Midcap Growth
Quarter-End Review—1Q2024

The U.S. stock market posted strong gains during the first quarter, as the S&P 500 achieved an all-time high, gaining 10.6%. Information Technology, Communication Services, and Industrials were the strongest performing sectors in the S&P 500, while the Real Estate, Energy, and Materials sectors lagged. Size was again a significant factor associated with strong stock performance, as the 10 largest stocks in the S&P 500 at the beginning of the quarter averaged a gain of 18.8%. Artificial Intelligence (AI) beneficiary Nvidia was the best performing of these large stocks, gaining 82.5%, but it is worth noting that Tesla, a big winner in 2023 and also one of the 10 largest stocks, declined 29.3%. Bond prices declined slightly, as the yield on 10- year Treasury bonds rose to 4.20%, compared to 3.89% at the beginning of the quarter.

Comments from the Federal Reserve after their March 20 meeting were more dovish than many had expected. While the Fed did not act to reduce interest rates at its March meeting, its forecast of economic projections still implied that there may be three 25-bp cuts in the fed funds rate expected later this year. The forecast was delivered despite measures of inflation that are still above the Fed's 2% target. In addition, the Fed's projections for GDP growth over the 2024-2026 period were revised modestly higher from its estimates made just in December. Moreover, the Fed's forecast of the Fed Funds rate for 2025 and 2026 was also revised slightly higher than its December estimate. Overall, the Fed's statements seemed to signal a continued willingness to gradually lower interest rates even as inflation remains slightly above their long-term target.

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 12/31/2023	Midcap Growth Additions & (Midcap Growth Deletions)[3]
Information Technology	24.8%	-2.8%	(Fortinet)
Industrials	23.0%	-0.1%	
Health Care	19.4%	+1.3%	ICON
Financials	10.3%	0.0%	
Consumer Discretionary	9.7%	+2.6%	Royal Caribbean Group
Consumer Staples	5.4%	-0.9%	Casey's General Stores (Brown-Forman, The Hershey Company)
Energy	3.6%	0.0%	
Cash	2.6%	+0.1%	
Communication Services	1.3%	-0.2%	
Materials	0.0%	0.0%	
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

Midcap Growth
Quarter-End Review—1Q2024

CONTRIBUTORS TO RETURN[(1)(2)]

Ticker	Company Name	Average Weight[(3)]	Contribution to Return
TOP FIVE CONTRIBUTORS—MIDCAP GROWTH			
TDG	TransDigm Group	2.41%	0.51%
CSL	Carlisle Companies	2.01%	0.49%
FANG	Diamondback Energy	1.75%	0.48%
KLAC	KLA	2.13%	0.42%
DPZ	Domino's Pizza	2.06%	0.41%
BOTTOM FIVE CONTRIBUTORS—MIDCAP GROWTH			
VRSN	VeriSign	1.58%	-0.14%
LNG	Cheniere Energy	1.75%	-0.12%
ANSS	ANSYS	1.82%	-0.11%
FDS	FactSet Research Systems	1.73%	-0.08%
IDXX	IDEXX Laboratories	1.83%	-0.05%

(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

While mega-cap stocks continued to lead the market during the first quarter, there are signs of broadening participation in the market rally. The S&P 500's cumulative advance-decline line, which measures the overall number of stocks rising and falling, has closely tracked the Index's rise since the lows of last October. This suggests that a broader number of stocks are participating in the market advance, as opposed to the extremely narrow leadership that was seen last year.

We continue to focus our efforts on identifying high-quality companies with good growth opportunities that are selling at reasonable valuations. Given geopolitical challenges as well as uncertainty surrounding the upcoming Presidential election, the recent trend of subdued market volatility may be unlikely to continue. However, we believe that our disciplined investment approach will continue to reward patient investors with favorable long-term returns.

