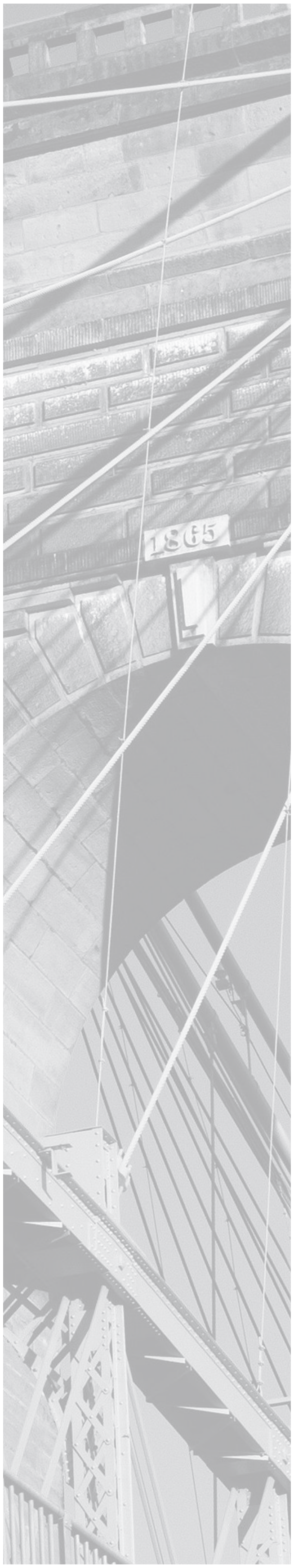
Renaissance® Investment Management

Month Ending 2/29/2024

Large Cap Growth

Intra-Quarter Commentary—February 2024



February saw strong stock returns across most major stock indices, with the S&P 500 returning more than 5%. Remarkably, the favorable returns came in despite hawkish comments from the Federal Reserve, as it signaled that the start of interest rate cuts likely won't occur until mid-2024. Market strength was driven by better U.S. macro-economic data, strong corporate earnings, solid employment growth, and better-than-expected GDP growth. Despite broadly *positive* performance across most sectors, the S&P 500 remains relatively narrow, with market gains predominantly driven by thematic, high-profile stocks that are benefiting from the proliferation and adoption of generative artificial intelligence (AI). Stocks such as Meta, Microsoft, and specifically NVIDIA, which is set to become the third-largest company in the world behind only Apple and Microsoft and is up almost 60% year-to-date, have captured the majority of investors' attention and enthusiasm. Interestingly, we are beginning to see performance divergences *within* the mega-cap technology and internet companies referred to as the "Magnificent Seven". This theme, in which a company's relative stock performance is driven by its ability to execute and benefit from AI, has been similarly noticed across all stock market capitalizations.

With fourth quarter earnings nearly complete, aggregate blended earnings growth rates for S&P 500 companies are coming in at 4.1% for the quarter and 1.9% for full year 2023. Current expectations predict earnings growth of 11.0% for 2024 (*Source: FactSet*). Historically, positive earnings growth is correlated with positive stock returns, and we remain constructive on the market. However, we also acknowledge that the narrowness of the market may lead to potential alpha-generating

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 1/31/2024	Large Cap Growth Additions & (Large Cap Growth Deletions)[3]
Information Technology	34.8%	-2.2%	(Fortinet)
Health Care	16.8%	-1.5%	(Humana)
Industrials	11.6%	-0.2%	
Financials	11.3%	-0.3%	
Consumer Discretionary	11.2%	+3.7%	lululemon athletica, Royal Caribbean
Communication Services	6.5%	0.0%	
Consumer Staples	3.3%	+0.2%	
Materials	1.9%	+0.1%	
Energy	1.4%	-0.1%	
Cash	1.3%	+0.2%	
Real Estate	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

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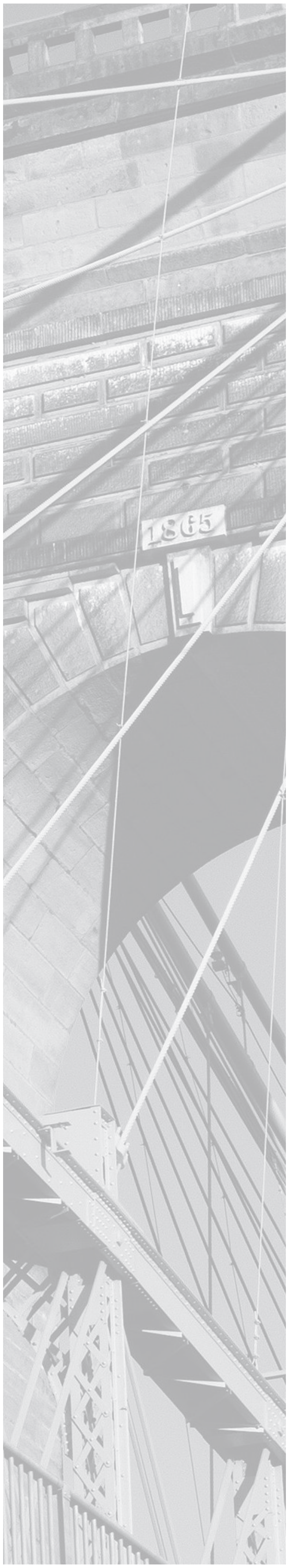

CONTRIBUTORS TO RETURN[1][2]

