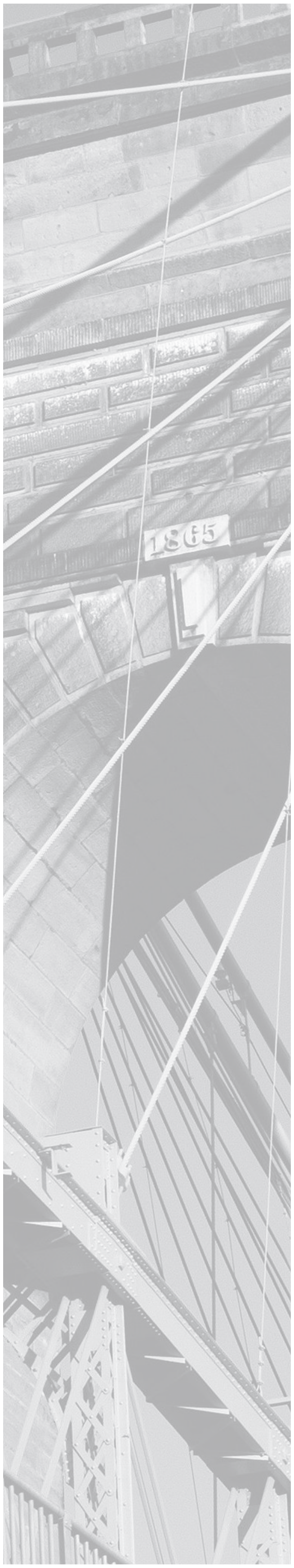
Renaissance Investment Management

Month Ending 7/31/2025

Large Cap Growth

Intra-Quarter Commentary—July 2025



The stock market delivered solid returns in July, with the S&P 500 posting its third consecutive month of gains. Positive sentiment was driven by continued enthusiasm for the AI growth narrative, an easing of trade tensions, and a resilient macro-economic environment. Moreover, with increasing evidence that inflation has stabilized, the Federal Reserve may have the data it needs to begin cutting interest rates, which would offer additional stimulus for future economic growth. Despite increasing enthusiasm for interest rate cuts, however, we should be mindful that inflation remains sticky. The Fed also needs to consider the lagged impact of tariffs on CPI, employment, and consumer spending and address fiscal policy concerns following the passage of the "One Big Beautiful Bill".

Strong corporate earnings also contributed to U.S. stock market returns in July. Initial expectations for second quarter corporate earnings had been tempered heading into earnings season, with investors anticipating tariffs to negatively impact operating results. However, reported earnings came in much better than expected. According to FactSet, over 80% of companies reporting second quarter earnings have exceeded expectations thus far. More impressive is the earnings growth rate, which is tracking at 8.6%—well above initial expectations of 4.9% *(Source: FactSet)*—resulting in upwards earnings revisions for the remainder of 2025. Historically, the direction of earnings revisions is positively correlated to stock prices over the long term, and we will continue to monitor the sustainability of the current growth environment.

For the month, the S&P 500 gained 2.2% and the Russell 1000 Growth gained 3.8%, driven predominately by mega-cap technology stocks which were once again the standouts. Not surprisingly,

