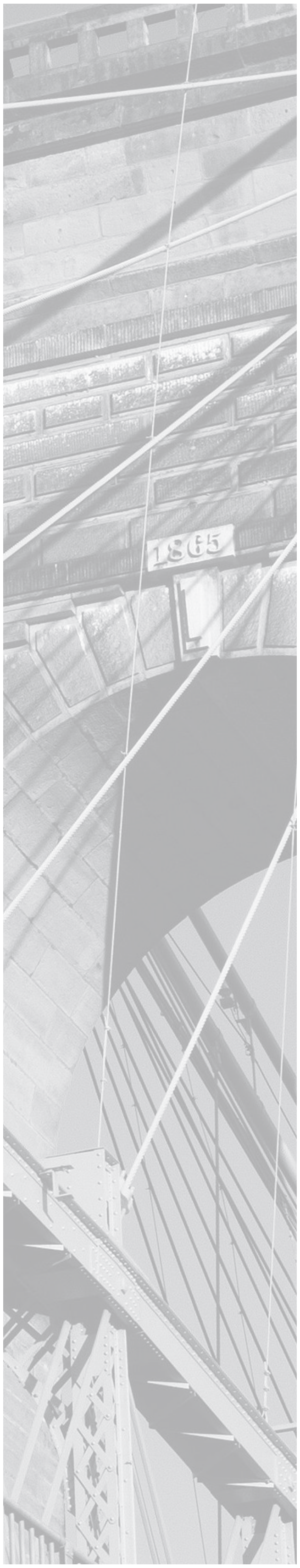
Renaissance Investment Management

Quarter Ending 6/30/19

REIT
Quarter-End Review—2Q19



REITs underperformed the S&P 500 for the quarter at 1.7% vs. 4.3%, but have gained 18.7% for the year vs. 18.5% for the S&P 500. Our portfolio narrowly lagged the NAREIT Index for the quarter, as strong performance among our Specialized REIT selections were offset by the underperformance of our Retail and Health Care REITs.

PERFORMANCE

	Quarter Ending 6/30/19	Year-to-Date 6/30/19
Institutional Composite (gross)	1.07%	17.13%
(net)	0.92%	16.80%
FTSE NAREIT[4]	1.67%	18.68%

Source: Renaissance Research, Bloomberg

Over the past decade, the decline in REIT leverage combined with a low interest rate environment has reduced interest costs (relative to net operating income) to record lows. The weighted average interest rate on long-term debt has declined 200 basis points, from 6.0% in 2009 to 4.0% in 2019. This has occurred even as REITs have lengthened the average term to maturity from 60 months in 2009 to 75 months in 2019. This combination of lower interest costs locked in over a longer time period (compared to past cycles) should allow many REITs a higher level of financial flexibility going forward.

REIT CATEGORY ALLOCATION AND HOLDINGS[1][2][3]

Residential — **20.6%**
American Homes 4 Rent
Equity LifeStyle Properties
Essex Property Trust
UDR

Specialized — **16.2%**
American Tower
National Storage Affiliates Trust
SBA Communications

Health Care — **14.6%**
CareTrust REIT
Medical Properties Trust
National Health Investors

Retail — **13.7%**
Simon Property Group
Tanger Factory Outlet Centers
Urstadt Biddle Properties

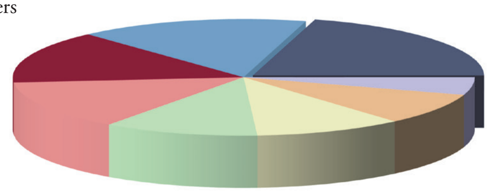
Industrial — **10.9%**
EastGroup Properties
Prologis

