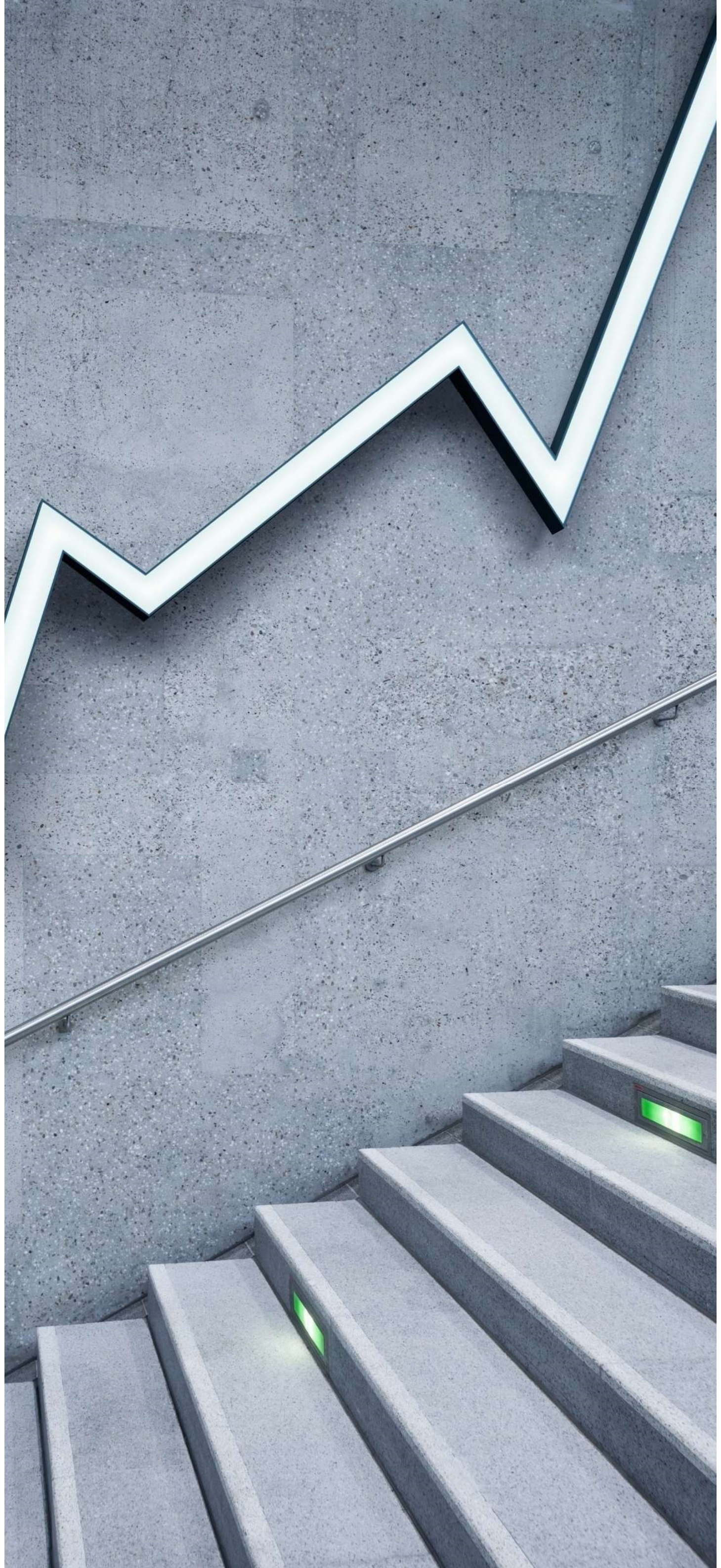


Renaissance
Asset Management

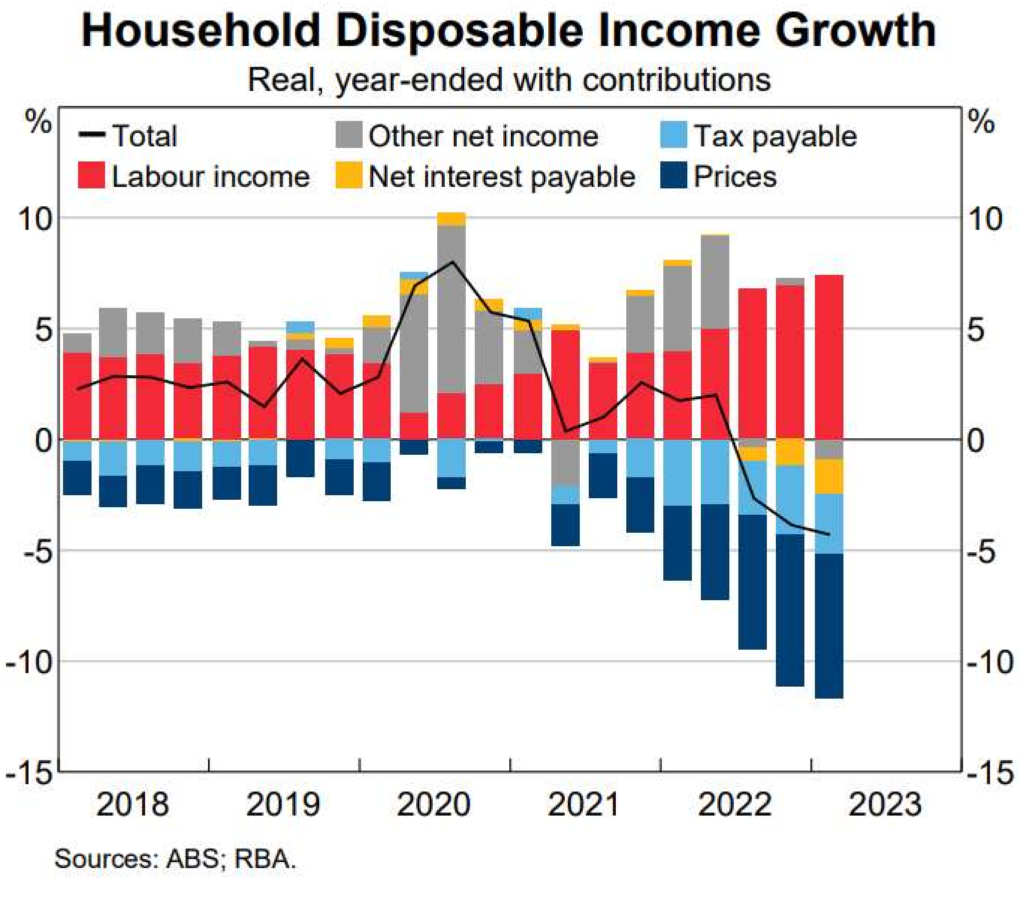
IMAP – Growth Portfolio

SEPTEMBER 2023

Macro Environment

- Inflation receding – generally good for equity margins
- RBA rate pause – End of the cycle?
- China – Exporting deflation – stimulus not working
- July Wage Case – More pressure on businesses
- Property Fund redemption freeze – Redcape, Charter Hall and Centuria
- Unlisted asset space under pressure?

Are we there yet? Or going to 5.5% like our peers?



