AGENDA ITEM 5a

Replacement of U.S. Large Growth Manager

RECOMMENDED DIRECTIVE: The board hereby approves replacing Renaissance Investment Management with _____ as the U.S. Large Growth Manager

DISCUSSION: During the special board meeting on July 30, 2020, to hear an update from Raymond James on our investments, they made two recommendations. After careful consideration due to the underperformance of the Renaissance Investment Management (RIM) U. S. Large Growth Strategy relative to similar alternatives available, Raymond James recommends removing the strategy from the OSM program. Based on the research and due diligence conducted by the AMS Research Team, three excellent replacement options were presented for consideration. Two firms and strategies that they felt are best suited to COM-FSM, due to their focus on environmental, social and governance (ESG) factors in their investment process are:

1. Brown Advisory: Their investment philosophy places equal emphasis on the fundamental analysis; ESG risks and sustainable business advantage (SBA); and current valuation for any company considered for the portfolio. Brown only invests when they are satisfied on all three strategies.
2. ClearBridge Investments: Their ESG investment program actively incorporates environmental social and governance (ESG) factors into their fundamental research platform and into the stock-selection process. In addition, ongoing company engagement and shareholder advocacy are key components of the strategy.

Loomis, Sayles & Company is also an option. Their strategy provides exposure to a growth-oriented large-cap equity manager.

All three options will also reduce annual investment management expenses as the annual investment manager fee is 0.05%, versus the current RIM fee of 0.60%. Fact sheet for each option, along with historical relative investment performance was shared during the meeting and attached for further information.

ACTION TAKEN: **VOTE:**

_____ Approved as presented   _____aye _____nay _____abstain

_____Approved w/ modifications

_____Disapproved

_____Deferred to a later meeting   **DATE:** _____