

## STRATEGY DESCRIPTION & HIGHLIGHTS

Our Emerging Markets Equity Strategy seeks to invest in companies located in emerging markets that are exhibiting above-average profitability and earnings growth and are trading at reasonable valuations. Exposure to these companies is gained through the purchase of American Depositary Receipts (ADRs) and U.S. traded shares of foreign companies. As a result, clients have the opportunity to invest in companies in emerging markets without the operational burdens inherent to owning ordinary shares. Our objective is to outperform comparable international stock indices over a full market cycle.

- *Efficient and cost effective method to achieve exposure to international companies in emerging markets<sup>(6)</sup>.*
- *A consistent and disciplined investment style.*

## STRATEGY PERFORMANCE — Institutional Composite

### ANNUALIZED

	4Q18	1 Year	3 Years	5 Years	10 Years	Since Inception <sup>(2)</sup>
Renaissance (Gross)	-10.8%	-20.5%	4.6%	-0.3%	7.6%	0.5%
(Net)	-10.9%	-20.5%	4.5%	-0.4%	7.5%	0.3%
MSCI Emerging Markets <sup>(1)</sup>	-7.5%	-14.6%	9.2%	1.6%	8.0%	0.1%

Sources: Renaissance Research, Bloomberg, MSCI

### ANNUAL RETURNS — Institutional Composite

Year	Emerging Markets Equity		MSCI Emerging Markets <sup>(1)</sup>
	(Gross)	(Net)	
2018	-20.5%	-20.5%	-14.6%
2017	33.1	32.9	37.3
2016	8.0	7.9	11.2
2015	-12.0	-12.1	-14.9
2014	-2.2	-2.2	-2.2
2013	11.0	10.9	-2.6
2012	14.9	14.8	18.2
2011	-14.1	-14.1	-18.4
2010	8.9	8.8	18.9
2009	77.1	76.7	78.5
2008	-49.4	-49.6	-53.3

Sources: Renaissance Research, Bloomberg, MSCI

### REGIONAL ALLOCATION <sup>(4)</sup> <sup>(6)</sup>

Region	Emerging Markets Equity <sup>(3)</sup>	MSCI Emerging Markets	Under/Overweight % <sup>(5)</sup>
Central & South America	26.8%	9.4%	+17.4
North America	6.5%	2.8%	+3.7
Eastern Europe	9.7%	6.0%	+3.7
Western Europe	0.0%	0.2%	-0.2
Middle East & Africa	0.7%	8.2%	-7.6
Asia/Pacific	56.3%	73.3%	-17.0

Sources: Renaissance Research, FactSet, MSCI

### STATISTICS Since Inception Through 12/31/18<sup>(2)</sup>

	Emerging Markets Equity	MSCI Emerging Markets <sup>(1)</sup>
Number of Holdings as of 12/31/18 <sup>(3)</sup>	49	1,125
Institutional Composite Best Quarter (net)	35.4%	34.7%
Institutional Composite Worst Quarter (net)	-29.2%	-27.6%
5-Year Average Turnover Rate <sup>(3)</sup>	41.7%	
Active Share as of 12/31/18 <sup>(3)</sup>	88.0%	
Alpha <sup>(7)</sup>	0.46%	
Beta <sup>(7)</sup>	0.98	
Sharpe Ratio <sup>(7)</sup>	-0.01	
Correlation <sup>(7)</sup>	0.98	

Sources: Renaissance Research, FactSet, MSCI, Bloomberg

<sup>(1)</sup> Primary benchmark.

<sup>(2)</sup> Inception date: 1/1/08.

<sup>(3)</sup> Based on a representative account of the strategy discussed and shown as supplemental information to the GIPS compliant presentation. Portfolio characteristics (e.g., sector weights, valuation, growth rate) are based on a representative account that we believe is illustrative of the strategy. Characteristics and/or holdings may not be the same for all accounts invested in the strategy due to factors such as pending trades or account restrictions.

<sup>(4)</sup> Weights as of the end of the presentation period, which only include the equity portion of the portfolio. Cumulative total weighting may not add up to 100% due to weights being rounded to the nearest decimal place.

<sup>(5)</sup> Underweight/overweight percentages may not match the actual difference between the representative account and benchmark ending weights due to rounding of percentages to the nearest decimal place.

<sup>(6)</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 MSCI Emerging Market Index) or exhibits risk characteristics (e.g., economic, geopolitical and regulatory risks) similar to emerging market countries.

<sup>(7)</sup> Composite statistics based on gross returns calculated quarterly. The calculation methodology for each statistic is available upon request.

