

International Small Cap Equity

Intra-Quarter Commentary—April 2025



International equities posted positive results in April despite renewed trade tensions, uneven economic data, and geopolitical disruptions. Investor sentiment was weighed down by escalating tariff threats from the U.S., weakening economic indicators in key export-driven economies, and heightened political uncertainty across several regions.

In Japan, inflation surprised to the upside in April, with core consumer prices in Tokyo rising 3.4% year over year and exceeding both March's 2.4% increase and consensus estimates. The acceleration was driven by widespread price hikes across goods and services. Despite the inflation uptick, the Bank of Japan is expected to keep rates steady in the near term as policymakers weigh broader economic conditions and await developments in U.S.-Japan trade talks.

Consumer confidence in the U.K. deteriorated in April, falling to its lowest level of the year as concerns over trade tariffs and inflation weighed on sentiment. Consumers are especially pessimistic about the economic outlook amid looming U.S. tariffs on British exports. Further, rising household expenses continue to pressure sentiment, raising questions about the Bank of England's policy flexibility in the face of inflationary risks.

China signaled a proactive policy stance in April, but leadership held off on unleashing large-scale stimulus as they look for an opening to de-escalate the trade war. At the same time, China quietly exempted certain critical U.S. imports such as semiconductors and medical supplies from retaliatory tariffs, reflecting the country's dependence on key American inputs. This selective relief underscores the balancing act facing Chinese policymakers as they navigate an increasingly fraught trade environment while maintaining economic stability.

GEOGRAPHICAL EXPOSURE & PORTFOLIO CHANGES ^{(1) (2)}

| Region | Ending Weight ⁽³⁾ | Change from 3/31/2025 | International Small Cap Equity Additions & (International Small Cap Equity Deletions) ⁽⁴⁾ |
|-------------------------|------------------------------|-----------------------|--|
| Western Europe | 31.2% | +2.6% | TeamViewer (Playa Hotels & Resorts) |
| North America | 28.2% | -0.9% | |
| Asia/Pacific | 20.1% | -4.2% | Marui Group (Atour Lifestyle Holdings, FinVolution Group) |
| Central & South America | 10.5% | +2.3% | Intercorp Financial Services |
| Middle East & Africa | 8.5% | +0.3% | |
| Cash | 1.6% | -0.1% | |
| Eastern Europe | 0.0% | 0.0% | |
| Developed Markets | 73.2% | +3.8% | |
| Emerging Markets | 25.2% | -3.7% | |
| Cash | 1.6% | -0.1% | |

⁽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

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CONTRIBUTORS TO RETURN⁽¹⁾⁽²⁾

| Ticker | Company Name | Average Weight ⁽³⁾ | Contribution to Return |
|--------|--------------|-------------------------------|------------------------|
|--------|--------------|-------------------------------|------------------------|

TOP FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY

| | | | |
|-------|--------------------------------------|-------|-------|
| MITFY | MITIE Group | 2.64% | 0.74% |
| MRX | Marex Group | 2.79% | 0.67% |
| TIGO | Millicom International Cellular | 3.09% | 0.52% |
| GLNG | Golar LNG | 2.41% | 0.36% |
| OMAB | Grupo Aeroportuario del Centro Norte | 2.69% | 0.35% |

BOTTOM FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY

| | | | |
|------|--------------------------|-------|--------|
| FINV | FinVolution Group | 1.81% | -0.89% |
| OBE | Obsidian Energy | 1.89% | -0.66% |
| VLRS | Volaris | 1.33% | -0.45% |
| ATAT | Atour Lifestyle Holdings | 1.18% | -0.42% |
| VET | Vermilion Energy | 1.27% | -0.41% |

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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

Our portfolio performance was positive on an absolute basis but trailed our benchmark. Strong selection in Information Technology and Industrials offset weak selection in Energy and Financials. As was the case with the benchmark, our portfolio's emerging markets holdings underperformed its developed markets holdings. Western Europe contributed the most to performance, as our United Kingdom holdings continued to perform well, extending this year's rally. The Asia/Pacific region detracted the most from returns due to negative performance from our Chinese holdings.

Our best performing stock during the month was **MITIE Group** (United Kingdom). The facilities management company delivered a strong performance in April, driven by continued revenue growth and better-than-expected free cash flow. The company also secured several large contract wins, ended the fiscal year with a healthy cash position, and announced a new share buyback, all of which points to strong operational momentum heading into the next fiscal year.

Our worst performing stock was **FinVolution Group** (China). Shares of the online consumer lender were under pressure during the month due to concerns over U.S. and Chinese trade relations. Although we remain confident in FinVolution's growth prospects, we exited the position due to the potential delisting of the company's U.S.-listed ADR, which carries the risk of a total loss of capital due to the company's lack of a Hong Kong listing.

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Global trade dynamics remained volatile as businesses rushed to front-load shipments ahead of new U.S. tariffs. The scramble distorted trade flows and economic data worldwide, lifting first-quarter exports and GDP in regions such as the eurozone and Taiwan but raising concerns of a potential slowdown once the temporary boost fades. With tariff deadlines looming and uncertainty persisting, international markets may continue to see elevated volatility in the months ahead.

DISCLOSURES

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

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 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.