



## **Form ADV Part 2A**

March 26, 2019

## **Form ADV Part 2B**

March 26, 2019

**Item 1 – Cover Page**

# Renaissance Investment Management

50 East RiverCenter Blvd., Suite 1200  
Covington, KY 41011  
513-723-4500  
[www.reninv.com](http://www.reninv.com)

**March 26, 2019**

Throughout this document, Renaissance Investment Management will be referred to as “Renaissance.”

This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Renaissance. If you have any questions about the contents of this Brochure, please contact us at 513-723-4500 and/or [compliance@reninv.com](mailto:compliance@reninv.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Renaissance and our parent company, Affiliated Managers Group, Inc. (“AMG”), and other affiliated advisers is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Further information about both AMG and AMG’s Affiliates is provided in Item 10.

Although Renaissance is registered as an investment adviser under the Investment Advisers Act of 1940, this registration does not imply that Renaissance or our personnel have a certain level of skill or training.

## **Item 2 – Material Changes – ADV Part 2A**

The following changes and clarifications have been made to the Brochure since our last annual filing, March 28, 2018, and are incorporated in this filing effective March 26, 2019.

### ■ **Item 4 – Advisory Business**

*Subsection: Assets Under Management.* Updated Renaissance's assets under management to reflect December 31, 2018 asset levels. In addition, explained why the non-discretionary assets reported in our ADV Part 1 differ from the non-discretionary assets reported in our ADV Part 2A.

### ■ **Item 5 - Fees and Compensation**

*Subsection: Standard Fee Schedules and Fee Calculation Methodology*

- Clarified that the fee table applies to new direct-managed accounts.
- *Fee Rates:* Changed the verbiage from "standard fee" to "fee rate."
- *Fee Schedules:* Raised the fee rate for the Renaissance Three Way Strategy and Two Way Strategy to 1%.
- *Death/Divorce/Client Incapacity/Depletion of Assets:* Stated, Renaissance now encourages clients to complete a Trusted Contact Form before they have a loss of cognitive ability.
- *Fee Negotiation:* Stated, Wrap/UMA program fees are set on a case-by-case basis.

*Subsection: Wrap/SMA Sponsor Program Fees*

- Clarified that Wrap/SMA Program clients should note that Renaissance will almost always execute transactions for their accounts through the Wrap/SMA Program Sponsor, because the client has already paid for the transaction through their Wrap Program fee. Usually, Renaissance will only trade away if we find a "Natural" transaction.

### ■ **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

*Subsection: Strategy Risk Charts*

- Removed the Global Growth and International Equity strategies because the strategies have only internal clients.

*Subsection: Strategy Overview*

- Removed the Global Growth and International Equity strategies because the strategies have only internal clients.

### ■ **Item 10 - Other Financial Industry Activities and Affiliations**

*Subsection: Affiliations*

- *Mutual Fund Subadvisory Agreement:* Clarified that the fees payable to Renaissance can be reduced by the amount of certain shareholder servicing fees, distribution related expenses, and other expenses paid by AMG Funds on behalf of the funds, under an agreement by which Renaissance has agreed to reimburse AMG Funds for a certain portion of these fees.

### ■ **Item 12 – Brokerage Practices**

*Subsection: Trade Aggregation/Allocation, Bunched/Blocked Transactions*

- Clarified that Directed Brokerage trades are blocked by brokerage firm.

## Item 3 – Table of Contents

<b>Item 1 – Cover Page .....</b>	<b>i</b>
<b>Item 2 – Material Changes – ADV Part 2A.....</b>	<b>ii</b>
<b>Item 3 – Table of Contents.....</b>	<b>iii</b>
<b>Item 4 – Advisory Business.....</b>	<b>5</b>
Principal Ownership.....	5
Types of Advisory Services.....	5
Tailoring Advisory Services to Client Needs .....	6
Tax Harvesting Policy .....	8
Assets Under Management .....	8
The DOL Fiduciary Regulation.....	8
<b>Item 5 – Fees and Compensation .....</b>	<b>9</b>
Standard Fee Schedules and Fee Calculation Methodology .....	9
Additional Fees and Expenses Payable by Clients.....	12
Direct-Managed Clients – Individual Client Wrap Fee Arrangements .....	13
Wrap/SMA Sponsor Programs Fees.....	13
Wrap/SMA Program Engagements.....	14
Sub-Advisory Engagements .....	15
Mutual Fund Sub-Advisory Arrangements .....	15
Non-Discretionary Programs.....	15
Mutual Funds.....	15
Performance-Based Fees .....	16
Fees for the Sale of Securities.....	16
<b>Item 6 – Performance-Based Fees and Side-By-Side Management.....</b>	<b>17</b>
Performance-Based Fees .....	17
Side-By-Side Management .....	17
Potential Conflicts of Interest: Performance-Based Fees & Side-By-Side Management .....	17
<b>Item 7 – Types of Clients .....</b>	<b>18</b>
Minimum Account Size .....	18
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>19</b>
Investment Process Overview .....	19
Material Related Risks .....	19
Strategy Risk Charts .....	24
Strategy Overview .....	26
<b>Item 9 – Disciplinary Information.....</b>	<b>31</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations .....</b>	<b>31</b>
Affiliations .....	31
Family Relationships.....	32
Other Financial Activities .....	32
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.....</b>	<b>33</b>
Code of Ethics .....	33
Personal Trading .....	33
Participation or Interest in Client Transactions.....	34
Restricted List .....	35
Insider Trading/Material Non-Public Information .....	35

Gifts and Business Entertainment.....	35
Political Contributions .....	36
Distribution of the Code .....	36
<b>Item 12 – Brokerage Practices .....</b>	<b>36</b>
Brokerage Relationships.....	37
Selection Factors for Brokers.....	37
Liquidity Rebates .....	37
Brokerage for Clients .....	37
Directed Brokerage .....	38
Best Execution .....	39
Trading Rotation .....	39
Trade Aggregation/Allocation.....	40
Partial Allocations .....	41
Errors.....	41
Commission Recapture Monitoring.....	41
Step-Out Trades .....	41
Cross Trades .....	42
Contra Orders .....	42
ADR Conversion Fees .....	42
Soft Dollars .....	42
Commission Sharing Arrangements .....	45
Wrap Fee Arrangements.....	45
UMA and Other Non-Discretionary Programs.....	46
Initial Public Offerings (“IPOs”) .....	46
<b>Item 13 – Review of Accounts.....</b>	<b>46</b>
Reporting .....	46
<b>Item 14 – Client Referrals and Other Compensation .....</b>	<b>47</b>
Relationships with Consultants .....	47
Introduction from Investment Professional.....	47
Investment Consultant Databases .....	48
Relationships with Solicitors .....	48
Compensation from Third-Parties .....	48
<b>Item 15 – Custody.....</b>	<b>48</b>
<b>Item 16 – Investment Discretion .....</b>	<b>49</b>
Discretionary Authority.....	49
Class Action Suits.....	49
<b>Item 17 – Voting Client Securities .....</b>	<b>50</b>
Custodian Responsibility/Proxies Not Received .....	51
Conflicts of Interest .....	51
Summary of Renaissance’s Proxy Voting Policy and Procedures .....	52
<b>Item 18 – Financial Information .....</b>	<b>53</b>
<b>Supplemental Information .....</b>	<b>54</b>
Appendix I – Definitions .....	54
Appendix II – Privacy Notice .....	57
Appendix III – 408(b)(2) Disclosures .....	59
<b>Brochure Supplement (Part 2B of Form ADV).....</b>	<b>67</b>

## **Item 4 – Advisory Business**

Renaissance Investment Management (here after “Renaissance”) is registered as an Investment Advisor under the Investment Advisors Act of 1940 and actively manages portfolios for a variety of institutions and individuals. We provide investment management services and our efforts focus on delivering competitive long-term performance across a variety of asset classes and strategies. Our primary mission is to help our clients achieve their financial and investment objectives by providing systematic and disciplined investment strategies.

Renaissance has been in business since 1978 and as of this filing has 22 employees working at our office located in Covington, Kentucky. As of December 31, 2018, we had approximately \$4.2 billion in assets under management, which includes discretionary accounts and non-discretionary UMA (Unified Manager Account) Program assets.

We serve as an investment adviser or sub-adviser to a variety of client types. Please see “Item 7 – Types of Clients” for more information regarding our clients.

### **Principal Ownership**

Renaissance’s principal owner is Affiliated Managers Group (“AMG”). The remaining minority interest is owned by our associates who are Partners of Renaissance.

AMG holds a majority equity interest in Renaissance and is a publicly-traded asset management company (NYSE: AMG) with equity investments in boutique investment management firms. AMG also holds equity interests in other investment management firms (“AMG Affiliates”). Further information about AMG and AMG’s Affiliates is provided in “Item 10 – Other Financial Industry Activities and Affiliations.”

### **Types of Advisory Services**

Renaissance specializes in domestic equity, international equity, REIT, balanced, asset allocation and fixed income strategies across all market capitalization ranges. Our clients include institutional clients, Taft Hartley clients, individuals, high net worth clients, ERISA, public clients, Wrap/SMA (Separately Managed Account) programs, and model based (UMA) investors.

Our stock portfolio construction process starts by using a system of computer-generated screens that look for companies with favorable characteristics that we believe will lead to further price appreciation. These characteristics include earnings growth rates, attractive valuation and rising estimate revisions. We then use fundamental analysis, which involves looking at company financial statements, management, strengths and weaknesses, market conditions and competitive advantages to make our final stock selection.

Our bond portfolios are typically comprised of U.S. Treasury and Credit issues, and/or select fixed income ETFs and/or mutual funds, including those that invest in international and high yield bonds.

For further information regarding our investment strategies and investment process, please refer to “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.”

We provide both discretionary and non-discretionary investment management services and products to institutional and individual investors, as well as investment planning services.

**Discretionary Services:** We provide discretionary services, which means we can direct the purchase and sale of securities in the portfolio. We provide this investment direction to:

- individually managed accounts where we act as an advisor;
- accounts within broker-dealer sponsored Wrap/SMA platforms where we act as sub-advisor;
- mutual funds where we act as a sub-advisor; or,
- UMA programs that have given us discretion over a strategy(s) in their UMA program.

**Non-Discretionary Services:** We also provide non-discretionary investment advice to Unified Manager Account Programs (“UMA Programs”). We provide the Program, who is the discretionary investment manager, with a list of securities to be traded on an ongoing basis for each individual strategy that is part of the Program. In these instances, the discretionary UMA Program manager is responsible for monitoring the individual needs of the client. In non-discretionary UMA Programs, we amend and update the model portfolios per the instructions provided by the UMA Sponsor. We do not have direct contact with the clients of these programs.

**Investment Planning Services:** Renaissance can manage its client’s investments within the larger context of the client’s overall investment planning objectives. Specifically, Renaissance offers investment-planning advice, which is included in the investment management fee, on a range of investment planning issues that complement our management of the client’s investment portfolio. Renaissance can accomplish this through the use of one or more of its own strategies in combination with non-affiliated or affiliated mutual funds, ETFs and other investments. Renaissance does not prepare tax returns, give tax advice, practice law, give legal advice, prepare estate plans or wills, trusts, sell insurance, sell securities (we only provide trading instructions to the broker) or make loans. However, we offer our complimentary advice to clients regarding investment-planning topics in order to better serve them and help them manage their investment plans. Renaissance will provide such limited consulting service, if requested by a client that engages Renaissance’s services, per the terms and conditions of our Investment Advisory Agreement.

**Definition of Investment Planning:** The definition of investment planning is the placing of funds into investment vehicles based on the client’s financial goals, time horizon, risk tolerance, investment restrictions and financial priorities. The investment planning advice also takes into account the liquidity and level of return of the investment.

**Financial Planning or Implementation Services:** Renaissance does not provide financial planning or related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** We **do not** serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed as such. Accordingly, we **do not** prepare estate-planning documents, tax returns or sell insurance products.

### **Tailoring Advisory Services to Client Needs**

As an asset manager for institutional, individual, Wrap/SMA and non-discretionary clients, Renaissance recognizes that each client is unique. Therefore, we can modify our primary investment strategies to meet client specific goals, investment objectives and/or restrictions.

**Direct-Managed Clients:** All direct-managed clients that are not sub-advised must complete and sign an Investment Advisory Agreement when they open an account with Renaissance. The Investment Objective Questionnaire details their investment objectives, total investable assets and any investment restrictions affecting the management of their account. Direct-managed clients can also provide their own Investment Policy Statement to Renaissance. All direct-managed clients are responsible for providing any Investment Policy changes to Renaissance as they occur in order for Renaissance to implement the Investment Policy changes. Renaissance annually requests that clients provide any changes to their investment restrictions, objectives, risk tolerance or financial condition in our annual ADV offer letter.



Renaissance assumes it manages only a minority portion of a client's assets unless the client states otherwise on the Investment Objective Questionnaire. Renaissance will not be able to obtain a holistic view of whether the amount of money the client has invested in a particular Renaissance strategy is suitable for their overall investment objectives. Renaissance does not maintain information on a client's age or a list of strategies that clients are invested in with other investment managers. The client is responsible for ensuring that their total portfolio is diversified to meet their investment needs.

**Client Obligations:** In performing our services, Renaissance is not required to verify any information received from the client or from the client's representative (e.g., financial advisor/consultant), and we are expressly authorized to rely upon that information. Clients are advised that it remains their responsibility to promptly notify Renaissance if there is any change in their financial situation, investment objectives, investment restrictions or risk tolerance for the purpose of possibly revising our previous recommendations and/or services.

**Wrap/SMA Programs/Clients:** Wrap arrangements," "wrap fee programs," and/or "wrap sponsor accounts" involve individually managed accounts for individual or institutional clients. These accounts are offered as part of a larger program by a "sponsor," usually a brokerage, banking or investment advisory firm, and are managed by one or more investment advisers. Renaissance has agreements with wrap fee program sponsors that offer our services as an investment option within the sponsor's wrap program. We provide investment management services to clients who select us as part of the program. As described in "Item 5 – Fees and Compensation," the sponsor pays a portion of its program fee to us for our services.

Our management of wrap accounts and other accounts under the same investment strategy is consistent among accounts, unless the account is being managed tax efficiently and/or there are client-imposed restrictions.

- *Wrap/SMA Sponsor Clients:* Wrap/SMA program clients sign an agreement with the Wrap/SMA Sponsor, which details their investment objectives, the chosen investment strategy, and any investment restrictions affecting our management of the client's account. The Wrap/SMA Sponsor provides Renaissance with access to any investment restrictions, Investment Policy Statements, risk tolerances or financial objectives for the underlying client via the Wrap/SMA Sponsor's platform. The Renaissance contract with the Wrap Sponsor outlines whether it is Renaissance's or the Wrap Sponsor's responsibility to code client restrictions in each platform. If Renaissance is responsible for coding client restrictions, it is the Wrap Sponsor/Wrap Client's responsibility to communicate the client's initial and updated investment restrictions, Investment Policy Statements, risk tolerances or financial objectives to Renaissance so the account can be updated accordingly. We cannot necessarily offer the same level of portfolio customization to Wrap/SMA clients that we offer to our direct-managed clients invested in the same strategy. However, Wrap/SMA clients can customize their portfolios by applying reasonable investment restrictions on their account to the extent that the Wrap/SMA Sponsor is able or allows us to code the restriction on their platform.

**UMA Program Sponsor Clients:** The UMA Sponsor is responsible for coding and maintaining all client information (e.g., investment objectives, collecting, updating and monitoring UMA client investment restrictions, etc.).

**Customization:** We can customize any of our strategies to meet a client's specific objectives and/or constraints. Direct-managed clients with taxable accounts can be managed to minimize the tax impact of capital gains. Taxable client accounts in a Fixed Income Strategy can be managed to minimize the tax impact of interest income. These modifications of our buy/sell disciplines and other appropriate investment techniques can result in an increase or decrease in a client's performance as compared to non-taxable/customized accounts invested in the same strategy.



### **Tax Harvesting Policy**

Renaissance allows clients to take advantage of Tax Harvesting opportunities for taxable client accounts that wish to do so.

- **Direct-Managed Clients:** We endeavor to comply with requests made within a reasonable time period before the end of the calendar year.
- **Wrap/SMA Clients:** Wrap/SMA program clients can be subject to specific guidelines imposed by the Wrap/SMA program, which can differ on a program-by-program basis.

Renaissance uses the FIFO (first in, first out) accounting method for taxable accounts. If a client wants their custodian to use a particular tax lot accounting method, it is the client's responsibility to notify the custodian of their wishes. The custodian is the official 1099 reporter for tax purposes. Our policy is to invest the proceeds from tax harvesting sales in exchange traded funds ("ETFs") for a minimum of 30 days unless a client or their representative directs Renaissance otherwise.

### **Assets Under Management**

As of December 31, 2018, we had the following assets under management.

<b>ASSETS</b>	
Discretionary Assets	\$3,112,145,614
Non-Discretionary Assets	\$1,087,071,431
<b>Total Assets</b>	<b>\$4,199,217,045</b>

Non-Discretionary Assets include UMA programs for which Renaissance does not have investment discretion and does not execute the trades. We do provide each program with an updated securities Buy List whenever a change is made to one of our strategies that has clients participating in a UMA program. We also inform the UMA program when their program is next in our trading rotation and what percentage of the UMA portfolio should be invested in each security. The discretionary UMA program manager decides whether to implement our model change recommendation. The Non-Discretionary assets reported in our Form ADV Part 1A – Item 5.F differs from the Non-Discretionary assets reported in the table above due to UMA programs not meeting the Non-Discretionary asset test for Regulatory Assets Under Management under Form ADV Part 1.

### **The DOL Fiduciary Regulation**

Renaissance and its personnel are required to provide clients that are ERISA plans, ERISA plan participants and/or IRA owners ("Retirement Investors") with the following additional disclosure: ***"Renaissance and its personnel act as fiduciaries under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Internal Revenue Code or both with respect to any investment advice provided by Renaissance and its personnel to Retirement Investors."***

**ERISA Plan Engagements:** Renaissance can be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby Renaissance shall manage Plan assets consistent with the investment objective designated by the Plan sponsor. In such engagements, Renaissance will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Renaissance will provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and Renaissance.

**Conflict of Interest:** Renaissance has a financial incentive to ask a direct-managed client or potential client to rollover a 401(k) or other ERISA account into a Rollover IRA if Renaissance would not be able to manage the account operationally if it was left in a 401(k) or other ERISA account. This conflict has been mitigated through the use of a Renaissance IRA Rollover Recommendation Form which is used to determine and document that the Rollover is in the best interest of the Renaissance client or potential Renaissance client.

## Item 5 – Fees and Compensation

### Standard Fee Schedules and Fee Calculation Methodology

Renaissance receives compensation for our investment advisory services through payments of fees made by clients. The fees include all of our management fees. In addition, the client can incur additional fees and expenses, which are not included in our management fee, such as brokerage commissions for trade executions, custodial fees, ADR depository service conversion fees and other fees or expenses that can be charged by their broker or custodian. These additional fees are not Renaissance fees nor are they received by Renaissance or its affiliates. Other investment advisers' fees may be higher or lower fees than the fees charged by Renaissance for comparable services.

**Fee Rates:** The annual fee rates for new direct-managed accounts in our strategies are included below. The fee schedules for any of our services can be modified at any time upon mutual agreement with the client.

<p><b>Balanced</b> <b>Large Cap Core</b> <b>Large Cap Growth</b> <b>Large Cap Value</b> <b>Midcap Growth</b> <b>REIT</b></p> <table> <tr> <td>First \$5 million</td><td>0.75%</td></tr> <tr> <td>Next \$5 million</td><td>0.70%</td></tr> <tr> <td>Next \$5 million</td><td>0.65%</td></tr> <tr> <td>Next \$5 million</td><td>0.60%</td></tr> <tr> <td>Amounts over \$20 million</td><td>0.55%</td></tr> </table>	First \$5 million	0.75%	Next \$5 million	0.70%	Next \$5 million	0.65%	Next \$5 million	0.60%	Amounts over \$20 million	0.55%	<p><b>Emerging Markets</b> <b>Fixed Income International</b> <b>International Equity ADR</b> <b>International Small Cap Equity</b> <b>Multi Asset Allocation</b> <b>Small Cap Growth</b> <b>Small Cap Value</b> <b>Three-Way Asset Allocation</b> <b>Two-Way Asset Allocation</b></p> <table> <tr> <td>All Amounts</td><td>1.00%</td></tr> </table>	All Amounts	1.00%
First \$5 million	0.75%												
Next \$5 million	0.70%												
Next \$5 million	0.65%												
Next \$5 million	0.60%												
Amounts over \$20 million	0.55%												
All Amounts	1.00%												
<p><b>Wealth Management Balanced</b> <b>Wealth Management Growth &amp; Income</b></p> <table> <tr> <td>All Amounts</td><td>0.40%</td></tr> </table>	All Amounts	0.40%	<p><b>Fixed Income</b> <b>Fixed Income Domestic</b></p> <table> <tr> <td>All Amounts</td><td>0.50%</td></tr> </table>	All Amounts	0.50%								
All Amounts	0.40%												
All Amounts	0.50%												
<p><b>Investment Planning Management Fees</b></p> <p>Clients utilizing Investment Planning Services will be charged an investment management fee based on the amount of assets under management. There is no additional charge for Renaissance Investment Planning Services.</p>													

**Fee Calculation:** We compute the fees charged to clients as a percentage of the value of the assets under management. The fee is based on the asset value of the account at the end of each contractually agreed billing period. Our standard practice is to bill quarterly in advance unless otherwise contractually agreed upon by Renaissance and the client. We can request that the custodian directly deduct our fees from client custodial accounts on an ongoing basis, upon receipt of written consent from the client.

