

FISHER INVESTMENTS EUROPETM

EVALUATING THE MARKET: IMPLICATIONS OF THE US PRESIDENTIAL ELECTION

As a reminder, our political commentary is intentionally non-partisan. We favour no politician nor any political party and assess developments solely for potential market impact. We believe political bias can blind—increasing the likelihood of investment error.

PRESIDENTIAL TERM ANOMALY

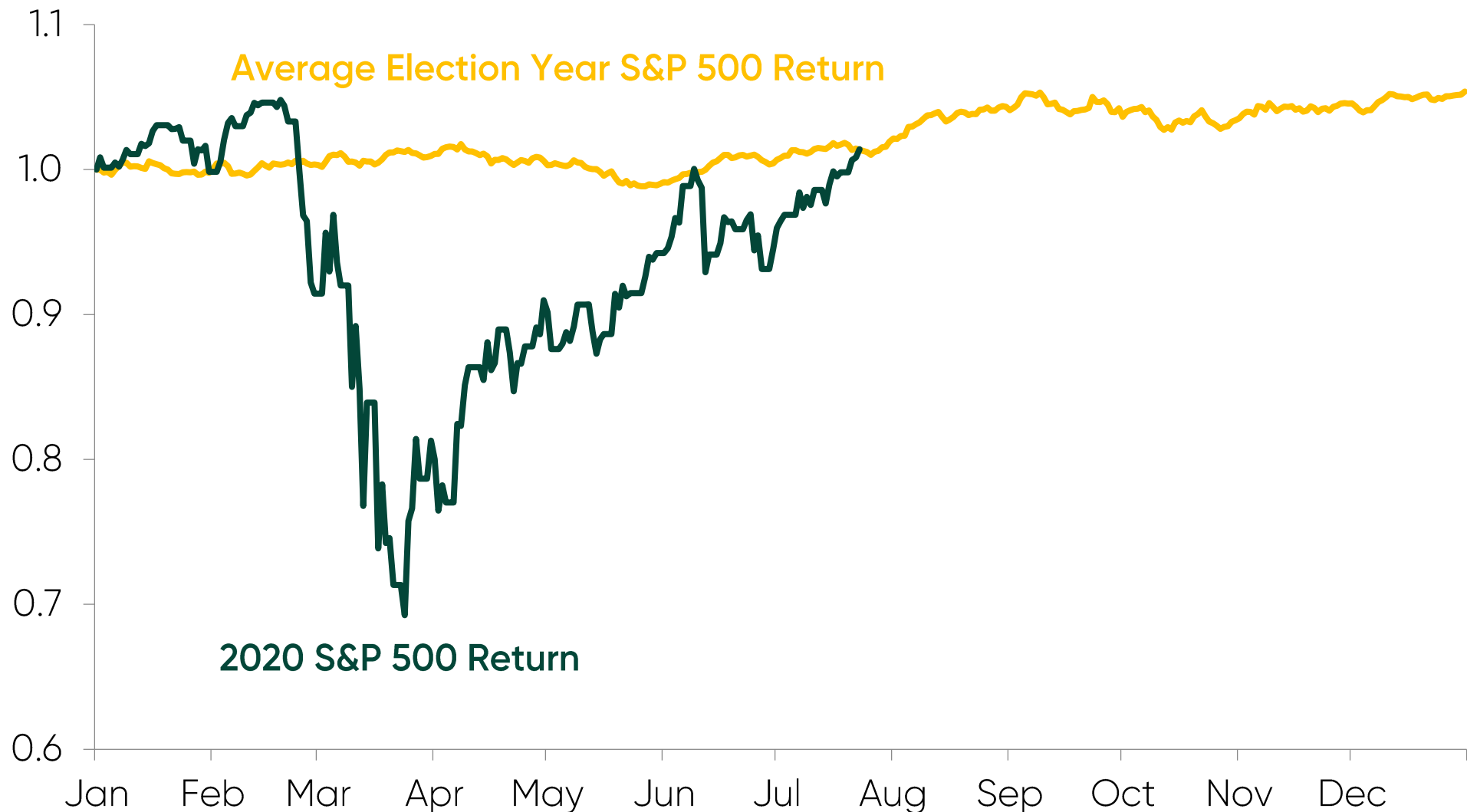
Fourth years of US Presidents' terms-election years-have a high frequency of positive returns, however, fourth year returns typically aren't as strong as third year returns.

