. According to the GIPS Standards, this is not required for periods prior to 2011.

Investment Management Fees: RIM's fees are based on account size. The standard RIM fee schedule for the International Small Cap Equity Strategy for direct-managed accounts is as follows: All amounts – 1.00%. Investment advisory fees are described in Part 2A of RIM's Form ADV.

Benchmark: RIM compares its composite returns to the Vanguard FTSE All-World ex-US Small-Cap ETF which seeks to track the performance of a benchmark index that measures the investment return of stocks of international small-cap companies. Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce performance. Market performance is based upon the midpoint of the bid/ask spread at 4:00 p.m. Eastern time (when NAV is normally determined for most ETFs) and does not represent the performance you would receive if you traded shares at other times. The ETF performance has not been examined. This benchmark is shown for comparison purposes only. We are not trying to explicitly manage to this benchmark. This benchmark represents holdings whose characteristics may differ from the composite portfolios; however, it tends to represent the investment environment existing during the time periods shown. The holdings of the client portfolios in our composites may differ significantly from the securities that comprise the index shown. Renaissance changed the benchmark (from the MSCI All World Country ex USA Small Cap Index) retroactively as of 6/30/2020. The index has been selected to represent what RIM believes to be an appropriate benchmark with which to compare the composite performance.

Other: Performance data quoted in any Renaissance presentation represents historically achieved results and is no guarantee of future performance. 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 performance shown and the actual performance results achieved by any particular client. 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, duration, 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 not guaranteed by the U.S. government.

Risks of International Small Cap Equity Strategy: International Small Cap Equity Institutional Composite returns may show a high level of variability. In addition to market risk, the majority of any additional risk in these portfolios is related to specific stock selection, and RIM will have significant exposure to individual securities.

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