

RENAISSANCE INVESTMENT GROUP, LLC

Form ADV, Part 2

Firm Brochure

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This brochure provides information about the qualifications and business practices of Renaissance Investment Group, LLC. If you have any questions about the contents of this brochure, please contact us at (413) 445-2481. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Renaissance Investment Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Renaissance Investment Group, LLC is 153679.

Renaissance Investment Group, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

Renaissance Investment Group, LLC's brochure has been updated with the follow material changes that have occurred since the last annual update of our brochure on July 1st 2012.

Richard M. Marotta resigned from RIG's Board of Managers on September 1st 2012. On the same date, David W. Eidle was added to the Board of Managers to serve with Thomas E. Malinowski, Patrick J. Sullivan and Trevor M. Forbes.

Renaissance Investment Group (RIG) has extended its policy of paying compensation for client referrals to include other individuals of Berkshire Hills Bancorp, Inc.

On 20th November 2012 RIG signed an agreement with Broadridge Investor Communications, Inc. and Egan-Jones proxy services to vote proxies in accordance with Egan- Jones guidelines. It remains the policy of RIG to vote all proxies in the best interest of the client, without regard to the interests of RIG or other related parties.

It is the intention of RIG to revise the fee scale it charges for investment management services, effective April 1st 2013. The revised fee scale, as shown herein ,will have the effect of increasing the fee certain clients are charged, depending on the amount of assets under management.

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Item 4: Advisory Business

A. The Firm and its Owners.

Renaissance Investment Group, LLC (RIG) is a wholly-owned subsidiary of Berkshire Bank, a Massachusetts chartered savings bank and a wholly-owned subsidiary of Berkshire Hills Bancorp, Inc.

B. The Firm's Services.

As discussed below in this Disclosure Brochure, RIG offers investment supervisory services, and financial counseling advice.

1. Investment Supervisory Services. RIG's investment supervisory services are defined as giving discretionary and non-discretionary continuous investment advice to its clients and making investment decisions for clients based on the individual needs of those clients. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, RIG develops a personal investment policy for each client and creates and manages a portfolio based on that policy. All discretionary and non-discretionary managed accounts are subject to the same fee scale, in accordance with RIG's standard advisory agreement.

RIG's non-discretionary investment services include reviewing recommendations with clients and implementing the recommendations upon client approval. Instances where the client directs RIG to invest in a particular security, the client provides RIG with written authorization. RIG may review the security to reasonably ensure it is consistent with the client's written investment goals, objectives and needs.

RIG provides investment advice primarily with respect to various equities (such as exchange-listed, securities traded over-the-counter, and foreign issuers), individual fixed income securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, United States government securities, and interests in partnerships investing in real estate and oil and gas interests. Although RIG's investment advice is typically limited to those investment categories, RIG may provide advice regarding other investment opportunities in response to a client request or where RIG determines that it would be in the interests of the client to pursue those other investment opportunities.

2. Financial Counseling. For those clients with investable assets in an amount equal to or greater than one million dollars under RIG's management and from whom RIG provides investment supervisory services, RIG may also provide financial counseling services. RIG's financial counseling services incorporate estate planning, investment planning, cash flow planning, income tax planning, retirement planning, and risk management, including property and casualty, and life insurance. RIG gathers required information through in-depth personal interviews with clients. The information gathered includes a client's current financial status, future goals and general attitudes toward risk. If requested by the client, RIG assists the client with the implementation of the financial plan while working with the client's attorney, accountant, and/or

insurance agent. RIG may also recommend (on a non-compensatory or any other reciprocal benefit basis) the services of other non-investment advisory professionals if asked by the client. The client is under no obligation to engage the services of any such recommended professional, and retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from RIG.

C. Miscellaneous Information About the Firm's Services.

In connection with the provision of RIG's services, we tailor our advisory services to each client's individual needs in a client specific investment policy statement that allows the client to impose reasonable restrictions on RIG's ability to invest in certain securities or types of securities.

RIG is authorized to rely on any and all information that is provided to RIG by the client or any of the client's other professionals (such as the client's attorney or accountant), and shall not be required to independently verify any such information, and each client is responsible to promptly notify RIG if there is ever any change in their financial situation or investment objectives so that RIG is positioned to review, evaluate and possibly revise its previous recommendations and/or services.

D. WRAP Program

RIG does not provide investment advisory services to clients through participation in a wrap fee program.