	Inaugural Year		Second Year		Third Year		Fourth Year	
>20%	1933	52.9%	1954	52.4%	1935	47.2%	1928	43.3%
0% to 20%	1945	36.5%	1958	43.3%	1995	37.6%	1936	32.8%
0% to -20%	1997	33.4%	1938	33.2%	1975	37.3%	1980	32.3%
<-20%	2013	32.4%	1950	30.6%	1927	37.1%	1976	23.7%
	1989	31.7%	1998	28.6%	2019	31.5%	1996	23.0%
	1985	31.6%	1982	21.5%	1955	31.4%	1944	19.7%
	1925	29.5%	1942	21.1%	1991	30.5%	1972	18.9%
	1961	26.8%	1986	18.6%	2003	28.7%	1952	18.5%
	2009	26.5%	2006	15.8%	1943	25.8%	1988	16.6%
	2017	21.8%	2010	15.1%	1951	24.6%	1964	16.4%
	1949	18.1%	2014	13.7%	1967	23.9%	2012	16.0%
	1965	12.4%	1926	11.1%	1963	22.7%	2016	12.0%
	1993	10.1%	1978	6.4%	1983	22.5%	1968	11.0%
	2005	4.9%	1970	4.0%	1999	21.0%	2004	10.9%
	1953	-1.1%	1994	1.3%	1979	18.4%	1992	7.6%
	1981	-5.1%	1934	-2.3%	1971	14.3%	1956	6.6%
	1977	-7.4%	1990	-3.1%	1959	11.9%	1984	6.2%
	1969	-8.5%	2018	-4.4%	2007	5.5%	1948	5.1%
	1929	-8.9%	1946	-8.2%	1947	5.2%	1960	0.5%
	1957	-10.9%	1962	-8.8%	1987	5.2%	1932	-8.9%
	1941	-11.8%	1966	-10.1%	2011	2.1%	2000	-9.1%
	2001	-11.9%	2002	-22.1%	2015	1.4%	1940	-10.1%
	1973	-14.8%	1930	-25.3%	1939	-0.9%	2008	-37.0%
	1937	-35.3%	1974	-26.5%	1931	-43.9%		
Percent Positive	58.3%		62.5%		91.7%		82.6%	
All (Average)	10.5%		8.6%		18.4%		11.1%	
Positive Years (Average)	26.3%		21.1%		22.1%		16.9%	

Source: Global Financial Data, as of January 2020. S&P 500 Total Return Index, January 1925 – December 2019.

EQUITY MARKETS AND PRESIDENTIAL CYCLES

Despite huge volatility, US equities are about where they often are at this point in an average Presidential election year. If this election year is back loaded as they often are, US equities should finish 2020 positive.

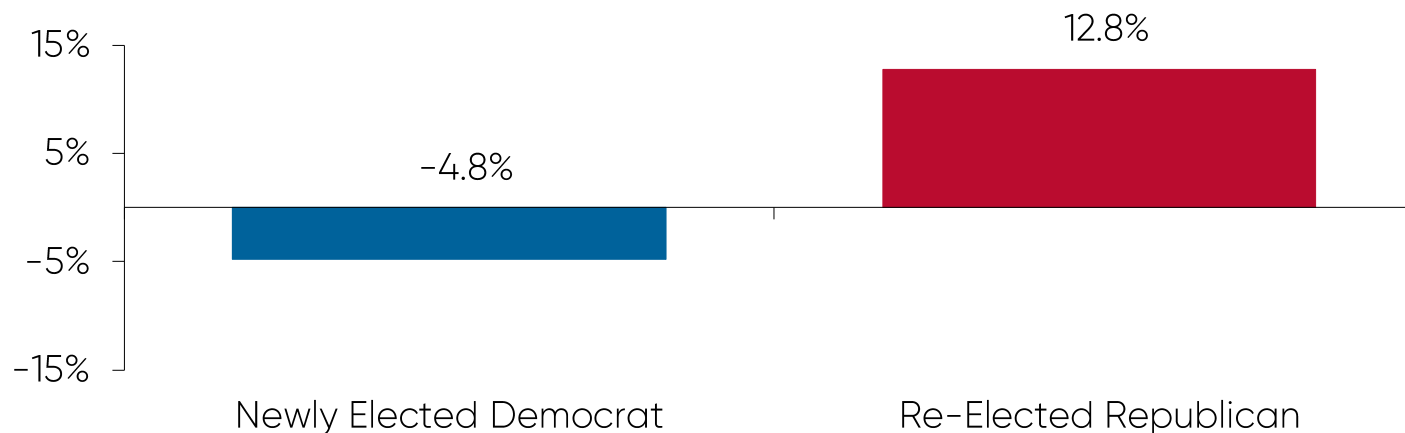


Source: Global Financial Data, as of July 2020. Average S&P 500 price returns for 4th presidential year, indexed to 1 on January 1925, 1/1/1925 – December 2019; January 2020 – July 2020, indexed to 1 on January 2020.