## BUY DISCIPLINE<sup>(1)</sup>

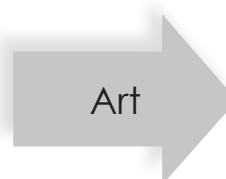
### A Blend of Science and Art

#### RENAISSANCE UNIVERSE



*Quantitative*  
Score & Rank Companies  
Provides Consistency

#### HIGHEST RANKED OPPORTUNITIES



*Fundamental*  
Qualitative Review  
Accounts for Nuances

#### CLIENT PORTFOLIO



## SELL DISCIPLINE<sup>(1)</sup>



*Stock rankings are used as a tool in our sell decision process.*

#### Characteristics of Sell-Ranked Stocks

- High Valuation
- Slowing Rates of Earnings Growth
- Negative Earnings Estimate Revisions

## RISK CONTROL

- Approximately 45-55 Positions
- Equal-Weighted Positions (at Cost)
- 40% Maximum in Any Sector (at Cost)
- Reviewed For Scaleback at Double-Weight (Based on Current Target Weight)
- Factor Risk Assessment
- Geopolitical/Country Risk Analysis

<sup>(1)</sup>This is an overview of the investment process that guides our decision making. While stock rankings are used as a guide, the Portfolio Manager uses fundamental analysis to determine all buys and sells.

## SECTOR ALLOCATION

Sector	Emerging Markets Equity <sup>(1)(2)</sup>	MSCI Emerging Markets <sup>(2)</sup>	Under/Overweight % <sup>(3)</sup>
Energy	22.6%	8.0%	+14.6
Communication Services	19.1%	14.1%	+5.0
Materials	11.1%	7.7%	+3.4
Industrials	6.2%	5.5%	+0.7
Consumer Discretionary	8.1%	10.4%	-2.4
Utilities	0.0%	2.7%	-2.7
Financials	22.1%	24.8%	-2.7
Health Care	0.0%	2.8%	-2.8
Consumer Staples	3.9%	6.7%	-2.9
Real Estate	0.0%	3.0%	-3.0
Information Technology	7.0%	14.2%	-7.2

Sources: Renaissance Research, FactSet, MSCI

## Largest Country Weights<sup>(1)(2)(4)</sup>

















China	29.5%
Brazil	19.2%
South Korea	9.1%
Russia	6.7%
Mexico	6.5%
Hong Kong	6.2%
Taiwan	4.6%
India	3.0%
Hungary	3.0%
Peru	2.3%

## Market Cap Exposure<sup>(1)(2)</sup>

\$10 Billion +	54.7%
\$3 Billion - \$10 Billion	26.7%
\$1 Billion - \$3 Billion	12.8%
\$0 - \$1 Billion	5.8%

Sources: Renaissance Research, FactSet

## EMERGING MARKETS EQUITY HOLDINGS<sup>(1)(4)(5)</sup>

<b>Brazil</b> Banco Santander Brasil, Braskem, Cosan, Cyrela Brazil Realty, Nexa Resources, Petróleo Brasileiro, Telefonica Brasil, Vale		<b>Hong Kong</b> Hong Kong Exchanges & Clearing, WH Group Ltd., Wynn Macau		<b>Peru</b> Credicorp	
<b>Chile</b> GeoPark		<b>Hungary</b> MOL Hungarian Oil & Gas		<b>Russia</b> Gazprom, Lukoil, Sberbank	
<b>China</b> Baidu, Changyou.com, China Life Insurance, China Petroleum & Chemical, China Telecom, CNOOC, Haier Electronics Group, Huami, Kunlun Energy, Momo, Ping An Insurance, Sinopec Shanghai Petrochemical, Sogou, Weichai Power, Yum China Holdings, YY, Inc.		<b>India</b> ICICI Bank		<b>South Africa</b> Imperial Logistics	
<b>Colombia</b> Ecopetrol		<b>Indonesia</b> XL Axiata		<b>South Korea</b> KT, POSCO, Shinhan Financial Group, SK Telecom	
		<b>Mexico</b> Banco Santander Mexico, Grupo Aeroportuario del Centro Norte, Grupo Televisa, Industrias Bachoco		<b>Taiwan</b> AU Optronics, Taiwan Semiconductor Manufacturing	
		<b>Panama</b> Copa Holdings		<b>Thailand</b> Kasikornbank	

Sources: Renaissance Research, FactSet

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market country (as defined by the MSCI Emerging Market Index) or exhibits risk characteristics (e.g., economic, geopolitical and regulatory risks) similar to emerging market countries.