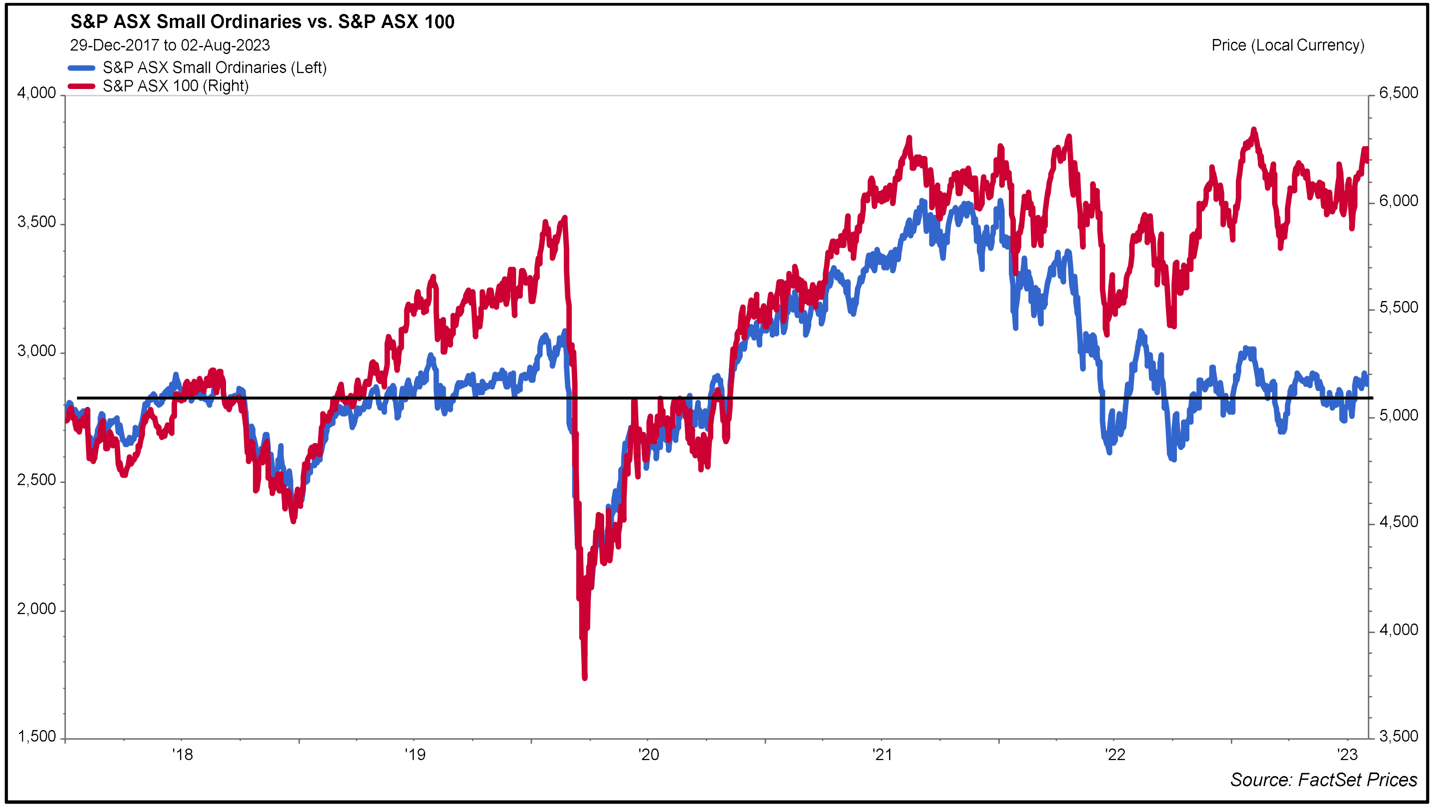
Source: RBA

Current Probabilities Across All RBA Meetings						
Meeting Date	385	410	435	460	485	510
09/05/2023	-	97.6%	2.4%	-	-	-
10/03/2023	-	89.4%	10.4%	0.2%	-	-
11/07/2023	-	64.7%	32.2%	3.0%	0.1%	-
12/05/2023	-	62.4%	33.4%	4.1%	0.2%	0.0%
02/06/2024	-	59.2%	34.9%	5.5%	0.4%	0.0%
03/19/2024	-	55.1%	36.5%	7.6%	0.7%	0.0%

Source: Renaissance, Factset

What Can You Buy Today at 2018 Prices!

