

## STRATEGY DESCRIPTION & HIGHLIGHTS

Our International Small Cap Equity Strategy seeks to invest in companies exhibiting above-average profitability and earnings growth trading at reasonable valuations. Exposure to these companies is gained through the purchase of American Depository Receipts (ADRs) and U.S. traded shares of foreign companies. As a result, our clients have the opportunity to invest in companies in developed and 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.

- Outperformed the MSCI ACWI ex USA Small Cap Index<sup>(1)</sup> over the past 1, 3 and 10-year periods and since inception<sup>(2)</sup>, net of fees, on an annualized basis.
- Efficient and cost effective method to achieve exposure to small cap international companies in both developed and emerging markets<sup>(6)</sup>.
- A consistent and disciplined investment style.

## STRATEGY PERFORMANCE — Institutional Composite

	4Q18	2018	3 Year	5 Years	10 Years	Since Inception <sup>(2)</sup>
Renaissance (Gross)	-16.7%	-16.2%	5.3%	0.4%	12.8%	10.7%
(Net)	-16.9%	-16.8%	4.5%	-0.3%	12.3%	10.2%
MSCI ACWI ex USA Small Cap <sup>(1)</sup>	-14.4%	-18.2%	3.8%	2.0%	10.0%	5.5%

Sources: Renaissance Research, Bloomberg, MSCI

### ANNUAL RETURNS — Institutional Composite

Year	International Small Cap Equity (Gross)	International Small Cap Equity (Net)	MSCI ACWI ex USA Small Cap <sup>(1)</sup>
2018	-16.2%	-16.8%	-18.2%
2017	30.9	29.9	31.6
2016	6.4	5.7	3.9
2015	-1.3	-2.0	2.6
2014	-11.6	-12.0	-4.0
2013	48.3	48.1	19.7
2012	20.0	19.8	18.5
2011	-16.4	-16.5	-18.5
2010	24.0	23.8	25.2
2009	76.9	76.5	62.9
2008	-45.2	-45.3	-50.2
2007	52.2	51.7	10.7
2006	28.2	27.7	26.7
2005 <sup>(8)</sup>	6.8	6.7	10.9

Sources: Renaissance Research, Bloomberg, MSCI

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

	International Small Cap Equity <sup>(3)</sup>	MSCI ACWI ex USA Small Cap	Under/Overweight % <sup>(5)</sup>
North America	32.0%	7.3%	+24.7
Central & South America	6.4%	1.8%	+4.6
Middle East & Africa	2.9%	2.9%	0.0
Eastern Europe	0.0%	0.7%	-0.7
Western Europe	31.3%	39.8%	-8.5
Asia/Pacific	27.4%	47.5%	-20.1
Developed Markets	72.4%	77.6%	-5.2
Emerging Markets	27.6%	22.4%	+5.2

Sources: Renaissance Research, FactSet, MSCI

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

	International Small Cap Equity	MSCI ACWI ex USA Small Cap <sup>(1)</sup>
Number of Holdings as of 12/31/18 <sup>(3)</sup>	50	4,148
Institutional Composite Best Quarter (net)	45.9%	37.6%
Institutional Composite Worst Quarter (net)	-27.2%	-25.3%
5-Year Average Annual Turnover Rate <sup>(3)</sup>	36.2%	
Active Share as of 12/31/18 <sup>(3)</sup>	99.0%	
Alpha <sup>(7)</sup>	5.20%	
Beta <sup>(7)</sup>	1.06	
Sharpe Ratio <sup>(7)</sup>	0.38	
Correlation <sup>(7)</sup>	0.93	

Sources: Renaissance Research, FactSet, MSCI, Bloomberg

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

<sup>(2)</sup> Inception date: 11/1/05.

<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.

<sup>(8)</sup> Performance shown represents results from the inception date of 11/1/05 through 12/31/05.

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

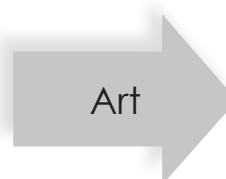
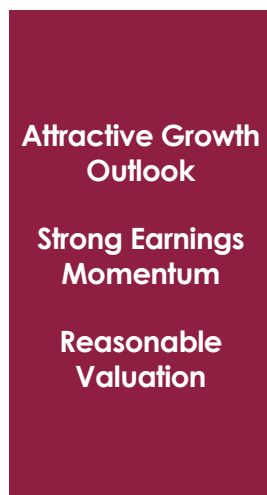
### A Blend of Science and Art

#### 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	International Small Cap Equity <sup>(1)(2)</sup>	MSCI ACWI ex USA Small Cap <sup>(2)</sup>	Under/Overweight % <sup>(3)</sup>
Communication Services	14.2%	4.5%	+9.7
Information Technology	18.2%	9.8%	+8.3
Materials	18.5%	10.4%	+8.1
Energy	7.8%	3.2%	+4.6
Financials	10.8%	11.3%	-0.5
Health Care	5.4%	7.5%	-2.1
Utilities	0.0%	3.2%	-3.2
Consumer Staples	2.5%	6.7%	-4.2
Industrials	14.2%	19.3%	-5.1
Real Estate	3.6%	11.1%	-7.5
Consumer Discretionary	5.0%	12.9%	-8.0