For the first quarter, the S&P 500 returned 10.6% and the Russell Midcap Growth Index returned 9.5%, building on solid double-digit returns in the fourth quarter of last year. The market broadened toward the latter half of the quarter, with cyclical sectors outpacing defensive sectors as investors became increasingly confident that the economy will avoid a recession as inflation continues to trend lower. The expectation that the Federal Reserve will cut rates this year remains supportive of stocks, although stronger economic and inflation data to start the year led to higher interest rates, which could become problematic for the market if the trend continues. Real Estate was the only sector that declined, partly reflecting challenging near-term industry fundamentals. For the first quarter, our portfolio outperformed the Russell Midcap Growth Index. Favorable stock selection in the Industrials, Health Care, and Consumer Discretionary sectors was the main driver of our outperformance.

TransDigm Group (TDG) was the largest contributor to our portfolio performance during the quarter, returning 21.7% after reporting solid operating results and guidance. Strong momentum has continued from last year, as the company is benefiting from heightened demand in commercial aviation parts for both their aftermarket and original equipment segments, driven by favorable secular growth trends. **Carlisle Companies** (CSL) was another meaningful contributor to portfolio performance, returning 25.7%, which reflected solid operating results and guidance. During the quarter, the company also completed the sale of its Interconnect Technologies business to Amphenol (APH), another holding in our portfolio. We believe that the transaction is favorable, as the deal price was fair and the acquisition provides the company with capital for buybacks and M&A, while it marks the final step to Carlisle's transformation into a pure-play building products company. Finally, **Diamondback Energy** (FANG) returned 30%, reflecting positive sentiment around higher oil prices and the announced acquisition of Endeavor Energy Resources in February. The acquisition creates one of the largest operators in the Permian Basin and adds a high-quality, low-cost, and highly contiguous asset which lends itself well to operational synergies and enhanced shareholder returns.

Negative contributors to the portfolio were led by **VeriSign** (VRSN), which declined 8% on sluggish operating results and guidance. China remains a key overhang on growth, as headwinds involving economic activity and regulation drove a decline in the number of domain names. Pricing remains a solid support to revenue, but the lack of unit growth is a concern. **Cheniere Energy** (LNG) was another detractor to performance, declining 5.3%. Operating results and guidance were lower than expected, while historically low natural gas prices and a pause in LNG permits by the U.S. government have weighed on sentiment. With that said, the company's Corpus Stage 3 project is on schedule and should contribute meaningfully to earnings next year. Lastly, **ANSYS** (ANSS) declined 4.3% despite reporting solid operating results. The stock's underperformance reflects uncertainty around the pending acquisition of the company by Synopsys (SNPS), which is another holding in our portfolio. We like the proposed acquisition, which was announced in January, as the companies have complementary capabilities and a history of working with each other. The company is valued at nearly a 15% discount to its acquisition price, which reflects the extended period until the expected close date in early 2025 and the current environment of heightened antitrust scrutiny. We expect deal approval by regulators.

We upgraded the portfolio this quarter with several additions that have better growth profiles, more attractive valuations, and superior momentum in comparison to the companies we sold. One of the additions is **ICON** (ICLR), which is a leading contract research organization that serves biotech, pharmaceutical, and medical technology companies with services that support phase I-IV clinical development. The company is well-positioned among large and mid-sized customers to capture an increasing amount of their outsourced business. Management has done an excellent job of executing its strategy, including making acquisitions that have expanded its site network and adding skills and technology that we believe will enable the company to continue outgrowing the market. In addition, the funding environment for biotech clients has improved over the last six months, increasing our confidence in the near-term prospects of the company. Conversely, we sold **Brown-Forman** (BF.B) following a deterioration in fundamental factors. We had been increasingly concerned that deteriorating trends in the consumption of alcohol would last longer than expected and pricing would be less supportive of sales than in recent years, leading to lower earnings growth. Our concerns were validated with the company's quarterly earnings report in March in which management announced that results missed expectations and lowered guidance, including its expectations for an industry rebound to historical growth rates.