Our standard practice is to invoice clients or their custodians for fees related to management of the client's portfolio(s) based on the billing period ending market value as of the last business day of the quarter. The majority of invoices are generated by our internal portfolio system. However, based on the client's contractual instructions, some invoices are manually calculated by Renaissance associates after the portfolios have been reconciled with the client's custodial records. The fee calculation for direct-managed clients is included on the fee bill. All direct-managed clients receive a copy of their fee bill unless they direct us otherwise in writing.

**Pricing Securities:** We price securities on a daily basis with prices received from a third-party source. This pricing is used to calculate the market value of the security in a client's account and the market value is used to calculate fees for client billing. Renaissance, on rare occasion, can be required to "fair value price" a liquid security when a market price for that security is not readily available or when we have reason to believe that the market price is unreliable. When "fair value pricing" a security, we will use various sources of information at our disposal to determine a fair price that the security would obtain in the marketplace if, in fact, a market for the security existed.

- *Equity Securities:* Equity securities listed on a securities exchange are priced at the regular trading session's closing price on the exchange or system in which such securities are principally traded. Securities not traded on the valuation date are priced at the most recent quoted bid price. Renaissance uses evaluated prices for all OTC ADRs and exchange close prices for NYSE and NASDAQ listed ADRs. We list both the foreign currency price and the U.S. dollar-denominated price on our system.
- *Fixed Income Securities:* Fixed income securities, including short-term instruments, are priced based on evaluated prices provided by independent pricing services. Such evaluated prices are normally quoted on a "clean" basis (the value of the bond less the accrued interest). These prices can be determined by factors that include but are not limited to market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities. These securities are priced by a pricing vendor on the basis of bid or mid evaluations in accordance to a region's market convention, using factors that include but are not limited to market quotations, yields, maturities, and the bond's terms and conditions. The pricing vendors use proprietary methods to arrive at the evaluated price. These prices represent the price a dealer would likely pay for a security (typically in an institutional round lot).
- *Fair Valued Securities:* Renaissance does not currently invest in illiquid securities that must be fair valued.
- *Note:* The custodian, rather than Renaissance, is the designated valuation agent for client accounts.

**New Accounts:** When a client opens an account, the client will be charged a prorated fee for the remainder of the current quarter based upon the value of their portfolio on the day the account is opened. After that, the account will be included in our quarterly billing cycle. Contractually negotiated fee structures and calculation methods will be followed when our standard fee procedures have been replaced by alternate language in the Investment Advisory Agreement agreed to by Renaissance and the client. Accounts are billed based on contractually agreed upon ending periods, market values and fee calculations. Cash flows, cash, accruals for dividends and interest are included in the assets under management used to calculate the fee, unless contractual obligation prohibits their inclusion.

**Account Termination:** Direct-managed clients can terminate their account at any time, with advance notice based on the timeframe outlined in the client's agreement with Renaissance. The termination is effective upon receipt of written notice to us (if verbal notice is given, the notice must be promptly confirmed in writing). Renaissance can receive written notification from a direct-managed client's authorized representative. Upon receipt of notification from the client's representative, Renaissance will notify the client or authorized representative (e.g., trustee) in writing to confirm the client's desire to close their account. Upon termination, fees for that quarter will be prorated and any prepaid, unearned fees will be refunded. Clients in Wrap/SMA, UMA and sub-advised client programs are subject to the termination provisions of the investment management agreement they signed with the Wrap/SMA, UMA program sponsor, adviser or mutual fund.

**Death/Divorce/Client Incapacity/Depletion of Assets:** Renaissance will continue to manage a client's account according to the client's contract until we receive written instruction from the client or the client's authorized representative such as a spouse, power of attorney, executor, etc. In the case of a client's death or incapacity, Renaissance will request a death certificate, if applicable, and/or evidence of authorization such as a power of attorney, appointment of executor, etc.

Renaissance is not responsible for determining the state of a client's mental capacity; therefore, clients should appoint a power of attorney to act on their behalf in advance of declining cognitive ability. Clients are also encouraged to complete a Renaissance Trusted Contact Form designating a person that Renaissance can contact under these circumstances.

Due to Renaissance's lack of holistic knowledge regarding a client's total net worth, it is the client's and/or their financial planner's responsibility to monitor the rate of depletion of a client's assets.

**Fee Negotiation:** Subject to applicable laws and regulations, we retain control over changes to our fee schedules and reserve the right to waive all or a portion of our management fee, and negotiate minimum annual fees.

- At our sole discretion, we can negotiate fees based on a client's special circumstances such as asset levels, number of strategies utilized, size of advisors relationship, service/reporting requirements, specialized investment restrictions, etc. Renaissance can also aggregate assets under management across a client's relationship with Renaissance for purposes of determining fees. In some cases, we can agree to offer clients a fee schedule that is lower than the fee schedule of comparable clients invested in the same investment style. The negotiated fee will be identified in the Investment Advisory Agreement between the client and Renaissance.
- Wrap/SMA and UMA Sponsors program fee rates are set on a case-by-case basis so there are no standard Renaissance fee schedules. The size of the program, other relationships with the Sponsor, competitors pricing, MFN clauses, etc. are taken into consideration in negotiating the fee rate.

The account minimum and the timing of payment and/or billing method are also negotiable. Examples of these circumstances include whether the client is a charitable organization, an associate or an associate family member, the size of the portfolio, the competition for particular clients and situations in which a client (e.g., a municipality) is subject to restrictions regarding the amount of fees it can pay. There are historical fee schedules with longstanding clients that differ from the fee schedules applicable to new client relationships.

**Investment Planning Fees:** Renaissance does not charge an additional fee for our investment planning services for clients whose assets are managed by Renaissance. Any assets managed utilizing our investment planning services will be charged a management fee based on the client's total assets under management, regardless of where the assets are invested. This fee is in addition to any underlying fees charged by mutual funds, ETFs, REITs or other financial instruments utilized by the investment plan, if applicable.

**Conflict of Interest:** If Renaissance provides investment-planning advice to a client or potential client, a **conflict of interest** exists to direct assets toward Renaissance strategies or AMG Affiliated mutual funds or sub-advised mutual funds. Renaissance does not currently invest in AMG Affiliated mutual funds as of the date of this ADV. If we decide to invest in AMG Affiliated Funds in the future, this can potentially provide Renaissance and/or AMG Funds/AMG with higher compensation than if the client were invested in non-Renaissance/non-AMG Affiliated mutual funds. Renaissance will mitigate this conflict by discounting its management fee by the amount of the investment advisory portion of the mutual fund fee the client is paying to the Renaissance sub-advised mutual fund/AMG Affiliated mutual fund. Renaissance can collect an investment management fee from the manager of the affiliated mutual fund/ETF. The conflict is also mitigated by Renaissance disclosing our asset management fees for Renaissance strategies along with the non-Renaissance and non-affiliated investments. Therefore, the client has full access to what is being charged for each type of investment. In addition, the client receives the total returns of each of their portfolios in our periodic statements, if they choose to receive a statement from Renaissance. Renaissance also has an incentive to place investment-planning clients in strategies that provide a higher fee to Renaissance. This conflict has been mitigated by Renaissance charging the same management fee to these clients regardless of what investment strategies or mutual funds are utilized.

**Associate/Family Fees:** Renaissance has established a discounted fee schedule for its associates and their family members. The fee schedule is subject to change at any time, as well as change without advance notice due to the acceptance of Most Favored Nation Clause restrictions from clients or potential clients.

### **Additional Fees and Expenses Payable by Clients**

As a client of Renaissance, you will incur additional fees that are not included in the fees charged by Renaissance. These fees can include:

- Brokerage commissions, soft dollar commissions, transaction fees, step-out commissions, service provider fees, and other related costs and expenses.
- Execution of client transactions almost always requires payment of brokerage commissions by clients unless a client's brokerage transactions are covered under a wrap bundled fee. "Item 12 – Brokerage Practices" further describes the factors we consider in selecting or recommending broker-dealers for the execution of transactions and determining the reasonableness of their compensation (e.g., commissions).
- Investment activity can also involve other transaction fees payable by clients, such as sales charges, odd-lot differentials, transfer taxes, foreign exchanges fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.
- Charges imposed by custodians, broker-dealers, third-party investment consultants, and other third-parties, such as custodial fees, consulting fees, administrative fees, and transfer agency fees.
- When buying/selling American Depositary Receipts ("ADRs"), if Renaissance trades in foreign markets and converts the securities to ADRs, additional costs are incurred. Such costs can include foreign brokerage fees, foreign exchange fees, ADR conversion fees, FX charges, exchange fees or stamp taxes associated with this conversion process. ADRs can be subject to dividend withholding taxes from the country of origin, which are an additional expense and reduce the dividend paid to the client. The client or client's custodian is responsible for filing the appropriate forms/filings in the foreign country to reclaim any dividend withholding. ADR custodians can also charge annual Depositary service fees.



- Please refer to “Item-12 Brokerage Practices, Step-Out Trades” for our policies on step-outs and the fees incurred or potentially incurred.

**Direct-Managed Clients Discretionary Trade Arrangements:** Some of our clients have given us the discretion to trade with any brokerage firm that we feel will provide best execution. In these cases, the client pays additional costs and/or fees to third parties, such as custodial fees or transactional costs for trading.

**Mutual Funds, ETFs and Other Pooled Investment Vehicles:** At times, Renaissance will invest client’s assets in money market funds or similar short-term investment funds or other pooled investment vehicles sponsored by third parties, such as exchange traded funds (“ETFs”). If you are invested in other pooled vehicles, you will also pay management and/or other fees to each mutual fund, ETF or other pooled vehicle that are in addition to Renaissance’s fees. These additional fees are disclosed in each pooled vehicles’ offering documents (e.g., prospectus or offering memorandum). These charges, fees and commissions are in addition to our management fee.

### **Direct-Managed Clients – Individual Client Wrap Fee Arrangements**

Some of our clients have arrangements with their brokers under which a bundled fee covers brokerage, custody, and can cover money management and other services (commonly referred to as a wrap fee arrangement). Under wrap fee arrangements, the client usually pays the broker a single fee to cover all costs in connection with securities transactions that are effected by or through the broker and advisory services provided by the broker and/or by an investment adviser.

Depending on the number of transactions initiated on behalf of the client, the overall costs of a wrap fee program can be higher for the client when compared to our standard management fees plus a negotiated per transaction charge (either with the broker we are directed to trade through or others that we can select).

### **Wrap/SMA Sponsor Programs Fees**

Renaissance has sub-advisory agreements with broker-dealers and/or other facilitators (called Wrap/SMA Sponsors) where our investment products are offered to the third party Wrap/SMA Sponsor’s clients as an investment option. The client signs an agreement with the Wrap/SMA Sponsor allowing us to manage their assets through our direct agreement with that Wrap/SMA Sponsor. The client’s relationship in these agreements is with the Wrap/SMA Sponsor and not with Renaissance. These programs are called Wrap/SMA Programs. Due to the structure of most Wrap/SMA fee programs, Renaissance does not provide the same level of client relationship services to Wrap/SMA program clients as it does to direct-managed clients.

Clients in Wrap/SMA Programs pay the Wrap/SMA Program Sponsor a single, all-inclusive fee (called a “wrap fee”). This fee covers consulting, brokerage, custodial, portfolio monitoring and investment management services, and can be up to 3% per annum of the assets under management. The wrap fees paid by the client are set by the Wrap/SMA Sponsor and are disclosed in the Wrap/SMA Sponsor’s contract established with each client or the Sponsor’s brochure. The Wrap/SMA Sponsor pays us a portion of the wrap fee based on the assets under management that we manage for that Wrap/SMA Program, based on our contractual fee rate. Renaissance does not dictate the Wrap/SMA Program client’s overall fee schedule, timing or method of calculation of the Wrap/SMA program fee. Each Wrap/SMA Program Sponsor has prepared a brochure, which contains detailed information about its Wrap/SMA fee programs, including the Wrap/SMA program fee charged. Copies of each brochure are available from the Wrap/SMA Program Sponsor upon request.



The program fee for Wrap/SMA Program accounts can exceed the total cost of the services provided versus if the services were negotiated and purchased separately, depending on:

- the level of the all-inclusive fee;
- the amount of trading activity in a client's account;
- the value of any other services provided to the client;
- the cost of brokerage commissions (these costs are negotiated between the client and the broker-dealer with transactions being effected either by the broker-dealer or a third-party, rather than by us); and,
- other unknown miscellaneous factors, such as other complimentary services the Wrap/SMA sponsor can provide the Wrap/SMA client.

Renaissance is not responsible for evaluating whether the wrap fee paid to the Wrap/SMA Sponsor exceeds the cost for the same services, if such services were provided separately. Clients should consider the overall fees and the services received from the Wrap/SMA Sponsor to determine if a wrap product is appropriate for them.

Wrap/SMA Program clients should note that Renaissance will almost always execute transactions for their accounts through the Wrap/SMA Program Sponsor, because the client has already paid for the transaction through their Wrap Program fee. Usually, Renaissance will only trade away if we find a "Natural" transaction. Renaissance will obtain best execution within any constraints that are provided by the Wrap/SMA Program Sponsor. If Renaissance does trade away from the Wrap/SMA Sponsor, clients can be charged additional charges that are not included in the Wrap/SMA Sponsor's wrap program fee. If the executing broker does not charge an additional fee (e.g., "Natural"), the client will not incur any additional trading charges.

Wrap/SMA Program clients should also be aware that Renaissance is not responsible for the suitability of Renaissance's services for the client; rather, the Wrap/SMA Program Sponsor is responsible for suitability. Renaissance will rely on the Wrap/SMA Program Sponsor who, within its fiduciary duty, must determine not only the suitability of Renaissance's services for the client, but also the suitability of the Wrap/SMA program fee for the client.

### **Wrap/SMA Program Engagements**

| -If Renaissance is contracted to provide investment advisory services as part of an unaffiliated Wrap/SMA-fee program, Renaissance will be unable to negotiate commissions and/or transaction costs. Under a Wrap/SMA Program, the Program Sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. ***Please note:*** Participation in a Wrap/SMA Program can cost the participant more or less than purchasing such services separately. Since the custodian/broker-dealer is determined by the unaffiliated Program Sponsor, Renaissance will be unable to negotiate commissions and/or transaction costs. As a result, the client can pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Renaissance. Higher transaction costs adversely impact account performance.

### **Sub-Advisory Engagements**

Renaissance can also serve as a sub-adviser to unaffiliated registered investment advisers per the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisers that engage Renaissance's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client. This includes initial and ongoing determination of client suitability for Renaissance's designated investment strategies. If the custodian/broker-dealer is directed by the unaffiliated investment adviser and/or client, Renaissance will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client can pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Renaissance. Higher transaction costs adversely impact account performance.

### **Mutual Fund Sub-Advisory Arrangements**

Renaissance has been engaged by other investment advisers (including advisers to registered investment companies) to manage accounts on their behalf. In our capacity as "sub-advisor" to these accounts, our fees and services are determined by contract with the adviser. Information concerning these sub-advised funds, including a description of the services provided and advisory fees, is contained in each fund's prospectus and summary of additional information.

### **Non-Discretionary Programs**

In non-discretionary programs, such as UMA programs, the client pays the Sponsor an all-inclusive fee, a portion of which is paid to Renaissance as compensation for the investment advisory model provision services we provide to the Sponsor.

For detailed information on the fees charged by each Sponsor, the client should refer to the Sponsor's fee schedule included in the client's agreement with the Sponsor.

In evaluating these arrangements, clients should recognize that brokerage commissions for the execution of portfolio transactions executed by the Sponsor's directed broker are not negotiated by Renaissance. Renaissance does not have any responsibility for trading, suitability of the product for the client, investment restriction monitoring or any other responsibility for the sponsored program other than monitoring the holdings in our strategy(s) portion of the program and providing investment recommendations.

### **Mutual Funds**

Fees for mutual fund investments include two types: 1) shareholder fees; and, 2) annual fund operating expense fees.

Shareholder fees can include:

- Sales Loads (fees paid to a broker-dealer, which can include front-end sales loads - i.e., sales fees charged upon purchasing shares) and/or back-end sales loads (sales fees charged upon redeeming shares);
- Redemption fees (fees paid to the fund upon the sale of mutual fund shares);
- Exchange fees (fees charged for transferring to another fund within the same fund group); and,
- Account fees (account maintenance fees).

Annual fund operating expense fees include:

- Management fees (fees paid to an adviser or its affiliates for managing the fund);
- Distribution and/or service fees - e.g., 12b-1 (fees for distribution expenses and sometimes shareholder service expenses); and,
- Other expenses (miscellaneous expenses, such as custodial expenses, legal expenses, accounting expenses, transfer agent expenses, and other administrative expenses).

Clients whose assets are invested in mutual funds or ETFs could pay some or all of the above fees. Clients should review the prospectus of any fund in which their assets are invested in order to understand the fees that are applicable to their investment. The mutual funds that Renaissance purchases for its clients can be purchased directly by the client without using Renaissance as their investment manager.

Renaissance will invest in the lowest cost class of mutual fund shares a client is eligible to invest in at the time of the initial investment, unless there is a mitigating factor such as:

- The investment is prohibited by regulation. (e.g., 12b-1 fees used for ERISA accounts for affiliated mutual funds);
- Minimum account/transaction size, client direction, increased investment returns, breakpoint discounts, limited share classes or other cost savings concerns such as transaction fee savings, which would potentially offset the higher share class expense ratio, etc.; or,
- If Renaissance believes it is in the client's benefit to invest in a mutual fund share class that would benefit them for another reason, we can invest their assets in the higher cost class of mutual fund shares.

Despite our efforts to obtain the lowest share class for you or the most economically advantageous share class, fund expenses can change at any time. Therefore, we cannot guarantee that you will always be in the lowest expense share class or the most economically advantageous share class. Renaissance does not currently have any conflicts of interest because we do not invest in AMG Affiliated mutual funds for our clients.

If Renaissance does decide to invest in AMG Affiliated mutual funds in the future, Renaissance may or may not sub-advise the mutual fund/ETF. Renaissance will discount its management fee by the amount of the investment advisory portion of the mutual fund fee the client is paying to the Renaissance sub-advised mutual fund/AMG Affiliated mutual fund. Renaissance can collect an investment management fee from the manager of the affiliated mutual fund/ETF.

### **Performance-Based Fees**

Performance-based fees for certain products are also available, subject to applicable law, and are negotiable. See "Item 6 – Performance-Based Fees and Side-By-Side Management" for further information.

### **Fees for the Sale of Securities**

Neither Renaissance nor our associates receive, directly or indirectly, any compensation from the sale of securities or investments that are purchased or sold for an account, other than the benefits Renaissance receives from soft dollar arrangements for research services. We are compensated through the stated management fee agreed upon in the Investment Advisory Agreement.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

### **Performance-Based Fees**

Renaissance offers performance-based fees and/or discounts for its investment management services. A performance-based fee is an asset manager's fee for managing a client's account in which an asset manager's (e.g., Renaissance) compensation is based upon the net or gross returns of the account being managed compared to a stated benchmark at a point in time or over a period of time. Performance-based fees and/or discounts can be based on absolute or benchmark-relative returns on either a net or gross basis. In accordance with applicable law, we can negotiate performance-based fees and/or discounts with clients that meet the requirements listed in the Investment Advisers Act Rules 275.205-2 and 275.205-3. We can have both performance-based fee accounts and asset-based fee accounts within a particular investment strategy.

### **Side-By-Side Management**

Our investment professionals simultaneously manage multiple types of client accounts (for the type of clients see "Item 7 – Types of Clients") according to the same, similar or different investment strategy (e.g., side-by-side management).

The simultaneous management of these different types of client accounts, with different fee structures, creates certain **conflicts of interest**, as the fees for the management of some client types are higher than for others. Nevertheless, when managing the assets of these accounts, we have a duty to treat all accounts fairly and equitably over time.

Portfolios will not necessarily be managed identically at all times. Specifically, it is not required that we use the same investment practices consistently across all portfolios. In general, investment decisions for each client account are made independently from those of other client accounts and are made based on the individual needs and objectives of each client. Different client guidelines and/or differences within investment strategies can lead to the use of different investment practices for portfolios within a similar investment strategy. In addition, we will not necessarily purchase or sell the same securities at the same time or in the same quantity for all eligible portfolios. This is particularly applicable if the portfolios have materially different amounts of capital under management or different amounts of investable cash is available. As a result, although we manage numerous portfolios with similar or identical investment objectives, or manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts and the performance resulting from these decisions can differ from portfolio to portfolio.

