Renaissance Investment Management

Quarter Ending 12/31/2022

Midcap Growth
Quarter-End Review—4Q2022

The stock market posted a rally in the fourth quarter after three straight quarters of declines. The S&P 500 ended the quarter with a 7.6% gain overall, led by the Energy, Industrials, and Health Care sectors. The Consumer Discretionary, Communication Services and Information Technology sectors were relative laggards.

PERFORMANCE

	Quarter Ending 12/31/2022	Year Ending 12/31/2022
Institutional Composite (gross)	11.26%	-13.34%
(net)	11.23%	-13.42%
Russell Midcap Growth[1]	6.90%	-26.72%

[1] Primary benchmark. All other benchmarks are supplemental information.
Sources: Renaissance Research, Bloomberg, FTSE Russell, S&P Dow Jones

Stocks declined in 2022, however, with the S&P 500 down 18.1%. A decline in earnings was not the cause, as S&P 500 earnings for the year (incorporating consensus estimates for the fourth quarter) are likely to be around $221/share, almost exactly what analysts predicted for 2022 a year ago and about 6% higher than earnings in 2021 (Source: The Wall Street Journal, 12/25/2022). Nevertheless, the price/earnings ratio (P/E) of the S&P 500 declined meaningfully over the course of the year, dropping 23% to 17.5x, and accounting for all of the decline in the index for 2022.

For the fourth quarter, the Russell Midcap Growth returned 6.9% while the S&P 500 returned 7.6%. Large cap stocks outperformed smaller cap stocks and, in a trend that we saw for much

SECTOR WEIGHTS & PORTFOLIO CHANGES[1]

Sector	Ending Weight[2]	Change from 9/30/2022	Midcap Growth Additions & (Midcap Growth Deletions)[3]
Information Technology	31.1%	-2.8%	(Arista Networks)
Health Care	22.9%	+1.6%	
Industrials	16.5%	+1.5%	Carlisle Companies
Consumer Staples	8.3%	-1.5%	
Consumer Discretionary	8.1%	+0.9%	
Financials	6.0%	+0.2%	
Energy	3.2%	0.0%	
Cash	2.6%	+0.5%	
Real Estate	1.3%	-0.4%	
Utilities	0.0%	0.0%	
Materials	0.0%	0.0%	
Communication Services	0.0%	0.0%	

(1) Based on a representative account of the strategy discussed and shown as supplemental information to the GIPS Report. 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.

Sources: Renaissance Research, FactSet

CONTRIBUTORS TO RETURN[1][2]

Ticker	Company Name	Average Weight[3]	Contribution to Return
TOP FIVE CONTRIBUTORS—MIDCAP GROWTH			
HZNP	Horizon Therapeutics	2.25%	1.38%
ACGL	Arch Capital Group	2.05%	0.67%
MTD	Mettler-Toledo International	1.86%	0.54%
ABC	AmerisourceBergen	2.03%	0.43%
TSCO	Tractor Supply Company	2.08%	0.42%
BOTTOM FIVE CONTRIBUTORS—MIDCAP GROWTH			
CSL	Carlisle Companies	1.39%	-0.35%
PANW	Palo Alto Networks	1.66%	-0.25%
EXR	Extra Space Storage	1.50%	-0.23%
EPAM	EPAM Systems	1.73%	-0.17%
TYL	Tyler Technologies	1.58%	-0.15%

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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) 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.

Sources: Renaissance Research, FactSet

of 2022, Value continued to outperform Growth. The Utilities, Energy, and Health Care sectors were the best performing sectors in the Russell Midcap Growth Index, while the Communication Services and Information Technology sectors were the worst performers. For the fourth quarter and full year, we outperformed the Russell Midcap Growth benchmark, primarily as a result of good stock selection.

In the fourth quarter, **Horizon Therapeutics** (HZNP) was our strongest performing stock, returning 83.9%. The company announced that it is being acquired by Amgen (AMGN) in a deal valued at approximately $26.4 billion. Horizon possesses several core assets, including Tepezza, the de facto drug treatment for thyroid eye disease, a solid mix of other medications, and a robust drug pipeline that should help Amgen offset potential revenue losses when several of its large drugs come off patent protection in upcoming years. **Arch Capital Group** (ACGL) was another top contributor, with a 37.9% return in the quarter. Despite heightened catastrophic losses stemming from Hurricane Ian, the company reported good underlying performance in its property casualty insurance and mortgage segments. Importantly, significant weather events have historically helped to support future pricing for both new policies and policy renewals. In addition, Arch Capital was added to the S&P 500 index in November. Lastly, **Mettler-Toledo** (MTD) returned 33.3% for the quarter. The company reported robust quarterly results driven by its lab and core industrial segments. Management also provided upbeat guidance during their investor day, as they remain confident in Mettler's portfolio and competitive positioning, as well as its operational improvements that will enhance the company's execution.

