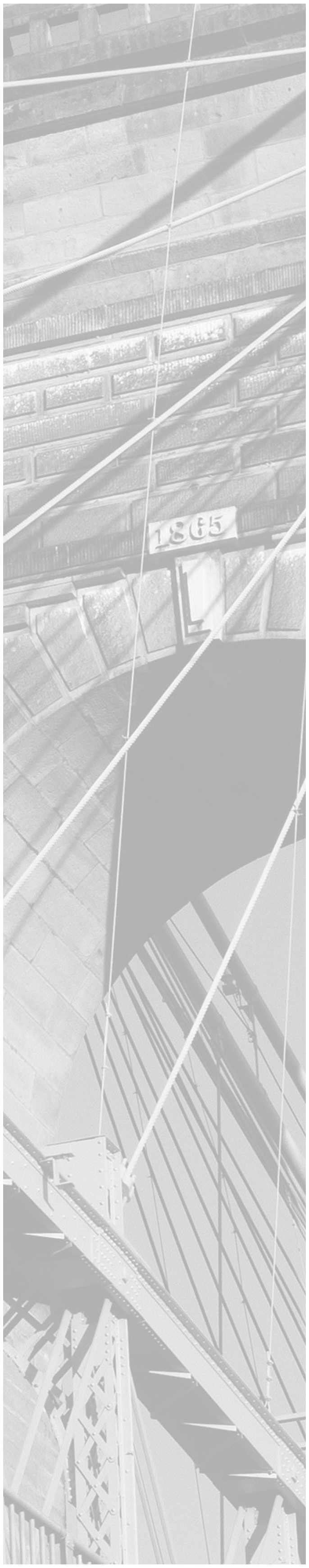
Renaissance®
Investment Management
Quarter Ending 6/30/2023

International Small Cap Equity
Quarter-End Review—2Q2023



International equities trended upwards in the second quarter, marking three straight quarters of positive returns. However, foreign indices mostly lagged domestic equity markets during the quarter, with the S&P 500 ahead of the iShares MSCI ACWI ex US ETF for both the year-to-date and trailing one-year periods. Much of the difference in domestic and foreign returns can be attributed to the large relative weight to Information Technology companies within U.S. indices, as tech and AI-related stocks were bid higher.

As measured by the U.S. Dollar Index, the U.S. dollar was slightly higher for the quarter, but several currencies, including the Mexican peso and the Brazilian real, are stronger versus the dollar for the year. These currencies have been supported by continued high relative interest rates. With the major exceptions of China and Japan, central bankers have steadfastly raised interest rates in their battle to fight inflation. Meanwhile, the U.S. has indicated a pause in rate hikes in June as the U.S. Federal Reserve evaluates the economic effects of its prior ten consecutive rate increases since the beginning of 2022. Foreign indices are slightly higher this year when measured in U.S. dollars as compared to 2021 and 2022 when the U.S. Dollar index rose 15.1%, denting foreign returns.

Our portfolio's largest regional allocation is Western Europe, in particular the eurozone, where the European Central Bank (ECB) continues to battle stubborn inflation. Recently, there has been good news coming out of the eurozone with headline inflation rate falling to 5.5% in June, down from 6.1% in May. Further, the Producer Price Index fell into negative territory during May. Still, core inflation, which excludes food and energy, ticked higher in June from 5.3% to 5.4%, leading many analysts to predict that the ECB will raise interest rates in July and September, as the ECB

GEOGRAPHICAL EXPOSURE & PORTFOLIO CHANGES[1][2]

Region	Ending Weight[3]	Change from 3/31/2023	International Small Cap Equity Additions & (International Small Cap Equity Deletions)[4]
Western Europe	26.8%	+0.2%	MITIE Group
North America	24.8%	-0.6%	
Asia/Pacific	22.9%	-1.0%	THK (Anritsu)
Middle East & Africa	14.4%	+1.0%	
Central & South America	8.8%	-0.3%	(Intercorp Financial Services)
Cash	2.4%	+0.6%	
Eastern Europe	0.0%	0.0%	
Developed Markets	69.3%	-0.4%	
Emerging Markets	28.3%	-0.2%	
Cash	2.4%	+0.6%	

[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] Renaissance determines an issuer's country classification based on company filings and data provided by third-party sources such as Bloomberg or FactSet. Renaissance considers an issuer to be located in an emerging market country if the issuer is domiciled or incorporated in an emerging market country (as defined by the iShares MSCI Emerging Markets ETF) or exhibits risk characteristics (e.g., economic, geopolitical and regulatory risks) similar to emerging market countries.
[3] 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.
[4] 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.

Sources: Renaissance Research, FactSet

CONTRIBUTORS TO RETURN[1][2]

Ticker	Company Name	Average Weight[3]	Contribution to Return
TOP FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY			
NWITY	Network International	2.44%	1.04%
ARCO	Arcos Dorados	2.04%	0.63%
INDV	Indivior	0.74%	0.59%
TGLS	Tecnoglass	2.76%	0.57%
TRMR	Tremor International	1.56%	0.54%
BOTTOM FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY			
PERI	Perion Network	2.52%	-0.68%
TIGO	Millicom International Cellular	2.12%	-0.45%
OEC	Orion	2.41%	-0.45%
PLYA	Playa Hotels & Resorts	2.76%	-0.44%
PRMW	Primo Water	2.02%	-0.41%

(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

works to bring inflation down to its 2% target. Overall, inflation in June fell in eighteen of the twenty eurozone countries, but with an expected 14% jump in eurozone wages by 2025, the ECB must remain vigilant. Also, lower commodity prices have helped ease inflation pressure across the globe, with the Bloomberg Commodity Index down 10% year to date through the end of June. While lower commodity prices alone will not solve the sticky inflation problem, it should help ease some headline inflationary pressures in the future and could help slow the pace of central bank interest rate increases.