Each account's performance can also differ due to differences in investment restrictions, tax considerations, timing of initial investment, cash flows, trade rotation, etc.

### **Potential Conflicts of Interest: Performance-Based Fees & Side-By-Side Management**

**Performance-Based:** Performance-based fees create certain inherent **conflicts of interest** with respect to Renaissance's management of assets. Specifically, our entitlement to a performance-based fee in managing one or more accounts creates an incentive for us to take risks in managing those assets that we would not otherwise take in the absence of such arrangements. In addition, since performance-based fees reward us for strong performance in accounts that are subject to such fees, we have an incentive to favor these accounts over accounts that have only asset-based fees. Asset-based fees are based on the amount of assets under management in an account with respect to areas such as trading opportunities, trade allocation, and allocation of new investment opportunities. This conflict has been reduced or eliminated by all accounts within a particular strategy utilizing the same buy list/model regardless of the fee structure of the account, unless there are client-imposed restrictions or it is a taxable account. We also employ a random trading rotation prior to trade execution to ensure all clients in our trading rotation have the same chance of receiving a first or last trade execution.

**Side-By-Side Management:** Since side-by-side management of various types of portfolios with varying fee structures raises the possibility of favorable or preferential treatment of a portfolio or a group of portfolios, we have implemented the following procedures designed to treat all portfolios fairly over time:

- We employ a random trading rotation prior to trade execution to ensure all directed and non-directed brokerage clients have the same chance of receiving a first or last trade execution.
- Directed brokerage accounts are grouped by broker and all discretionary brokerage accounts are grouped together in one trading block.
- We perform a sample test quarterly to ensure the random trade rotation is being followed. Our Chief Compliance Officer approves any exceptions to the execution order and the exceptions are documented by the trading department.
- We perform a quarterly test to ensure associate accounts are traded at the end of every trading rotation when clients and associates are invested in the same strategy.
- We perform an annual test to ensure associates account returns fall within a reasonable range of client account returns for the same strategy.
- All accounts within a particular strategy utilize the same buy list/model regardless of the fee structure of the account, unless there are client-imposed restrictions.
- Our Chief Compliance Officer is responsible for ensuring we comply with all applicable regulations.

By utilizing these procedures, we believe that portfolios that are subject to side-by-side management alongside other products are receiving fair treatment over time.

## **Item 7 – Types of Clients**

Renaissance provides portfolio management services to retail individuals, high net worth individuals, corporate pension plans, 401(k) and profit-sharing plans, trusts, banks, Taft Hartley clients, public clients, charitable institutions, foundations, endowments, municipalities, mutual funds, Wrap/SMA programs, UMA programs, quasi-public clients, corporations, associates and their families, and other businesses not listed here.

### **Minimum Account Size**

Renaissance's minimum account size is negotiable and will be determined at Renaissance's sole discretion. We can set the minimum depending on the specific strategy selected, the amount of client assets to be invested or any additional support or service required by the client, the client's consultant or program sponsor, etc.

In circumstances where we serve as an adviser within a Wrap/SMA or UMA fee program or are a sub-adviser to a mutual fund, the account minimums are determined by our agreement with the relevant Wrap/SMA/UMA fee program sponsor or mutual fund.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Process Overview**

Each of our investment strategies is managed by a portfolio manager in a manner consistent with our approach to investing.

The foundation of Renaissance's investment process is our method of blending proprietary quantitative models with qualitative research to build a portfolio for each strategy of companies that exhibit both good growth characteristics and reasonable valuations. Our quantitative modeling process first scores and ranks companies based upon predictive factors that include but are not limited to financial strength, historical growth, future earnings expectations and valuation. The top-ranked stocks are then subjected to qualitative review and analysis considering fundamentals, business momentum, management strategy and other factors. Only the most attractive companies based on this fundamental analysis are eligible for purchase. Companies are sold from the portfolio based on a decline in the quantitative rankings, a fundamental deterioration, or a combination of both of these factors, or to make room for what is perceived as a better opportunity. The investment process and our proprietary models are a direct application of our investment philosophy. This philosophy incorporates our belief that the utilization of disciplined and systematic methods for identifying attractive companies that have business and earnings momentum and trade at reasonable valuations can result in excess returns over time.

In evaluating securities, the main sources of information we use include:

- Quantitative data and fundamental data provided by third-party vendors,
- financial periodicals,
- research materials prepared by third-parties,
- corporate rating services relating to historical prices of securities, dividends, and earnings,
- quarterly, semi-annual and annual reports,
- prospectuses,
- filings with the SEC and other global government agencies; and,
- company press releases.

Depending on the strategy, client assets can be invested in U.S.-traded equity securities including American Depositary Receipts ("ADRs") or foreign ordinary securities. Equities can include large capitalization, mid-capitalization and small capitalization issues. Assets can also be invested in exchange traded funds ("ETFs"), mutual funds, U.S. treasury securities, real estate investment trusts ("REITs") and money market funds. These securities trade on listed exchanges or in the Over-the-Counter ("OTC") Market. We may trade ordinary shares in local markets and create/cancel ADRs as needed to access liquidity in the local foreign market. Upon the request of a pension-fund client, Renaissance can invest the client's funds in collective investment funds maintained by banks.

### **Material Related Risks**

Our investment strategies carry different levels of risk. In each strategy, all securities include a risk of loss of principal and any gains that have not been realized. The stock and bond markets can fluctuate substantially over time and the performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage and such a loss is out of our control. We cannot guarantee any level of performance and cannot guarantee that clients will not experience a loss of account assets. All investments carry a certain amount of risk and Renaissance cannot guarantee that the strategy will achieve its investment objective. Each of our strategies has the potential for your assets to decline in value based on market conditions. An investment in any of Renaissance's strategies is not a deposit or obligation of any bank, is not endorsed or guaranteed by any bank, and is not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency, and can lose value.



**Vendor Risk:** Renaissance does not perform due diligence of any kind on the confidentiality/data security/ cybersecurity/business continuity practices of vendors that clients select including, but not limited to, custodians, brokers, consultants, banks, Wrap/SMA programs, UMA programs, and mutual funds, etc. Clients are responsible for performing initial and ongoing due diligence on any party they select to service their investment needs. Renaissance has a Written Information Security/Cybersecurity Policy, Privacy Policy, and Compliance Manual, which include policies and procedures for vendor review of vendors that Renaissance selects and has deemed a critical vendor; however, loss of personally identifiable client information is still a risk. Risks include account takeovers, hackers, internal associate risks, phishing and social engineering, among other methods that can be used to obtain confidential client information by third parties.

**Cybersecurity Risk:** With the increased use of technologies to conduct business, Renaissance is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber incidents affecting Renaissance have the ability to cause disruptions and impact business operations. Such incidents can potentially result in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties or reputational damage. While Renaissance has established a business continuity plan and risk management systems intended to identify and mitigate cyberattacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Renaissance cannot control the cybersecurity plans and systems implemented by third party service providers and issuers that clients have directed Renaissance to use. Furthermore, there are limitations to the risk management reviews Renaissance conducts for vendors that Renaissance selects. Clients can be negatively impacted as a result.

**Investment Risk:** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Renaissance) will be profitable or equal any specific performance level(s).

**Market Risk:** The market price of securities held by the strategy can fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions. The value of the strategy's investment in any security will fluctuate on a day-to-day basis with movements in the stock market, as well as in response to the activities of individual companies. Renaissance will continue to follow our portfolio managers' investment decisions and our strategies' parameters during volatile periods. Renaissance's portfolio managers have the ability to liquidate securities and hold cash in our accounts during extreme volatile circumstances, but the client should assume Renaissance will maintain the fully invested status of client's investments at all times. If the client would ever wish to liquidate their securities during a volatile period or for any other reason, they would need to provide Renaissance with written direction with specific hold/liquidation instructions.

**Liquidity Risk:** Liquidity Risk is the risk that Renaissance may not be able to buy/sell its clients' securities in a timely fashion and/or at a favorable price leading to clients' returns being adversely affected. To help minimize liquidity risk, equities are all traded on recognized exchanges or OTC markets and strategy asset levels are consistent with expected product capacity, which is based on historical trading volumes.

**Interest Rate Risk:** When interest rates rise, the market prices of the debt securities will usually decline. When interest rates fall, the prices of these securities usually increase.

## **Vehicle Risks:**

**Bond Risk** — The bond portion of a portfolio is subject to the following risks:

- *Income Risk:* The chance that the portfolio's income will decline due to falling interest rates as newly issued bonds can have lower coupons.
- *Credit Risk:* The risk that an issuer of a debt security will default (fail to make scheduled interest or principal payments), potentially reducing the portfolio's income level and share price. This risk increases when a security is downgraded or the perceived creditworthiness of the issuer deteriorates.
- *Call Risk:* The chance that during periods of falling interest rates, issuers of callable bonds can call (repay) securities with higher coupons or interest rates before their maturity dates.
- *Country/Geopolitical Risk:* The bond portfolio can be subject to risk from political uncertainty in countries/regions where the companies are domiciled or conduct business. Unexpected changes in government regulations, military actions or changes in leadership are among the risks that can negatively affect the valuation of companies in the portfolio.

**ETF Risk** — Exchange traded funds ("ETFs") can trade at a discount or premium to the net asset value, and there is always a fundamental risk of declining stock or bond prices in the underlying investments of the ETF, which can result in investment losses.

- *Commodities ETFs:* We only use commodities in ETF-based investments. If commodities are utilized by an ETF, the commodity risk refers to the uncertainties in the underlying commodity investments. These commodity risks include uncertainty regarding future market values caused by the fluctuation in the prices of commodities, which include grains, metals, gas, electricity, etc. Events that can affect commodity prices are weather-related events (e.g., drought, insect infestations, hurricanes, blight and floods) and government interventions (e.g., embargoes and tariffs).

**Growth Stock Risk** — Growth stocks can be more sensitive to market movements because their prices tend to reflect future investor expectations rather than just current profits.

**Money Market Risk** — Refers to the possibility that the value of the underlying investments can decline and cause the value per share of the fund to drop below \$1.00, causing a loss in your investment.

**Underlying Fund Risk** — The risks associated with investing in a mutual fund are closely related to the risks associated with the underlying securities and investments comprising the fund.

**Real-Estate / REIT Risk** — REITs must satisfy specific requirements for favorable tax treatment and can involve unique risks in addition to the risks affecting the real estate industry. REITs are dependent upon the quality of management, financial resources and heavy cash flow dependency, and diversified locations or property type.

**Value Stock Risk** — Value stocks can perform differently from the market as a whole and other types of stocks and can continue to be undervalued by the market for a long period of time.

## **Investing Risks**

**Government Sponsored Enterprises Risk** — Securities held by the Fund that are issued by government-sponsored enterprises, such as the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal Farm Credit Banks and the Tennessee Valley Authority are not guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. Government. They are also subject to credit risk and interest rate risk.

**Non-Diversification Risk** — The risk is incurred by not investing the portfolio in a variety of securities across various sectors, industries or countries.

**Quantitative Investing Risk** — Securities evaluated using quantitative analysis can perform differently from the market as a whole as a result of the factors used in the analysis, the weights placed on each factor and changes in the factor's historical trends. Our quantitative models can also contain construction errors, data errors or incomplete data as we rely on third-party data vendors when running our quantitative screens. Inaccurate data can provide Renaissance's Portfolio Managers/Analysts with an incorrect ranking of securities on which to perform fundamental analysis potentially affecting the returns of the strategy. Renaissance performs a fundamental analysis of all securities prior to purchase and reviews all securities prior to sale. Our quantitative analysis is a screening tool used to narrow our research universe and is not a final determinant in our purchase or sale decisions. Our Portfolio Managers are the final decision makers regarding purchase and sell decisions.

**Sector Allocation Risk** — The portfolio can be over- or underexposed to certain sectors relative to the portfolio's/strategy's benchmark.

**Security Selection Risk** — The risk that Renaissance can allocate portfolio assets to certain groups (e.g., sectors, industries or countries) that perform well, but the specific stocks in the portfolio do not perform as well as the group.

### **Capitalization Risks**

**Large-Capitalization Risk** — Large-cap companies are more mature and might not be able to reach the same levels of growth as small- or mid-cap companies.

**Mid-Capitalization Risk** — Mid-cap companies are usually more volatile in price than large-cap stocks and can perform quite differently from the market as a whole.

**Small-Capitalization Risk** — Small-cap companies are usually more volatile in price than large-cap stocks and can perform quite differently from the market as a whole.

### **Foreign Investing Risks**

**Country/Geopolitical Risk** — The portfolio can be subject to risk from political uncertainty in countries/regions where the companies are domiciled or conduct business. Unexpected changes in government regulations, military actions, seizure of assets or changes in leadership are among the risks that can negatively affect the valuation of companies in the portfolio.

**Currency Risk** — The portfolio would be affected by movements in currencies relative to the U.S. dollar. Currency risk occurs whenever investors or businesses have assets or operations in foreign countries. Foreign currencies are subject to risks caused by inflation, interest rates, budget deficits, low savings rates, political factors and government controls.

**Emerging Markets Risk** — The performance of foreign securities can be affected by the different political, regulatory and economic environments in countries in which the strategy invests. In addition, emerging markets tend to be more volatile than the U.S. market or developed foreign markets due to increased risks of political, regulatory, market or economic developments. Fluctuations in foreign currency exchange rates can also adversely affect the value of foreign securities in which the strategy has invested. Investing in emerging markets involves higher levels of risk, including increased information, market, and valuation risks.

*Exchange Rate Risk* — American Depositary Receipts (“ADRs”) and ordinary stocks held with foreign custodians are exposed to exchange rate risk when the foreign denominated dividends are converted into U.S. dollars. The creation or cancellation of ADRs can also result in exchange rate risk. Exchange rate risk can create significant losses due to interest rate movements and geopolitical issues.

*Foreign Investment Risk* — Investing in foreign securities involves risks related to the political, social, and economic conditions of foreign countries, particularly emerging market countries. These risks include political instability, exchange control regulations, expropriation, lack of comprehensive information, national policies restricting foreign investment, currency fluctuations, less liquidity, undiversified and immature economic structures, inflation and rapid fluctuations in inflation, withholding or other taxes, and operational risks. Special risks associated with investments in emerging country issuers include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and different auditing and legal standards. Some of the countries can have restrictions that limit the access to investment opportunities.

*International Small Cap Equity Risk* — Small cap companies can be more volatile in price than large-cap stocks and often perform quite differently from the market as a whole. The performance of foreign securities can be affected by the different political, regulatory and economic environments in countries in which the strategy invests. In addition, emerging markets tend to be more volatile than the U.S. market or developed foreign markets. Fluctuations in foreign currency exchange rates can also adversely affect the value of foreign securities in which the strategy has invested.

Client assets are susceptible to some or all of the risks discussed above for each investment strategy that Renaissance offers. Please refer to the tables below to determine the risks that apply to a particular strategy:

## Strategy Risk Charts

TYPES OF RISKS	DOMESTIC STRATEGIES						INTERNATIONAL/GLOBAL STRATEGIES		
	Large Cap Core Strategy	Large Cap Growth Strategy	Large Cap Value Strategy	Midcap Growth Strategy	Small Cap Growth Strategy	Small Cap Value Strategy	Emerging Markets Strategy	International Equity ADR Strategy	International Small Cap Equity Strategy
Cybersecurity Risk	X	X	X	X	X	X	X	X	X
Market	X	X	X	X	X	X	X	X	X
Liquidity Risk	X	X	X	X	X	X	X	X	X
Interest Rate									
<b>Vehicle</b>									
Bond									
ETFs	X	X	X	X	X	X	X	X	X
ETFs Commodity Risk									
Growth Stock		X		X	X		X	X	X
Money Market	X	X	X	X	X	X	X	X	X
Underlying Fund	X	X	X	X	X	X	X	X	X
Real-Estate / REIT									
Value Stock			X			X	X	X	X
<b>Investing Risks</b>									
Government Sponsored Enterprise Risk									
Non-Diversification	X	X	X	X	X	X	X	X	X
Quantitative Investing	X	X	X	X	X	X	X	X	X
Sector Allocation	X	X	X	X	X	X	X	X	X
Security Selection	X	X	X	X	X	X	X	X	X
<b>Capitalization Risk</b>									
Large-Capitalization	X	X	X				X	X	
Mid-Capitalization	X		X	X		X	X	X	
Small-Capitalization					X	X	X	X	X
<b>Foreign Investing Risks</b>									
Country/Geopolitical							X	X	X
Currency							X	X	X
Emerging Markets							X	X	X
Exchange Rate Risk							X	X	X
Foreign Investment							X	X	X
International Small Cap							X	X	X

ALLOCATION STRATEGIES					OTHER STRATEGIES				
TYPES OF RISKS	Balanced Strategy	Multi-Asset Allocation Strategy	Three Way Asset Allocation Strategy	Two Way Asset Allocation Strategy	Fixed Income Strategies	REIT Strategy	Wealth Management	Wealth Management	Investment Planning Strategies
							Balanced Strategy	Growth & Income Strategy	
Cybersecurity Risk	X	X	X	X	X	X	X	X	X
Market	X	X	X	X	X	X	X	X	X
Liquidity Risk	X	X	X	X	X	X	X	X	X
Interest Rate	X	X	X	X	X	X	X	X	X
<b>Vehicle</b>									
Bond	X	X	X	X	X		X	X	X
ETFs	X	X	X	X	X	X	X	X	X
ETFs Commodity Risk	X	X	X	X	X		X	X	X
Growth Stock		X					X	X	X
Money Market	X	X	X	X	X	X	X	X	X
Underlying Fund	X	X	X	X	X	X	X	X	X
Real-Estate / REIT		X				X	X	X	X
Value Stock		X					X	X	X
<b>Investing Risks</b>									
Government Sponsored Enterprise Risk	X	X	X	X	X		X	X	X
Non-Diversification	X	X	X	X	X	X	X	X	X
Quantitative Investing	X	X	X	X	X	X	X	X	X
Sector Allocation	X	X	X	X	X	X	X	X	X
Security Selection	X	X	X	X	X	X	X	X	X
<b>Capitalization Risk</b>									
Large-Capitalization	X	X	X	X		X	X	X	X
Mid-Capitalization	X	X	X	X		X	X	X	X
Small-Capitalization		X				X	X	X	X
<b>Foreign Investing Risks</b>									
Country/Geopolitical		X			X				X
Currency		X			X				X
Emerging Markets		X			X		X	X	X
Exchange Rate Risk		X			X				X
Foreign Investment		X			X		X	X	X
International Small Cap		X			X		X	X	X



## **Strategy Overview**

A list of our strategies, their objectives and investment processes are listed below. Exchange Traded Funds (“ETFs”) can be used as an alternative investment for any Renaissance strategy if a recommended investment is precluded by an investment restriction, tax consideration, or for tax harvesting purposes, etc.

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.

**Balanced Strategy:** The Renaissance Balanced Strategy employs a disciplined decision-making process to determine asset allocations among the principal asset classes of cash equivalents, bonds and stocks. This strategy can use ETFs to invest in the underlying bond securities. At times, portfolio assets will only be invested in two asset classes; at other times, all three are represented. Commitments to cash equivalents, bonds and stocks can range from 10% to 90% of the total portfolio. Equity commitments typically change in increments of 10% and are invested in individual stocks. These stocks sell at what we believe to be reasonable valuations supported by above-average corporate profitability and accelerating earnings growth. Each portfolio contains approximately 50-60 individual U.S. common stocks with market capitalizations typically above \$3 billion at the time of purchase. Our Balanced Strategy seeks to provide positive returns in rising markets along with preservation of capital in adverse market environments.

We use a disciplined process that adjusts a portfolio’s asset allocation in response to changing market conditions. The domestic market alternatives of common stocks, bonds and cash equivalents are analyzed in terms of their historical and current valuation relative to one another. Through this relative value analysis, we determine which market alternative offers the best value at particular points in time and adjust the portfolio allocation accordingly. The stock portion of Balanced portfolios is broadly diversified and consists of large-capitalization issues that exhibit a combination of attractive valuation and strong earnings growth potential. Bonds are limited to U.S. Treasury issues and high-quality Corporate bonds and/or fixed income/bond ETFs.

The objective of the strategy is to outperform a static, balanced mix of stocks and bonds over a complete market cycle.

**Emerging Markets Strategy:** The Renaissance Emerging Markets Strategy employs a disciplined decision-making process to create and manage emerging markets portfolios. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various countries, regions, sectors and industries. Emerging markets are nations with social or business activity experiencing rapid growth and industrialization. Please refer to the Emerging Markets definition in Appendix I – Definitions. Our stock selection process identifies individual stocks that sell at reasonable valuations supported by what we believe to be above-average corporate profitability and accelerating earnings growth. The strategy can purchase large-, mid- and small-cap stocks (minimum \$500 million market cap at purchase). Each portfolio contains approximately 45-55 stocks. Investment vehicles utilized are American Depositary Receipts (“ADRs”) and non-ADR U.S.-traded shares of foreign companies.