E. The Firm's Assets Under Management.

The firm's investment supervisory services include both discretionary and non-discretionary asset management. As of December 31, 2012, RIG's total amount of discretionary and non-discretionary assets under management was \$231,027,180 and \$13,627,741 respectively.

Item 5: Fees and Compensation

A. The Firm's Fees and Compensation for Services.

1. Investment Supervisory Services. The annual fee for investment supervisory services is charged as a percentage of assets under management, according to the schedule below:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Over \$2,000,000	0.50%

In situations where RIG is acting as investment adviser to an institutional fiduciary, the combined management fee for both named fiduciary and RIG is as follows:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
First \$1,000,000	1.10%
Next \$1,000,000	0.85%
Over \$2,000,000	0.60%

As from April 1st 2013 the revised annual fee for investment supervisory services will be charged as a percentage of assets under management according to the schedule below:

<u>Assets under Management</u>	<u>Annual Fee (%)</u>
First \$2,000,000	1.00%
Over \$2,000,000	0.55%

In situations where RIG will be acting as investment adviser to an institutional fiduciary, the combined management fee for both named fiduciary and RIG will be unchanged as follows:

<u>Assets under Management</u>	<u>Annual Fee (%)</u>
First \$1,000,000	1.10%
Next \$1,000,000	0.85%
Over \$2,000,000	0.60%

RIG's management fee is payable or deductible from the client's account in arrears at the end of each calendar quarter based upon the quarter end market values of the client's account during the previous quarter as provided to RIG by the custodian of the client's assets.

2. Financial Counseling. RIG does not charge a separate fee for the provision of financial counseling services to its clients who have at least one million dollars of investable assets under RIG's management. RIG does not provide this service to any client unless they meet the one million dollar investable asset threshold, as described in Item 4.B.2 of this Disclosure Brochure

B. General Information on Fees.

1. Negotiability of fees and account minimums. Except in extraordinary circumstances, RIG's fees and account minimums are not negotiable.

2. RIG's fees. RIG's fees may be deducted from the client's account by the client's account custodian, or, in the alternative, RIG bills the client who then pays RIG's fee directly.

3. Other fees

Clients will also incur charges in connection with advisory services RIG provides that are imposed directly by the custodian of the client's account, as well as transaction charges imposed by broker-dealers executing securities transactions for the client's account, and fees and expenses imposed directly by mutual funds held in the client's account. The fees and expenses imposed by mutual funds are described in each fund's prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client will pay an initial or deferred sales charge. The client should review both the fees charged by the funds and the fees charged by RIG to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

All other fees charged directly by the client's custodian, the broker-dealer, and mutual funds, who are not affiliated with RIG, is separate and distinct from the fees and expenses clients pay to RIG for its services. RIG does not receive a portion of these other fees and does not directly or indirectly receive a benefit from the imposition of these fees, other than as may be disclosed further in this brochure (see Brokerage Practices, Item 12 of this Disclosure Brochure).

Item 6: Performance-Based Fees and Side-By-Side Management

RIG does not, nor does any of its employees, charge, or otherwise receive a benefit from, a performance based fee.

Item 7: Types of Clients

A. The Firm's Clients.

The firm's client base is comprised of individuals, high net worth individuals, banking or thrift institutions, pension and profit sharing plans, charitable organizations and corporations and other businesses.

B. Requirements for Opening or Maintaining an Account.

1. Minimum Account Size. Unless waived or negotiated in advance, RIG requires a minimum account size of \$500,000 for investment supervisory services clients.
2. Advisory Agreement. Each client is required to sign a servicing agreement with RIG that sets forth the terms and conditions of their relationship with RIG.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies.

1. Methods of Analysis. The firm takes a top down and bottom up approach to investing utilizing fundamental and technical methods of analysis in connection with its servicing client accounts. Although the firm's personnel are oriented toward fundamental analysis, they also use published technical and economic analysis factors in their investment decision-making process.

RIG's approach to investing involves evaluating the geopolitical and economic factors/events taking place globally and analyzing the impact on the economy of the United States. This includes all aspects of economic direction and policymaking including the likely direction of monetary and fiscal policy that drive markets – bonds, equities and currencies. We then incorporate the results of our analysis into the selection of appropriate assets and individual stocks and bonds. This top down approach gives RIG a good sense as to the types of securities, industries and sectors we want our clients exposed to in furtherance of meeting our clients' investment objectives.

