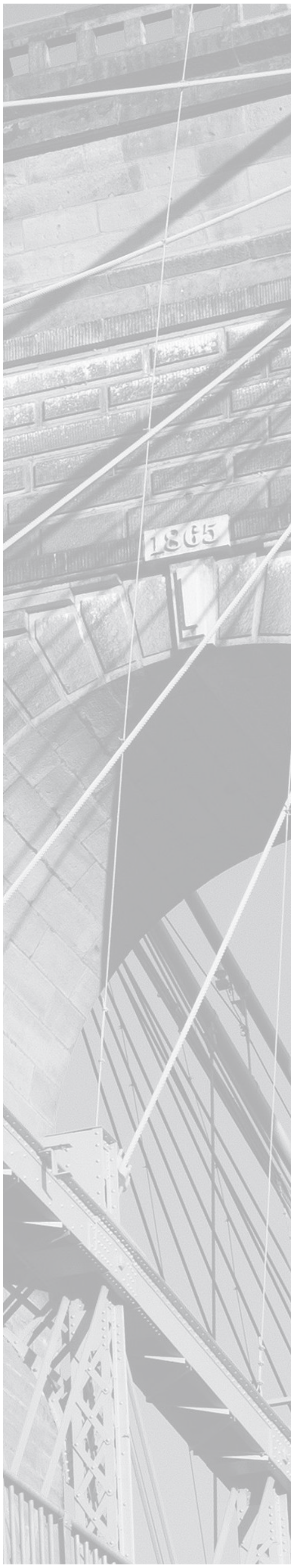
Renaissance® Investment Management

Month Ending 2/28/2023

Large Cap Growth
Intra-Quarter Commentary—February 2023



Equity markets in the U.S. saw stocks decline in February, giving back some of January's strong gains. Despite the negative returns during the month, the S&P 500 is 11.0% above its October 2022 lows and remains in positive territory for the year. Market weakness in February was broad based, with negative returns in nearly all sectors. One notable exception was the Information Technology sector, which benefited from continued strong performance from mega-cap names such as **Apple** (AAPL), **Microsoft** (MSFT), and **NVIDIA** (NVDA). Also seeing solid performance were companies that announced accelerated cost-cutting measures and those that are expected to benefit from easing in supply chain constraints.

Overall, the stock market remained firmly focused on monetary policy and potential mistakes by the Federal Reserve, with Chairman Powell reiterating the Fed's path toward higher rates for a longer period. Not surprisingly, the bond market reacted to the Fed Chairman's hawkish tone by increasing 2-Year Treasury Yields 60 basis points (bps) for the month. The rise in yields comes after the FOMC hiked rates by another 25 bps at their February meeting, which was followed by a surprisingly strong round of economic data that saw retail sales and capital goods spending both exceed expectations, reinforced by continued strong jobs growth.

With fourth quarter earnings nearly complete, aggregate blended earnings growth rates for S&P 500 companies are coming in at -4.9%. This compares with expectations of -3.3% at the start of the fourth quarter and marks the first year-over-year decline in earnings since the third quarter of 2020 (*Source: FactSet*). The recent deterioration in earnings was driven primarily by negative

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

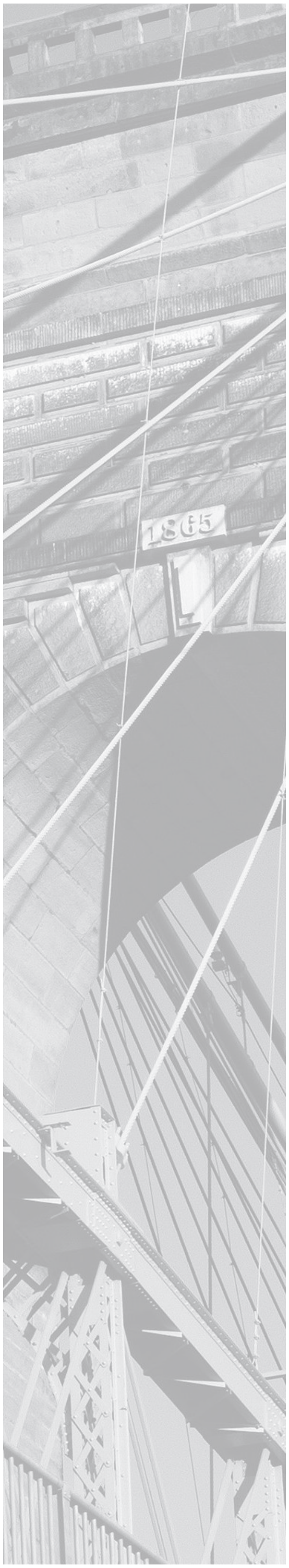
Sector	Ending Weight[2]	Change from 1/31/2023	Large Cap Growth Additions & (Large Cap Growth Deletions)[3]
Information Technology	41.5%	+1.9%	ANSYS, WEX (Akamai Technologies)
Health Care	21.4%	+0.7%	
Industrials	10.4%	+0.2%	
Consumer Discretionary	8.4%	-1.9%	(The Home Depot)
Communication Services	5.2%	-0.6%	
Consumer Staples	5.1%	-0.1%	
Financials	3.4%	+0.1%	
Real Estate	1.7%	-0.2%	
Energy	1.5%	-0.3%	
Cash	1.5%	+0.2%	
Materials	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



CONTRIBUTORS TO RETURN[1][2]

Ticker	Company Name	Average Weight[3]	Contribution to Return
TOP FIVE CONTRIBUTORS—LARGE CAP GROWTH			
META	Meta Platforms	2.16%	0.31%
GWW	W.W. Grainger	1.95%	0.23%
FTNT	Fortinet	1.78%	0.21%
ACGL	Arch Capital Group	1.76%	0.15%
FISV	Fiserv	1.92%	0.14%
BOTTOM FIVE CONTRIBUTORS—LARGE CAP GROWTH			
AKAM	Akamai Technologies	1.49%	-0.29%
EA	Electronic Arts	1.59%	-0.24%
EOG	EOG Resources	1.62%	-0.24%
ADBE	Adobe	1.73%	-0.22%
VRTX	Vertex Pharmaceuticals	1.79%	-0.19%

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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.

