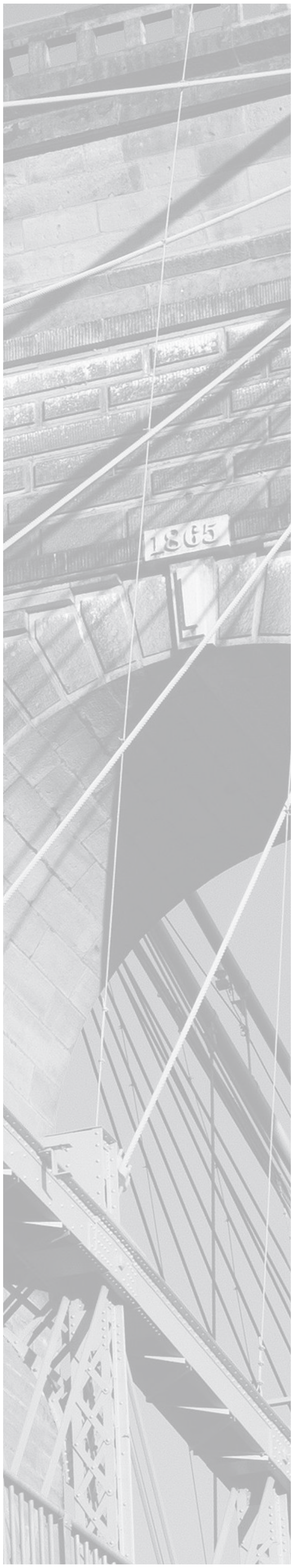
Renaissance
Investment Management
Month Ending 11/30/2023

International Equity ADR
Intra-Quarter Commentary—November 2023



Equity markets reversed course in November following encouraging signs that persistent global inflation may finally be under control. Developed markets outpaced emerging markets which were weighed down by Chinese equities that failed to gain in the biggest international stock market rally since the first month of the year. Growth-oriented stocks fared better than value stocks, with investors bidding up growth sectors like Information Technology and shying away from more value-driven sectors such as Energy. Year-to-date, however, value stocks lead growth stocks in both developed and emerging markets.

As has been the case for most of the year, inflation was foremost on investors' minds. The eurozone reported that its November year-over-year headline inflation rose only 2.4%, helped by an 11.5% drop in energy prices. Core inflation (which excludes food and energy) rose 3.6% year-over-year and remains above the European Central Bank's (ECB) 2% target but saw its lowest monthly increase since May 2022. With ECB rate hikes on pause, economists have been speculating that the ECB may begin to lower interest rates, although ECB President Christine Lagarde has pushed back, warning that rates may remain higher for longer.

Portfolio performance was positive for the month on both an absolute and a relative basis. Gains were widespread, with all economic sectors in our benchmark positive for the month. Our best contributing sector was Information Technology, followed by Industrials. Both sectors benefited from a bias toward growth stocks, particularly in the semiconductor and aerospace and defense industries. Our Energy sector holdings detracted the most from performance following a 4.9% monthly decline in Brent Crude oil. Our Consumer Discretionary holdings were also lower for the month, with retail stocks suffering amid higher interest rates. From a country perspective, France and Japan contributed

GEOGRAPHICAL EXPOSURE & PORTFOLIO CHANGES[1][2]

Region	Ending Weight[3]	Change from 10/31/2023	International Equity ADR Additions & (International Equity ADR Deletions)[4]
Western Europe	50.6%	+1.2%	No International Equity ADR portfolio additions or deletions during the period.
Asia/Pacific	26.9%	-0.1%	
North America	15.2%	-1.2%	
Central & South America	5.0%	+0.3%	
Middle East & Africa	1.5%	0.0%	
Cash	0.8%	-0.2%	
Eastern Europe	0.0%	0.0%	
Developed Markets	75.9%	+0.5%	
Emerging Markets	23.3%	-0.3%	
Cash	0.8%	-0.2%	

(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 EQUITY ADR			
RYCEY	Rolls-Royce	2.09%	0.58%
IFNNY	Infineon Technologies	1.87%	0.55%
RNECY	Renesas Electronics	1.65%	0.52%
TOELY	Tokyo Electron	2.13%	0.48%
ITUB	Itaú Unibanco	2.26%	0.44%
BOTTOM FIVE CONTRIBUTORS—INTERNATIONAL EQUITY ADR			
VET	Vermilion Energy	1.71%	-0.24%
BYDDY	BYD Company	1.77%	-0.19%
BABA	Alibaba	1.61%	-0.15%
DOOO	BRP	1.73%	-0.12%
JAZZ	Jazz Pharmaceuticals	1.40%	-0.10%

[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

the most to returns, while Canada and Bermuda detracted from performance. As with the overall market, our developed market holdings performed better than our emerging market positions.

Our top contributing stock was **Rolls-Royce** (United Kingdom). Shares rose ahead of its Capital Markets Day during which the company gave a positive outlook that included improving its civil aerospace margins from 2.5% in 2022 to 15–17% and increasing its defense segment margins from 11.8% in 2022 to 14–16%. Increased free cash flow and lower debt levels should also enable the company to reestablish shareholder distributions. **Vermilion** (Canada) was our weakest performing stock. The oil and gas exploration and production company reported better-than-expected earnings for the third quarter, but stock sentiment suffered due to lower global oil and gas prices. Nevertheless, improving free cash flow has allowed Vermilion to lower its debt, which should lead the company to increase returns to shareholders through dividends and buybacks starting in 2024.

As markets close out the year, investors hope the positive momentum will continue into 2024. Conditions necessary for continued momentum will depend on how the inflation story unfolds. Many economists forecast the U.S. Federal Reserve to start scaling back interest rates by the spring of next year. The same thought process holds true for the ECB. However, inflation is still above central bank targets, and they would be loath to risk inflation returning after having survived the first extended bout of inflation in decades. Even so, in addition to potentially lower interest rates, equities should be supported by a return to earnings growth. As measured by FactSet using the iShares MSCI ACWI ex US ETF, international markets are expected to grow earnings per share 10% in 2024 compared to a 2% decline in 2023.

International Equity ADR
Intra-Quarter Commentary—November 2023

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of November 30, 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.

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.

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 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.

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.