

International Small Cap Equity

Intra-Quarter Commentary—August 2025



International equities were positive in August and outperformed their U.S. peers, as tariff worries and the weakening of the U.S. dollar encouraged investors to seek diversification and more favorable valuation outside of the U.S.

Over the last few years, high energy costs, rising competition from China, and a lack of investment have caused the German economy to struggle. German GDP contracted year-over-year (y/y) in both 2023 and 2024 and unemployment reached three million in the month of August, the country's highest level of unemployment in over a decade. However, fiscal reforms in Germany should result in significantly higher government spending going forward. While this is unlikely to provide a meaningful boost to economic growth in 2025, certain areas of the economy, such as the infrastructure and defense industries, should begin to see a positive impact in 2026. Germany, a longtime fiscally conservative country, is one of the few developed countries that still has ample resources available to stimulate its economy, as its debt to GDP ratio sits just over 60%, well below the current rate of 121% in the United States.

Economic data continues to provide mixed signals on the overall health of China's economy. The Chinese real estate market has resumed its downward trend after a short burst of stimulus induced growth in 4Q24. New home sales from China's largest property companies declined 18% y/y, marking their sixth straight month of y/y declines (*Source: China Real Estate Information Corp.*). However, purchasing managers' indices (PMI) show an improving economy in China, with both the RatingDog China General Services PMI and the Manufacturing PMI in expansionary territory, improving month-over-month. Nevertheless, while domestic demand and promotional efforts have helped drive manufacturing activity, manufacturers cut staff for the fifth straight month in August.

GEOGRAPHICAL EXPOSURE & PORTFOLIO CHANGES⁽¹⁾⁽²⁾

Region	Ending Weight ⁽³⁾	Change from 7/31/2025	International Small Cap Equity Additions & (International Small Cap Equity Deletions) ⁽⁴⁾
Western Europe	33.1%	+3.7%	Garrett Motion
North America	25.5%	-3.5%	(Celestica)
Asia/Pacific	21.1%	-0.5%	Minth Group (TechnoPro)
Central & South America	9.8%	+0.1%	
Middle East & Africa	8.2%	-0.4%	
Cash	2.2%	+0.6%	
Eastern Europe	0.0%	0.0%	
Developed Markets	72.3%	-2.6%	
Emerging Markets	25.5%	+2.0%	
Cash	2.2%	+0.6%	

⁽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
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TOP FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY

CWK	Cushman & Wakefield	2.24%	0.58%
TIGO	Millicom International Cellular	3.03%	0.57%
FELTY	Fuji Electric	2.27%	0.55%
EFXT	Enerflex	2.23%	0.54%
TSEM	Tower Semiconductor	2.03%	0.53%

BOTTOM FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY

ITRN	Ituran Location and Control	2.05%	-0.29%
KTWIY	Kurita Water Industries	1.70%	-0.23%
MRX	Marex Group	2.12%	-0.20%
CAMT	Camtek	1.17%	-0.17%
NOMD	Nomad Foods	1.61%	-0.12%

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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 for the month on an absolute basis and outperformed our benchmark. Strong stock selection in Communications Services and Financials outweighed poor selection in Materials and Information Technology. All regions in the portfolio had positive returns, with Western Europe contributing the most. Strong selection in the United Kingdom and France outweighed negative selection in Brazil and Israel.

Our best performing stock during the month was **Cushman & Wakefield** (United Kingdom). The company performed well thanks to the strongest first half of earnings growth, excluding COVID recovery, since the firm went public in 2018. Management raised their 2025 earnings per share growth outlook to 25–35%, supported by strong leasing and capital markets momentum.

Our worst performing stock for the month was **Ituran Location and Control** (Israel). Poor operating results were primarily attributable to Israel's brief war with Iran which caused a temporary cessation of new car sales, leading to lower product sales for the company. However, the company expects to see steady subscriber growth in 2025 and expects future growth to be supported by its move into the motorcycle market.

Despite continued uncertainty, global markets saw a rebound in performance in August following negative returns in July. Even as countries continued to finalize trade deals with the United States, export-oriented countries such as South Korea saw export growth slow as tariff uncertainty persists. Companies are beginning to adjust as clarity improves, leading to increased capital spending in some areas, while others remain in wait-and-see mode.

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DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of August 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.

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.

REFERENCED INDEX

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

Purchasing Managers Index (PMI)—PMI is an indicator of economic health. A reading above 50 indicates expansion in the sector; below 50 indicates contraction.

U.S. Dollar Index—The U.S. Dollar Index is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners.

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.