Once we have identified the appropriate industries, sectors, etc., we then identify specific companies that we are interested in purchasing and perform a bottom up analysis. This involves analyzing the fundamentals of a company that includes the following key drivers:

- **Financial** An appreciation of the strength of a company's balance sheet. This includes evaluating Financial Leverage, Return on Capital, Working Capital Ratios and the efficiency of Assets. For Financial companies this will also include evaluating the appropriate Capital Adequacy Ratios. Assessing the sensitivity of the financial statements to the key economic drivers is an important aspect of this approach.
- **Operating performance** Stock price movements relative to the main market and industry sector indices tend to be a function of relative earnings and dividend performance. These trends affect stock selection both on a medium term (12 – 18 months), and on a long term basis. Periodically earnings surprises / disappointment can drive shorter term price movements. As a result, our research emphasizes longer run earnings and dividend direction relative to the market and sector average. In particular we seek evidence of directional change in a company's performance. This can be a buying opportunity or a selling signal for stocks that we own. The impact of international trends (relative economic growth patterns) / exchange rate movements can also be important to assessing the pattern of future earnings, and hence dividend

growth potential. Opportunities are taken from time to time to pare holdings where share price outperformance appears to adequately discount future prospects.

- **Ratio Analysis** This includes assessing value of a stock based on its earnings multiple (P/E Ratio) relative to its industry peers and the market. The PEG (PER/Earnings growth) is also an important measure of value per unit of growth. This is normally calculated over a three year average and will be viewed relative to a company's industry peers and the market. Dividend yield is a measure of interest but not normally a key factor in identifying value. Yield plus dividend growth potential can, however, be a powerful indicator of likely future relative performance. We will normally seek companies with a progressive dividend policy / prospects to form a significant part of a typical client portfolio. For those clients with specific income requirements, this may constitute a greater weighting depending on the ability to source sufficient income from bonds and cash.
- **Liquidity** Most clients will require a high degree of liquidity in the portfolio positions. Most of the stock and bond positions that we choose will have a high degree of liquidity and so we would expect that in normal market conditions that a portfolio can be liquidated with a minimum impact on the share price of individual positions over a four week period. Where we seek exposure to an area of the market or in types of stock where this type of liquidity cannot be expected, then we will seek investment in a fund (such as an ETF) that tracks a specific section of the market. This can include industry sector, foreign equity and bond markets and may include higher yielding equities / bonds at certain stages of the market cycle.
- **Volatility** Our aim is to provide our clients with the maximum return that can be realistically expected from market conditions but with a volatility that is below that for the S&P 500 Index. In part this will be achieved through including bonds and cash alongside equities in a portfolio balance. The proportions between these will be a function of client preference and our expectations for likely returns and volatility between these assets classes. Periodically we may introduce low volatility investments (normally mutual funds) that have an expected volatility significantly lower than equities. This may be particularly important during periods of rising interest rates when bonds can exhibit exceptional levels of volatility as yields adjust.

2. Investment Strategy.

The firm utilizes long-term purchases as the investment strategy that it employs for servicing client accounts. Long-term purchases are generally comprised of securities that are held at least one year after the date of their purchase. The investment strategy utilized by the firm involves a variety of risks. Stocks are subject to the risk of a general market decline as well as company specific issues such as competition, regulation, management decision and financial outlook. Bond prices would be at risk should interest rates rise or if there is a decline in the credit worthiness of the underlying asset.

3. Risk of Loss.

Investing in securities involves risk of loss that each client should be prepared to bear. Although risk can never be eliminated, RIG seeks to identify certain types of risks and manage clients' accounts according to individual client risk thresholds. The major areas of risk that clients are facing when investing are as follows:

- **Loss of Capital.** Our research process and due diligence identifies areas of financial risk for the securities that we choose for client portfolios. Financial risk and leverage is a key part of this process. If we are concerned over specific economic issues that may produce a risk of loss then we will take action to mitigate this. In bond investments, our preference is for high quality Investment Grade corporates and municipalities and US Treasuries. As the interest rate risk increases then we reduce duration primarily by shortening the maturity profile of the bonds held unless there is a client specific reason. This could be laddering of a maturity requirement.
- **Liquidity Risk.** This is the dealing risk in a security. For all portfolios, the ability to deal in a security is important. In this respect we limit the proportion of assets held in smaller cap stocks. Our preference in these areas would be to limit the liquidity risk by investing in a fund such as an ETF.
- **Income Risk.** Many of our clients require regular income. For these clients loss of income is a risk. Volatility of performance may be a secondary issue and as a result we may hold investments for these accounts for security of income payment rather than capital performance.

Master Limited Partnerships - Interests in publicly traded master limited partnerships present certain valuation challenges. The valuation of publicly traded master limited partnerships could be affected by changes in their taxable status.

