

# Large Cap Growth Quarter-End Review—3Q2020



The stock market continued its strong recovery from its sharp and sudden decline earlier this year. The S&P 500 gained 8.9% for the third quarter and has gained 50.3% since its low on March 23. The Consumer Discretionary, Communication Services and Materials

sectors were among the strongest performing sectors in the market, while the Utilities, Real Estate and Financials sectors were weaker performers. Bond yields remained extraordinarily low, as 10-year Treasury bond yields ended September essentially unchanged for the quarter at 0.69%.

Economic data suggests a rebound in economic growth, despite ongoing COVID-19 concerns. While U.S. GDP collapsed at an annualized rate of -31.7% during the second quarter, the Atlanta Fed's GDP Now model suggests that third quarter GDP will rise at a +32%

## PERFORMANCE

|                                    | Quarter Ending<br>9/30/2020 | Year-to-Date<br>9/30/2020 |
|------------------------------------|-----------------------------|---------------------------|
| Institutional Composite (gross)    | 11.55%                      | 13.95%                    |
| (net)                              | 11.42%                      | 13.57%                    |
| Russell 1000 Growth <sup>(1)</sup> | 13.22%                      | 24.33%                    |
| S&P 500                            | 8.93%                       | 5.57%                     |

<sup>(1)</sup> Primary benchmark. All other benchmarks are additional information.

Sources: Renaissance Research, Bloomberg, FTSE Russell, S&P Dow Jones

## SECTOR WEIGHTS & PORTFOLIO CHANGES<sup>(1)</sup>

| Sector                 | Ending Weight <sup>(2)</sup> | Change from 6/30/2020 | Large Cap Growth Additions & (Large Cap Growth Deletions) <sup>(3)</sup> |
|------------------------|------------------------------|-----------------------|--|
| Information Technology | 39.5%                        | -2.6%                 |  |
| Health Care            | 15.8%                        | +0.7%                 |  |
| Consumer Discretionary | 11.7%                        | +2.6%                 | Lowe's   |
| Industrials            | 10.6%                        | -0.8%                 | (L3Harris Technologies)  |
| Communication Services | 9.8%                         | -0.3%                 |  |
| Financials             | 5.2%                         | +0.3%                 |  |
| Consumer Staples       | 3.7%                         | +0.3%                 |  |
| Materials              | 1.8%                         | +0.2%                 |  |
| Real Estate            | 1.4%                         | 0.0%                  |  |
| Cash                   | 0.5%                         | -0.5%                 |  |
| Utilities              | 0.0%                         | 0.0%                  |  |
| Energy                 | 0.0%                         | 0.0%                  |  |

<sup>(1)</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. Additions/Deletions reflect security transactions completed by the date stated on this presentation, and the securities mentioned may not be held by all accounts invested in the strategy.

<sup>(2)</sup>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.

<sup>(3)</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).

Sources: Renaissance Research, FactSet

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## CONTRIBUTORS TO RETURN<sup>(1)(2)</sup>

| Ticker | Company Name | Average Weight <sup>(3)</sup> | Contribution to Return |
|--------|--------------|-------------------------------|------------------------|
|--------|--------------|-------------------------------|------------------------|

### TOP FIVE CONTRIBUTORS—LARGE CAP GROWTH

|      |                      |       |       |
|------|----------------------|-------|-------|
| NVDA | NVIDIA               | 2.19% | 0.88% |
| AAPL | Apple                | 2.81% | 0.70% |
| HZNP | Horizon Therapeutics | 1.97% | 0.68% |
| CRM  | salesforce.com       | 1.75% | 0.58% |
| HCA  | HCA Healthcare       | 1.77% | 0.46% |

### BOTTOM FIVE CONTRIBUTORS—LARGE CAP GROWTH

|      |                        |       |        |
|------|------------------------|-------|--------|
| FTNT | Fortinet               | 1.47% | -0.21% |
| ABBV | AbbVie                 | 1.64% | -0.16% |
| MTCH | Match Group            | 0.11% | -0.15% |
| VRTX | Vertex Pharmaceuticals | 1.69% | -0.11% |
| LHX  | L3Harris Technologies  | 0.18% | -0.07% |

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<sup>(3)</sup>Average weights over the presentation period.