The objective of the strategy is to outperform the MSCI Emerging Markets Index over a full market cycle.

**Fixed Income Strategies:** The Renaissance Fixed Income Strategies invest in fixed income mutual funds, exchange traded funds and individual government and credit issues. Portfolios are designed to offer an attractive combination of current income, price stability and safety of principal through a diversified mix of holdings, which can include exposure to international and high yield bonds. Portfolio positions range from 2-5 holdings.

The objective of the Fixed Income Strategies is to outperform the stated benchmark over a full market cycle.

**International Equity ADR Strategy:** The Renaissance International Equity ADR Strategy (renamed as of 7/1/17, formerly the International Equity Strategy) employs a disciplined decision-making process to create and manage international equity portfolios. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various countries, regions, sectors and industries. Our stock selection process identifies individual stocks that sell at reasonable valuations supported by what we believe to be above-average corporate profitability and accelerating earnings growth. The strategy can purchase large-, mid- and small-cap stocks (minimum \$500 million market cap at purchase). Each portfolio contains approximately 50-60 stocks. We only invest in American Depositary Receipts ("ADRs") and non-ADR U.S.-traded shares of foreign companies and do not purchase shares of U.S. corporations.

The strategy invests in both developed markets outside the United States and emerging markets. Investments in emerging markets will not exceed 33% of the portfolio at cost. Emerging markets are nations with social or business activity in the process of rapid growth and industrialization. Please refer to the Developed and Emerging Markets definitions in Appendix I - Definitions.

The objective of the strategy is to outperform the MSCI All Country World ex USA Index over a full market cycle.

**International Small Cap Equity Strategy:** The Renaissance International Small Cap Equity Strategy employs a disciplined decision-making process to create and manage international small cap growth portfolios. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various countries, regions, sectors and industries. Our stock selection process identifies individual stocks that sell at reasonable valuations supported by what we believe to be above-average corporate profitability and accelerating earnings growth. Each portfolio contains approximately 45-55 stocks. We only invest in American Depositary Receipts ("ADRs") and non-ADR U.S.-traded shares of foreign companies and do not purchase shares of U.S. corporations.

We choose stocks with market capitalizations of between \$100 million and \$3 billion at the time of purchase. The strategy invests in both developed markets outside the United States and emerging markets. Emerging markets are nations with social or business activity experiencing rapid growth and industrialization. Please refer to the Developed and Emerging Markets definition in Appendix I – Definitions.

The objective of the strategy is to outperform the MSCI All Country World ex US Small Cap Index over a full market cycle.

**Large Cap Core Strategy:** The Renaissance Large Cap Core Strategy employs a disciplined decision-making process to create and manage large cap portfolios with sector weights similar to the S&P 500 Index. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various sectors and industries. Our stock selection process identifies individual stocks that sell at reasonable valuations supported by what we believe to be above-average corporate profitability and accelerating earnings growth. Each portfolio contains approximately 50-60 individual U.S. common stocks with market capitalizations typically above \$3 billion at the time of purchase.

We select attractive stocks from all economic sectors to ensure a high degree of diversification is maintained at all times.

The objective of the strategy is to outperform the S&P 500 Index over a full market cycle.

**Large Cap Growth Strategy:** The Renaissance Large Cap Growth Strategy employs a disciplined decision-making process to create and manage growth-oriented large cap growth portfolios with market capitalizations typically above \$3 billion at the time of purchase. We define growth stocks as those companies whose earnings are expected to grow at an above-average rate relative to the market. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various sectors and industries.

We use a disciplined decision-making process to invest in growth-oriented stocks that are selling at reasonable valuations. Portfolios consist of individual stocks that tend to sell at valuation levels below those of market averages, but which exhibit growth potential and earnings momentum above those of market averages. Each portfolio contains approximately 50-60 individual U.S. common stocks.

The objective of the strategy is to outperform the Russell 1000 Growth Index over a full market cycle.

**Large Cap Value Strategy:** The Renaissance Large Cap Value Strategy employs a disciplined decision-making process to create and manage portfolios of mid- and large-capitalization, value-oriented securities with market capitalizations typically above \$3 billion at the time of purchase. We define a value stock as a stock that tends to trade at a lower price relative to fundamentals (e.g., dividends, earnings, sales, etc.) and thus considered undervalued by a value investor. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various sectors and industries. Individual stocks typically sell at price-to-earnings ratios and price-to-sales ratios that are substantially lower than that of the equity markets in general, supported by what we believe to be accelerating earnings trends and strong cash flows. Each portfolio contains approximately 50-60 individual U.S. common stocks.

The objective of the strategy is to outperform the Russell 1000 Value Index over a full market cycle.

**Midcap Growth Strategy:** The Renaissance Midcap Growth Strategy employs a disciplined decision-making process to create and manage growth-oriented midcap growth portfolios. We define growth stocks as those companies whose earnings are expected to grow at an above-average rate relative to the market. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various sectors and industries. Our stock selection process identifies individual stocks that sell at reasonable valuations supported by what we believe to be above-average corporate profitability and accelerating earnings growth. Each portfolio contains approximately 50-60 individual U.S. common stocks. We choose stocks with market capitalizations of approximately \$2-20 billion at the time of purchase.

The objective of the strategy is to outperform the Russell Midcap Growth Index over a full market cycle.

**Multi-Asset Allocation Strategy:** The Renaissance Multi-Asset Allocation Strategy employs a disciplined decision-making process to determine asset allocations among the principal asset classes of U.S. equities, international equities, emerging market equities, REITs, commodities, and cash equivalents. At times, portfolio assets can be heavily invested in cash equivalents and allocations to any specific asset class can range from 0% to 100% of the total portfolio. The number of asset classes can be expanded or reduced at any time and the percentages allocated to each asset class can also change.

We use a disciplined, technology-driven decision model that adjusts a portfolio's asset allocation in response to changing market conditions. Each asset class is analyzed using an exponential moving average of price to identify periods when stocks were in positive or negative price trends. Through this analysis, we determine which asset class offers the most favorable price trends and adjust the portfolio allocation accordingly. The portfolio is broadly diversified by asset class, although asset class exposure is achieved through concentrated positions of highly-liquid exchange traded funds ("ETFs").

The objective of the strategy is to outperform a combination of a fixed blend of 20% of the S&P 500 Index, 20% of the MSCI EAFE Index, 20% of the MSCI Emerging Markets Index, 20% of the FTSE NAREIT Index and 20% of the Dow Jones UBS Commodity Index.

**REIT Strategy:** The Renaissance REIT Strategy employs a disciplined decision-making process to create and manage REIT portfolios. A Real Estate Investment Trust ("REIT") is an investment trust that owns and manages a pool of commercial properties, mortgages and other real estate assets. Individual issues sell at reasonable valuation levels supported by what we believe to be accelerating earnings growth. Each portfolio contains stocks of approximately 20 Real Estate Investment Trusts.

The objective of the strategy is to outperform the FTSE NAREIT Index over a complete market cycle.

**Small Cap Growth Strategy:** The Renaissance Small Cap Growth Strategy employs a disciplined decision-making process to create and manage growth-oriented small cap growth portfolios. We define growth stocks as those companies whose earnings are expected to grow at an above-average rate relative to the market. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various sectors and industries. Our stock selection process identifies individual stocks that sell at reasonable valuations supported by what we believe to be above-average corporate profitability and accelerating earnings growth. Each portfolio contains approximately 50-60 individual U.S. common stocks and U.S.-traded shares of foreign companies that are constituents of the Russell 2000 Growth (usually between \$500 million and \$4 billion at the time of reconstitution of the index) at the time of purchase.

The objective of the strategy is to outperform the Russell 2000 Growth Index over a full market cycle.

**Small Cap Value Strategy:** The Renaissance Small Cap Value Strategy employs a disciplined decision-making process to create and manage portfolios of small capitalization, value-oriented securities. We define a value stock as a stock that tends to trade at a lower price relative to its fundamentals (i.e., dividends, earnings, sales, etc.) and thus considered undervalued by a value investor. This strategy seeks to control risk by diversification and systematic analysis of investment opportunities across various sectors and industries. Individual stocks typically sell at price-to-earnings ratios and price-to-sales ratios that are substantially lower than that of the equity markets in general, supported by what we believe to be accelerating earnings trends and strong cash flows. Each portfolio contains approximately 50-60 individual U.S. common stocks and U.S.-traded shares of foreign companies that are constituents of the Russell 2000 Growth (usually between \$500 million and \$4 billion at the time of reconstitution of the index) at the time of purchase.

The objective of the strategy is to outperform the Russell 2000 Value Index over a full market cycle.

**Three Way Asset Allocation Strategy:** The Renaissance Three Way Asset Allocation Strategy employs a disciplined decision-making process to determine asset allocations among the principal asset classes of cash equivalents, bonds and stocks. At times, portfolio assets can be fully invested in a single asset class; at other times, assets will be invested in only two asset classes or potentially all three asset classes. Commitments to cash equivalents, bonds and stocks will range from 0% to 100% of the total portfolio.

Asset class allocations typically change in increments of 50% and equities are invested in individual stocks that sell at reasonable valuations supported by what we believe to be above-average corporate profitability and accelerating earnings growth. Each portfolio contains approximately 50-60 individual U.S. common stocks with typical market capitalizations above approximately \$3 billion at the time of purchase.

We use a disciplined tactical asset allocation process that adjusts a portfolio's asset allocation in response to changing market conditions. The domestic market alternatives of common stocks, bonds and cash equivalents are analyzed in terms of their historical and current valuations relative to one another. Through this relative value analysis, we determine which market alternative offers the best value and adjust portfolio allocation accordingly. The stock portion is broadly diversified consisting of large-capitalization issues that exhibit a combination of good valuation and strong earnings growth potential. Bonds are typically limited to U.S. Treasury and high-quality corporate bonds.

The objective of the strategy is to outperform the S&P 500 Index over a complete market cycle.

**Two Way Growth Asset Allocation Strategy:** The Renaissance Two Way Growth Asset Allocation Strategy consists of a blend of stocks and cash based on an analysis that identifies the asset class or classes offering the most attractive potential return. Cash investments are limited to high-quality (typically U.S. Treasury) holdings. Equity commitments are invested in the same stocks as the Renaissance Large Cap Growth Strategy (described above). Changes among these two asset classes are made in 10% increments.

We use a disciplined tactical asset allocation process that adjusts a portfolio's asset allocation in response to changing market conditions. Using quantitative valuation models, the domestic market alternatives of common stocks and cash equivalents are analyzed in terms of their valuation relative to one another. Through this relative value analysis, we determine which market alternative offers the best value and adjust portfolio allocation accordingly. Portfolios can be invested up to 100% in any of the two asset classes at any point in time. The stock portion is broadly diversified consisting of large-capitalization issues that exhibit a combination of good valuation and strong earnings growth potential. Cash investments are typically limited to U.S. Treasury bills.

The objective of the strategy is to outperform the Russell 1000 Growth Index over a complete market cycle.

**Wealth Management Balanced Strategy:** The Renaissance Wealth Management Balanced Strategy seeks to invest in a diversified mix of stock and bond mutual funds, ETFs and ETNs. Various fundamental and quantitative measures are used to develop asset allocation guidelines and specific mutual fund and ETF holdings across accounts.

The objective of the strategy is to generate good long-term investment returns, with a moderate level of portfolio volatility.

**Wealth Management Growth & Income Strategy:** The Renaissance Wealth Management Growth and Income Strategy seeks to invest in a diversified mix of stock and bond mutual funds, ETFs and ETNs. Various fundamental and quantitative measures are used to develop asset allocation guidelines and specific mutual fund and ETF holdings across accounts.

The objective of the strategy is to generate good long-term investment returns through a mix of capital appreciation and current income.



**Investment Planning Strategies:** Any of our strategies can be customized to meet client-specific needs as part of providing clients with our investment planning services. The customized strategies can include a portion or combination of any of the investment strategies discussed above. For a detailed description of each strategy, please refer to the strategy descriptions provided above. Individually customized strategies can include customized high net worth management for growth and income and balanced strategies, individual cash management, commodities strategies utilizing ETF's, mutual funds, etc. The client should refer to the individual mutual fund prospectus to receive a detailed description of mutual fund fees, fund managers and investment strategy.

**Other:** We also manage strategies that are not described here, which are currently incubated and not available to the public or are customized for an individual or specific group of clients.

## **Item 9 – Disciplinary Information**

There are no applicable legal or disciplinary events involving Renaissance as of the date of this ADV filing.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Affiliations**

**Affiliated Managers Group (“AMG”):** AMG, a publicly traded asset management company (NYSE: AMG), holds an equity interest in The Renaissance Group LLC (“Renaissance”) d.b.a. “Renaissance Investment Management” through its holding company, (“AMG Renaissance Holdings LLC”). AMG’s equity interest in Renaissance is structured so that Renaissance maintains operational autonomy in managing its business. The relationship between AMG, AMG Renaissance Holdings LLC and Renaissance is defined by an operating agreement that provides that neither AMG nor AMG Renaissance Holdings LLC has the authority or the ability to operate or manage Renaissance’s business in the normal course. Accordingly, AMG and AMG Renaissance Holdings LLC are not “control persons” of Renaissance. AMG also holds equity interests in certain other investment advisers (“AMG affiliates”).

Each of the AMG affiliates, including Renaissance, operates independently of AMG and of each other. Except as described in this Form ADV, Renaissance does not have any business dealings with these AMG affiliates and does not conduct any joint operations with them. Renaissance carries out its asset-management activity, including the exercise of investment discretion and voting rights, independent of the AMG affiliates. The AMG affiliates do not formulate advice for Renaissance’s clients and do not, present any potential conflict of interest with Renaissance’s clients, in Renaissance’s view. Consequently, individual information on each AMG affiliate is not listed in Section 7.A. of Schedule D of Part 1A of Form ADV, unless Renaissance has business dealings with certain AMG affiliates, which are listed below. A list of all AMG affiliates is available to Renaissance clients upon request. More information regarding AMG, including its public filings, is available at [www.amg.com](http://www.amg.com).

**AMG Funds LLC (“AMG Funds”):** *Administrative Support/Wrap/SMA and Dual Contract Programs:* Renaissance has a servicing agreement(s) with AMG Funds LLC, a wholly-owned subsidiary of AMG, under which AMG Funds LLC provides administrative and/or marketing services to support Renaissance’s provision of advisory services. These services are provided to or through various unaffiliated third-party investment programs, such as Wrap/SMA programs, UMA programs and/or dual contract programs sponsored by unaffiliated broker-dealers, banks, and other financial intermediaries. Renaissance pays AMG Funds LLC a fee for the services provided by AMG Funds LLC under these servicing arrangements.



*Subadvisory Marketing Support:* Renaissance has a marketing agreement(s) with AMG Funds LLC, a wholly-owned subsidiary of AMG, under which AMG Funds LLC markets Renaissance's investment management services to unaffiliated third-party intermediaries that sponsor sub-advised mutual funds and/or other platforms, such as defined contribution retirement plan platforms. Renaissance pays AMG Funds LLC a fee for these services.

*Mutual Fund Subadvisory Agreement:* Renaissance has mutual fund subadvisory agreement(s) with AMG Funds LLC, a wholly-owned subsidiary of AMG, under which Renaissance serves as subadviser to one or more mutual funds in the AMG Funds family of mutual funds, which are sponsored and advised by AMG Funds LLC. As described in each fund's prospectus, the fund pays AMG Funds LLC an advisory fee, and AMG Funds LLC pays Renaissance a sub-advisory fee with respect to the fund. The fees payable to Renaissance can be reduced by the amount of certain shareholder servicing fees, distribution related expenses, and other expenses paid by AMG Funds on behalf of the funds, under an agreement by which Renaissance has agreed to reimburse AMG Funds for a certain portion of these fees.

**Other Contractual Relationships:** Renaissance can use the services of a vendor or broker, and purchase or sell securities of the vendor or broker for our clients. Renaissance can also purchase or sell the publicly traded securities of a client or our parent company Affiliated Managers Group ("AMG") subject to the AMG Insider Trading Policy restrictions described in "Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading." This creates a **conflict of interest** because we have an incentive to purchase and hold these securities since the company is our parent company, vendor, broker or client. We believe that by using our quantitative screens to create an initial list of eligible securities that can be purchased for a portfolio **mitigates the conflicts** described above. The quantitative screening process also requires Renaissance to review the security for sale if it falls outside of the top two quintiles of our quantitative screening process, which further mitigates this conflict.

**Affiliated Mutual Funds/ETFs:** Renaissance as of the date of this ADV does not, but in the future can, invest client's funds in affiliated mutual funds or ETFs that are managed by one of our AMG affiliates. This presents a **conflict of interest** due to the potential for "double dipping" of investment management fees by Renaissance and the AMG affiliated manager. This **conflict has been mitigated** by Renaissance discounting its management fee by the amount of the investment advisory portion of the mutual fund fee the client is paying to the Renaissance sub-advised mutual fund/AMG Affiliated mutual fund. Renaissance can collect an investment management fee from the manager of the affiliated mutual fund/ETF.

### **Family Relationships**

Renaissance recognizes that some family members of our associates are employed by broker-dealers, intermediaries or other entities with which we have a business relationship. In establishing or renewing these types of relationships, we will make these business decisions independently and without regard to the family member's employment at the entity. We **mitigate the conflict** these relationships create by tracking the relationships and ensuring that our non-associate account trades are not directed to a family member employed by a broker-dealer.

### **Other Financial Activities**

Neither Renaissance nor any of our management persons are registered, or have an application pending to register, as a broker-dealer, futures commission merchant, and commodity pool operator, commodity trading advisor or an associated person of one of the preceding types of entities.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

Renaissance has established restrictions, procedures and disclosures designed to address **conflicts of interest** arising between and among client accounts as well as between client accounts and Renaissance and our personnel. All Renaissance personnel must act in accordance with applicable fiduciary standards.

### **Code of Ethics**

Renaissance has a fiduciary duty to our clients and accordingly has adopted a Code of Ethics (the “Code”) that applies to all associates. The Code describes the standard of conduct we require of our associates and details restrictions on certain activities, including personal trading in accounts owned, managed or beneficially owned by the associate. The Code also includes requirements relating to areas such as gifts and business entertainment and the confidentiality and use of insider information. By detailing the regulatory and ethical standards to which our associates must adhere, the Code supports our efforts to promote a high level of professional ethical conduct in extending our fiduciary duty to our clients.

### **Personal Trading**

The Code limits the personal trading activity of our associates, including members of our associates’ households. Our Chief Compliance Officer, or their designee, periodically reviews associate transactions to ensure our associates are complying with the Code. These limits are designed to prevent associates from personally benefiting from the investment decisions we recommend to clients, as well as any short-term market effects resulting from our decisions. Specifically, the Code requires associates and members of their household to “pre-clear” their personal securities transactions with our Compliance Department prior to execution, with some limited exceptions.

The Code also prohibits associates and members of their household from trading in securities during specific time periods referred to as “blackout periods.” These blackout periods include:

- During the time the security is on the Restricted Trading List; and,
- Three (3) trading days after the security is removed from the Restricted Trading List.

Exceptions to our blackout periods for Restricted Trading List securities include:

- Automatic investment plans initiated prior to the security being added to the Restricted Trading List;
- Restricted Trading List securities can be sold up to five (5) times per calendar year. The sale transaction can only be executed if there are no model change transactions being executed in the security being sold and it has been three (3) trading days since the model change transactions in the security have been completed;
- Restricted List Securities owned prior to working for Renaissance;
- Hardship exemption for the purchase of a home, college tuition or other unforeseen circumstances; and,
- Gift of a Restricted Trading List security.

Pre-clearance requirements also exist for associates and members of their household for the participation in private placements. Initial Public Offerings are subject to our pre-clearance requirements.

On an annual basis, all associates must provide us with a copy of their brokerage statement(s) showing a list of the holdings for each investment account, if a statement is available, and a list of their holdings for any accounts that do not provide a statement. Trade confirmations for executed trades for associate brokerage accounts that can contain Reportable Securities are sent directly to the Compliance Department. All associates also provide a list of all investment related accounts on an annual basis.

These restrictions and requirements of the Code apply to all accounts over which associates have investment discretion, or in which they have a direct or indirect beneficial ownership interest. The Code of Ethics obligates associates to provide an annual acknowledgement in writing of compliance with the Code's terms and the terms of all other policies that are part of the Renaissance Compliance Manual in our Annual Certification Form.

### **Participation or Interest in Client Transactions**

**Associate Investment:** Associates of Renaissance can open accounts and invest their own assets in strategies managed by Renaissance. These accounts can hold, purchase and sell the same securities in which a Client is invested. These transactions can occur at or about the same time that we are purchasing, holding or selling the same or similar securities or investment products for your portfolio(s).