On the negative side, **Carlisle Companies** (CSL) was the largest detractor to performance, declining 19.2%. The company reported solid operating results but lowered full-year guidance, as management is expecting a return to more normalized, sequential seasonality trends following several quarters of above-trend growth. **Palo Alto Networks** (PANW) lost 14.8% in the quarter. Despite posting strong results in the fiscal third quarter, with solid growth across relevant operating metrics such as revenue growth and recurring revenue growth, management observed that the weakening macro environment is beginning to impact customer behavior, with more scrutiny placed on new deals and extending sales cycles. We continue to believe that Palo Alto remains well positioned to benefit from essential investments in corporate network security. Lastly, **Extra Space Storage** (EXR) lost 14.0% in the quarter. Driven by strong pricing gains, the company reported strong operating results. However, pricing gains came at the expense of occupancy, which came in lower than expectations. Management also lowered full-year guidance due to excess inventory in the self-storage market.

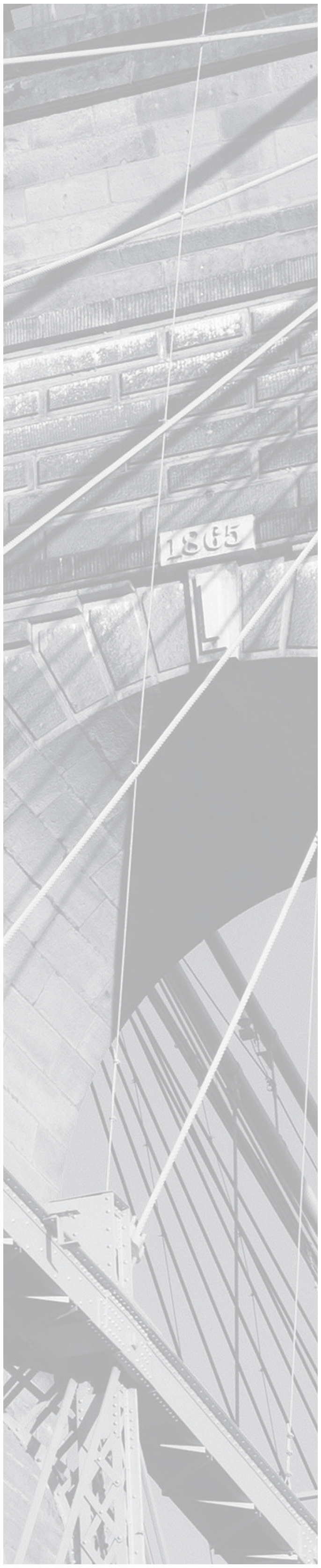
During the fourth quarter, we made several changes to the portfolio where we saw better opportunities for future growth. We added a new position in the Industrials sector with Carlisle, a leading diversified manufacturer of construction materials, wiring, and fluid technologies. We like the company's market leadership and its ability to generate strong free cash flow in most operating environments. In addition, Carlisle could benefit from the recently passed Inflation Reduction Act of 2022, which incentivizes investments in energy efficiency, where Carlisle is an industry leader. Conversely, we sold our position in **Arista Networks** (ANET) following a deterioration in fundamental factors. A qualitative review leads us to believe that deteriorating macro-economic conditions could lead the company's core customers to reduce their cloud infrastructure capital investments. Arista is uniquely exposed, given its customer concentration in several of the cloud titans.

Increases in interest rates (and inflation) were among the bigger surprises of 2022, and P/Es declined over the year as interest rates rose. The Fed Funds rate rose from .08% at the start of the year to 4.33% at the end, contributing to a historically bad year for bonds. Bonds reacted negatively to the Fed's rate increases as well as with rising inflation measures. Encouragingly, however, many inflation measures have shown a slowdown in the rate of inflation in recent months.

Rising interest rates have resulted in an increasingly negative consensus outlook for economic growth for 2023. Predictions for an imminent recession have reached the highest levels ever recorded, although predictions for the severity and duration of a possible recession vary widely. As baseball legend Yogi Berra is reputed to have said, "It's tough to make predictions, especially about the future." Making accurate predictions about the economy and financial markets certainly qualifies as challenging. However, a sustained level of higher interest rates is likely to continue to create a more complex environment for stocks than we've seen in past years.