Ticker	Company Name	Average Weight[3]	Contribution to Return
TOP FIVE CONTRIBUTORS—LARGE CAP GROWTH			
META	Meta Platforms	2.20%	0.49%
AMAT	Applied Materials	1.99%	0.42%
AMZN	Amazon.com	2.66%	0.35%
KLAC	KLA	1.91%	0.27%
LECO	Lincoln Electric	1.80%	0.27%
BOTTOM FIVE CONTRIBUTORS—LARGE CAP GROWTH			
ADBE	Adobe	1.68%	-0.17%
EG	Everest Group	1.47%	-0.07%
UNH	UnitedHealth Group	1.53%	-0.05%
AAPL	Apple	2.98%	-0.05%
VRTX	Vertex Pharmaceuticals	1.72%	-0.05%

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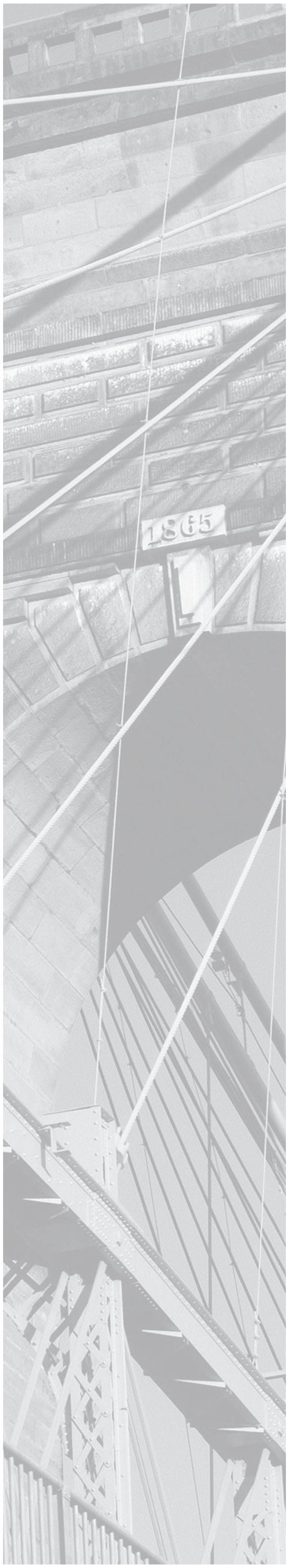
(2) The securities listed should not be considered a recommendation to purchase or sell a particular security. These securities represent the top five and bottom five contributors by weight to the performance of a representative account in this strategy as of the date stated and are intended for informational 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

opportunities through the identification of companies that are capable of producing robust earnings growth in the current environment.

The Russell 1000 Growth returned 6.8% and the S&P 500 returned 5.3% in February. Growth outperformed Value, with the Information Technology sector providing the largest contribution to February returns, driven by outsized performance of technology stocks that benefit from the growth of AI. Conversely, the Real Estate and the Consumer Staples sectors were the largest detractors from performance. Mid-cap growth was the best performing market segment, while large-cap stocks performed mostly in line with small-cap stocks, with investors gravitating toward both the large cap beneficiaries of AI and the small cap beneficiaries of an economic recovery. Our portfolio underperformed the Russell 1000 Growth benchmark but outperformed the S&P 500 for the month.

We made two changes to the portfolio in February where we saw better opportunities for future growth. We added a new position in the Consumer Discretionary sector with **Lululemon** (LULU), a leading brand of yoga apparel and accessories. Lululemon is one of the world's most popular and successful athletic apparel brands. As a premium brand, the company enjoys pricing power, which is helpful in an environment marked by cost inflation. Looking forward, we believe Lululemon is capable of mid-teens growth, driven by international growth opportunities, product expansion into personal care categories, and above market growth in its menswear segment. Conversely, we sold our position in **Humana** (HUM) following a deterioration in fundamental factors. We believe that the company's exclusive focus on the Medicare Advantage market, which recently experienced an industry-wide acceleration in medical usage that resulted



in higher medical costs, will offset any benefits from higher membership growth in its Medicare Advantage market. The elevated medical usage levels amongst Humana's members are currently expected to have a significantly negative impact on earnings in 2024 and 2025, and it will take time for the company to re-price its existing medical policies.

Meta Platforms (META) was one of our best performing stocks for both the month and year to date. The company reported solid quarterly results, showing continued improvement in both advertising growth and user engagement. Importantly, recent investments in AI are starting to drive increasing engagements for advertisers. Another strong performer in February was **Applied Materials** (AMAT). Similar to other semiconductor equipment companies, the company reported solid quarterly results that showed resilient demand, with broad-based growth across all segments and financial metrics. We believe that strong demand for AI semiconductor chipsets, coupled with secular technology transitions and federal stimulus from the CHIPS Act, should continue to provide a favorable backdrop for the company.

Conversely, **Vertex Pharmaceuticals** (VRTX) was the worst performer for the month. Despite reporting solid operating results to end the year, the stock price is likely consolidating on expectations that its new non-opioid pain medication will receive FDA approval following its favorable performance to end 2023. We believe Vertex is poised for continued growth as its drug pipeline produces additional cystic fibrosis treatments and more powerful non-opioid pain medication. Another underperformer in February was **Apple** (AAPL). Investors continue to focus on the deceleration in revenue growth following its most recent operating results. More recent market share data is showing that iPhone sales in China continue to weaken as recent government restrictions on iPhone usage are shifting market share to Huawei phones. Meanwhile, the company's services segment remains under regulatory pressure as governments worldwide contemplate instituting fines and restrictions on Apple's business practices.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of February 29, 2024 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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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 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.

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