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 6/30/2025	Large Cap Growth Additions & (Large Cap Growth Deletions)[3]
Information Technology	37.6%	-0.5%	
Financials	15.1%	-0.9%	
Industrials	12.4%	-0.8%	(Booz Allen Hamilton)
Health Care	9.5%	+0.1%	Halozyme Therapeutics (HCA Healthcare)
Communication Services	9.0%	0.0%	
Consumer Discretionary	8.2%	+0.3%	
Utilities	1.9%	+1.9%	NRG Energy
Real Estate	1.7%	+0.1%	
Materials	1.7%	-0.1%	
Consumer Staples	1.5%	-0.1%	
Cash	1.4%	+0.1%	
Energy	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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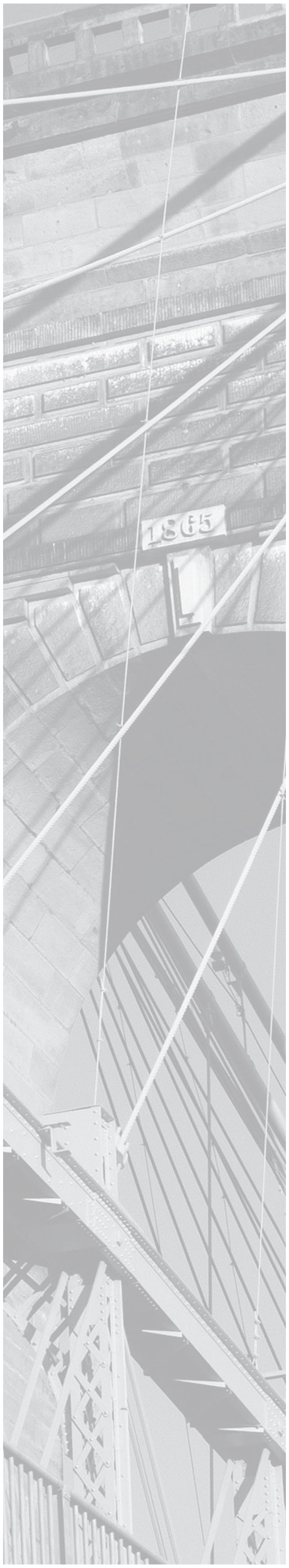

CONTRIBUTORS TO RETURN[1][2]

Ticker	Company Name	Average Weight[3]	Contribution to Return
TOP FIVE CONTRIBUTORS—LARGE CAP GROWTH			
FIX	Comfort Systems USA	1.96%	0.58%
PTC	PTC	1.83%	0.41%
ANET	Arista Networks	1.92%	0.37%
EME	EMCOR Group	2.14%	0.35%
CDNS	Cadence Design Systems	1.65%	0.29%
BOTTOM FIVE CONTRIBUTORS—LARGE CAP GROWTH			
FI	Fiserv	1.60%	-0.34%
NFLX	Netflix	2.19%	-0.32%
BRO	Brown & Brown	1.37%	-0.26%
IT	Gartner	1.20%	-0.21%
HCA	HCA Healthcare	1.31%	-0.18%

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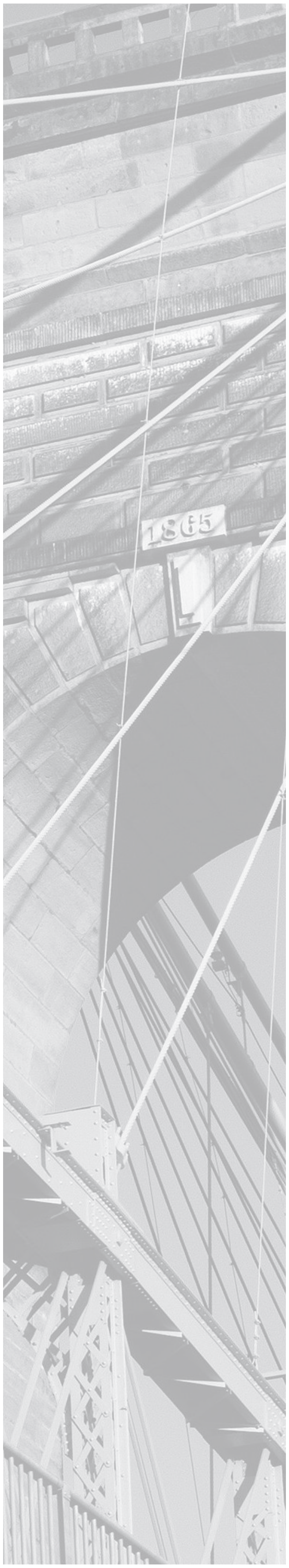
(2) The securities listed should not be considered a recommendation to purchase or sell a particular security. These securities represent the top five and bottom five contributors by weight to the performance of a representative account in this strategy as of the date stated and are intended for informational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

Growth outperformed Value, with the Russell 1000 Value gaining only 0.6%. Large cap stocks also continued to outperform small cap stocks. The Information Technology sector was the largest contributor to performance, accounting for a significant portion of the stock market's overall performance. Meanwhile, the Health Care sector was the largest detractor from performance, driven by concerns over stagnating healthcare funding and rising medical usage which weighed heavily on health insurance stocks. We underperformed both the S&P 500 and the Russell 1000 Growth benchmark during the month, primarily as a result of our being underweight the mega-cap technology stocks.