Sources: Renaissance Research, FactSet, MSCI

## Summary<sup>(1)(2)(4)</sup>

Number of Countries	23
Developed Markets	72.4%
Emerging Markets	27.6%

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

Canada	18.5%
United Kingdom	12.1%
Japan	8.3%
Bermuda	8.2%
China	7.5%

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

\$10 Billion +	0.0%
\$3 Billion - \$10 Billion	15.2%
\$1 Billion - \$3 Billion	60.2%
\$0 - \$1 Billion	24.6%

Sources: Renaissance Research, FactSet

## INTERNATIONAL SMALL CAP EQUITY HOLDINGS<sup>(1)(4)(5)</sup>

### Austria

Wienerberger



### Denmark

Topdanmark



### Japan

Capcom, Mitsui Mining & Smelting, Nihon Kohden, Taiyo Yuden



### Bermuda

Aircastle, Argo Group International Holdings, The Bank of N. T. Butterfield & Son Limited, Essent Group



### France

Criteo



### Luxembourg

Aperam, Orion Engineered Carbons



### Brazil

Cosan Limited, Nexa Resources



### Germany

Rheinmetall



### Mexico

Grupo Aeroportuario del Centro Norte



### Canada

Celestica, City Office REIT, Colliers International, Domtar, Enerplus, Gran Tierra Energy, Hudbay Minerals, Masonite International, Mercer International Norbord



### Greece

Jumbo



### Netherlands

Constellation



### Cayman Islands

Fabrinet



### Hong Kong

Hutchison Telecommunications Hong Kong



### New Zealand

Spark New Zealand



### Chile

GeoPark



### Indonesia

XL Axiata



### South Africa

Imperial Logistics



### China

Changyou.com, eHi Car Services, Huami, YY, Inc.



### Ireland

Fly Leasing, ICON



### Taiwan

AU Optronics, ChipMOS Technologies,



### Israel

Ceragon Networks



### United Kingdom

BrightSphere Investment Group, Hudson, Luxfer Holdings, Nomad Foods, Traveport Worldwide, Venator Materials



Sources: Renaissance Research, FactSet

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<sup>(3)</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>(4)</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>(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.

# GIPS Compliant Presentation International Small Cap Equity Institutional Composite

Year	International Small Cap Equity Institutional Composite		MSCI-ACWI ex USA	Net Composite	Benchmark	Annual	As of Year End or Current Quarter		
	Gross-of-Fee Return	Net-of-Fee Return	Small Cap Benchmark	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) ***
			Return						
2005*	6.80%	6.74%	10.91%			NMF**	1	\$0.1	\$2,796.6
2006	28.18%	27.70%	26.70%			NMF**	1	\$0.1	\$5,450.2
2007	52.24%	51.70%	10.74%			NMF**	2	\$0.2	\$7,661.8
2008	-45.21%	-45.35%	-50.23%			NMF**	3	\$0.2	\$4,358.6
2009	76.92%	76.50%	62.91%			NMF**	3	\$0.3	\$4,403.0
2010	23.97%	23.80%	25.21%			NMF**	2	\$0.3	\$3,800.2
2011	-16.40%	-16.47%	-18.50%	25.93%	23.86%	NMF**	6	\$0.4	\$2,862.3
2012	19.95%	19.84%	18.52%	20.15%	19.98%	0.40	6	\$0.5	\$2,409.8
2013	48.27%	48.13%	19.73%	19.51%	16.67%	0.56	7	\$0.9	\$2,767.7
2014	-11.58%	-11.95%	-4.03%	15.05%	13.15%	0.34	9	\$11.8	\$2,986.2
2015	-1.34%	-2.05%	2.60%	14.06%	11.33%	0.28	9	\$11.4	\$2,703.8
2016	6.44%	5.66%	3.91%	12.91%	12.14%	0.14	10	\$12.8	\$1,762.0
2017	30.86%	29.93%	31.65%	11.77%	11.53%	NMF**	4	\$15.7	\$2,202.4
2018	-16.17%	-16.79%	-18.20%	13.55%	12.36%	NMF**	4	\$12.9	\$1,682.2
<b>FINAL 12/31/2018</b>									

\* For period November 1, 2005 through December 31, 2005.

\*\* 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 International Small Cap Equity Institutional Composite has been examined for the periods January 1, 2006 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 International Small Cap 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 American Depository Receipts (ADRs) and U.S. listed shares of foreign corporations with a market capitalization under \$3 billion. The International Small Cap Equity Institutional Composite was created on November 1, 2005 and includes all fee paying, fully discretionary, non-tax managed, non-wrap International Small Cap 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 International Small Cap 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 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 International Small Cap 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:** The MSCI All Country World ex USA Small Cap Index (net of foreign withholding taxes) is a free float-adjusted market capitalization index that is designed to measure equity market performance of small cap stocks in the global developed and emerging markets, excluding the United States. RIM compares its composite returns to a variety of market indices such as the MSCI All Country World ex USA Small Cap. 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.

**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 not guaranteed by the U.S. government.

**Risks of International Small Cap Equity Strategy:** International Small Cap 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.

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