The actions taken by associates on a personal basis can be, or be deemed to be, inconsistent with the actions taken by us for our client accounts. We have an incentive to favor associate accounts in the area of trading opportunities, trade rotation and allocation of investment opportunities. **To mitigate this conflict of interest**, we have implemented the following controls:

- Any orders for associate-owned accounts must be executed after all client orders for that security in the same strategy have been executed.
- We perform a quarterly test to ensure associate accounts are traded at the end of every trading rotation if client accounts are blocked with employee accounts.
- We perform an annual test to ensure associate accounts returns fall within the range of client account returns for the same strategy.
- We employ a random trade execution allocation to ensure all directed and non-directed brokerage clients have an equal chance of receiving a first or last trade rotation and that principal/employee accounts are traded last. We perform a sample test quarterly to ensure the random trade rotation is being followed. Any exception to the random trading order is approved by our Chief Compliance Officer and documented by the trading department.
- We do not engage in principal trades with our clients.

Our associates can also invest in mutual funds and other commingled vehicles that are managed by us. This can result in a **conflict of interest** since our associates have knowledge of these vehicles' investment holdings and future transactions, which is non-public information. We have **addressed this conflict** by requiring that associates pre-clear affiliated fund transactions prior to purchase and that they submit quarterly transaction reports and annual holdings transaction reports of reportable securities.

**Securities Issued by Clients:** Due to the nature of our clientele, we can trade in securities issued by our clients, brokers or vendors. In all these instances, we will do so in what we believe to be in the best interest of our clients. Under no circumstances will we consider a security issuer's relationship status with our firm when determining to trade in that issuer's security on behalf of other client accounts. We reduce this conflict by using quantitative models, which are used initially to assist our Portfolio Managers in selecting potential securities by providing an initial screen of our investment universe.

**Variation in Performance:** Although we use the same Buy List of securities for all accounts within a strategy, performance of each account can vary due to differing account restrictions, tax management, cash flows, trade rotation, the inception date of accounts within a time period, etc. As a result, the portfolio of securities held in your account can perform better or worse than the portfolio of securities held in another similarly managed client account.

**Variation in Investment Advice:** We provide investment advisory services for different types of clients invested in different strategies and will give advice and/or take action in these accounts, which can differ from the advice given, the timing or nature of action taken in another account.

In the course of providing advisory services, we can simultaneously recommend the sale of a particular security for one client account, while recommending the purchase of the same or similar security for another account. This can occur for a variety of reasons. For example, in order to raise cash to handle a redemption/withdrawal from a client account, we can be forced to sell a security that is ranked a buy in our model.

### **Restricted List**

Renaissance maintains a “Restricted List” of securities for all non-public information that is received by the Chief Compliance Officer from associates or other sources and that can potentially be used by associates for the benefit of themselves or Renaissance clients. The security can only be restricted for the associate/source of the non-public information and the Chief Compliance Officer if the non-public information has not been disseminated further. The Restricted List will be monitored to prevent trading of public securities based on material, non-public information. The Restricted List identifies all securities that cannot be purchased for client, associate, or firm owned accounts because material, non-public information could have been received by an associate of Renaissance.

The securities on this Restricted List are coded as “prohibited” in our pre-clearance system and the Performance & Portfolio Analyst ensures we do not act on this non-public information until it becomes public knowledge. After the information becomes public knowledge, the security is removed from the Restricted List and the security can be freely traded. The Restricted List, when applicable, is maintained by our Chief Compliance Officer or his/her designee.

### **Insider Trading/Material Non-Public Information**

All associates of Renaissance are subject to the Affiliated Managers Group, Inc. Insider Trading Policy and Procedures (the “AMG Insider Trading Policy”). The AMG Insider Trading Policy broadly prohibits the use of material, non-public information, as well as imposes restrictions on the trading of AMG’s stock. In addition, our Code of Ethics also includes policies and procedures prohibiting the use of material, non-public information that is designed to prevent insider trading by an officer or associate of Renaissance. Associates are also prohibited from spreading rumors to manipulate the price of securities based on actual or fictitious information.

### **Gifts and Business Entertainment**

Renaissance’s Code includes policies and procedures designed to reduce the **conflicts of interest** regarding the giving or receiving of gifts and business entertainment between Renaissance, our associates and third-parties (e.g., vendors, broker-dealers, consultants, clients, etc.).

**Gifts:** We limit the amount (e.g., value and frequency) of gifts received from any vendor or broker to \$100 per year, per outside entity. Gifts given by Renaissance to a vendor, client or broker are also limited to \$100 per year, per client, vendor or broker. All gifts received by Renaissance associates and given by Renaissance are recorded on the Renaissance Gift Log unless the value of the gifts is less than \$10 in value (e.g., pens, gift cards, coffee cups, etc.). Gifts less than \$10 in value do not have to be listed on the Renaissance Gift Log and do not count toward the \$100 annual gift limit from a single client, vendor or consultant.

**Charitable Donations:** Renaissance donates to charitable enterprises and Management takes into consideration the importance of the client relationship as one factor in determining whether to approve a charitable contribution. All charitable donations are approved by Senior Management and our Chief Compliance Officer, which mitigates this **conflict of interest**. The Chief Compliance Officer, or his/her designee, monitors and approves all charitable giving by Renaissance.

**Entertainment:** Our Code of Ethics limits business entertainment that Renaissance or our associates provide or receive from third parties to \$250 per event per person and the third party must attend the event with our associate(s). Travel or hotel related expenses cannot be accepted unless the expenses are related to a conference where one of our associates is a speaker/mediator/panelist/board member, or the associate(s) are attending a conference/seminar that is sponsored by our parent company AMG or an AMG affiliate. Renaissance associates can attend free seminars that vendors sponsor as long as their travel and hotel expenses are not reimbursed by the vendor.

### **Political Contributions**

Renaissance prohibits our associates from making political contributions on our behalf, being reimbursed for personal political contributions or from making political contributions for the purpose of securing or retaining business. We maintain policies and procedures that have specific limitations as to whom associates can make contributions and the amount of these contributions. We also impose pre-clearance requirements for certain political contributions. We monitor all these contributions in our effort to comply with applicable laws and to ensure we are eligible to be awarded public business.

### **Distribution of the Code**

Renaissance is committed to making our associates and clients (both current and prospective) aware of the requirements within our Code. All of our associates are provided a copy of our Code at the time of hire and have continuous access to the Code via our intranet system. Each associate must affirm in writing on an annual basis that they have received a copy of the Code, and have read and understand its provisions and any amendments made to the Code during the year.

In addition, we conduct mandatory periodic compliance training that addresses the requirements of the Code and the other policies described in our ADV Part 2A. A copy of our Code is available to our clients or prospective clients upon request and can be obtained by contacting:

Renaissance Investment Management  
50 East RiverCenter Blvd., Suite 1200  
Covington, KY 41011  
Attention: Compliance Department, Code of Ethics Request  
Phone: 513-723-4500  
E-mail: [compliance@reninv.com](mailto:compliance@reninv.com)

## **Item 12 – Brokerage Practices**

Renaissance is retained on a discretionary basis (other than most UMA programs) and is authorized to determine and direct execution of portfolio transactions within your specified investment objectives. These directions are communicated to us through the Investment Objective Questionnaire in the Investment Advisory Agreement, your Investment Policy Statement or by direction from the Wrap/SMA Sponsor. Many clients limit our authority in terms of the selection of broker-dealers in favor of their own brokerage arrangements. We have a fiduciary duty to seek best execution and to ensure that trades are executed and allocated fairly among clients over time. We do not consider referrals in directing brokerage transactions.

### **Brokerage Relationships**

Renaissance's relationships with broker-dealers, particularly those affiliated with large financial service organizations, are complex. We use various broker-dealers to execute trades on your behalf, but we also have many other relationships with these firms. For example:

- We can invest your assets in securities issued by broker-dealers or their affiliates.
- We can provide investment management services to the same broker-dealers or their affiliates.
- Broker-dealers provide both internally-generated and third-party research to us as part of a bundled service.
- Brokers/dealers can refer clients to us.
- We participate in broker sponsored Wrap/SMA and/or UMA programs.

Despite these relationships, we have a fiduciary duty to you to seek best execution when trading with these firms and we have implemented policies and procedures to monitor our efforts in this regard.

### **Selection Factors for Brokers**

If you authorize Renaissance to select a broker, we will select a broker based on several factors, which include but are not limited to the following:

- Financially responsible;
- Will effectively and efficiently execute, report, clear and settle the order;
- Provide valuable research;
- Have access to foreign markets and the ability to convert local foreign shares into ADRs;
- Provide confidentiality;
- Willing to handle complex/difficult trades and accommodate any special needs;
- Broad knowledge of the market and have access to market participants;
- Our past experiences with the broker and the broker's reputation;
- Communicate timely and accurately with Renaissance's trading desk and operations team; and,
- If they will charge commission rates which, when combined with soft dollars, will produce the most favorable total cost or proceeds for each transaction under the circumstances and will provide research that is available through the use of soft dollars.

### **Liquidity Rebates**

In selecting broker-dealers to execute transactions for the accounts Renaissance manages, we do not consider any "liquidity rebates" that are available to those broker-dealers. Broker-dealers can earn "liquidity rebates" (e.g., a certain cash rebate) when placing orders in certain market centers, while trading on our behalf. We are not entitled to and do not receive liquidity rebates.

### **Brokerage for Clients**

Purchase and sale orders are executed with or through a broker designated by you or, in absence of your direction, a broker selected by Renaissance. As a prerequisite to establishing an account with us, you must either: 1.) direct us to use a broker/directed broker with whom you have established a relationship and negotiated a commission rate; or, 2.) authorize us to select a broker at commission rates negotiated by us.



If a client has not previously established a customer relationship with a broker and asks our advice in selecting a directed broker, we can recommend one or more brokers taking into consideration the selection factors listed in the “Selection Factors for Brokers” subsection above. Any broker selected by you will be considered by us as a directed broker, in which case you are responsible for negotiating the commission and continuing to monitor that the commission rate is appropriate based on the required services of the broker.

When we have the discretion to select the broker, the services provided by the broker include trade execution, clearance and settlement, confirmation of the trade, and in some cases, proprietary research.

Clients with a previously established relationship with a directed broker obtain services from the directed brokers that are not provided to clients whose brokers were selected by us. These services, in addition to execution, confirmation, clearance and settlement, can include but are not limited to tax-planning advice and other financial and administrative services.

### **Directed Brokerage**

The client can direct Renaissance to effect securities transactions for the client’s accounts through a specific broker-dealer. The client acknowledges that such direction can cause the accounts to incur higher commissions or transaction costs than the accounts would have incurred if the client had allowed Renaissance to select the broker-dealer on a discretionary brokerage basis. A “Discretionary Broker” is a broker that is selected by Renaissance. Clients who direct brokerage should understand that similar brokerage services could be obtained from other broker-dealers at lower costs and possibly with an execution that is more favorable. Higher transaction costs adversely impact account performance.

Renaissance does not direct our clients to use a specified broker/dealer for portfolio transactions. In some cases, clients have directed us to use specified broker-dealers for portfolio transactions in their accounts on either:

- a transactional basis (where a separate commission is charged for each trade); or,
- a wrap fee basis (where a single periodic brokerage fee covers transactional, custodial and other agreed-upon services).

In such cases, we will not solicit competitive bids for each transaction or seek the lowest commission rates for the client, since the commission rates have been pre-negotiated between the client and the designated broker-dealer (“directed broker”).

Clients sometimes wish to restrict brokerage to a particular broker in recognition of custodial or other services provided to the client by the broker (including services in connection with manager selection and monitoring). A client’s selection of Renaissance can be the result of manager search services provided to clients by their broker. Renaissance has a **conflict of interest** in our incentive to utilize a client’s directed broker if the broker refers multiple clients to us, and we feel we can obtain best execution at another broker. This **conflict of interest is mitigated** by the fact that:

- the client selected the Broker who helped select Renaissance;
- we do not pay a solicitor fee to the Broker;
- we monitor all discretionary and non-discretionary directed brokers for execution quality on a quarterly basis;
- the conflict and potential to limit the client’s best execution has been disclosed in our ADV Part 2A (see Best Execution below) and the investment management agreement;
- we are not affiliated with any of the brokers used to execute our client’s trades;

- we do not know what other services, such as free retirement consulting, the client is receiving from the directed broker; and,
- our ADV Part 2A and our Investment Advisory Agreement inform our clients that they are responsible for negotiating the commission rates with directed brokers.

### **Best Execution**

Renaissance must always seek to obtain the most favorable execution for our clients, but there is no guarantee it will be achieved. To fulfill this duty, we must execute securities transactions for clients in a manner that the client's total cost, or proceeds in each transaction, is the most favorable under the circumstances. "Best Execution" means the best qualitative execution, not necessarily the best possible commission cost. Note: Renaissance is unable to monitor executions for UMA client orders because Renaissance does not execute the trades for these accounts.

Recognizing the value of these factors, we select broker-dealers that charge commissions in excess of that which another broker-dealer could have charged for executing the same transaction for accounts that allow Renaissance to select the broker for client transactions. We are not obligated to choose the broker-dealer offering the lowest available commission rate if:

- in our reasonable judgment, the total cost or proceeds from the transaction is less favorable than what can be obtained elsewhere; or,
- a higher commission is justified by the service and/or research provided by another broker-dealer.

We employ an evaluation process to monitor brokerage-related matters. The evaluation process by our Brokerage Committee takes place periodically to do the following:

- Oversee all matters relating to our trading and brokerage practices as needed;
- Review directed brokerage/commission recapture commitments;
- Evaluate brokerage records, including commission rates for discretionary brokerage, satisfaction level of execution and services, confidentiality and other brokerage selection factors listed above;
- Review client commission arrangements (including soft dollars and commission sharing arrangements);
- Review trading analytics, monitoring execution quality as well as quarterly trends;
- Review existing brokers and terminate (if applicable);
- Approve new brokers;
- Soft dollar budget preparation/monitoring and adjustment;
- Mixed use analysis review; and,
- Address any and all other brokerage-related matters we determine to be appropriate.

### **Trading Rotation**

A model change is the simultaneous sale and/or purchase of one or more securities within a defined strategy. The order for the placement of trades for model changes is systematically randomized for each model change. Trade execution order can be negotiated by Renaissance with an individual client (e.g., asking a client to go after the regular trading rotation). Every client account is included in this randomized trade order process (unless the exclusion is contractually agreed upon by all parties, such as a UMA program; or agreed to by policy and disclosure, such as an associate/family account) regardless of whether a client designates a particular broker or we have discretion to select the broker.

Accordingly, non-directed trades and directed trades are subjected to the same random selection process, although we retain authority to make exceptions on a case-by-case basis due to system issues or other extenuating circumstances. Orders for all associate/family accounts managed by us are executed after all client orders have been executed. Renaissance will notify UMA Programs when they are next in the trading rotation. Some UMA Programs do not notify Renaissance of when they begin or end trading. In this case, the Renaissance trader will move on to the next broker in the trading rotation. This will lead to Renaissance competing in the market with the non-disclosing UMA Program client. This can adversely affect the price both parties receive for a transaction in a security.

Once the model change is complete, the trader reviews the trading blotter to ensure all trades have been executed. All trades are matched with confirmations the next day, and any discrepancies are resolved with the broker/custodian.

### **Trade Aggregation/Allocation**

**Random Trade Execution:** So as not to favor any one client, the order in which the trades are selected for execution is determined randomly for all clients using a systematically generated random rotation. Accordingly, each client or group of clients has an equal chance of being traded first, in the middle or last. All direct-managed clients who trade with the same brokerage firm are blocked together whenever possible. Sub-groups within a brokerage firm will be traded in the most efficient way. Wrap/SMA Programs are also included in the random rotation and are blocked together by sponsor/brokerage firm. When UMA Sponsors are next in the rotation, they are notified of the model change if contractually obligated; otherwise, they will be notified after the regular trading rotation is completed but before associate accounts are traded. If Renaissance does not know when a UMA Program will start or stop their trading, we will continue working our way through the execution order after notifying the UMA Program they are up in the trading rotation. Orders for all associate/family accounts that are invested in a Renaissance strategy are executed after all client orders have been executed and UMA Sponsors have been notified.

Research, quotes and other market sources are used to analyze market conditions before trades are transmitted. Public information and/or new information is always considered during the trading process. Typically, small orders will be market orders and larger blocks will be worked so as to have minimal market impact. Trades are executed with the intent of not adversely affecting market price and market conditions such as volume and bid/ask spread.

Any deviation from the randomized execution order process, including errors, must be approved by our Chief Compliance Officer who will ensure there is an acceptable reason documented for the deviation and that appropriate supporting documentation is retained by the Trading Department.

**Dark Pools:** Dark Pools are accessed through broker algorithms and are alternative trading venues that attempt to match buyers and sellers of large blocks of stocks. The risks associated with using Dark Pools are:

- there is no guarantee of a better price than using an exchange; and,
- trade size can be relatively small, and the potential vulnerability to high frequency trading can negatively affect the stock price obtained.

To mitigate these risks, our traders continuously monitor orders and executions to reduce the potential for market price manipulation by high frequency traders. We do not directly deal with Dark Pools; however, we do use broker algorithms, which access Dark Pools indirectly.

**Bunched/Blocked Transactions:** The ability of a client account to participate with other accounts in bunched/block transactions can produce better execution for the individual client account. Directed brokerage trades are blocked by brokerage firm.

For discretionary brokerage accounts, everyone who participates in the aggregated order does so at the average share price with all other transactions costs shared on a pro rata basis. If discretionary brokerage accounts are aggregated with wrap fee accounts and/or directed brokerage accounts, the wrap program fee accounts and directed brokerage accounts will pay the transaction fee they have negotiated with their broker and potentially a commission to the executing broker. Please refer to “Item 12 – Brokerage Practices, Step-Out Trades” for our policies regarding step-out trades.

### **Partial Allocations**

For partial trade executions of direct-managed accounts, we have adopted a policy of pro rata allocation per client account based upon order size with the belief that in most instances a pro rata allocation will assure fairness. The policy recognizes that no formula will always lead to a fair result and that a degree of flexibility to adjust to specific circumstances is necessary. Therefore, under certain circumstances, allocation on a basis other than strictly pro rata or based on order size is permitted if it is believed that the resulting allocation is reasonable. Examples of this include allocating on a random/manual basis if we block a Wrap/SMA Program trade with direct-managed accounts at the same brokerage firm, or if we trade a de-minimis amount and allocating on a pro-rata basis would be disadvantageous to our clients. The Chief Compliance Officer or Chief Operations Officer must approve any allocations other than a pro-rata allocation for direct-managed accounts.

For partial allocations of trades in Wrap/SMA Sponsor programs, the trades are allocated by each Wrap/SMA Sponsor’s default allocation method, which would almost always be pro-rata or random.

### **Errors**

All trading errors must be resolved in a timely manner so the client’s portfolio is not negatively impacted. Soft dollar arrangements cannot be used to correct errors made by Renaissance when placing a trade for a client’s account. If an error positively impacts a client’s custodial account, all gains will be given to the client. If an error negatively impacts a client’s custodial account, we will reimburse the account for the amount of the error. In certain situations, the error amount can be deducted from Renaissance’s investment management fee. If the error does not affect the client’s custodial account (e.g., does not show up on their custodial statement), the gain can be held in an error account at the broker to offset other losses caused by any Renaissance error at a particular broker.

To ensure clients’ portfolios are not negatively impacted, our Chief Compliance Officer, or his/her designee, ensures an error log is maintained. Error reporting forms are completed to ensure errors are reported, documented and rectified in a timely and accurate manner.

### **Commission Recapture Monitoring**

Our Trading Department monitors the commission recapture requirements for each account using internal reporting functionality and places trades for commission recapture credit as needed. This would require trading directly with the commission recapture broker, a broker in the commission recapture network, or stepping-out the commission recapture portion. Please refer to the “Step-Out” definition in Appendix I – Definitions.

### **Step-Out Trades**

Renaissance can use “step-out trades” when it is determined that it would facilitate better execution. Step-out trades are transactions, which are placed at one broker-dealer and then “given up” or “stepped-out” by that broker-dealer to another broker-dealer. Step-out trades can benefit the client by finding a natural buyer or seller of a particular security so that a larger block of shares can be traded more efficiently. In addition, step out trades can minimize inefficiencies and time-consuming manual trading processes.

The executing broker-dealer can execute the step-out as a per share commission charge or net trade and include a per share charge to the overall cost of the trade. A net trade is when a broker embeds a commission into the execution price of a security. For example, if a broker executes a buy of 100 shares of XYZ at \$10 per share and embeds a commission of 2 cents, then the resulting net price would be \$10.02 per share. In circumstances where we have followed the client's instructions to direct brokerage, there can be no assurance that we will be able to step-out the trades, or, if we are able to step-out the trades, that we will be able to obtain more favorable execution than if we had not stepped-out the trades.

For Wrap-SMA Program accounts and Direct-Managed Directed Brokerage Accounts, the brokerage costs for step-out trades are not covered by the wrap fee arrangement or transactional charges at the Wrap-SMA Program directed brokerage firm, rather, they are paid by the client in addition to the wrap fee or transactional charges paid to the Wrap-SMA Program/directed brokerage firm. Wrap/SMA Program clients and Direct-Managed Directed Brokerage clients should note that Renaissance will almost always execute transactions for their accounts through the Wrap-SMA Program Sponsor and Directed Broker. Higher transaction costs adversely impact account performance.