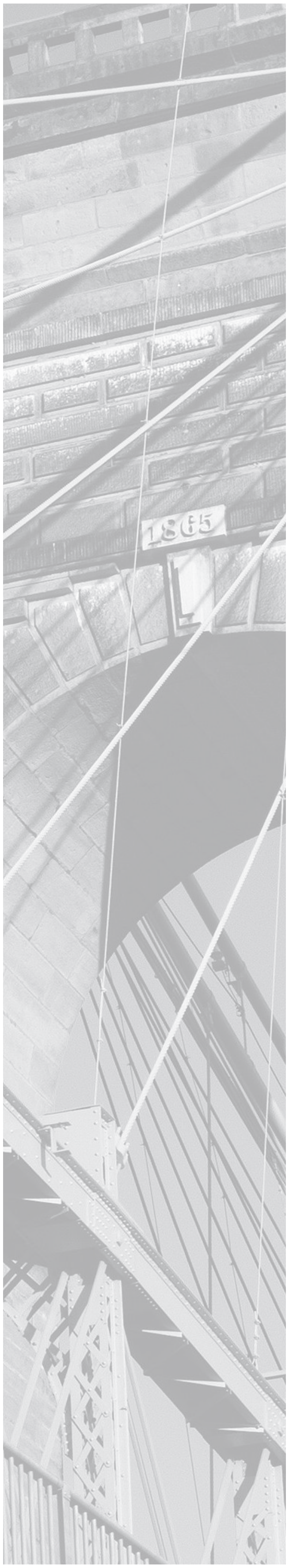
Sources: Renaissance Research, FactSet

operating leverage, as sales growth decelerated faster than operating costs. Current expectations for 2023 see earnings growth remaining in negative territory for the first half of the year, returning to positive growth in the second half, and ending the year with overall growth of 2.3%. Historically, positive earnings growth is correlated to positive returns for stocks, and we remain constructive in the markets. While we acknowledge that the rate of change is decelerating, this trend could lead to potential alpha-generating opportunities from the identification of companies that are capable of producing strong earnings growth in the current environment.

The Russell 1000 Growth declined 1.2% and the S&P 500 declined 2.4% in February. Growth outperformed Value, with the Information Technology sector providing the largest contribution to February returns, particularly amongst the sector's mega-cap technology stocks. Conversely, the Health Care and Communication Services sectors were detractors to performance. Larger-cap stocks slightly outperformed smaller-cap stocks, as investors gravitated toward companies that are beneficiaries of new artificial intelligence (AI) offerings. Our portfolio underperformed the Russell 1000 Growth benchmark but outperformed the S&P 500 Index for the month.

We made two changes to the portfolio in February, adding positions in **ANSYS** (ANSS) and **WEX** (WEX) and selling our positions in **Akamai Technologies** (AKAM) and **The Home Depot** (HD).

WEX, a position initiated in the Information Technology sector, is the market leader in U.S. commercial fleet payment processing. We are attracted to WEX's solid balance sheet as well as to the company's business model which generates high free-cash-flow yields and produces returns comparable to large software companies. The management team has done a good job leveraging



its core virtual card payment technology and diversifying into the higher-growth, less-cyclical corporate payments markets. This puts the company in a position to benefit from market share gains with secular drivers that provide favorable future growth opportunities.

Following a deterioration in fundamental factors, we sold our position in The Home Depot. From a qualitative standpoint, the company recently reported negative same-store-sales growth for the first time since 2009, leading to concern about the negative impact that higher mortgage rates are having on housing activity. Unfortunately, a sustained high interest rate environment will likely result in declining housing prices. The last time we experienced a decline in housing prices was during the Great Financial Crisis, during which time Home Depot reported comparable store sales declines for 14 quarters.

Meta Platforms (META) was one of our top contributors in February. The company reported solid quarterly results, showing improvement in both advertising growth and user engagement after multiple quarters of deterioration. Importantly, it looks like the business is bottoming, and recent investments in AI are starting to drive increasing engagements for advertisers. Another strong contributor for the month was **Fortinet** (FTNT). Despite a weakening macro environment, the company reported solid quarterly results that demonstrated resilient demand for network security products, with broad-based growth across all segments and financial metrics. We believe strong demand for network security products, coupled with a complex geopolitical threat environment, will continue to provide a favorable backdrop for the company.

Conversely, **Akamai** (AKAM) detracted the most from our performance in February. Despite reporting solid operating results to end the year, Akamai signaled a shift in its growth strategy for 2023, focusing less on its security segment and more on its newly acquired compute segment that provides an infrastructure-as-a-service offering to its customers. Unfortunately, the pivot to growing Akamai's compute segment will result in higher operating expenses and higher capital spending in 2023, which could result in negative earnings revisions. Another detractor in February was **Electronic Arts** (EA). The company reported disappointing operating results amid a challenging outlook as it confronts ongoing problems translating its big-title pc games to mobile platforms. In addition, management's recent decision to focus on profitability by reducing development resources for newer projects may eventually result in fewer new titles, which may impact the company's future revenue growth outlook.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of February 28, 2023 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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Continued

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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.