While slower or even negative earnings growth is not positive for the stock market, it has not historically been as negative as one might expect. While the median market return during periods of rising earnings was 10.6% the median return during periods of falling earnings was 8.3%, only slightly lower. Similarly, positive market returns happened 76.6% of the time during periods of rising earnings, but the market still rose 64.9% of the time during periods of falling earnings.

We are encouraged that market sentiment appears to be shifting from high momentum "growth at any price" stocks to higher-quality stocks that are selling at reasonable valuations. A focus on identifying reasonably priced stocks is the hallmark of our investment discipline, and we continue to find good long-term investment opportunities as we enter 2023.



DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of December 31, 2022 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.

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REFERENCED INDICES

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

Russell Midcap Growth Index—The Russell Midcap® Growth Index measures the performance of the Russell Midcap 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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GIPS Report Renaissance Midcap Growth Institutional Composite

						As of Year End or Current Quarter					
Year	Midcap Growth Institutional Composite Gross-of-Fee Return	Midcap Growth Institutional Composite Net-of-Fee Return	Russell Mid Cap Growth Benchmark Return	Net Composite 3 Year Annualized Standard Deviation	Benchmark 3 Year Annualized Standard Deviation	Annual Asset Weighted Composite Dispersion	Number of Portfolios in Composite	Market Value of Composite (Millions)	Market Value of Firm's GIPS Assets (Millions)	Market Value of Firm's AUA (Millions)	Market Value of Total Firm AUM (Millions) **
2000	-17.57%	-18.32%	-11.75%			NMF*	2	$6.6	$736.7	$0.0	$736.7
2001	-9.30%	-10.09%	-20.15%			NMF*	2	$5.9	$526.7	$0.0	$526.7
2002	-13.49%	-14.23%	-27.41%			NMF*	2	$5.0	$415.7	$0.0	$415.7
2003	48.32%	47.17%	42.71%			NMF*	2	$7.3	$575.1	$10.3	$585.4
2004	22.89%	21.90%	15.48%			NMF*	2	$10.8	$908.5	$38.8	$947.3
2005	12.79%	12.06%	12.10%			NMF*	2	$23.8	$2,796.6	$56.0	$2,852.6
2006	4.06%	3.51%	10.66%			NMF*	2	$26.2	$5,450.2	$565.4	$6,015.5
2007	17.06%	16.31%	11.43%			NMF*	3	$16.6	$7,661.8	$1,098.7	$8,760.5
2008	-45.98%	-46.31%	-44.32%			NMF*	3	$8.2	$4,358.6	$766.0	$5,124.6
2009	36.23%	35.66%	46.29%			NMF*	1	$0.1	$4,403.0	$860.3	$5,263.3
2010	20.88%	20.72%	26.38%			NMF*	1	$0.1	$3,800.2	$833.4	$4,633.6
2011	1.04%	0.97%	-1.65%	20.96%	20.82%	NMF*	1	$0.2	$2,862.3	$836.1	$3,698.4
2012	13.37%	13.28%	15.81%	19.66%	17.91%	NMF*	1	$0.2	$2,409.8	$969.9	$3,379.7
2013	41.69%	41.55%	35.74%	16.15%	14.62%	NMF*	1	$0.3	$2,767.7	$1,190.3	$3,958.0
2014	15.12%	15.01%	11.90%	11.64%	10.87%	NMF*	1	$0.3	$2,986.2	$1,347.8	$4,334.0
2015	-0.97%	-1.07%	-0.20%	11.63%	11.31%	NMF*	1	$0.3	$2,703.8	$1,534.0	$4,237.8
2016	8.50%	8.39%	7.33%	12.29%	12.18%	NMF*	1	$0.3	$1,762.0	$2,686.1	$4,448.1
2017	18.54%	18.42%	25.27%	10.86%	10.89%	NMF*	1	$0.4	$2,202.4	$3,281.7	$5,484.1
2018	-7.83%	-7.92%	-4.75%	12.70%	12.82%	NMF*	1	$0.4	$1,682.2	$2,517.0	$4,199.2
2019	33.14%	33.01%	35.47%	13.52%	13.88%	NMF*	1	$0.5	$883.1	$2,656.5	$3,539.6
2020	24.48%	24.36%	35.59%	19.44%	21.45%	NMF*	1	$0.6	$879.0	$2,177.1	$3,056.1
2021	29.95%	29.82%	12.73%	17.79%	20.19%	NMF*	1	$0.8	$977.0	$2,128.6	$3,105.6
2022	-13.34%	-13.42%	-26.72%	21.64%	24.53%	NMF*	1	$0.7	$845.4	$1,743.4	$2,588.8
	FINAL 12/31/2022										

* Not meaningful figure due to five or fewer accounts invested for the entire year.
** Renaissance Total Firm assets under management include Non-Discretionary Assets (UMA Programs), for which Renaissance does not have trading authority. The Non-discretionary management of UMA Sponsor accounts consists of Renaissance providing the UMA Sponsor with changes to each participating Renaissance model portfolio on an ongoing basis.