Item 9: Disciplinary Information

RIG does not have any disciplinary information to disclose in response to Item 9.

Item 10: Other Financial Industry Activities and Affiliations

A. Other Financial Industry Activities.

RIG, including our management persons are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, respectively.

In addition, RIG, including our management persons are not registered, nor do we have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

B. Other Financial Industry Affiliations.

Berkshire Hills Bancorp, Inc. and Berkshire Bank. RIG is a wholly owned subsidiary of Berkshire Bank, which is owned by Berkshire Hills Bancorp, Inc., a publicly reporting company. Certain members of RIG's Board of Managers may also be employed by, or provide services to, Berkshire Bank. In addition, RIG may provide services to customers of Berkshire Bank in accordance with the terms of this Disclosure Brochure, or Berkshire Bank may provide services to a client of RIG. This may present a conflict of interest between RIG and its owner. RIG believes this potential conflict of interest is addressed by (a) RIG not requiring any RIG client to have a relationship with Berkshire Bank, and (b) RIG providing its services to Berkshire Bank clients and non-Berkshire Bank clients on substantially equal terms.

RIG does not select or recommend other investment advisers to its clients, nor do we have any other relationship with other investment advisers that is required to be disclosed.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Description of the Firm's Code of Ethics.

RIG has adopted a Code of Ethics (the "Code"), as required under SEC Rule 204A-1 of the Investment Advisers Act of 1940. The Code establishes a standard of business conduct for all of the firm's personnel that are based upon fundamental principles of openness, integrity, honesty and trust. RIG is a fiduciary and therefore has the responsibility to render professional, continuous, and unbiased investment advice. As a fiduciary, RIG must act at all times in its client's best interest and must avoid or disclose conflicts of interest. The Code is designed to emphasize and implement these fundamental principles within RIG's operations.

In order to adhere to this overarching fiduciary duty to our clients and the obligation of all personnel to uphold that fundamental duty, RIG had adopted the following general principles:

1. RIG personnel have a duty at all times to place the interests of our clients first;
2. All personal security transactions of RIG personnel shall be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility;
3. RIG personnel shall not take inappropriate advantage of their positions;

4. Information concerning the identity of security holdings and financial circumstances of clients is to be confidential; and
5. Independence in the investment decision-making process is paramount.

Failure to comply with the Code of Ethics may result in disciplinary action, which may include termination of employment.

RIG's policy is to provide a copy of the Code of Ethics to any client or prospective client upon request.

B. Investing by the Firm and its Personnel.

1. The purchase or sale of the same securities as for the client. RIG may purchase or sell one or more money market accounts for its own account as are purchased or sold for client accounts for the purpose of managing its own working capital. In addition, any person affiliated with RIG may directly or indirectly hold the same securities as RIG recommends to and held by clients. This activity may present a conflict of interest in the sense that RIG, or its personnel, may benefit financially from a transaction effected for a client account. We address this potential conflict of interest through the procedures that we have adopted and designed for this purpose, as described in Item 11.B.2 of this Disclosure Brochure.

2. The purchase or sale of same securities at or about the same time as in a client's account. RIG, and/or any person related to RIG, may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that RIG or the person related to RIG buys or sells the same securities for the account of RIG or RIG's related person. This presents a conflict of interest because RIG or the related person may benefit financially as a result of transactions in that same security that occur in the client account by obtaining a more favorable price, trading before a client transaction or pre-empt an investment opportunity that would have otherwise been afforded to the client. Similarly, the value of the security held in the client's account may be detrimentally impacted by transactions in that same security that occurs in RIG's account or the account of RIG's related person.

The firm addresses this potential conflict of interest through its internal compliance procedures. Initially, each employee is required to report all holdings annually and quarterly report to a compliance officer all securities transactions during the preceding quarter in which she or he held in their personal account(s). Next, the firm has imposed limitations on personnel to purchase or sell a security on the same day that a security is being purchased for a client account. To reasonably ensure compliance with the Code, confirmations (or statements) of all personal securities transactions is reviewed for potential conflicts. All employees annually certify in writing as to their receipt and understanding of and compliance with RIG's Code. Lastly, RIG's Code is designed to ensure that employees understand that they are required to act in accordance with all applicable Federal and State regulations governing federally registered investment advisers. Any individual not in compliance with the Code runs the risk of remedial action being taken by RIG that can result in a number of disciplinary actions, including termination.