### **Cross Trades**

Renaissance does not engage in cross trades in our client accounts, which means that we do not buy or sell securities internally amongst our accounts, but instead use a broker-dealer for all purchases and sells of securities.

### **Contra Orders**

Contra Orders can occur due to client directed cash flows such as closed account redemptions, scaling a percentage of portfolio holdings back, the rebalancing of securities and the use of different investment strategies that can hold the same securities. Renaissance periodically has opposing orders in the same security, or "Contra Orders," with a broker. Renaissance sends these orders to the broker to execute and they are executed in the market as they would be if there were no Contra Order. This can be an advantage or disadvantage to a particular client on either side of the order. Renaissance tries to avoid this scenario if possible.

### **ADR Conversion Fees**

Please refer to "Item 5 – Fees and Compensation/Additional Fees and Expenses Payable by Clients."

### **Soft Dollars**

Certain brokers selected by Renaissance who effect transactions for our client accounts provide or have agreed to provide us with investment research services of the kind contemplated by Section 28(e) of the Securities Exchange Act of 1934, as amended, commonly referred to as soft dollar arrangements. These research services would otherwise be available to us for a cash payment referred to as hard dollars. Brokers use the cost plus method when determining soft dollar credits. Any amount over our negotiated execution only rate is credited towards Renaissance's soft dollar balance. If a client or their representative would like a list of our soft dollar vendors, please contact Renaissance compliance at [compliance@reninv.com](mailto:compliance@reninv.com).

Soft dollar transactions cause clients to pay a higher commission rate than would be charged for execution only trades. Transactions are effected with or through these service-providing brokers at the best combination of execution and commission rates that we are able to negotiate.



Transactions with these brokers are not per an agreement; however, we:

- identify those brokers who have provided us with research products or services as well as the amount of research products or services provided; and,
- direct sufficient commissions to them either through direct trading relationships or through a Commission Sharing Arrangement (described below) in order to ensure we continue to receive the research products and services we deem useful.

A portion of all direct-managed discretionary and sub-advised client brokerage trades participate in bunched trade orders and soft dollar commission transactions. The percentage of soft dollar trades is adjusted on a periodic basis by reviewing the amount of soft dollar commissions generated over a period of time compared to the soft dollar budget for the same time period. Any type of client can prohibit the use of soft dollars or place a maximum limit on the percentage of their trades that are used by Renaissance for soft dollar trading by notifying Renaissance in writing of this restriction.

The research products and services provided by broker-dealers through soft dollar arrangements benefit Renaissance's investment process for client accounts. These products and services can be used in formulating investment advice for all clients of Renaissance, including accounts other than those that paid commissions to the broker-dealers on a particular transaction. Nonetheless, not all research generated by a particular client's trade will benefit that particular client's account. In some instances, the other accounts benefited can include accounts for which the accounts' owners have directed their portion of brokerage commissions to go to particular broker-dealers other than those that provided the research products/services or clients that have requested Renaissance not to execute soft dollar trades for their account. However, research services obtained through soft dollar transactions can be used in advising any account in any strategy. Not all such services are used by Renaissance in connection with the specific account that paid commissions to the broker-dealer providing such services.

**Types of Products/Services Received:** We receive both proprietary and third-party research services and products. Proprietary research is "in-house" research provided by the brokerage firm, while third-party research consists of products and services that is generated by an entity other than the broker executing the trade.

The products and services we receive through soft dollar transactions are investment advice (either directly or through publications or writings) as to:

- the value of securities;
- the advisability of investing in, purchasing or selling securities;
- the availability of securities or purchasers or sellers of securities;
- presentation of special situations and trading opportunities;
- advice concerning trading strategy;
- analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy; and/or,
- the performance of specific strategies.

We also receive benchmark index data, broker estimate data, company fundamental data, real-time trading quotation systems, trade allocation software, trade order management software, portfolio analysis software, company analysis software and factor back-testing software. Clients should contact Renaissance at [compliance@reninv.com](mailto:compliance@reninv.com) to request a copy of our vendors who are paid with soft dollars. To the extent that we are able to obtain these products and services using clients' commission dollars, it reduces our need to produce the same research internally or use hard dollars to purchase these services and products, thereby providing us with an economic benefit and an incentive to use soft dollars.



**Conflict of Interest:** Because of the additional benefits we receive from soft dollar arrangements, we can give trading preference to those broker-dealers that provide research products and services, either directly or indirectly. Renaissance will only trade with a soft dollar broker if we believe that the selection of a particular broker-dealer is consistent with our duty to seek best execution. Renaissance does not trade through affiliated brokers.

**General Guidelines for Soft Dollar Arrangements:** Our use of soft dollar brokers will result in higher commissions being paid to soft dollar brokers than other brokers. The following are the general guidelines for soft dollar arrangements:

- We cannot enter into any soft dollar arrangements that are not eligible for the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended.
- We will review the addition of any new soft dollar products or services in accordance with Section 28(e) eligibility prior to approving use of these products and services.
- We do not enter into any formal written commitments or agreements requiring us to direct a specified amount of client transactions to a broker-dealer in exchange for the soft dollar services they provide to us.
- We do not enter into a soft dollar agreement directly with the product or service provider. Rather, soft dollar payments are made by the broker to the third party. In some cases, the invoice is received by Renaissance and then forwarded to the soft dollar broker for payment.
- We will review that a good faith and reasonable soft-to-hard allocation of all “mixed-use” products has been made and documented, and will evaluate the rationale for this determination. This allocation will be made based upon a good faith determination of the percent that the product or service was used for research purposes versus non-research functions, such as administrative or marketing. Our policy is that we must pay for the portion of the costs of the product or service attributable to non-brokerage or non-research usage in hard dollars.
- Any commissions paid to a broker-dealer by us in accordance to the soft dollar arrangement must be reasonable in relation to the value of the brokerage and research services received.

**Internal Soft Dollar Controls/Procedures:** We periodically review the past performance of broker-dealers with whom we have placed orders in light of the factors discussed above. We can cease doing business with certain broker-dealers whose performance/service was not competitive, or we can request that these broker-dealers improve their performance/service before receiving any further orders. Renaissance also considers the timeliness and accuracy of the research received. Reasonableness is evaluated on an ongoing basis.

**Conflict of interest:** If Renaissance cannot generate enough soft dollars through soft dollar trading during the year to cover soft dollar eligible services, we have an incentive to maximize soft dollar usage to cover our soft dollar budget for soft dollar account(s) that have a negative balance. Negative soft dollar balances could have to be paid using hard dollars if the negative debit balance grows too large and the broker requires that Renaissance pay off or reduce the negative debit balance. This **conflict of interest** is mitigated by the following internal controls.

As previously noted, we maintain a series of internal controls and procedures relating to our brokerage practices, including our use of soft dollars. The following controls and procedures are designed to reduce the **conflicts of interest** created by the use of soft dollars.

- Our Chief Compliance Officer and a Managing Partner approve all soft dollar services/products and all relevant details such as cost, number of users and appropriateness based on Section 28(e) are detailed on the Renaissance Soft Dollar Arrangement Data Sheet.

- We also receive services that, based on their use, are only partially paid for with soft dollars. These services are considered “mixed-use” because we use the service for both research or brokerage and non-research, non-brokerage purposes. In each case, we make a good faith determination of which portion of the service should be paid using soft dollars and which portion should be paid using hard dollars, which is the portion we pay. We retain documentation of the soft dollar to hard dollar allocation and perform an annual review of the allocation between soft dollars and hard dollars, which is presented to our Brokerage Committee.
- Our Brokerage Committee is responsible for monitoring any **conflicts of interest** as the committee covers all soft dollar and execution related topics including commission rates paid, mixed-use analysis and broker execution analysis.
- The soft dollar budget is reviewed quarterly at the Brokerage Committee Meeting.

**CFA Institute Soft Dollar Standards:** Clients who want to abide by the CFA Institute Soft Dollar Standards must advise us in writing. Soft Dollar trades are not conducted on a principal basis but can be executed by the broker-dealer on a riskless principal basis where the securities are bought and sold at the same price. For more information on the CFA Institute Soft Dollar Standards, please refer to Appendix I Definitions, CFA Institute Soft Dollar Standards or the CFA Institute website: <http://www.cfainstitute.org/ethics/codes/softdollar>.

### **Commission Sharing Arrangements**

Renaissance can use commissions to obtain proprietary research provided by broker-dealers, but paid for by third-parties through Commission Sharing Arrangements (“CSA”). In a CSA, we would enter into an agreement with broker-dealers so that commissions from transactions placed by us at that broker-dealer are pooled by the broker-dealer in order to compensate one or more proprietary research provider(s), which may or may not be a broker-dealer. We can pay for products and services that assist in our investment decision-making process with commissions generated by client accounts to the extent these products and services were used in that process. We would allocate the cost of the product on a basis that we feel is reasonable according to the various uses of the product and would maintain records documenting the allocation process followed. Only the portion of the cost of the product allocable to research services would be paid using the brokerage commissions generated by client accounts.

We believe CSAs help minimize **conflicts of interest** with soft dollars as we direct our commissions to the best execution venue and use accumulated commission credits to pay for research. CSAs are also reviewed in our Brokerage Committee meetings, if applicable.

### **Wrap Fee Arrangements**

Renaissance participates in wrap fee programs sponsored by brokerage firms and has direct-managed clients who have wrap fee agreements with their broker. As described in “Item 4 – Advisory Business,” under these arrangements the client pays a single fee to cover all brokerage costs in securities trades conducted through the Wrap/SMA program broker, the investment advisory services provided by us, custodial services for the client’s assets, or any combination of these or other additional agreed-upon services. In addition to the wrap fee, clients who hold American Depositary Receipts (“ADRs”) can also be charged Depositary Service Fees by the custodian bank holding the ADRs. Please refer to “Item 12 – Brokerage Practices, Step-Out Trades” for our policies on step-outs.

### **UMA and Other Non-Discretionary Programs**

Renaissance serves or can serve as a sub-adviser, on a non-discretionary basis, to various Unified Management Accounts (“UMAs”) and other programs where another manager (which can be a related affiliate of Renaissance, such as AMG Funds) serves as the discretionary investment manager. In providing model-based investment recommendations for these programs on a non-discretionary basis, we maintain broad authority regarding the timing of the delivery of recommendations to the adviser, both within a particular investment style and between the various investment styles. The timing of the delivery of model updates is usually contained within the UMA Sponsor’s contract.

### **Initial Public Offerings (“IPOs”)**

Renaissance does not participate in initial public offerings (“IPOs”) for clients.

## **Item 13 – Review of Accounts**

Renaissance’s Portfolio & Performance Analyst and operations team (referred to as Portfolio Administrators) are responsible for reviewing the assets of the client accounts under their supervision. The number of reviews and accounts assigned to each varies depending on the nature of the strategy or service being provided. In addition to the Portfolio Administrator review, certain events can trigger additional reviews. For example, if the client provides an updated Investment Policy Statement (“IPS”), the Portfolio Administrator, Chief Compliance Officer and Portfolio & Performance Analyst will review the IPS and update all applicable investment restrictions.

The Portfolio & Performance Analyst reviews the assets of each account on a monthly basis, when there is a model change for the strategy or when rebalancing the account to the model. The Portfolio & Performance Analyst also periodically reviews all securities to ensure that each holding is appropriate for the client based on our investment strategy models. In addition, investment research analysts review securities maintained on our Buy List. Our investment research analysts are responsible for tracking a variety of companies, industries and sectors and making recommendations for our portfolios.

Portfolio Administrators reconcile the securities and cash of client accounts against the records of the custodian, the official record-keeper, on a monthly basis. If any discrepancies are identified, the Portfolio Administrator works with both our internal team and the custodian to resolve these discrepancies. Since the custodian holds the assets in the account, the custodian statements are the official books and records for the account.

During the annual compliance review, Renaissance personnel review a sample of client accounts for adherence to Renaissance internal investment guidelines and client-mandated contractual guidelines. We also compare a sample of individual client accounts against other accounts invested in a similar manner to review the consistency of performance between client accounts and associate accounts.

### **Reporting**

Each direct-managed client receives written quarterly reports from Renaissance, unless the client or their authorized representative declines delivery of the quarterly report. The quarterly reports normally include actual client performance shown against relative benchmarks, along with our comments on the general market and the specific strategy in which the client is invested. Upon request, additional reports can be prepared to meet client needs.

Clients in Wrap/SMA and UMA model-based arrangements receive quarterly statements from their respective Sponsor.

## **Item 14 – Client Referrals and Other Compensation**

### **Relationships with Consultants**

Many of our clients and prospective clients retain investment consultants to advise them on the selection and review of investment managers. These consultants or their affiliates can, in the ordinary course of their investment consulting business, recommend our investment advisory services, or otherwise place us into searches or other selection processes for a particular client.

We have extensive dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships. Specifically, we provide consultants with information on portfolios we manage for our mutual clients, as per our clients' directions. We also provide information on our investment styles to consultants who use the information in connection with searches they conduct for their clients. We also respond to "Requests for Proposals" or "Requests for Information" from consultants representing clients in connection with manager searches conducted on behalf of their clients.

Clients placed with us by consultants can instruct us to direct some or all of their brokerage transactions to these consultants, who can also be a broker-dealer, or to the particular broker-dealers with whom the consultants have relationships. Alternatively, we can simply choose to allocate brokerage to these consultants or broker-dealers.

Other interactions that we can have with consultants include, but are not limited to, the following:

- We can invite consultants to events or other entertainment hosted by us.
- We can purchase software applications, access to databases and other products or services from consultants.
- We can pay registration or other fees/expenses for the opportunity to participate, along with other investment managers, in consultant-sponsored industry forums or conferences. These conferences or forums provide the opportunity to discuss a broad variety of business topics with consultants, clients and prospective clients.
- We can serve as an investment adviser for the proprietary accounts of consultants or their affiliates, or as adviser or sub-adviser for funds offered by consultants and/or their affiliates.

In the case of a client referral, we rely on the consultant to disclose to their clients any conflict that the consultant believes to exist due to its relationship with us.

### **Introduction from Investment Professional**

If the client is introduced to Renaissance through the client's Investment Professional (i.e., broker, consultant or adviser), the Investment Professional is responsible for:

- (a) Assisting the client in determining the initial and ongoing suitability of Renaissance's investment strategies. Renaissance's only obligation is to manage the assets consistent with the designated investment strategy; and,
- (b) For obtaining the client's directions, notices, and instructions, and forwarding them to Renaissance in writing. Renaissance will rely on any such direction, notice, or instruction until we are notified in writing of any changes.

Clients should be aware that:

- (1) Renaissance has no responsibility to the client for the failure of the Investment Professional to timely receive/ascertain/forward/communicate any and all such directions, notices, and instructions;

- (2) Renaissance is permitted to share account-related information with the Investment Professional until such time as the client notifies Renaissance, in writing, to the contrary; and,
- (3) If Renaissance is directed to effect account transactions through a specific broker-dealer/custodian, Renaissance will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client can pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case through alternative brokerage/custody arrangement. Higher transaction costs adversely impact account performance.

### **Investment Consultant Databases**

Renaissance can pay consultants, or other third-parties, to include information about our investment approaches in databases that they maintain. These databases describe the services provided by investment managers to prospective clients.

### **Relationships with Solicitors**

Renaissance is party to an agreement with AMG Funds, which is an affiliated solicitor. Under these arrangements, and any future solicitation agreements we enter into, we pay a fee for the services these parties provide on our behalf, such as sales, marketing, client referrals and client services. We have procedures to provide reasonable assurance that all clients and accounts are treated fairly and that our relationships with these parties do not result in any inappropriate preferential treatment.

Regarding solicitors (e.g., WhiteStone Global Partners) that are not affiliated with Renaissance, we ensure we comply with all of the current requirements of the Investment Advisers Act regarding solicitor disclosures in section 275-206-4-3 and qualified solicitors in section 275-206-4-5.

### **Compensation from Third-Parties**

Renaissance does not receive any monetary compensation or any other economic benefit from a non-client for providing investment advisory services to a client.

## **Item 15 – Custody**

Renaissance does not act as a custodian of the assets in the accounts we manage for clients except as deemed a “custodian by applicable law,” as discussed in the subsection below. Clients must make their own arrangements for custody of securities in their accounts. Custodians can be broker-dealers, banks, trust companies or other qualified institutions. The qualified custodian will provide the client with account statements, at least quarterly, relating to the assets held within the account managed by us. Each client should carefully review the qualified custodian’s statement upon receipt to determine that it completely and accurately states all holdings in their account and all account activity over the relevant period. Clients should report any discrepancies to us and the qualified custodian.

In addition to the account statements provided by the qualified custodian to our clients, we also provide a quarterly report to clients, unless the client waives this service in writing. Our reports can differ from custodial statements based on accounting procedures, reporting dates and/or valuation methodologies of certain securities. However, please note that custodian statements reflect the official books and records for the accounts we manage and should be used for tax reporting, class action filings, etc.

We encourage clients to compare the quarterly report we provide against the statements provided by the qualified custodian and to promptly report any questions, concerns or discrepancies to both us and the qualified custodian. Inquiries can be communicated to us by writing, e-mailing or telephoning using the following contact information:

Renaissance Investment Management  
50 East RiverCenter Blvd., Suite 1200  
Covington, KY 41011  
Attention: Compliance Department, Custody Questions  
Phone: 513-723-4500  
E-mail: [compliance@reninv.com](mailto:compliance@reninv.com)

**Custodian by Applicable Law:** All Renaissance Client assets are maintained by independent, unaffiliated qualified custodians, which deliver quarterly or monthly statements to their clients.

If a client is not receiving custodial statements on a quarterly or monthly basis, the client needs to contact their consultant or the custodian directly to request statement delivery. Renaissance requests that client's certify they are receiving quarterly statements directly from their custodian on our standard Renaissance Investment Advisory Agreement. In addition, our fee bills and quarterly reports contain language requesting that client's notify us if they are not receiving these statements at least quarterly.

## **Item 16 – Investment Discretion**

### **Discretionary Authority**

When a client opens an account, Renaissance is typically granted discretionary authority to select the type and amount of securities to be bought or sold in the client's account. When selecting securities and determining amounts of securities for purchase or sale, we must observe the investment policies, limitations and restrictions that are applicable to the client's account(s), as determined by the client. Clients must provide any investment guidelines and restrictions, including amendments, to us in writing. A client will grant us discretionary authority by completing an Investment Advisory Agreement. This Agreement includes a statement giving us full authority to invest the assets identified by the client in a manner consistent with the investment objectives and limitations defined by the client and to engage in transactions on a discretionary basis in the client's account. For registered investment companies, our authority to trade can also be limited by federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

### **Class Action Suits**

Renaissance is not obligated to and does not take any action with regard to class action suits relating to securities purchased by us for client accounts unless the Managing Partners of Renaissance direct us to, which has never happened as of the date of this ADV filing. We provide instructions to custodians and brokers regarding tender offers and rights offerings for securities in client accounts. However, we do not provide legal advice to clients and, accordingly, do not determine whether a client should join, opt out or otherwise submit a claim with respect to any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the client. We do not have the authority to submit claims or elections on behalf of clients in legal proceedings. We do not respond to class action plaintiff requests for client information. Class action plaintiffs are directed to contact the custodian directly for assistance with obtaining client contact information.

However, should a client wish to retain legal counsel and/or take action regarding any class action suit proceeding, we will provide the client, or the client's authorized representative, with information that could be needed upon the client's or their representative's reasonable request.



## Item 17 – Voting Client Securities

Since client accounts can hold stocks or other securities with voting rights, our clients have the right to cast votes at the corporate issuers' shareholder meetings. However, since shareholders often do not attend shareholder meetings, they have the right to cast their votes by "proxy." In these cases, Renaissance's clients will either retain proxy-voting authority or contractually delegate it to us. If a client has contractually delegated the authority to us, we will vote proxies for that client. If the client retains proxy-voting authority, the client will receive proxy solicitations directly from the custodian, and the client can contact us with any questions about a particular solicitation using the contact information provided at the bottom of this Item. It is the client's responsibility to notify their custodian to send ballots to their address in order for the client to vote them, and the client needs to monitor the receipt of proxies if Renaissance is not contractually responsible for voting the client's proxies.

If clients have delegated proxy-voting authority to us, as an investment adviser and fiduciary of client assets, we have implemented proxy-voting policies and procedures intended to protect the value of shareholder investments. The policies are designed to ensure that we vote proxies in the best interest of clients. In voting proxies, we seek to both maximize the long-term value of clients' assets and to cast votes that we believe to be fair and in the best financial interest of the affected client(s).

If a client has delegated proxy-voting authority to us, but would nevertheless like to direct our vote on a particular proxy solicitation, the client needs to give us written or e-mailed instructions at least ten (10) business days before the voting deadline date. If a request is received less than ten (10) business days from the voting deadline date, we will vote the proxy according to the client's instructions on a best efforts basis, but Renaissance cannot guarantee the vote will be able to be amended.