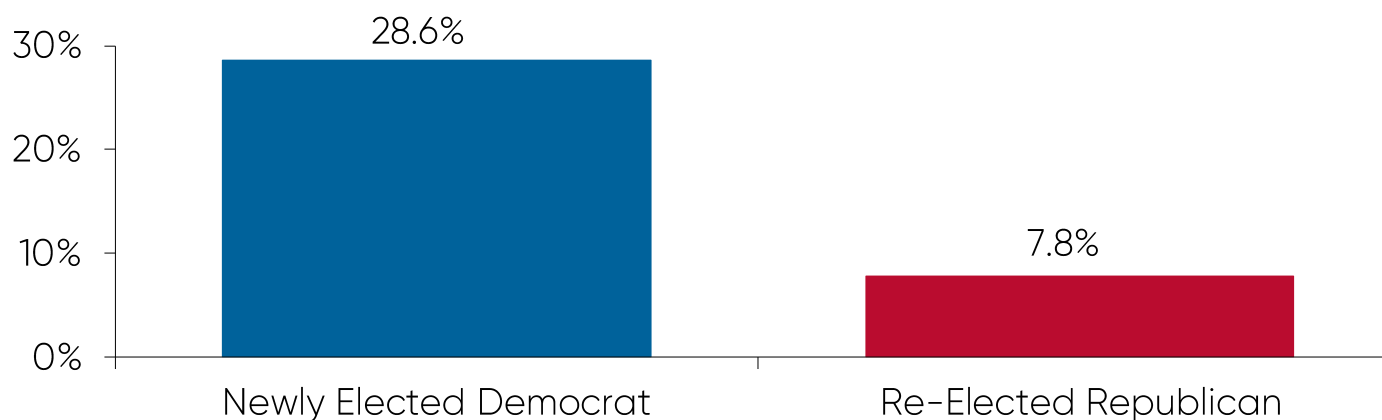
PERVERSE INVERSE

US elections can have a big impact on global equities. Investors tend to celebrate Republican victories in election years, whereas equities struggle when a new Democrat is elected. However, those trends usually reverse in inaugural years.

US Election Year – MSCI World Returns



US Inauguration Year – MSCI World Returns



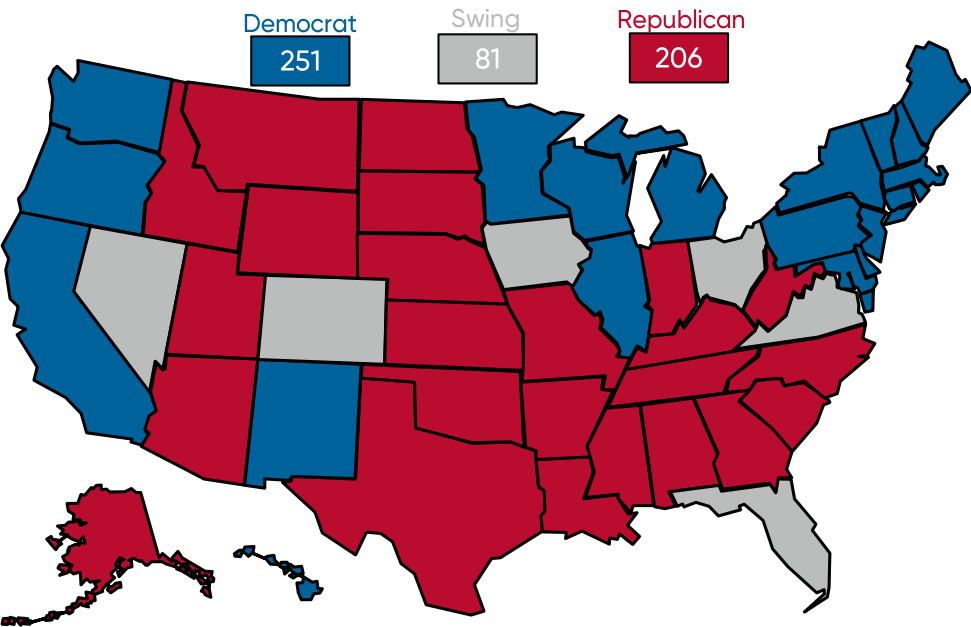
Source: Global Financial Data; MSCI World Total Return index from December 1924 to December 2018. Based on an average of calendar year returns. A proxy for MSCI World is used for data prior to 1970.