Item 12: Brokerage Practices

A. Factors the Firm Considers in Selecting a Broker-Dealer.

1. Selection Criteria. In placing orders for the purchase and sale of securities and selecting broker/dealers (“Broker(s)”) to effect these transactions on behalf of clients’ accounts, RIG considers a number of factors, including, the overall direct net economic result to the client (such as commissions (including mark ups and mark downs in fixed income securities), which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range for a firm with limited trading activity), the financial strength and stability of the Broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, research and the availability of the broker to stand ready to execute possibly difficult transactions. RIG weighs the amount of the Broker’s compensation against the criteria it considers in selecting the Broker to execute client securities transactions to determine whether the broker’s compensation is reasonable in light of those other factors.

2. Soft Dollar Research. RIG receives services other than execution of clients’ transactions from Brokers selected by RIG, some of which serve as the custodian(s) of client’s assets limited to investment research services (such as economic updates, investment and security research) created or developed by the Broker and/or by third parties. The research received provides lawful and appropriate assistance to RIG in managing its clients’ accounts, in accordance with SEC requirements to qualify under the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934.

While all clients benefit collectively from the investment related research RIG receives, soft dollar commissions generated by one client’s transactions may be used to pay for research that is used to manage a client’s account who did not pay for the use of that research.

When RIG uses client brokerage commissions to obtain research, RIG receives a benefit because RIG does not have to produce or pay for the research. RIG has an incentive to select or recommend a Broker based on RIG’s interest in receiving the research, rather than on the client’s interest in receiving most favorable execution. It is possible that clients may pay higher commission costs due to RIG’s use of that research, or those products or services.

RIG has implemented procedures for directing client transactions to a Broker for the provision of soft dollar research. The firm holds a best execution meeting two times per year. During this meeting the attendees discuss the execution relationship between RIG and its broker-dealers. In particular, RIG considers the quality of the execution it receives from the broker-dealer, including whether it encountered any difficulty in connection with trade execution, and the Broker’s responsiveness. Our analysis takes into consideration the totality of services provided by the Broker that is used to benefit RIG’s clients in exchange for executing clients’ transactions at the most favorable price available, based on the facts and circumstances at the time of execution.

3. Directed brokerage for client referrals. RIG does not consider, in selecting Brokers to execute clients' transactions, whether RIG or any related person receives client referrals from either the Broker or any third-party.

B. Directed Brokerage.

RIG does not recommend, request or require that a client direct it to execute transactions through a specified broker-dealer. Nonetheless, RIG may permit a client to request that RIG effect a portion of securities transaction for that client's account through a particular Broker. A client's direction of brokerage can limit or eliminate RIG's ability to negotiate commissions (which could result in higher commission costs) and otherwise obtain most favorable execution of client transactions. In addition, RIG may be unable to aggregate orders to reduce transaction costs. If the client directs brokerage, the client will negotiate terms and arrangements for the account with that broker-dealer, and RIG will not seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions or other transaction costs or incur greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In other words, directing brokerage may cost a client more money.

In accordance with RIG's objective to seek best execution on behalf of its clients' accounts, RIG will only accept client directed brokerage where the arrangement is subject to most favorable execution.

C. Aggregation and Allocation.

RIG's policy is to aggregate, or "block", trades where possible and when advantageous to clients to receive more favorable execution. The aggregation of all clients' orders who participate in the purchase or sale of the same security is pre-allocated based on the individual client's investment objectives, existing holdings, cash flow and availability and risk profile, etc. There are instances where the purchase of a new security recommendation is pre-allocated pro-rata based on the size of the client(s)' account(s), which again depends on each individual client's investment objectives, risk profile and existing exposure in similar securities. All executed orders are allocated pro-rata based on the pre-allocation (or proportionate to the original order placed with the Broker).

The blocking of trades permits the trading of securities composed of assets from multiple clients' accounts where transaction costs are shared equally and on a pro-rated basis between all accounts included in the block. Block trading allows for a faster, more efficient and equitable means of executing equity transactions at more favorable rates on behalf of clients' accounts.

Item 13: Review of Accounts

A. Account Reviews.

Investment Advisory Oversight. Each of RIG's accounts are monitored on a continual basis by the account manager and reviewed whenever significant economic events, changes in market conditions or important new developments concerning a security affect an individual account. In addition, each client account is formally reviewed on a semi-annual basis by a firm member or employee who does not have the primary relationship with or operational responsibility for the client account on a daily basis. The account review process considers both investment management and financial counseling and whether the specific objectives of the client are being met as to income versus capital appreciation, the asset allocation of the portfolio, the diversification of its holdings and whether the assets held satisfy RIG's quality standards for investments. If warranted, or when client objectives change, each account manager takes the appropriate investment management action to reasonably ensure portfolio holdings are consistent with the goals and objectives of each account.