**New Accounts:** When an account transitions to Renaissance, we will liquidate all of the securities held in the account that are not on our buy list unless we receive written instruction not to liquidate from the client or their authorized representative. We do not vote proxies for the securities in a transitioning account that were held prior to the date Renaissance begins providing investment management services to the account. However, it should be noted that, for administrative reasons relating to the transition, Renaissance cannot guarantee that all such proxies will or will not be voted.

**Closed Accounts:** When an account transitions away from Renaissance, we only liquidate securities held in the account upon request from the client or their authorized representative. It is Renaissance's policy to not vote proxies for the securities in a transitioning account that were held after the date Renaissance ceases providing investment management services to the account. However, it should be noted that, for administrative reasons relating to the transition, Renaissance cannot guarantee that all such proxies will or will not be voted.

**Clients with Customized Proxy Policies:** Clients who wish to provide Renaissance with a customized proxy policy to utilize for their proxy voting ballots are usually charged an additional fee to cover the cost of voting a customized policy. This is negotiable and the fee, if any, can depend on the total assets under management of the client account(s).

**Wrap/UMA Program Sponsored Clients:** The Standard Detailed Policy (profit maximization policy), in conjunction with the Investment Manager Policy, will be used for all Wrap/UMA Sponsor clients, unless Renaissance receives written instruction from an individual Wrap/UMA Sponsor client, the Sponsor of the Wrap/UMA Program or the Wrap/UMA Sponsor client's agent on their behalf.

**Associate/Family Accounts:** Renaissance will not be contractually obligated to vote proxies for associate/family accounts that receive the associate discounted fee rate unless it is stated otherwise in their Investment Advisory Agreement.

### **Custodian Responsibility/Proxies Not Received**

If the client's custodian does not redirect the client's proxies to our Proxy Agent upon our direction, Renaissance will not be able to vote our client's proxies until this occurs. If the client's custodian forwards the proxy ballot after our Proxy Agent's voting cutoff, we will not be able to vote that client's proxy ballot.

### **Conflicts of Interest**

- (1) Presently, Renaissance is not aware of any material corporate **conflicts of interest** by us or Affiliated Managers Group ("AMG"), our parent company, other than potentially voting a proxy for a company who is also a client. Renaissance is not a publicly traded company and currently we do not invest in AMG stock or vote their proxy ballots. We utilize the recommendations from a third party Proxy Recommendation Service to vote all proxies unless there is no recommendation provided by the Proxy Recommendation Service or they have a **conflict of interest**. However, should such conflicts arise, we will identify the conflicts that exist between the interests of Renaissance/AMG/AMG Affiliates and our clients. This examination will include a review of the relationship of Renaissance/AMG/AMG Affiliates with the issuer of each security (and any of the issuer's affiliates) to determine if the issuer is a client of Renaissance or has some other relationship with Renaissance, AMG, an AMG Affiliate or a client of Renaissance.
- (2) If the Proxy Recommendation Service determines it has a material **conflict of interest** regarding a vote, we will be notified of the conflict by the Proxy Agent who reviews the research reports containing the voting recommendation service's **conflicts of interest**. If necessary, we will then convene a meeting of our Proxy Conflict Committee, screen for any Renaissance corporate and Proxy Conflict Committee member **conflicts of interest** and instruct the Proxy Agent of the voting decision of the Proxy Conflict Committee via their electronic interface. If we determine we do not have enough information to make a voting recommendation, we will either abstain or not vote the proxy if abstention is not an option. We will document any such Renaissance conflict(s) or Proxy Conflict Committee member conflict(s) and exclude any member(s) from the Renaissance Proxy Conflict Committee that have personal **conflicts of interest**. Renaissance's Chief Compliance Officer will chair the committee.
- (3) Annually, Renaissance will request a copy of the Proxy Recommendation Service's current conflict of interest avoidance procedures, conflict of interest statement and statement of compliance to verify:
  - They do not currently have any business relationships that would constitute a conflict of interest that would affect Renaissance's clients that we need to disclose to our clients; and,
  - Ensure they have adequate personnel experience and systems to ensure accurate recommendations are made to Renaissance.

Currently, the Proxy Recommendation Service has the following **conflicts of interest**:

- Proxy Recommendation Service's parent companies, Ontario Teachers' Pension Plan ("OTPP") and Alberta Investment Management Company ("AIMCo"), have a significant, reportable stake in a company or Glass Lewis becomes aware through public disclosure of OTPP's or AIMCo's ownership stake in a company we are covering.
- Proxy Recommendation Service's employee, relative or any of its subsidiaries, a member of the Research Advisory Council, or a member of the Proxy Recommendation Service Strategic Committee, which includes representatives of OTPP and AIMCo, serves as an executive or director of a public company.

- Investment manager customer is a public company or a division of a public company.
  - Proxy Recommendation Service Customer submits a shareholder proposal or is a dissident shareholder in a proxy contest.
  - Proxy Recommendation Service has a business relationship with a public company, such as a partner or vendor relationship.
  - Public company buys a Proxy Paper from the Proxy Recommendation Service prior to publication of the report.
  - The Proxy Recommendation Service engaged with the public company during the solicitation period, but the company did not purchase the Proxy Paper.
- (4) The Proxy Agent does not provide voting recommendations to Renaissance. Rather, they only provide the system used to vote proxies and retain all proxy records so it is not possible for them to have a conflict of interest that would influence the proxy vote. The Proxy Agent will notify Renaissance of any Proxy Recommendation Service **conflicts of interest** listed on their research reports.

### **Summary of Renaissance's Proxy Voting Policy and Procedures**

Renaissance Investment Management (hereafter "Renaissance") has a responsibility to vote proxies of client securities under its management solely in the best interest of its clients if Renaissance has been delegated proxy voting responsibility by the client. Renaissance votes all proxies with respect to client securities unless Renaissance's proxy recommendation service (hereafter "Proxy Recommendation Service") does not provide a recommendation or we do not have adequate information to make a decision in the best interest of our clients. We will not vote the client's proxies if the client has retained that responsibility and has so notified Renaissance via contract or in writing.

Renaissance has contracted with a third party proxy voting agent ("Proxy Agent") to use their proxy voting system who has retained, with Renaissance's approval, a third party Proxy Recommendation Service who provides research on corporate governance issues and corporate actions, makes proxy vote recommendations, and handles the administrative functions associated with the voting of client proxies. While the Proxy Recommendation Service provides the proxy vote recommendations, Renaissance retains the ultimate authority on deciding how to vote. It is Renaissance's policy to vote in accordance with the Proxy Recommendation Service's recommendations. However, in the event that Renaissance disagrees with the Proxy Recommendation Service's proxy voting recommendations or if the Proxy Recommendation Service has a conflict of interest and Renaissance decides not to vote in accordance to the Proxy Recommendation Service's recommendation, Renaissance's Proxy Conflict Committee's rationale and ultimate decision will be internally documented.

When clients have delegated proxy-voting responsibility to Renaissance, Renaissance will identify any material corporate **conflicts** that exist between the interests of Renaissance and its clients in addition to any material Proxy Recommendation Service **conflicts of interest**. This examination will include a review of the relationship of Renaissance with the issuer of each security (and any of the issuer's affiliates) to determine if the issuer is a client of Renaissance or has some other relationship with Renaissance or a client of Renaissance.

Renaissance is not presently aware of any material Renaissance corporate conflicts other than potentially voting proxy issues relating to a company who is also a client. This conflict is mitigated by utilizing the Proxy Recommendation Service. Renaissance is not aware of any Proxy Recommendation Service provider **conflicts of interest** that are not disclosed to Renaissance by the Proxy Agent and mitigated through our Proxy Conflict Committee. However, should other material conflicts arise, Renaissance will examine the scope of the conflict and will implement procedures to ensure that the final voting decision is unbiased.

If a client has instructed Renaissance to vote its proxies and would like a copy of our Proxy Voting Policy; a copy of the Proxy Recommendation Service's proxy voting policy guidelines; to review how Renaissance voted on a particular security in your account; or would like to direct a written request instructing Renaissance how to vote your proxies at least ten (10) days before the proxy voting date; please submit written requests to:

Renaissance Investment Management  
Attn: Compliance Dept.  
50 East RiverCenter Blvd., Suite 1200  
Covington, KY 41011  
E-mail: [compliance@reninv.com](mailto:compliance@reninv.com)  
Phone: 513-723-4500

## **Item 18 – Financial Information**

Renaissance is not under a financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients. We have not been the subject of a bankruptcy proceeding.

QUESTIONS: Renaissance's Chief Compliance Officer, Kevin Patton, IACCP, AIF, is available to address any questions regarding this Part 2A. Mr. Patton can be reached at 513-723-4500 or [compliance@reninv.com](mailto:compliance@reninv.com).

## Supplemental Information

### Appendix I – Definitions

**American Depositary Receipts (“ADRs”):** A negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction.

**CFA Institute Soft Dollar Standards:** CFA Institute Soft Dollar Standards seeks to provide ethical standards for soft dollar practices as well as emphasize the paramount duty of the investment manager to place the interests of clients before those of the investment manager. In particular, the Soft Dollar Standards focus on six key areas: 1) Definitions; 2) Research; 3) Mixed-Use Products; 4) Disclosure; 5) Recordkeeping; and, 6) Client-Directed Brokerage. For more information, please refer to the CFA Institute’s website <http://www.cfainstitute.org/ethics/codes/softdollar>.

**Commission Sharing Arrangements (“CSA”):** In a CSA, Renaissance enters into an agreement with a broker-dealer so that a portion of the commissions from trades placed by Renaissance with them are pooled to compensate one or more research providers who produce their own research, which is used by Renaissance in its investment process. The research providers may or may not be the broker-dealers who generated the transactions.

**Cross Trades:** Buying and selling a security internally within a firm among client accounts. i.e., the trade is not recorded through a securities exchange.

**Dark Pools:** A private forum for trading securities, derivatives, and other financial instruments. Liquidity on these markets is called dark pool liquidity.

**Developed Markets:** At the time of this ADV’s publication, we consider an issuer to be located in a developed market country if it is incorporated or domiciled in one of the following countries: Australia, Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, or the United States.

**Discretionary Investment Manager:** An investment manager who has the authority to make the buy and sell decisions in a client’s account without obtaining approval from the client or a Program Sponsor. The investment manager, however, must operate within the agreed upon limits stipulated in the Investment Advisory Agreement. A UMA Program can be a discretionary program due to contractual stipulations.

**Emerging Markets:** At the time of this ADV’s publication we consider an issuer to be located in an emerging market country if it is incorporated or domiciled in one of the following countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hong Kong, Hungary, India, Indonesia, South Korea, Malaysia, Mexico, Panama, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey or the United Arab Emirates.

**ETNs:** A type of unsecured, unsubordinated debt security first issued by Barclays Bank PLC based on the performance of a market index minus applicable fees, with no period coupon payments distributed and no principal protections. ETNs are traded on a major exchange, such as the New York Stock Exchange (NYSE) during normal trading hours.

**FIFO – “first in first out”:** Stands for first-in, first-out, meaning that the oldest inventory items are recorded as sold first but do not necessarily mean that the exact oldest physical object has been tracked and sold. In other words, the cost associated with the inventory that was purchased first is the cost expensed first.

**Hard Dollars:** Hard dollars are cash payments made by an investment manager to pay for research or services provided by a brokerage firm or third-party.

**Initial Public Offering (“IPO”):** The first sale of stock by a private company to the public.

**Institutional Client:** Organizations such as banks, brokerage firms, insurance companies, public funds, labor union funds, mutual funds or unit trusts, foundations, endowments, municipalities, states, 401(k)’s, pension funds, profit sharing plans and other tax exempt entities that are not individually owned accounts.

**Investment Consultant:** An advisor who helps investors (e.g., trustees of corporate and public retirement plans, university endowments, foundations, healthcare systems, not-for-profit organizations, and high-net-worth individuals) with their long-term investment planning. An investment consultant, unlike a Financial Advisor, does more in-depth work on formulating clients’ investment strategies, helping them fulfill their needs and goals.

**Model Change:** The direction given by a Portfolio Manager for the sale and/or purchase of one or more securities within one of Renaissance’s investment strategies.

**Most Favored Nations Clause:** Refers to contractual fee terms that require Renaissance to provide a similar fee to accounts in the same strategy with similar size and type of service provided.

**Mutual Fund:** An investment vehicle that is comprised of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.

**Non-Discretionary Programs:** A UMA Program in which Manager A has the discretionary investment relationship with the UMA Program client and is responsible for all client-related needs. Manager B (Renaissance) has no direct contact with the client and is only responsible for amending/updating the UMA model portfolios on an ongoing basis. Manager B also provides the updated model information regarding securities recommendation changes to Manager A and the timing of the trades. Renaissance has a non-discretionary investment management relationship with the underlying UMA Program clients.

**Performance-Based Fees:** The fees that advisers or managers receive based on investors’ returns/performance.



**Side-By-Side Management:** The simultaneous management of multiple types of client accounts (e.g., institutional accounts, individual accounts, mutual funds, Wrap/SMA programs, UMA programs) according to the same, similar or different investment strategy.

**Soft Dollars:** A soft dollar represents the value of research or services (other than trade execution) obtained by Renaissance from or through a broker-dealer in exchange for Renaissance directing trades to the broker-dealer. These services would otherwise be available to Renaissance for a cash payment (hard dollars).

**Step-Out Trades:** Step-out trades are transactions, placed at one broker/dealer and then “given up” or “stepped-out” by that broker/dealer to another broker/dealer for brokerage credit/payment.

**Sub-Advisory Arrangements:** An arrangement where Renaissance is hired by a third-party (i.e., mutual fund company; Wrap/SMA Program) to manage the third-party client’s assets.

**Tax Harvesting:** The process of selling securities at a gain/loss to offset the taxable gains from another investment and/or create carryover losses to offset potential gains realized in future years.


**Unified Management Account (“UMA”):** A program whereby a brokerage firm helps an investor find a money manager in exchange for a flat quarterly or annual fee, which covers all administrative, brokerage, custodial and management expenses. Investment accounts can encompass every investment vehicle (e.g., mutual funds, stocks, bonds and exchange traded funds) all in a single account. Model based investment recommendations from multiple investment companies are offered by the brokerage firm as investment options to investors.

**Vendor:** A Renaissance service provider chosen by Renaissance and not the client. This does not include any service providers chosen by our clients (e.g., client’s custodian, client selected broker dealer, client’s consultant).

**Wrap/SMA Program:** A program whereby a brokerage firm helps an investor find a money manager in exchange for a flat quarterly or annual fee, which covers all administrative, brokerage, custodial and management expenses incurred through the program sponsor. Products from multiple investment companies are offered by the brokerage firm as investment options to investors. These programs are referred to as Wrap Arrangements, Wrap Fee Programs and/or Wrap Sponsor Accounts.

## Appendix II – Privacy Notice

Rev. 03/2015

<b>FACTS</b>	<b>WHAT DOES RENAISSANCE INVESTMENT MANAGEMENT (RENAISSANCE) DO WITH YOUR PERSONAL INFORMATION?</b>	
<b>Why?</b>	<p>Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.</p>	
<b>What?</b>	<p>The types of personal information we collect and share depends on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>■ Social Security number and home address.</li> <li>■ Telephone number and financial information.</li> <li>■ Custodial statements and trade confirmations.</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
<b>How?</b>	<p>All financial companies need to share client's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their client's personal information; the reasons Renaissance chooses to share; and whether you can limit this sharing.</p>	

Reasons we can share your personal information	Does Renaissance share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	N/A
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	N/A
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	N/A
<b>For non-affiliates to market to you</b>	No	N/A

<b>QUESTIONS</b>	Call 513-723-4582 or e-mail <a href="mailto:COMPLIANCE@RENINV.COM">COMPLIANCE@RENINV.COM</a>
------------------	--

**Page 2**

<b>Who</b>	
<b>Who is providing this notice?</b>	Renaissance Investment Management
<b>What we do</b>	
<b>How does Renaissance protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Renaissance collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ Open an account or reconcile our records with your custodial account</li> <li>■ Close an account or trade securities in your account</li> <li>■ Make material changes to your account</li> </ul>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ Sharing for affiliates' everyday business purposes — information about your creditworthiness</li> <li>■ Affiliates from using your information to market to you</li> <li>■ Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Affiliated Managers Group</i></li> <li>■ <i>AMG Funds LLC</i></li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.
<b>Other important information</b>	

## **Appendix III – 408(b)(2) Disclosures**

### **For Use By ERISA Clients Signing Renaissance Agreements**

#### **The Renaissance Group LLC d.b.a. “Renaissance Investment Management” or “Renaissance”**

#### **Guide to Services and Compensation**

The following is a guide to important information that you should consider in connection with the services provided by Renaissance Investment Management to our clients. We are providing this information to you in accordance with the amended rules issued by the U.S. Department of Labor (the “DOL”) under ERISA Section 408(b)(2). Should you have any questions concerning information provided in this guide, please do not hesitate to contact Renaissance at [compliance@reninv.com](mailto:compliance@reninv.com) or by phone at 513-723-4500. Renaissance’s ADV Part 2 can be downloaded from our website at [www.reninv.com](http://www.reninv.com) at the bottom of our home page.

<b>Sec.</b>	<b>Required Information</b>	<b>Location(s) of Disclosures or Disclosure</b>
I	Description of the services we (or an affiliate or subcontractor) provide or reasonably expect to provide to the covered plan.	The services that we provide our clients are described in your investment management agreement with Renaissance in conjunction with referenced amendments, appendixes or addendums.
II	If applicable, a statement that we (or an affiliate or subcontractor) will provide, or reasonably expect to provide, services directly to the ERISA plan (or an investment vehicle that holds ERISA “plan assets”) as a fiduciary within the meaning of section 3(21) of ERISA.	Renaissance provides services to the covered plan as a fiduciary within the meaning of section 3(21) of ERISA.
III	If applicable, a statement that we (or an affiliate or subcontractor) will provide, or reasonably expect to provide, services directly to the ERISA plan as an investment adviser registered under the Investment Advisers Act of 1940 (the “Advisers Act”) or any State law.	We provide services to the ERISA plan as a registered investment adviser under the Investment Advisers Act of 1940, as amended.
IV	A description of the compensation that we, our affiliates, or our subcontractors reasonably expect to receive directly from the ERISA plan for the services described in Section I above (“direct” compensation).	Our “direct” compensation from our clients is described in your investment management agreement with Renaissance in conjunction with referenced amendments, appendixes, addendums, a schedule of fees, or our ADV Part 2A.

Sec.	Required Information	Location(s) of Disclosures or Disclosure
V	A description of the compensation that we, our affiliates, or our subcontractors reasonably expect to receive from other sources other than the covered plan, the plan's sponsor, or an affiliate ("indirect" compensation).	Please refer to following Items in Form ADV Part 2A for further details regarding the "indirect" compensation that we may receive: <ol style="list-style-type: none"> <li>Item 11 – Code of Ethics, which describes gifts and entertainment that we may receive; and,</li> <li>Item 12 – Brokerage Practices, which describes the proprietary research, soft dollars, and commission sharing arrangements.</li> </ol>
VI	Compensation that will be paid among Renaissance, affiliates, and subcontractors, if payable on a transaction basis or charged directly against the plan's investment and reflected in the net value of the investment ("Related Party Compensation").	Please refer to following Items in Form ADV Part 2A for further details regarding such compensation: <ol style="list-style-type: none"> <li>Item 10 – Other Financial Industry Activities and Affiliations, which describes any payments made using our own assets to affiliated parties; and,</li> <li>Item 14 – Client Referrals and Other Compensation, which describes parties we pay using our own assets.</li> </ol>
VII	Compensation we, our affiliates, or our subcontractors expect to receive in connection with the termination of the contract and a description of how any prepaid amounts will be calculated and refunded upon termination.	We, our affiliates, or subcontractors do not receive any compensation in connection with the termination of our contract by the client.  Prepaid investment management fee refunds, if any, will be calculated in accordance with the investment management contract. Please refer to the fees section within your investment management agreement with Renaissance in conjunction with referenced amendments, appendixes, addendums, a schedule of fees, or our ADV Part 2A.
VIII	Estimate of recordkeeping costs	Not applicable.
IX	A description of the manner in which the compensation described in Sections IV-VIII above will be received, such as whether the covered plan will be billed or the compensation will be deducted directly from the covered plan's account(s) or investments.	Please refer to your investment management agreement with Renaissance in conjunction with referenced amendments, appendixes, addendums, a schedule of fees, or our ADV Part 2A for a description of how the covered plan will remit compensation for services rendered by Renaissance. If Renaissance bills the Plan Sponsor, Renaissance does not know if the Plan Sponsor is reimbursed by the Plan using plan investments.

