

# International Small Cap Equity

## Intra-Quarter Commentary—November 2025



International equities were broadly in line with U.S. markets in November, supported by a slight decline in the dollar and generally stable global macro conditions. Much of the month's investor focus centered on shifting expectations for central bank policies, particularly in Japan and South Korea, alongside evolving views on how AI-driven investment is reshaping global trade.

In Japan, speculation grew around the timing of the Bank of Japan's next rate hike. Inflation remains persistent, and the weak yen continues to raise the risk of higher import costs. Although prices have exceeded 2% growth for more than three years, expectations remain below target, which highlights how slowly Japan's deflationary mindset is fading. Stronger-than-expected industrial production and steady consumption added to growing expectations that tightening may resume in December or January.

South Korea's central bank maintained a cautious stance, keeping its policy rate unchanged at 2.5% for a fourth consecutive meeting. The Bank of Korea (BOK) acknowledged the economy's underlying resilience, which reduces the urgency for additional stimulus, but emphasized ongoing risks from elevated household debt and property-market imbalances. Persistent weakness in the won provided another reason to avoid rate cuts that could amplify currency pressure. The BOK raised both its GDP growth and inflation forecasts with many expecting steady, balanced growth without significant overheating or a slowdown in 2026.

Global trade sentiment shifted as AI-driven investment meaningfully improved growth expectations. Despite early fears that Trump's "Liberation Day" tariffs would weigh on global activity, economists now attribute much of the recent resilience to massive AI-related capital spending,

### GEOGRAPHICAL EXPOSURE & PORTFOLIO CHANGES <sup>(1) (2)</sup>

Region	Ending Weight <sup>(3)</sup>	Change from 10/31/2025	International Small Cap Equity Additions & (International Small Cap Equity Deletions) <sup>(4)</sup>
North America	30.0%	2.6%	
Asia/Pacific	25.9%	1.9%	Santen Pharmaceutical
Western Europe	25.8%	-4.1%	(Paysafe)
Central & South America	9.4%	0.0%	
Middle East & Africa	7.3%	-0.4%	
Cash	1.5%	0.0%	
Eastern Europe	0.0%	0.0%	
Developed Markets	72.8%	0.4%	
Emerging Markets	25.7%	-0.4%	
Cash	1.5%	0.0%	

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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](mailto:compliance@reninv.com).

Sources: Renaissance Research, FactSet

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### CONTRIBUTORS TO RETURN<sup>(1)(2)</sup>

Ticker	Company Name	Average Weight <sup>(3)</sup>	Contribution to Return
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#### TOP FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY

TSEM	Tower Semiconductor	2.51%	0.60%
IMOS	ChipMOS Technologies	2.24%	0.52%
ERO	Ero Copper	2.47%	0.43%
TIGO	Millicom International Cellular	2.67%	0.37%
IMAX	IMAX	2.70%	0.36%

#### BOTTOM FIVE CONTRIBUTORS—INTERNATIONAL SMALL CAP EQUITY

PSFE	Paysafe	0.82%	-0.59%
OSW	OneSpaWorld	2.16%	-0.29%
DCBO	Docebo	1.37%	-0.25%
SIMO	Silicon Motion Technology	2.27%	-0.25%
CAMT	Camtek	1.34%	-0.23%

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<sup>(2)</sup> 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](mailto:compliance@reninv.com).

<sup>(3)</sup> Average weights over the presentation period.

Sources: Renaissance Research, FactSet

with nearly \$400 billion in 2025 from U.S. tech firms alone. The World Trade Organization (WTO) lifted its 2025 merchandise-trade forecast to 2.4% from 0.9%, and the International Monetary Fund (IMF) raised its global growth outlook to 3.2%. Economies such as Taiwan, South Korea, and the Netherlands, which are tied to advanced semiconductor manufacturing, have seen strong benefits from AI-related capital spending. However, tariff pressures have not disappeared. Many firms pulled forward shipments ahead of the implementation of tariffs, boosting near-term trade volumes and delaying the tariff drag. The WTO expects slower trade growth in 2026 as inventories normalize and increased costs begin to pass through to consumers.

Our portfolio performance was positive on an absolute basis and outperformed the benchmark in November. Strong selection in Communication Services and Information Technology offset weak selection in Financials and Consumer Discretionary. North America contributed the most to portfolio performance, as the region was driven by strong returns from our Canadian holdings. Conversely, South America contributed the least to the portfolio, as our Peruvian holding was under pressure during the month.

Our best performing stock during the month was **Tower Semiconductor** (Israel), as investors rewarded its stronger-than-expected results and growing recognition as a key beneficiary of accelerating AI demand. Momentum in its RF infrastructure and silicon photonics businesses remains strong, with customer demand far outpacing current supply, prompting the company to accelerate capacity expansion that should materially lift margins over time.

Our worst performing stock was **Paysafe** (United Kingdom). The online payments provider reported a weak quarter, with Digital Wallets growing more slowly than anticipated and margins



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in the Merchant Solutions segment coming under pressure. Given the ongoing regulatory headwinds and a growth trajectory that continues to fall short of expectations, the team chose to exit the position.

Overall, international markets navigated November with relative stability. Performance kept pace with the U.S., supported by currency softness and improving global trade expectations. Nevertheless, investors remain attentive to central bank policy paths, geopolitical developments, and the evolving interplay between tariffs and AI-driven growth as they navigate a still-fragile international backdrop.

### DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of November 30, 2025 and are subject to change at any time due to changes in market or economic conditions.

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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 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](mailto:compliance@reninv.com).