Diversified — **10.4%**
PS Business Parks
STORE Capital

Hotel & Resort — **8.8%**
Hospitality Properties Trust
Host Hotels & Resorts

Office — **4.9%**
Piedmont Office Realty Trust

Mortgage — **0.0%**



Source: Renaissance Research, FactSet

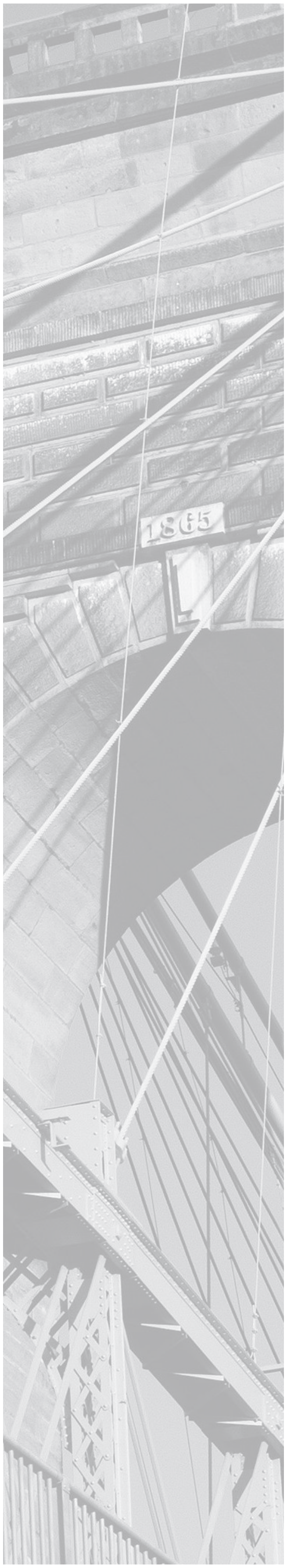
[1]Based on a representative account of the strategy discussed and shown as supplemental information to the GIPS compliant presentation. Portfolio characteristics (e.g. sector weights, valuation, growth rate) are based on a representative account that we believe is illustrative of the strategy. Characteristics 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.

[2]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.

[3]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. Nonperformance-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.

[4]Primary benchmark.

All references to Renaissance composite performance in this presentation are net of fees unless otherwise stated. Past performance is not indicative of future results. Performance for periods of one year or less is not annualized. All returns are shown in U.S. dollars. Please refer to the Disclosures Section, which includes the GIPS compliant presentation, for additional information including the calculation of net of fees performance.



CONTRIBUTORS TO RETURN(1)(3)

Company Name	Average Weight(2)	Contribution to Return	Comments
TOP THREE CONTRIBUTORS—REIT			
SBA Communications	5.33%	0.64%	SBA Communications is a real estate investment trust that owns and operates wireless communications infrastructure, including towers, buildings, rooftops, distributed antenna systems and small cells across North, Central and South America. Adjusted funds from operations (AFFO) rose 14% in the year-over-year period, and the company increased its 2019 outlook for revenue and AFFO.
Prologis	5.29%	0.60%	Prologis is a global leader in logistics real estate, and the company owned approximately 772 million square feet in 19 countries as of March 31, 2019. Prologis leases distribution facilities to 5,100 customers in two major categories: business-to-business and retail/online fulfillment. Prologis leased 42.8 million square feet in the operating and development portfolios during the first quarter of 2019.
PS Business Parks	5.18%	0.39%	PS Business Parks is an office REIT that owns and operates approximately 28.3 million rentable square feet of commercial space in 6 states: California, Florida, Maryland, Texas, Virginia and Washington in addition to a 95% interest in 395 apartments. In the first quarter of 2019, the company increased net operating income by 4.3%, driven by an increase in rental rates and occupancy.
BOTTOM THREE CONTRIBUTORS—REIT			
Tanger Factory Outlet	4.38%	-1.10%	Tanger Factory Outlet operates and owns, or has an ownership interest in, a portfolio of 39 outlet shopping centers located in 20 states and in Canada. This comprises approximately 14.3 million square feet, leased to over 2,800 stores, which are operated by more than 490 different brand-name companies. The company sold four non-core, declining assets during the first quarter of 2019 for a gain on sale of $43.4 million.
Simon Property Group	4.81%	-0.59%	Simon Property Group is an S&P 100 company that owns or has an interest in 234 retail real estate properties totaling more than 190 million square feet in North America, Europe and Asia. Diluted funds from operations per share rose from $2.87 in the first quarter of 2018 to $3.04 in the first quarter of 2019. The company recently launched Shop Premium Outlets®, a new online shopping platform that drives business to the stores and online of participating retailers.
Medical Properties Trust	4.82%	-0.26%	Medical Properties Trust is a health care real estate investment trust specializing in acute-care, community and rehabilitation hospitals. The company reaffirmed its estimate of 2019 acquisitions of $2.5 billion, which includes hospitals in Australia, Switzerland and England. The company's previous guidance has been suspended for the calendar year 2019 pending clarity on the timing of these acquisitions.