Source: Renaissance Research, FactSet

annualized rate. Although unemployment remains high, massive fiscal and monetary stimulus has softened the impact of the temporary decline in consumer demand resulting from the pandemic. Recent advances in the development of a vaccine for the prevention of COVID-19 have also elevated confidence for consumers and the financial markets.

In our view, the collapse in interest rates has played a major role in maintaining the strong equity market in recent quarters. The 10-year Treasury yield of 0.69% is the lowest in history and equals roughly half that of current rates of inflation. The Fed announced in September that it expects to leave short-term interest rates near zero through at least 2023 and will tolerate periods of higher inflation as the labor market and the economy revive. The Fed has aggressively purchased government and corporate bonds to drive longer term rates lower as well. The Fed's actions have been concurrent with other central banks around the world, and today, approximately 85% of global bonds have yields of 2% or less. These extraordinarily low yields present little competition to stocks for long-term investors.

Low bond yields present a significant risk to bond holders. If the 10-year Treasury yield were to rise to 3% over the next several years (the level it was just 2 years ago), the total return for the bondholder would be a double-digit loss, including interest income. However, sharply rising government deficits and a Federal Reserve that is accepting of higher inflation suggest that higher bond yields over the next several years are certainly not impossible.

For the quarter, our portfolio underperformed the Russell 1000 Growth and outperformed the S&P 500. We made several changes to the portfolio during the period when we saw better

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opportunities for future growth, replacing stocks that suffered from a deterioration in fundamental factors.

During the quarter we added a new position in the Consumer Discretionary sector with **Lowe's** (LOW), a leading retailer of home improvement products. New management, made up of Home Depot veterans, has been making much needed investments in technology, merchandising, customer engagement and supply chain improvements, leading to an improvement in store-operating performance. Along with newly instituted cultural changes, we believe the foundation is in place for sustainable long-term growth that will close the company's valuation gap with Home Depot.

Conversely, we sold our position in **L3Harris Technologies** (LHX) following a deterioration in both growth and momentum factors. From a qualitative perspective, we believe the pandemic has pushed out our investment thesis, in which we had expected the company's aviation segment to drive future revenue growth. However, with continued weakness in the aerospace industry and reduced air travel, we believe a quick snapback in the aviation segment is now unlikely, which potentially may lead to a slower earnings recovery.

Consensus expectations for S&P 500 quarterly earnings project a decline of over 20% year-over-year for the third quarter, following a 30%+ decline in the second quarter. However, earnings estimates have trended slightly higher in recent months, particularly for 2021. Current estimates for 2021 earnings are approximately \$165, slightly above the levels of 2019. At current prices, the S&P 500 trades at just over 20x expected 2021 earnings, which is only slightly higher than it was at the end of 2019.

The outperformance of mega-cap stocks has been one of many extraordinary financial market events this year. This can easily be seen in the performance difference year-to-date of the S&P 500 measured by its commonly reported capitalization-weighted basis and its performance on an equally weighted basis. For the first nine months of this year, the difference was 10.3%, among the highest differences recorded for any nine-month period since 1990 and the highest recorded since the late 1990s and early 2000s. On average, the difference between the two series is negative, as the equal-weighted index tends to outperform the cap-weighted version. However, the unusually strong performance of mega-cap stocks recently has skewed the performance of the cap-weighted index upward to the top 5% of observations historically.

Nowhere is this more apparent than in the Russell 1000 Growth Index, which has reached all-time high levels of concentration in mega-cap issues. While there are 442 stocks in the total index, the largest 10 stocks in the Russell 1000 Growth Index at the end of August accounted for 48% of the overall capitalization of the index, meaning that the performance of these stocks drives the overall index return. Many of these mega-cap stocks are outstanding companies; yet, ignoring the other 98% of stocks within the index is likely to lead investors to miss other outstanding investment opportunities.