After dropping sharply from its 2023 high of almost 9%, the inflation rate has essentially remained constant for most of the past six months. While the Fed has indicated that its target for

inflation is 2%, the most recent annualized change in the Consumer Price Index (CPI) is 3.1%. The Fed's preferred measure, the Personal Consumption Expenditures Index (PCE), rose 2.8% over the past year. The cost of shelter and gasoline are among several factors contributing to the most recent rise in prices. The net effect of plateauing inflation may be to defer a significant cut in interest rates by the Fed until inflation makes more progress toward 2%.

Since the end of last October, the S&P 500 Index has risen 25.3%, one of its strongest 5-month gains in its history. Most of the gain can be attributed to an increase in its price/earnings (P/E) multiple, as its P/E ratio increased from 17.5x to 21.1x, a 20.4% increase. The S&P's current P/E ranks in the highest 13% of observations since 1999, suggesting that further expansion of the multiple may be difficult and that an increase in earnings is more likely to be the driver of further market gains.

After declining from mid-year 2022 through early 2023, estimates for S&P 500 earnings on a 12-month forward basis have been in a steady uptrend. While earnings estimates for technology companies have experienced the sharpest upward revisions, estimates across a number of other economic sectors have also been increasing. A sustained increase in corporate earnings is the most likely catalyst for further gains in stocks.

The yield curve has been inverted (meaning shorter-term bonds are at higher yields than longer-term bonds) for a remarkable 21 months, the longest such period in history. Every previous period of an inverted yield curve has been associated with an economic recession, although the timing and magnitude of the ultimate recession has varied. Either a significant drop in short-term bond yields or an increase in long-term bond yields (or some combination) is necessary to see the yield curve return to a more normal shape. Until then, the inverted yield curve is one factor that continues to suggest caution with regard to the economic outlook.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of March 31, 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.

PERFORMANCE

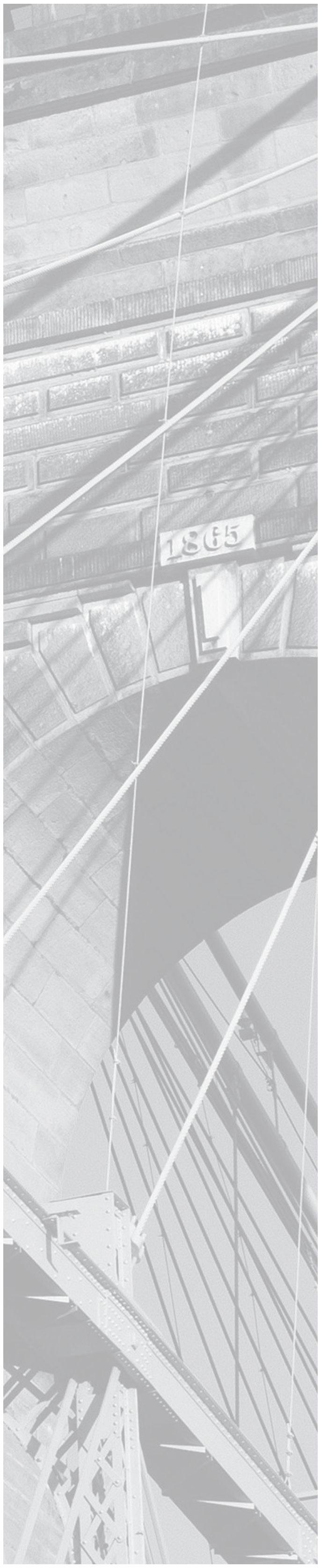
If Renaissance or benchmark performance is shown, it represents historically achieved results, and is no guarantee of future performance. All performance is shown in U.S. dollars unless otherwise stated. Future investments may be made under materially different economic conditions, in different securities 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.

Continued

Renaissance®
Investment Management
Quarter Ending 3/31/2024

Midcap Growth
Quarter-End Review—1Q2024



REFERENCED INDICES

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

Consumer Price Index— The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item.

Personal Consumption Expenditures Index—The Personal Consumption Expenditures (or "PCE") Index Personal Consumption Expenditures (PCE) includes a measure of consumer spending on goods and services among households in the U.S.

Russell Midcap Growth Index—The Russell Midcap® Growth Index measures the performance of the Russell Midcap 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.