Source: Renaissance Research, FactSet

REITs also have several factors working in their favor that could help them better defend against the on-going trade war. The real estate sector has 18% of revenue coming from sources outside the United States, tied with health care for the second-lowest international exposure. REITs earn a majority of their revenues from properties within their home markets, limiting the direct impact from tariffs. In addition, the strong job market and rising wages in the United States are supporting demand for many types of real estate properties.

(1) 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.
(2) Average weights over the presentation period, which only include the equity portion of the portfolio.
(3) The securities listed should not be considered a recommendation to purchase or sell a particular security. These securities represent the top three and bottom three 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. Renaissance has chosen to only present our top 3 and bottom 3 positions due to the 6 positions represented accounting for approximately 30% of the REIT securities in the strategy. 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 a 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.

DISCLOSURES

The opinions stated in this presentation are those of Renaissance as of the date listed on this presentation and are subject to change at any time due to changes in market or economic conditions.

STOCK REFERENCES

If securities are referenced, they 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.

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.

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, durations 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.

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REFERENCED INDICES

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

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.

FTSE NAREIT Index—The FTSE NAREIT Composite US Real Estate Index is calculated by the FTSE and includes all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market List that also meet minimum size, liquidity and free float criteria.

GIPS Compliant Presentation REIT Institutional Composite

						As of Year End or Current Quarter			
Year	REIT Strategy Institutional Composite Gross-of-Fee Return	REIT Strategy Institutional Composite Net-of-Fee Return	FTSE NAREIT 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 Assets (Millions) **
2005	18.24%	17.58%	8.29%			NMF*	1	$0.6	$2,796.6
2006	35.65%	34.90%	34.02%			NMF*	1	$0.9	$5,450.2
2007	-19.35%	-19.85%	-17.83%			NMF*	1	$0.6	$7,661.8
2008	-31.22%	-31.61%	-37.84%			NMF*	1	$0.4	$4,358.6
2009	28.47%	27.73%	27.80%			NMF*	1	$0.6	$4,403.0
2010	30.51%	29.79%	27.56%			NMF*	1	$0.8	$3,800.2
2011	13.99%	13.31%	7.30%	30.14%	29.10%	NMF*	1	$0.9	$2,862.3
2012	24.34%	23.63%	19.73%	20.64%	16.72%	NMF*	1	$0.7	$2,409.8
2013	6.25%	5.64%	2.34%	17.38%	15.49%	NMF*	1	$0.8	$2,767.7
2014	23.83%	23.15%	27.23%	13.69%	12.31%	NMF*	2	$1.1	$2,986.2
2015	-0.27%	-0.83%	2.05%	14.49%	13.33%	NMF*	3	$1.2	$2,703.8
2016	6.97%	6.33%	9.37%	14.73%	13.61%	NMF*	3	$1.3	$1,762.0
2017	0.93%	0.36%	9.29%	12.98%	12.07%	NMF*	1	$1.0	$2,202.4
2018	-4.53%	-5.08%	-3.94%	13.73%	12.53%	NMF*	1	$0.9	$1,682.2
	FINAL 12/31/2018								

* 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 from January 1, 2006 through June 30, 2018.

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 REIT Institutional Composite has been examined for the periods from January 1, 2006 through June 30, 2018. 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 REIT Institutional Composite portfolios consist of approximately 20 equities, which focus on financially strong; attractively priced real estate investment trusts (REITS). The REIT Institutional Composite was created on January 1, 2005 and includes all fee paying, fully discretionary, non-tax managed, non-wrap REIT 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 REIT 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 REIT 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 FTSE NAREIT Composite US Real Estate Index is calculated by the FTSE and includes all tax-qualified REITS listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market List that also meet minimum size, liquidity and free float criteria. The FTSE is a registered trademark of the London Stock Exchange Plc and The Financial Times Limited. The NAREIT index names are registered trademarks of the National Association of Real Estate Investment Trusts. RIM compares its composite returns to a variety of market indices such as the FTSE NAREIT. 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 are not guaranteed by the U.S. government.

Risks of REIT Strategy: REIT 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 REIT selection, and RIM will have significant exposure to individual securities.