In fact, historically, investing solely in mega-cap stocks during periods of high index concentration has not worked out well. The last peak in index concentration was in the early 2000s when the largest 10 stocks, all highly respected and successful companies (as is the case today), represented 42% of the index. Over the next 20+ years, three posted negative returns over the period and five others posted positive returns, but well below the performance of the index itself. Only Microsoft and Home Depot outperformed the index (and Microsoft did not exceed its 2000 high price until 2015). On average, the 10 largest stocks far underperformed the index.

We continue to emphasize a diversified approach toward investing in reasonably priced growth companies. We are finding good opportunities in Information Technology, Health Care and Consumer Discretionary stocks, among others. While further challenges await investors over the next several quarters, we believe that a disciplined approach toward stock selection will continue to deliver good long-term returns.

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## 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. 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](mailto: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.)*

**Russell 1000 Growth Index**—The Russell 1000<sup>®</sup> Growth Index is a market capitalization weighted index that measures the performance of those Russell 1000<sup>®</sup> 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.

## 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.

# GIPS Compliant Presentation Large Cap Growth Institutional Composite

| Year   | As of Year End or Current Quarter                                  |  |  | Net Composite<br>3 Year Annualized<br>Standard<br>Deviation | Benchmark<br>3 Year Annualized<br>Standard<br>Deviation | Annual<br>Asset Weighted<br>Composite<br>Dispersion | Number of<br>Portfolios<br>in Composite | Market<br>Value of<br>Composite<br>(Millions) | Market<br>Value of<br>Firm's Assets<br>(Millions) *** |
|--|--|--|--|---|---|---|---|---|---|
|  | Large Cap Growth<br>Institutional Composite<br>Gross-of-Fee Return | Large Cap Growth<br>Institutional Composite<br>Net-of-Fee Return | Russell 1000 Growth<br>Benchmark<br>Return |   |   |   |   |   |   |
| 1991*  | 15.30%   | 14.93%   | 20.88%                                     |   |   | NMF**   | 2                                       | \$8.8   | \$1,417.3   |
| 1992   | 11.12%   | 10.26%   | 4.99%                                      |   |   | NMF**   | 2                                       | \$7.3   | \$1,450.2   |
| 1993   | 6.06%  | 5.43%  | 2.87%                                      |   |   | NMF**   | 5                                       | \$14.0  | \$1,529.2   |
| 1994   | -3.16%   | -3.68%   | 2.62%                                      |   |   | 0.11  | 7                                       | \$20.2  | \$1,393.1   |
| 1995   | 35.68%   | 34.98%   | 37.18%                                     |   |   | 1.37  | 7                                       | \$26.3  | \$1,538.1   |
| 1996   | 24.47%   | 23.81%   | 23.12%                                     |   |   | 0.55  | 8                                       | \$25.5  | \$1,525.4   |
| 1997   | 36.59%   | 35.84%   | 30.49%                                     |   |   | 2.20  | 10                                      | \$26.0  | \$1,373.3   |
| 1998   | 30.41%   | 29.66%   | 38.71%                                     |   |   | 3.18  | 20                                      | \$79.1  | \$1,390.0   |
| 1999   | 10.74%   | 10.07%   | 33.16%                                     |   |   | 1.50  | 28                                      | \$38.2  | \$1,211.9   |
| 2000   | -14.34%  | -14.87%  | -22.42%                                    |   |   | 2.63  | 20                                      | \$27.9  | \$736.7   |
| 2001   | -10.86%  | -11.36%  | -20.42%                                    |   |   | 1.00  | 15                                      | \$25.5  | \$526.7   |
| 2002   | -14.08%  | -14.57%  | -27.88%                                    |   |   | 1.02  | 13                                      | \$19.6  | \$415.7   |
| 2003   | 47.07%   | 46.41%   | 29.75%                                     |   |   | 1.08  | 22                                      | \$29.7  | \$575.2   |
| 2004   | 18.85%   | 18.17%   | 6.30%                                      |   |   | 1.12  | 19                                      | \$97.2  | \$908.2   |
| 2005   | 9.80%  | 9.41%  | 5.26%                                      |   |   | 0.92  | 32                                      | \$269.6                                       | \$2,796.6   |