Comfort Systems USA (FIX) was our best performing stock in July after reporting strong operating results, showing an acceleration in organic revenue growth and highlighting the company's incremental margin opportunities. Importantly, growth appears sustainable with an expanding business pipeline driven by the buildout of new data centers that run AI applications. Looking ahead, we believe the company is well positioned to provide ongoing service and maintenance for the cooling needs of existing and new data centers. Another strong performer was **Arista Networks** (ANET). The company reported solid quarterly results driven by strong demand for its data center switches, as hyper-scaler customers continue to build out their data center networks. In addition, Arista is seeing market share gains in its enterprise campus switching products. Our current outlook is that Arista should continue to benefit from the growth of its high capacity switching network equipment used to run Generative AI and from Ethernet's improving competitive position in data center applications.



Conversely, **Fiserv** (FI) was our worst performer, after the company lowered its organic growth and operating margin targets for the year. A proliferation of multiple small factors culminated in headwinds that required the guidance reset. While the company will face near-term headwinds, it has a strong management team, and we continue to believe that the company's merchant solutions segment will see growth reaccelerate after they work through tough growth comparisons from the last few years. Another underperformer in the month was **Brown & Brown** (BRO). The company reported operating results that showed a broad-based deceleration in organic growth across all of their operating segments. This was driven by industry-wide pricing pressures, with pricing returning to more normal levels following several years of strong gains. As a result, Brown & Brown, along with the entire insurance brokerage sector, could see several quarters where revenue growth could decelerate.

In July, we added a new position in the Utilities sector with **NRG Energy** (NRG), one of the largest retail energy providers and independent power producers in the U.S. We like how the company has transitioned from a pure power generation company to an integrated model with more exposure to retail energy and home services, providing revenue diversification and earnings stability. NRG's large electrical generation footprint in Texas, with access to transmission, land, and water, as well as the recently announced acquisition of LS Power, positions the company to capture increasing demand from new data centers built to power AI. We also added a new position in the Health Care sector with **Halozyme Therapeutics** (HALO), a leader in drug delivery technology with its gold-standard hyaluronidase Enhanze enzyme, which is used in subcutaneous drug delivery. We believe that subcutaneous drug delivery will continue to gain share from intravenous drug delivery, given its more favorable outcomes for patients. In addition, subcutaneous infusions are expanding the market for drug companies by eliminating some previous barriers to adoption, like reduced infusion times and fewer adverse reactions.

Conversely, we sold our position in **Booz Allen Hamilton** (BAH) due to a deterioration in fundamental factors. Following a qualitative review of the company, we are concerned about the company's deteriorating growth metrics after the Department of Government Efficiency (DOGE) implemented budget cuts that affected funding for the company's Civilian and Defense end markets. Looking ahead, we are increasingly concerned about how competitors have been able to use AI to compete more effectively against Booz Allen in its core intelligence markets. We also sold our position in **HCA Healthcare** (HCA) after a fundamental review. Operationally, HCA has executed well and has historically managed to get through challenging periods. However, in the near-to-mid term, we believe that HCA may face incremental pressures from industry dynamics such as decelerating enrollment in Affordable Care health exchanges, which could create a multi-year payer mix pressure from increasing costs combined with decreasing revenues. Since hospitals are a high fixed-cost business, any deceleration in revenue growth will require material cost savings. Otherwise, decremental margins will result in negative earnings revisions.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of July 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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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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