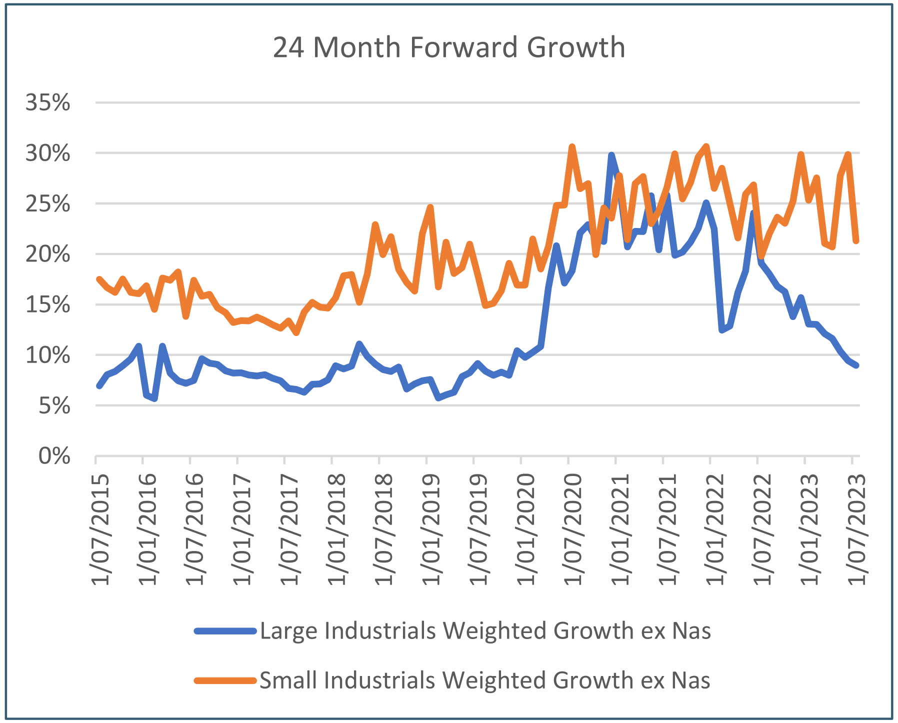
The Small Ords is trading at roughly the same level it was in 2018 and is 25% lower than its all-time high set in 2021. The ASX 100 is at or near all-time highs.

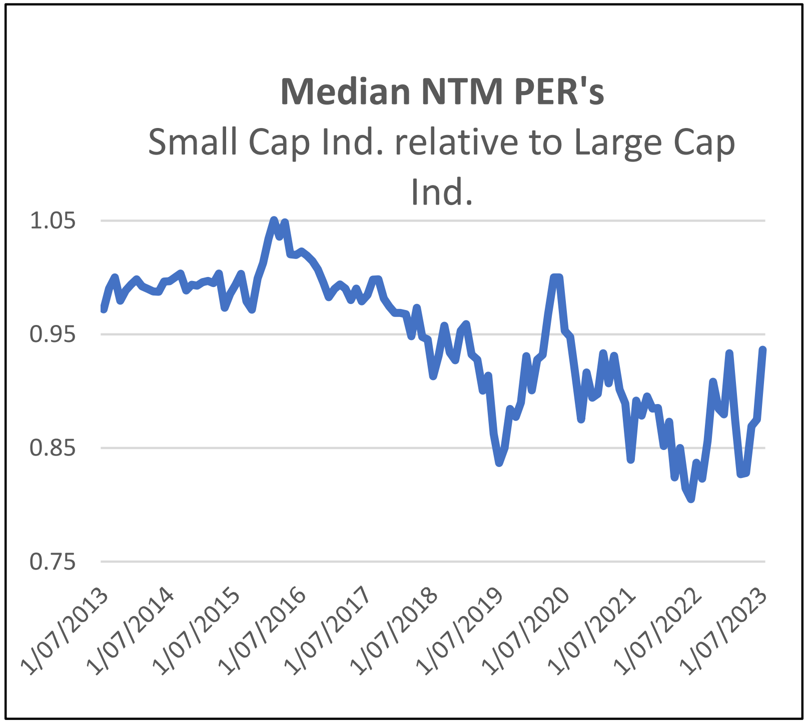


Source: Renaissance, Factset

EPS Growth Greater for Small Caps, at lower multiples

Growth for Small Industrials is expected to be above 20%.
Growth for Large Industrials sub 10% and declining.