| 2006   | 5.36%  | 4.78%  | 9.07%                                      |   |   | 0.53  | 62                                      | \$605.2                                       | \$5,450.2   |
| 2007   | 11.86%   | 11.29%   | 11.81%                                     |   |   | 0.29  | 79                                      | \$1,308.4                                     | \$7,661.8   |
| 2008   | -36.05%  | -36.32%  | -38.44%                                    |   |   | 0.40  | 66                                      | \$916.6                                       | \$4,358.6   |
| 2009   | 22.68%   | 22.19%   | 37.21%                                     |   |   | 0.62  | 60                                      | \$1,138.2                                     | \$4,403.0   |
| 2010   | 16.97%   | 16.55%   | 16.71%                                     |   |   | 0.56  | 30                                      | \$1,026.8                                     | \$3,800.2   |
| 2011   | -3.67%   | -3.97%   | 2.64%                                      | 19.62%  | 17.76%  | 0.34  | 29                                      | \$996.9                                       | \$2,862.3   |
| 2012   | 18.52%   | 18.21%   | 15.26%                                     | 18.99%  | 15.66%  | 0.15  | 16                                      | \$823.0                                       | \$2,409.8   |
| 2013   | 36.28%   | 35.93%   | 33.48%                                     | 15.58%  | 12.18%  | 0.19  | 15                                      | \$973.4                                       | \$2,767.7   |
| 2014   | 21.10%   | 20.79%   | 13.05%                                     | 10.72%  | 9.59%   | 0.12  | 18                                      | \$1,122.1                                     | \$2,986.2   |
| 2015   | 0.46%  | 0.21%  | 5.67%                                      | 11.08%  | 10.70%  | 0.19  | 22                                      | \$984.5                                       | \$2,703.8   |
| 2016   | 9.31%  | 9.03%  | 7.08%                                      | 12.19%  | 11.15%  | 0.26  | 22                                      | \$1,034.7                                     | \$1,762.0   |
| 2017   | 23.04%   | 22.75%   | 30.21%                                     | 11.10%  | 10.54%  | 0.35  | 15                                      | \$1,390.4                                     | \$2,202.4   |
| 2018   | -6.14%   | -6.36%   | -1.51%                                     | 12.20%  | 12.13%  | 0.11  | 11                                      | \$1,024.6                                     | \$1,682.2   |
| 2019   | 36.86%   | 36.39%   | 36.39%                                     | 12.84%  | 13.07%  | 0.36  | 14                                      | \$166.8                                       | \$883.1   |
| <b>FINAL 12/31/2019</b>  |  |  |  |   |   |   |   |   |   |
| * For period July 1, 1991 through December 31, 1991.   |  |  |  |   |   |   |   |   |   |
| ** 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 12/31/2019, Renaissance managed an additional \$2,656.5 million in UMA programs, totaling \$3,539.6 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 December 31, 2019.

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 Large Cap Growth Institutional Composite has been examined for the periods from January 1, 2006 through December 31, 2019. 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 Large Cap Growth Institutional Composite portfolios consist of approximately 50-60 mainly mid- and large- cap domestic equities, which focus on companies demonstrating financial strength, attractive growth potential, rising earnings expectations and attractive valuation. RIM created the Large Cap Growth Institutional Composite as of July 1, 2004 and it includes all fee paying, fully discretionary, non-tax managed, non-wrap Large Cap Growth accounts. The composite does not include non-fee paying managed accounts. Returns are net of any performance-based fee arrangements where applicable. 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 Large Cap 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 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 Large Cap 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 1000 Growth Index is composed of 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 1000 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.

**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 Large Cap Growth Strategy:** Large Cap 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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