<sup>(5)</sup> Any securities referenced should not be considered a recommendation to purchase or sell a particular security. These securities may represent a portion or all of the companies held in a representative account in this strategy as of the date stated and are intended for informational purposes only. Non-performance based criteria have been used to select the securities listed. 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. The reader should not assume that investments in the securities identified or discussed were or will prove to be profitable. Portfolio holdings may not be current recommendations to buy or sell any security, and may no longer be held in the representative account. To request a complete list of portfolio holdings recommendations for the past year, the calculation methodology, or a list showing the contribution of every holding to the representative account's performance for the time period stated, please contact Renaissance at [compliance@reninv.com](mailto:compliance@reninv.com).

## GICS® SECTOR INFORMATION

MSCI and S&P do not make any express or implied warranties or representations and shall have no liability whatsoever with respect to any GICS data contained herein.

Renaissance Investment Management

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# GIPS Compliant Presentation Emerging Markets Equity Institutional Composite

Year	Emerging Markets Equity Institutional Composite		MSCI-Emerging Markets	Net Composite	Benchmark	Annual	As of Year End or Current Quarter		
	Gross-of-Fee Return	Net-of-Fee Return	Benchmark Return	3 Year Annualized Standard Deviation	3 Year Annualized Standard Deviation	Asset Weighted Composite Dispersion	Number of Portfolios in Composite	Market Value of Composite (Millions)	Market Value of Firm's Assets (Millions) **
2008	-49.44%	-49.57%	-53.33%			NMF*	1	\$0.1	\$4,358.6
2009	77.13%	76.69%	78.51%			NMF*	1	\$0.1	\$4,403.0
2010	8.93%	8.78%	18.88%			NMF*	2	\$0.2	\$3,800.2
2011	-14.05%	-14.15%	-18.42%	24.52%	25.76%	NMF*	2	\$0.2	\$2,862.3
2012	14.93%	14.83%	18.22%	20.07%	21.50%	NMF*	1	\$0.2	\$2,409.8
2013	10.98%	10.87%	-2.60%	18.07%	19.04%	NMF*	1	\$0.3	\$2,767.7
2014	-2.15%	-2.25%	-2.19%	14.19%	15.00%	NMF*	1	\$0.3	\$2,986.2
2015	-11.98%	-12.07%	-14.92%	14.36%	14.06%	NMF*	1	\$0.2	\$2,703.8
2016	8.02%	7.91%	11.19%	14.62%	16.07%	NMF*	1	\$0.2	\$1,762.0
2017	33.06%	32.93%	37.28%	13.98%	15.35%	NMF*	1	\$0.6	\$2,202.4
2018	-20.45%	-20.53%	-14.58%	13.51%	14.61%	NMF*	1	\$0.4	\$1,682.2
<b>FINAL 12/31/2018</b>									

\* Not meaningful figure due to five or fewer accounts invested for the entire year.  
\*\*Firm Assets do not include UMA program assets for GIPS purposes.  
As of 12/31/2018, Renaissance managed an additional \$2,157.0 million in UMA programs, totaling \$4,199.2 in assets under management and shown as supplemental information to the GIPS compliant presentation.

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. Renaissance has been independently verified for the periods January 1, 2006 through June 30, 2017.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Emerging Markets Equity Institutional Composite has been examined for the periods January 1, 2008 through June 30, 2017. The verification and performance examination reports are available upon request.

**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 complete list and description of the Firm's composites is available upon request.

**Composite Composition:** The Emerging Markets Equity Institutional Composite portfolios consist of approximately 45-55 equities exhibiting a combination of strong earnings growth, reasonable valuation, rising earnings expectations and profitability. The initial universe begins with all emerging markets domiciled American Depositary Receipts (ADRs) and U.S. listed shares of foreign corporations. The Emerging Markets Equity Institutional Composite was created as of January 1, 2008 and includes all fee paying, fully discretionary, non-tax managed, non-wrap Emerging Markets Equity accounts. RIM does not have non-fee paying portfolios. 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 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 Emerging Markets Equity 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 portfolios, calculating performance and preparing compliant presentations 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 Emerging Markets Equity Strategy for direct-managed accounts is as follows: All amounts – 1.00%. Investment advisory fees are described in Part 2A of RIM's Form ADV.

**Benchmark:** RIM compares its composite returns to the MSCI Emerging Markets Index. The MSCI Emerging Markets Index (net of foreign withholding taxes) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the emerging markets. The index consists of approximately 1100 securities from 24 countries. 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, it tends to represent the investment environment existing during the time periods shown. This index cannot be invested in directly. The returns of this 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 to be an appropriate benchmark with which to compare the composite performance.

**Other:** Performance data quoted in any Renaissance presentation represents historically achieved results, and is no guarantee of future performance. 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 performance shown and the actual performance results achieved by any particular client. 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 suitable 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, duration 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.

**Risks of Emerging Markets Equity Strategy:** Emerging Markets Equity 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.

**Sources:** MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.