B. Account Reports.

All clients receive confirmations of all transactions from Brokers within days of the transaction. In addition, clients receive a statement of holdings from the custodian monthly. RIG does not issue any similar reports for portfolio management clients. In the event that RIG issues any reports for portfolio management clients, such reports are issued as an accommodation only and the client should rely upon the reports issued by the broker-dealer/custodian of the assets.

Item 14: Client Referrals and Other Compensation

A. Non-Clients providing an Economic Benefit to RIG.

RIG does not receive any economic benefit (such as sales awards and prizes) for anyone who is not a client for the provision of advisory services to clients.

B. RIG Compensation to Third Parties for Client Referrals.

In certain instances RIG compensates other individuals of Berkshire Hills Bankcorp Inc. for client introductions. In these cases the compensation is 15% of the first year management fee earned by RIG, and is fully disclosed to the client concerned.

RIG has a contractual obligation to compensate Lee Bank for one client account. RIG and Lee Bank previously had an active solicitation relationship, the terms of which required RIG to compensate Lee Bank in an amount equal to 20% of the investment management fee that RIG collected for every account that Lee Bank assisted in soliciting on behalf of RIG. The total fees collected from the account are not increased as a result of these payments to Lee Bank. Notwithstanding RIG's continuing contractual obligation, RIG and Lee Bank no longer maintain an active solicitation relationship.

Item 15: Custody

All clients' assets are maintained with a qualified custodian. The qualified custodian is authorized by the client to deduct and direct payment of RIG's advisory fee directly from the

client's custodial account. Each client receives account statements directly from the broker on at least a quarterly basis. Each client should carefully review those statements.

Item 16: Investment Discretion

RIG obtains written authority to determine the securities to be bought or sold, the amount of securities to be brought or sold, the broker or dealer to be used and the commission rates to be paid. Clients may (or customarily do) place the following limitations on RIG's discretionary authority: placing a restriction on a particular security or industry, or in the contrary, clients may ask RIG to hold or purchase a particular security. Any such limitations are presented to RIG in writing, and clients may change/amend those limitations, in writing, as the client requires.

The construction of client portfolios through the purchase and sale of securities is accomplished in an orderly manner. RIG reviews the client's financial resources and investment goals and objectives. Once these goals and objectives have been determined, a decision is made as to the best allocation mix of the client's assets. When this process is completed, RIG exercises its discretion to implement its decisions as to the most appropriate securities for the client's portfolio.

RIG's servicing contract, and the agreement between the client and the custodian/broker-dealer for the account, grant discretionary authority to RIG. The client's written agreement with the custodian also grants a limited power of attorney to RIG specific to transactions in the client's custodial account. A portion of RIG's client accounts are non-discretionary.

Item 17: Voting Client Securities

Unless a client elects otherwise, RIG will assume responsibility for voting all proxies. All proxies will be voted in the best interest of our client, without regard to the interests of RIG or other related parties. A material conflict of interest could exist in situations in which RIG or a related person has a personal or business relationship or interest, that could cause RIG to vote in a manner inconsistent with a client's best economic interest. In such situations, the circumstances involving RIG, and/or a related person is examined by Compliance prior to voting the proxy. The examination takes into consideration conflicting relationships with RIG, supervised personnel and affiliates with the issuer of the security.

RIG has a contractual agreement with Broadridge Investor Communication Solutions Inc. to undertake the actual voting of proxies in accordance with recommendations provided to Broadridge by Egan-Jones Proxy Services, in advance of the relevant company meeting. The Best Execution Committee of RIG has adopted the Egan-Jones voting guidelines. A record of each proxy vote made on behalf of RIG is maintained by Broadridge and is available to RIG on request.

Fiduciary Trust Company of Boston votes all proxies in accounts in which they serve as custodian and trustee.

A client may request a written copy of the Egan-Jones voting guidelines or information relating to how RIG voted any client's specific proxies, by contacting Thomas E. Malinowski in writing at Renaissance Investment Group, LLC, 25B Main Street, Lenox, MA 01240.

Item 18: Financial Information

RIG does not require the prepayment of any fees and RIG is not required to provide a balance sheet or any other financial information that is customarily required of those advisers that require clients to prepay \$1,200 or more of fees six months in advance.