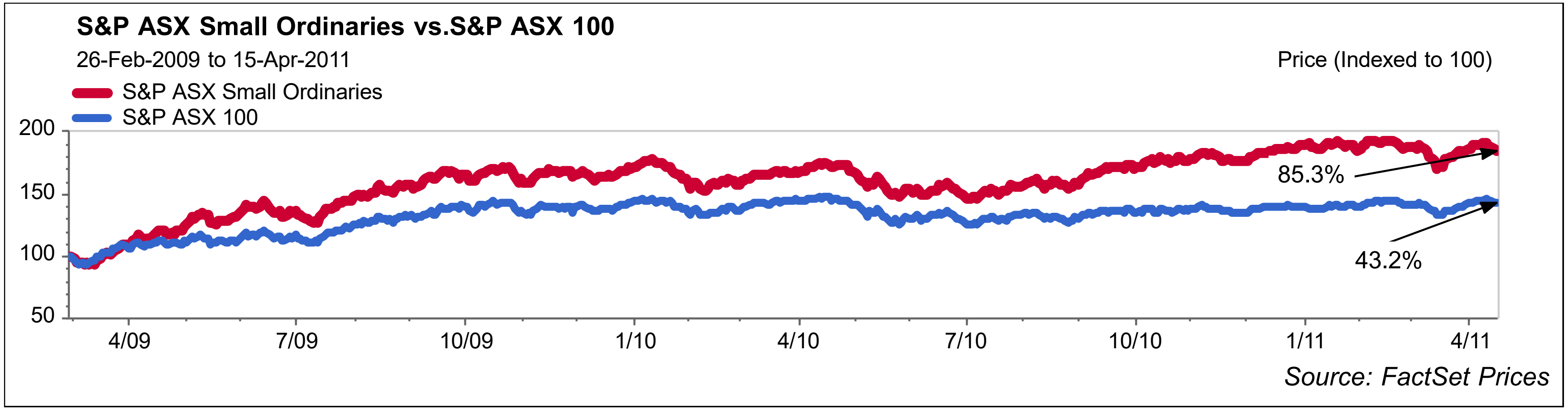




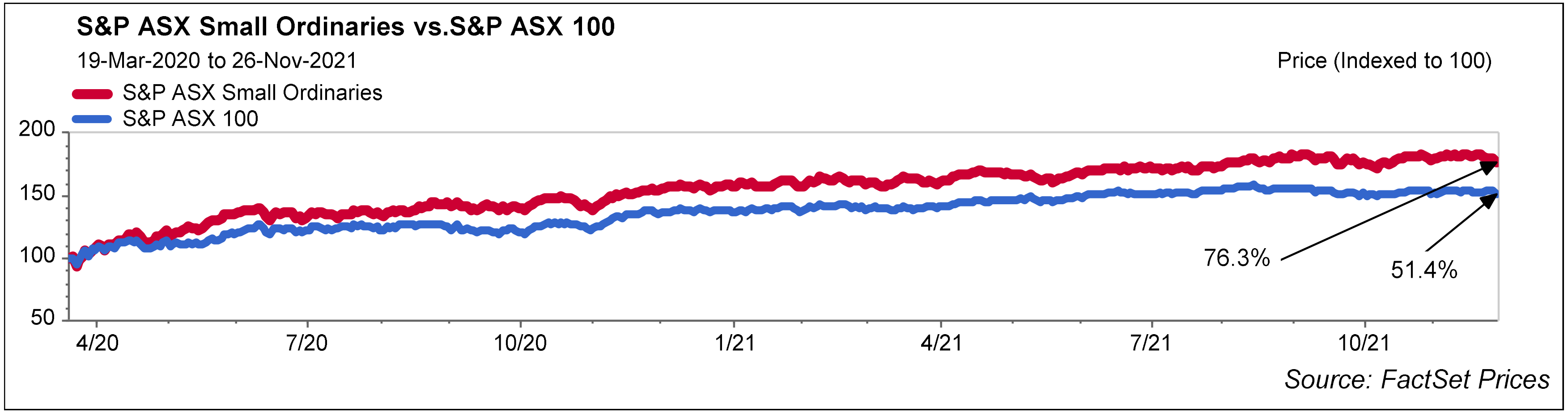
Source: Renaissance, UBS Quant

Small Caps are Strong in Recovery Phase

Post GFC the Small Ords outperformed the ASX 100 by over 40%



Post Covid the Small Ords outperformed the ASX 100 by over 24%



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