## For Use By ERISA Clients Signing Wrap Plan Sponsor Agreements

### The Renaissance Group LLC d.b.a. “Renaissance Investment Management” or “Renaissance”

#### Guide to Services and Compensation

The following is a guide to important information that you should consider in connection with the services provided by Renaissance Investment Management to our clients. We are providing this information to you in accordance with the amended rules issued by the U.S. Department of Labor (the “DOL”) under ERISA Section 408(b)(2). Should you have any questions concerning information provided in this guide, please do not hesitate to contact Renaissance at [compliance@reninv.com](mailto:compliance@reninv.com) or by phone at 513-723-4500. Renaissance’s ADV Part 2 can be downloaded from our website at [www.reninv.com](http://www.reninv.com) at the bottom of our home page.

Sec.	Required Information	Location(s) of Disclosures or Disclosure
I	Description of the services we (or an affiliate or subcontractor) provide or reasonably expect to provide to the covered plan.	Renaissance Investment Management (Renaissance) is a sub-advisor (subcontractor) to the Wrap/SMA Program Sponsor. We act as an investment manager to the Wrap/SMA program and perform trading functions for your account(s). Through the wrap/SMA program you utilize, you have selected Renaissance to manage a portion of your assets in one of Renaissance’s investment strategies as a sub-adviser. For additional information please refer to the Wrap/UMA Program Sponsor’s 408(b)(2) section 1 disclosure.
II	If applicable, a statement that we (or an affiliate or subcontractor) will provide, or reasonably expect to provide, services directly to the ERISA plan (or an investment vehicle that holds ERISA “plan assets”) as a fiduciary within the meaning of section 3(21) of ERISA.	Renaissance provides services to the covered plan as a fiduciary within the meaning of section 3(21) of ERISA.
III	If applicable, a statement that we (or an affiliate or subcontractor) will provide, or reasonably expect to provide, services directly to the ERISA plan as an investment adviser registered under the Investment Advisers Act of 1940 (the “Advisers Act”) or any State law.	Renaissance provides services to the ERISA plan as a registered investment adviser under the Investment Advisers Act of 1940, as amended.
IV	A description of the compensation that we, our affiliates, or our subcontractors reasonably expect to receive directly from the ERISA plan for the services described in Section I above (“direct” compensation).	Renaissance does not receive direct compensation from your plan because we are a sub-adviser to the program sponsor you utilize and are compensated directly by that program sponsor and not by your account. The fees paid by the plan for investing in the wrap/SMA program are set by the program sponsor, and are disclosed in the program sponsor’s contract as well as their Form ADV Part 2A.



Sec.	Required Information	Location(s) of Disclosures or Disclosure
V	A description of the compensation that we, our affiliates, or our subcontractors reasonably expect to receive from other sources other than the covered plan, the plan's sponsor, or an affiliate ("indirect" compensation).	<p>Renaissance will receive a percentage of the wrap/SMA fee (indirect compensation) paid to the Wrap/SMA Program Sponsor you utilize for performing investment management and trading services as a sub-adviser to the program sponsor. The program sponsor will pay Renaissance the indirect compensation. The fees paid by the plan for investing in the Renaissance strategy(s) offered by your program sponsor are set by the program sponsor and are disclosed in the program sponsor's contract as well as their Form ADV Part 2A.</p> <p>Also please refer to the following Items in our Form ADV Part 2A for further details regarding the "indirect" compensation that we may receive:</p> <ol style="list-style-type: none"> <li>1. Item 11 – Code of Ethics, which describes gifts and entertainment that we may receive;</li> <li>2. Item 12 – Brokerage Practices, which describes the proprietary research, soft dollar commissions, and commission sharing arrangements Renaissance may utilize.</li> </ol>
VI	Compensation that will be paid among Renaissance, affiliates, and subcontractors, if payable on a transaction basis or charged directly against the plan's investment and reflected in the net value of the investment ("Related Party Compensation").	<p>Please refer to the following Items in our Form ADV Part 2A for further details regarding such compensation:</p> <ol style="list-style-type: none"> <li>1. Item 10 – Other Financial Industry Activities and Affiliations, which describes any payments made using our own assets to affiliated parties;</li> <li>2. Item 14 – Client Referrals and Other Compensation, which describes parties we pay using our own assets.</li> </ol>
VII	Compensation we, our affiliates, or our subcontractors expect to receive in connection with the termination of the contract and a description of how any prepaid amounts will be calculated and refunded upon termination.	<p>We, our affiliates, or subcontractors do not receive any compensation in connection with the termination of our contract by wrap/SMA program clients.</p> <p>Prepaid fee refunds, if any, will be calculated in accordance with the investment management contract you signed with the Wrap/SMA Program Sponsor. Please refer to the fees section within your Wrap/SMA program agreement with the Wrap/SMA Program Sponsor in conjunction with referenced amendments, appendixes or addendums.</p>
VIII	Estimate of recordkeeping costs	Not applicable.

Sec.	Required Information	Location(s) of Disclosures or Disclosure
IX	A description of the manner in which the compensation described in Sections IV-VIII above will be received, such as whether the covered plan will be billed or the compensation will be deducted directly from the covered plan's account(s) or investments.	The Wrap/SMA Program Sponsor calculates and remits payment for our aggregate quarterly fees for all accounts Renaissance manages for the Wrap/SMA program. Your account fees are billed by the Wrap/SMA Program Sponsor according to your contract with them. Please refer to it for a description of how the covered plan will remit compensation for services rendered by the Wrap/SMA Program Sponsor and Renaissance.

## For Use By ERISA Clients Signing UMA Plan Sponsor Agreements

### The Renaissance Group LLC d.b.a. “Renaissance Investment Management” or “Renaissance”

#### Guide to Services and Compensation

The following is a guide to important information that you should consider in connection with the services provided by Renaissance Investment Management to our clients. We are providing this information to you in accordance with the amended rules issued by the U.S. Department of Labor (the “DOL”) under ERISA Section 408(b)(2). Should you have any questions concerning information provided in this guide, please do not hesitate to contact Renaissance at [compliance@reninv.com](mailto:compliance@reninv.com) or by phone at 513-723-4500. Renaissance’s ADV Part 2 can be downloaded from our website at [www.reninv.com](http://www.reninv.com) at the bottom of our home page.

Sec.	Required Information	Location(s) of Disclosures or Disclosure
I	Description of the services we (or an affiliate or subcontractor) provide or reasonably expect to provide to the covered plan.	Renaissance Investment Management (Renaissance) is a model provider (subcontractor) to the UMA program sponsor. We act as a model provider to the UMA program. Through the program you utilize, you have selected a Renaissance model strategy to manage a portion of your assets. For additional information please refer to the UMA program sponsor’s 408(b)(2) section 1 disclosure.
II	If applicable, a statement that we (or an affiliate or subcontractor) will provide, or reasonably expect to provide, services directly to the ERISA plan (or an investment vehicle that holds ERISA “plan assets”) as a fiduciary within the meaning of section 3(21) of ERISA.	Renaissance provides services to the covered plan as a fiduciary within the meaning of section 3(21) of ERISA.
III	If applicable, a statement that we (or an affiliate or subcontractor) will provide, or reasonably expect to provide, services directly to the ERISA plan as an investment adviser registered under the Investment Advisers Act of 1940 (the “Advisers Act”) or any State law.	Renaissance provides services to the ERISA plan as a registered investment adviser under the Investment Advisers Act of 1940, as amended.
IV	A description of the compensation that we, our affiliates, or our subcontractors reasonably expect to receive directly from the ERISA plan for the services described in Section I above (“direct” compensation).	Renaissance does not receive direct compensation from your plan because we are a model provider to the UMA program sponsor you utilize and are compensated directly by that program sponsor and not by your account. The fees paid by the plan for investing in the program are set by the program sponsor, and are disclosed in the program sponsor’s contract as well as their Form ADV Part 2A.

Sec.	Required Information	Location(s) of Disclosures or Disclosure
V	A description of the compensation that we, our affiliates, or our subcontractors reasonably expect to receive from other sources other than the covered plan, the plan's sponsor, or an affiliate ("indirect" compensation).	<p>Renaissance will receive a percentage of the UMA fee (indirect compensation) paid to the UMA program sponsor you utilize for performing investment management services as a model provider to the program sponsor. The program sponsor will pay Renaissance the indirect compensation. The fees paid by the plan for investing in the Renaissance strategy(s) offered by your program sponsor are set by the program sponsor and are disclosed in the program sponsor's contract as well as their Form ADV Part 2A.</p> <p>Also please refer to the following Items in our Form ADV Part 2A for further details regarding the "indirect" compensation that we may receive:</p> <ol style="list-style-type: none"> <li>1. Item 11 – Code of Ethics, which describes gifts and entertainment that we may receive;</li> <li>2. Item 12 – Brokerage Practices, which describes the proprietary research, soft dollar commissions, and commission sharing arrangements Renaissance may utilize.</li> </ol>
VI	Compensation that will be paid among Renaissance, affiliates, and subcontractors, if payable on a transaction basis or charged directly against the plan's investment and reflected in the net value of the investment ("Related Party Compensation").	<p>Please refer to the following Items in our Form ADV Part 2A for further details regarding such compensation:</p> <ol style="list-style-type: none"> <li>1. Item 10 – Other Financial Industry Activities and Affiliations, which describes any payments made using our own assets to affiliated parties;</li> <li>2. Item 14 – Client Referrals and Other Compensation, which describes parties we pay using our own assets.</li> </ol>
VII	Compensation we, our affiliates, or our subcontractors expect to receive in connection with the termination of the contract and a description of how any prepaid amounts will be calculated and refunded upon termination.	<p>We, our affiliates, or subcontractors do not receive any compensation in connection with the termination of our contract by UMA program clients.</p> <p>Prepaid fee refunds, if any, will be calculated in accordance with the investment management contract you signed with the UMA program sponsor. Please refer to the fees section within your UMA program agreement with the UMA program sponsor in conjunction with referenced amendments, appendixes or addendums.</p>

Sec.	Required Information	Location(s) of Disclosures or Disclosure
VIII	Estimate of recordkeeping costs	Not applicable.
IX	A description of the manner in which the compensation described in Sections IV-VIII above will be received, such as whether the covered plan will be billed or the compensation will be deducted directly from the covered plan's account(s) or investments.	The UMA program sponsor calculates and remits payment for our aggregate quarterly fees for all accounts Renaissance manages for the UMA program. Your account fees are billed by the UMA program sponsor according to your contract with them. Please refer to it for a description of how the covered plan will remit compensation for services rendered by the UMA program sponsor and Renaissance.

**Item 1 - Cover Page**

**Brochure Supplement (Part 2B of Form ADV)**

**Renaissance Investment Management**

50 East RiverCenter Blvd., Suite 1200  
Covington, KY 41011

513-723-4500

**Firm Brochure Supplement**

**Dated: March 26, 2019**

**Supervised Persons:**

Michael E. Schroer  
Paul A. Radomski  
Joe G. Bruening

Andy M. Temming  
Eric M. Aber  
Andy Eng

Curt J. Ludwick  
Brad N. Zoltak  
Michael J. Streitmarter

All Supervised Persons can be reached at the address and telephone number listed above.

This Brochure Supplement provides information about the above listed Supervised Persons that supplements the Renaissance Investment Management Brochure. You should have received a copy of that Brochure. Please contact Renaissance at 513-723-4500 or [compliance@reninv.com](mailto:compliance@reninv.com) if you did not receive Renaissance Investment's Brochure or if you have any questions about the contents of this supplement.

The information in this supplement has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about all Supervised Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **PROFESSIONAL CERTIFICATION DEFINITIONS**

### **Chartered Financial Analyst (CFA) – Definition**

A professional designation issued by the CFA Institute (formerly AIMR) which measures the competence and integrity of financial analysts. Candidates are required to pass three six-hour exams covering areas such as accounting, economics, ethics, money management and security analysis. Completing the Program takes most candidates between two and five years, but candidates can take as long as needed to complete the program. There is no limit to the number of times each exam can be taken. Each candidate is required to have four years of qualified experience to earn the designation.

## **SCHROER, MICHAEL E., CFA**

**Born 1957**

### **Item 2 - Educational Background and Business Experience**

Education: University of Cincinnati; Cincinnati, Ohio  
Bachelor of Business Administration Marketing, 1980  
Indiana University; Bloomington, Indiana  
Master of Business Administration Finance, 1982  
Chartered Financial Analyst, 1985

Business: Renaissance Investment Management; Covington, KY  
Managing Director/President/Chief Investment Officer/  
Portfolio Manager, 11/95 – 6/01  
Managing Partner/Chief Investment Officer/Portfolio Manager, 7/01 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Mike Schroer does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

The Partners of Renaissance are compensated through a variable incentive compensation mechanism that is tied to their ownership in Renaissance. All Partners receive dividend distributions, which are allocated to the Partners pro rata based upon their respective ownership. The level of dividends is set as a fixed percentage of revenues. Managing and Senior Partners also share a set percentage of the residual profits of Renaissance.

### **Item 6 - Supervision**

Mike Schroer is a Managing Partner of Renaissance and is responsible for his own supervision.

Supervisory contact information: 513-723-4500

## **RADOMSKI, PAUL A., CFA**

**Born 1962**

### **Item 2 - Educational Background and Business Experience**

Education: Miami University; Oxford, Ohio  
Bachelor of Science Accounting, 1984  
Chartered Financial Analyst, 1997

Business: Renaissance Investment Management; Covington, KY  
Managing Director/Portfolio Manager, 11/95 – 6/01  
Managing Partner/Portfolio Manager, 7/01 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Paul Radomski does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

The Partners of Renaissance are compensated through a variable incentive compensation mechanism that is tied to their ownership in Renaissance. All Partners receive dividend distributions, which are allocated to the Partners pro rata based upon their respective ownership. The level of dividends is set as a fixed percentage of revenues. Managing and Senior Partners also share a set percentage of the residual profits of Renaissance.

### **Item 6 - Supervision**

Paul Radomski is a Managing Partner of Renaissance and is responsible for his own supervision.

Supervisory contact information: 513-723-4500

## **BRUENING, JOE G., CFA**

**Born 1963**

### **Item 2 - Educational Background and Business Experience**

Education: University of Cincinnati; Cincinnati, Ohio  
Bachelor of Business Administration Finance and Real Estate, 1987  
Xavier University; Cincinnati, Ohio  
Master of Business Administration, 1993  
Chartered Financial Analyst, 2002

Business: Renaissance Investment Management; Covington, KY  
Securities Trader, 1/98 – 06/99  
Research Analyst, 7/99 – 11/00  
Vice President/Portfolio Manager, 12/00 – 6/03  
Partner/Portfolio Manager, 7/03 – 12/09  
Senior Partner/Portfolio Manager, 1/10 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Joe Bruening does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

The Partners of Renaissance are compensated through a variable incentive compensation mechanism that is tied to their ownership in Renaissance. All Partners receive dividend distributions, which are allocated to the Partners pro rata based upon their respective ownership. The level of dividends is set as a fixed percentage of revenues. Managing and Senior Partners also share a set percentage of the residual profits of Renaissance.

### **Item 6 - Supervision**

Joe Bruening is a Senior Partner of Renaissance and is responsible for his own supervision.

Supervisory contact information: 513-723-4500

## **TEMMING, ANDY M., CFA**

**Born 1976**

### **Item 2 - Educational Background and Business Experience**

Education:     Xavier University; Cincinnati, Ohio  
                    Bachelor of Science Business Administration, 1998  
                    Xavier University; Cincinnati, Ohio  
                    Masters of Business Administration, 2002  
                    Chartered Financial Analyst, 2006

Business:       Renaissance Investment Management; Covington, KY  
                    Research Analyst, 3/08 – present  
                    Partner, 7/13 – present  
                    Co-Portfolio Manager - Developed Country International Strategy and  
                    Emerging Markets Strategy, 1/15 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Andy Temming does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

The Partners of Renaissance are compensated through a variable incentive compensation mechanism that is tied to their ownership in Renaissance. All Partners receive dividend distributions, which are allocated to the Partners pro rata based upon their respective ownership. The level of dividends is set as a fixed percentage of revenues. Non-managing/non-senior partners are also paid bonuses based on their contributions to Renaissance.

### **Item 6 - Supervision**

Andy Temming is a Partner of Renaissance and reports to Joe Bruening who oversees his investment advisory activities.

Supervisory contact information: 513-723-4500

## **ABER, ERIC M., CFA**

**Born 1981**

### **Item 2 - Educational Background and Business Experience**

Education: Ohio University; Athens, Ohio  
Bachelor of Science Computer Science, 2003  
University of Cincinnati; Cincinnati, Ohio  
Master of Science Finance, 2008  
Chartered Financial Analyst, 2012

Business: Renaissance Investment Management; Covington, KY  
IT Analyst, 5/09 – 12/09  
Research Analyst, 1/10 – present  
Partner/Co-Portfolio Manager - REIT Strategy, 1/15 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Eric Aber does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

The Partners of Renaissance are compensated through a variable incentive compensation mechanism that is tied to their ownership in Renaissance. All Partners receive dividend distributions, which are allocated to the Partners pro rata based upon their respective ownership. The level of dividends is set as a fixed percentage of revenues. Non-managing/non-senior partners are also paid bonuses based on their contributions to Renaissance.

### **Item 6 - Supervision**

Eric Aber is a Partner of Renaissance and reports to Mike Schroer who oversees his investment advisory activities.

Supervisory contact information: 513-723-4500



## **ENG, ANDY, CFA**

**Born 1971**

### **Item 2 - Educational Background and Business Experience**

Education: University of Illinois at Champaign-Urbana  
Bachelor of Science Business Administration Finance, 1993  
Washington University in St. Louis  
Masters of Business Administration, 2000  
Chartered Financial Analyst, 2003

Business: Northwestern Mutual; Milwaukee, WI  
Portfolio Manager, Director – Common Stock, 6/00 – 7/16  
Renaissance Investment Management; Covington, KY  
Senior Research Analyst, 10/16 – present  
Portfolio Manager - Midcap Growth Strategy, 1/18 – present  
Partner, 1/19 - present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Andy Eng does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

The Partners of Renaissance are compensated through a variable incentive compensation mechanism that is tied to their ownership in Renaissance. All Partners receive dividend distributions, which are allocated to the Partners pro rata based upon their respective ownership. The level of dividends is set as a fixed percentage of revenues. Non-managing/non-senior partners are also paid bonuses based on their contributions to Renaissance.

### **Item 6 - Supervision**

Andy Eng reports to Mike Schroer who oversees his investment advisory activities.

Supervisory contact information: 513-723-4500

## **LUDWICK, CURT J., CFA**

**Born 1969**

### **Item 2 - Educational Background and Business Experience**

Education: University of Wisconsin; Madison, WI  
Bachelors of Business Administration, 1991  
University of Illinois at Urbana-Champaign  
Masters of Business Administration, 1993  
Chartered Financial Analyst, 1998

Business: Northwestern Mutual; Milwaukee, WI  
Equity Research Analyst/Portfolio Manager, 11/96 – 7/16  
Renaissance Investment Management; Covington, KY  
Senior Research Analyst, 1/17 – present  
Portfolio Manager - Small Mid Growth Strategy, 3/17 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Curt Ludwick does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

All Renaissance employees, other than Partners, are compensated via salary and bonus arrangements. Bonuses are paid based upon achievement of specific company and individual goals and are determined by the Managing Partners. Compensation is not directly tied to client account returns.

### **Item 6 - Supervision**

Curt Ludwick reports to Paul Radomski who oversees his investment advisory activities.

Supervisory contact information: 513-723-4500

## **ZOLTAK, BRAD N., CFA**

**Born 1979**

### **Item 2 - Educational Background and Business Experience**

Education: University of Wisconsin; Madison, WI  
Bachelors of Business Administration, 2001  
University of Wisconsin; Whitewater, WI  
Masters of Business Administration, 2011  
Chartered Financial Analyst, 2007

Business: Clear Arc Capital Management; Cincinnati, OH  
Research Analyst, 5/13 – 12/18  
Renaissance Investment Management; Covington, KY  
Senior Research Analyst, 1/19 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Brad Zoltak does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

All Renaissance employees, other than Partners, are compensated via salary and bonus arrangements. Bonuses are paid based upon achievement of specific company and individual goals and are determined by the Managing Partners. Compensation is not directly tied to client account returns.

### **Item 6 - Supervision**

Brad Zoltak reports to Mike Schroer who oversees his investment advisory activities.

Supervisory contact information: 513-723-4500

## **STREITMARTER, MICHAEL J., CFA**

**Born 1986**

### **Item 2 - Educational Background and Business Experience**

Education: Ohio State University; Columbus, Ohio  
Bachelor of Science Business Administration Finance, 2008  
Chartered Financial Analyst, 2013

Business: Renaissance Investment Management; Covington, KY  
Portfolio Administrator, 06/08 – 12/13  
Research Analyst, 1/14 – present

### **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 4 - Other Business Activities**

Michael Streitmarter does not engage in any other investment related business or occupation.

### **Item 5 - Additional Compensation**

All Renaissance employees, other than Partners, are compensated via salary and bonus arrangements. Bonuses are paid based upon achievement of specific company and individual goals and are determined by the Managing Partners. Compensation is not directly tied to client account returns.

### **Item 6 - Supervision**

Mike Streitmarter reports to Joe Bruening who oversees his investment advisory activities.

Supervisory contact information: 513-723-4500