Renaissance Investment Management (RIM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RIM has been independently verified for the periods from January 1, 2006 through June 30, 2022. The verification report is available upon request.

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Firm Definition: The Renaissance Group LLC, which does business as Renaissance Investment Management (RIM), is a registered investment advisor established in 1978, with an office in Covington, KY. RIM is an affiliate of Affiliated Managers Group based in West Palm Beach, FL. RIM manages equity, tactical, balanced, and fixed income assets for a variety of clients including high net worth, institutional and sub-advisory relationships. A list of all composite descriptions is available upon request

Composite Composition: The Midcap Growth Institutional Composite (inception date: 1/1/2000) portfolios consist of approximately 50-60 mainly mid-cap domestic equities, which focus on companies demonstrating financial strength, attractive growth potential, rising earnings expectations and attractive valuation. The Midcap Growth Institutional Composite, created on January 1, 2000, includes all fee-paying, non-wrap Midcap Growth accounts. As of January 1, 2021, the composite was redefined to also include tax managed accounts which were previously excluded. The composite does not include non-fee-paying managed accounts. RIM will add new fully discretionary portfolios to the composite at the first full month under management. RIM will exclude terminated portfolios from the composite after the last full month they were under management. Composite dispersion is measured using an asset-weighted standard deviation of gross returns of the portfolios.

Calculation of Performance Returns: Performance is calculated using total returns. Monthly composite performance is asset-weighted using beginning-of-period values. Rates of return are time-weighted with geometric linking of monthly returns. Valuations and returns are computed and stated in U.S. dollars. Account performance is based on total assets in the account, including cash and cash equivalents. Performance is actual performance.

RIM has chosen to present performance both gross- and net-of-fees. The gross-of-fee performance returns are presented before deduction of management and custodial fees but after the deduction of all trading expenses. Net performance is reported after the deduction of all trading costs and actual RIM management fees. These gross- and net-of-fee investment results for the Renaissance Midcap Growth Institutional Composite include reinvestment of dividends and other earnings. Clients' returns will be reduced by the advisory fee and any other expenses that may be incurred in the management of the client's investment advisory account. For example, if the gross annualized return of an account over a five-year period were 5.0%, deducting one twelfth of an annual advisory fee of 90 basis points each month on the ending monthly account balance would produce a cumulative net return of 22.7%. The cumulative gross return at 5.0% per annum over a five-year period would be 28.3%. A $1 million starting portfolio would thus have an ending net market value of $1,227,096, $56,262 less than the gross return ending value of $1,283,359. There is no minimum asset size for inclusion in the composite. RIM uses trade date accounting and income is accrued. Actual performance may differ from composite returns, depending on the size of the account, brokerage commissions, investment guidelines and/or restrictions, inception date and other factors. After-tax results will vary from the returns presented herein for those accounts that are subject to taxation. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Standard Deviation: The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. According to the GIPS Standards, this is not required for periods prior to 2011.

Investment Management Fees: RIM's fees are based on account size. The standard RIM fee schedule for the Midcap Growth Strategy for direct-managed accounts is as follows: First $5 million - .75%, Next $5 million - .70%, Next $5 million - .65%, Next $5 million - .60%, Amounts over $20 million - .55%. Investment advisory fees are described in Part 2A of RIM's Form ADV.

Benchmark: The Russell Midcap Growth Index is composed of those 800 smallest issues from among the 1,000 largest U.S. companies based on total market capitalization with higher price-to-book ratios and higher forecasted growth values. The Russell index names are registered trademarks of FTSE Russell. RIM compares its composite returns to a variety of market indices such as the Russell Midcap Growth. This index is shown for comparison purposes only. We are not trying to explicitly manage to this benchmark. This index 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 index cannot be invested in directly. The returns of the index 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 index shown. The index has been selected to represent what RIM believes is an appropriate benchmark with which to compare the composite performance.

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Risks of Midcap Growth Strategy: Midcap Growth Institutional Composite returns may show a high level of variability. In addition to market risk, the majority of any additional risk in these portfolios is related to specific stock selection, and RIM will have significant exposure to individual securities.

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