China's stock market index returns this year are flat, and this reflects, in part, the uncertainty of the country's economic recovery. Geopolitical tensions between China and the United States have shown no signs of easing, with the battle for semiconductor supremacy the major talking point. Since its reopening, the Chinese government has provided support for the economy with various stimulus measures, such as tax breaks and lower interest rates. Despite this, entrenched issues such as high youth unemployment which is four times the overall unemployment rate of 5.2%, leave investors wondering if the government's target of reaching 5% GDP growth in 2023 is achievable.

Our portfolio returns were positive on both an absolute and relative basis. Within our benchmark, six out of the eleven economic sectors were positive, with investors bidding up prices in both the value and growth sectors. The Consumer Discretionary sector was the leading contributor to our returns, helped by our exposure to stocks in the food service and auto parts industries. Our Financials sector holdings also performed well along with Information Technology. Our weakest contributing stocks were in the Communication Services, Consumer Staples and Materials sectors.

Regionally, the Middle East & Africa experienced the best stock selection, while our Asia/Pacific holdings were the weakest. Our stock selection in emerging markets was positive, with emerging market companies in the portfolio outperforming developed markets. For the trailing 12-month period, however, emerging market holdings in our portfolio underperformed developed market stocks with our Hong Kong and South Korean holdings negatively affecting portfolio returns. China has been the largest detractor to emerging market returns. Investors are rewarding developed markets, which are expected to grow earnings 3% in 2023, while EPS in emerging markets are expected to decline 9% year-over-year according to estimates compiled by FactSet. We have selectively increased our portfolio weighting to emerging markets over the last year and look to re-adjust our exposure, as countries such as Mexico and Brazil may reduce interest rates going into the end of this year. Lower rates could spur economic growth which may lead to more favorable market returns. Moreover, EPS growth rates in emerging markets are expected to rebound and outpace developed markets in 2024.

Our best performing stock for the quarter was **Network International** (United Arab Emirates), while the weakest was **Perion Network** (Israel). Network International, the largest provider of payment services solutions across the Middle East and Africa, rose after receiving multiple buyout offers. The company agreed to be acquired by Brookfield Asset Management in June. Perion, which operates in the ad tech business serving the ad search, social media, and display/video/CTV segments, sold off ahead of its first quarter earnings announcement. However, the company beat first quarter expectations and provided better-than-expected guidance for the full year, as management expects it will benefit from Bing's integration with ChatGPT.

During the quarter we exited positions in the Information Technology and Financials sectors, selling **Anritsu** (Japan) and **Intercorp Financial** (Peru), respectively. Within Industrials, we bought **MITIE Group** (United Kingdom) and **THK** (Japan).

After a very poor showing in 2022, international equity markets have staged a moderate comeback, despite uncertainty across a number of fronts. The wall of worry includes strained U.S. relations with China, the ongoing Ukraine/Russia war, and lingering global inflation. As the markets have climbed this wall, investors should remain focused on company fundamentals, including valuations. Relative valuations of non-U.S. stocks look attractive going into the end of 2023. Based on next-twelve-months price-to-earnings ratios, international markets trade at a 34% discount to the S&P 500 compared to an average 22% discount over the last 10 years. Another plus for international markets is the possibility of a weakening U.S. dollar, which may decline as the U.S. Fed looks to scale back its pace of interest rate increases. Markets will likely continue to be volatile, but we believe that our focus on investing in companies trading at reasonable valuations with better-than-average earnings growth will lead to positive returns.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of June 30, 2023 and are subject to change at any time due to changes in market or economic conditions.

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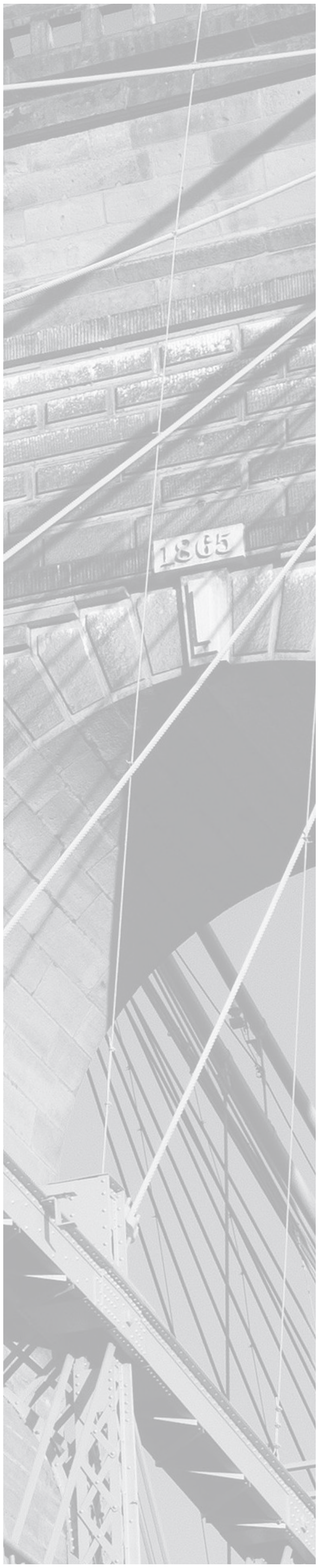

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REFERENCED ETFs

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.

iShares MSCI ACWI ex US ETF—The iShares MSCI ACWI ex U.S. ETF seeks to track the investment results of an index composed of large- and mid-capitalization non-U.S. equities. iShares ETF names are registered trademarks of Blackrock, Inc.

REFERENCED INDICES

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.

U.S. Dollar Index—The U.S. Dollar Index is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners.

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