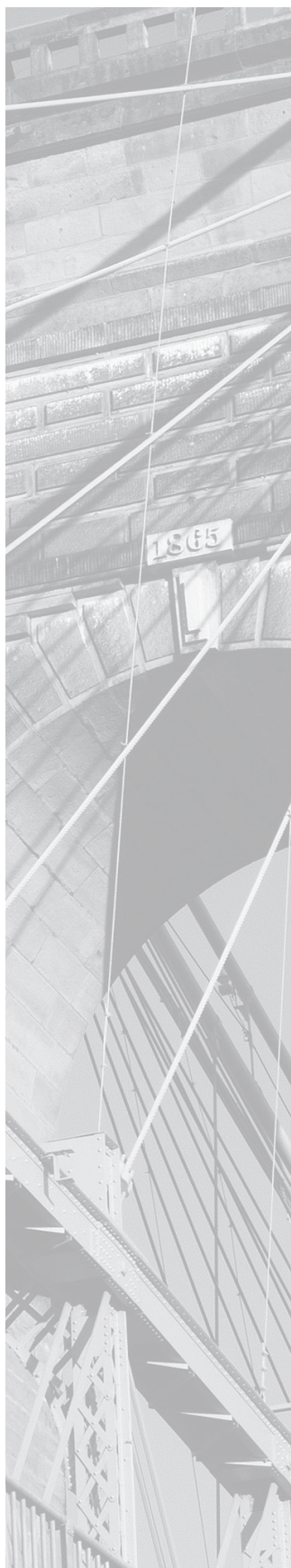


International Equity ADR Intra-Quarter Commentary—January 2025



International equities had a strong start to the year, outperforming U.S. equities in January. The U.S. dollar was volatile during the month but ended largely unchanged despite concerns over potential tariffs. Further, global interest rates dropped after peaking early in the month, helping to fuel the stock market rally.

Europe's economy showed some slight improvement as 2025 kicked off. The Eurozone Composite PMI nudged up to 50.2 in January, signaling a small expansion in private-sector activity, the eurozone's first since August. Growth is still weak, however, making it likely that the European Central Bank will continue cutting rates to support the economy. Investor hopes that rising wages would boost spending have not played out, as many households continue to save instead. Europe also faces potential U.S. tariffs, as President Trump has again floated the idea of new duties on European goods. Amid these challenges, policymakers face calls to reduce regulatory and trade barriers to stimulate economic activity.

Core inflation in Tokyo accelerated for the third consecutive month to 2.5% in January. The January inflation print is the highest in nearly a year and above the Bank of Japan's (BOJ) 2% target. This reinforces expectations for further interest rate hikes even after the BOJ's recent increase to 0.5%, its highest level since the 2008 financial crisis. A weaker yen continues to exacerbate import costs, which should pressure the BOJ to tighten policy further. However, the BOJ projects inflationary pressures will ease in the latter half of 2025.

China reported an acceleration of GDP growth to 5.4% for the fourth quarter, spurred on by government stimulus. This helped drive GDP growth to 5% for 2024, officially meeting the government's

GEOGRAPHICAL EXPOSURE & PORTFOLIO CHANGES ⁽¹⁾ ⁽²⁾

Region	Ending Weight ⁽³⁾	Change from 12/31/2024	International Equity ADR Additions & (International Equity ADR Deletions) ⁽⁴⁾
Western Europe	43.6%	+1.0%	Marex Group (Constellium)
Asia/Pacific	32.5%	+0.6%	KT
North America	14.9%	-0.1%	
Middle East & Africa	3.8%	-0.7%	
Central & South America	3.5%	-1.7%	(Itaú Unibanco)
Cash	1.7%	+0.9%	
Eastern Europe	0.0%	0.0%	
Developed Markets	69.9%	-1.1%	
Emerging Markets	28.4%	+0.1%	
Cash	1.7%	+0.9%	

⁽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

International Equity ADR Intra-Quarter Commentary—January 2025



CONTRIBUTORS TO RETURN⁽¹⁾⁽²⁾

Ticker	Company Name	Average Weight ⁽³⁾	Contribution to Return
TOP FIVE CONTRIBUTORS—INTERNATIONAL EQUITY ADR			
JD	JD.com	2.19%	0.36%
VLVLY	Volvo	1.88%	0.25%
BABA	Alibaba Group	1.48%	0.24%
TIGO	Millicom International Cellular	1.87%	0.21%
TSM	Taiwan Semiconductor Manufacturing	3.28%	0.20%
BOTTOM FIVE CONTRIBUTORS—INTERNATIONAL EQUITY ADR			
TEVA	Teva Pharmaceutical Industries	2.15%	-0.43%
TTDKY	TDK	1.70%	-0.15%
LNVGY	Lenovo Group	1.55%	-0.14%
TSEM	Tower Semiconductor	2.14%	-0.10%
IBN	ICICI Bank	2.28%	-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

target despite ongoing economic challenges. Strong investment and exports helped offset weak consumer spending. Overall, China faces long-term challenges such as an aging workforce, a struggling property sector, and mounting government debt. However, the prospect of additional stimulus after the National People's Congress in March could help boost consumer spending and Chinese markets.

Our portfolio performance was positive on an absolute basis but trailed the benchmark. Strong selection in Consumer Discretionary and Industrials offset weak selection in Information Technology and Health Care. The portfolio's emerging market holdings outperformed its developed market holdings, while the opposite was true for the benchmark. Western Europe contributed the most to performance, as the portfolio's United Kingdom names performed well during the month. The Middle East & Africa region detracted the most from returns due to negative performance from our Israeli holdings.

Our best-performing stock for the month was **JD.com** (China). The Chinese e-commerce company saw strong returns in January, as its earnings should be boosted by the government's expansion of its consumer trade-in program that offers subsidies for home appliances. Our worst-performing stock for the month was **Teva Pharmaceutical** (Israel) due to a decline in operating margins that raised concerns about profitability despite solid revenue growth. However, the company is well-positioned with strong momentum in its key growth drivers including AUSTEDO, AJOVY, and UZEDY, a promising late-stage pipeline, and ongoing deleveraging efforts.

Equity markets could face continued volatility as investors remain cautious about U.S. President Donald Trump's escalating trade policies. While past tariff threats have been viewed as negotiating tactics with minimal market impact, Trump's second-term approach has so far been

International Equity ADR Intra-Quarter Commentary—January 2025



more aggressive. Retaliatory measures from key trade partners could further destabilize industries that are reliant on trade, potentially leading to increasing inflationary pressures and reduced business investment across the globe. Nevertheless, if trade deals are reached with the United States, international equities could see significant upside given that they trade at a historically large discount to their U.S. peers.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of January 31, 2025 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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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.

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REFERENCED ETF

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.