ELECTION ANALYSIS: TOP DOWN OR BOTTOM UP?

While it is too early to project November’s winner, we use both top down and bottom up analysis to evaluate the potential paths to the White House for President Trump and the Democratic nominee, Former Vice President Joe Biden. This was helpful for us in determining a reasonable probability of president Trump’s win in 2016.

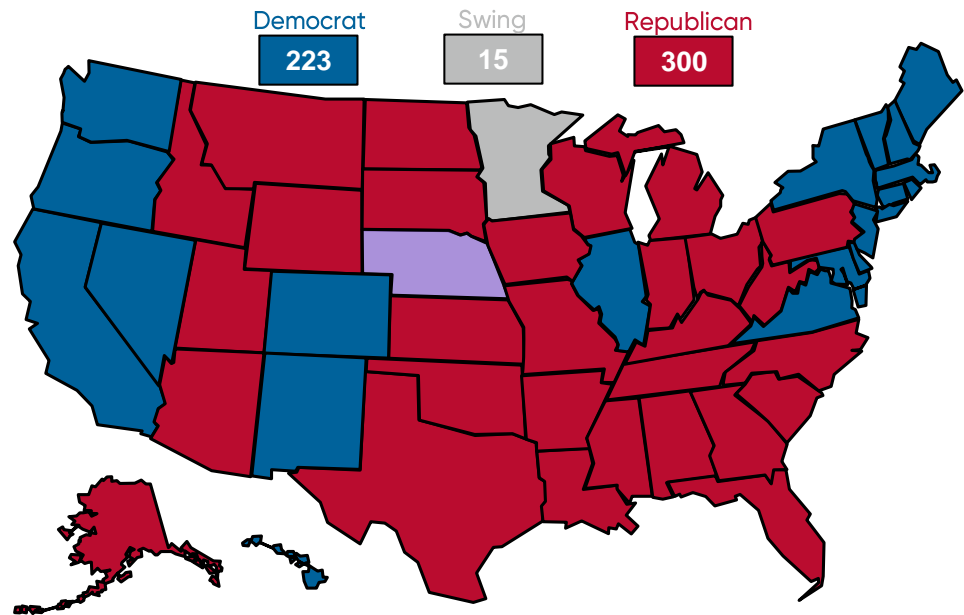
Votes Needed To Win Presidency
270

**TOP DOWN ELECTION ANALYSIS:
ELECTORAL COLLEGE MAP USING PRESIDENTIAL
ELECTION RESULTS FAVOURS DEMOCRATS**



Left Chart Source: The Wall Street Journal, US National Archives and Fisher Investments Research, as of November 2019.

**BOTTOM UP ELECTION ANALYSIS:
ELECTORAL COLLEGE MAP USING LEGISLATIVE
ELECTION RESULTS FAVOURS REPUBLICANS**



Right Chart Source: National Conferences of State Legislatures, US National Archives and Fisher Investments Research, as of November 2019. Nebraska has a non-partisan, unicameral legislature but leans Republicans. Washington D.C. is counted as Democratic based on the city council’s breakdown. Swing state defined as a state without uniform party control of legislature.

PARTISAN COMPOSITION OF STATE LEGISLATURES OVER TIME

When assessing the composition of state legislature over time, there has been a shift in partisan voting based on state per capita income. Few noticed that many state legislatures and governorships had flipped Republican in recent years, mostly in lower-income, non-urban areas away from where large media outlets tend to be located.

DEMOCRATIC

REPUBLICAN

Q1 2019 State Per Capita Income	1978	1980	1982	1984	1986	1988	1990	1992	1994	1996	1998	2000	2002	2004	2006	2008	2010	2012	2014	2016	2018	2020
Top Quartile	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	REP	REP	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM
2nd Quartile	DEM	REP	DEM	DEM	DEM	DEM	DEM	DEM	REP	REP	REP	REP	REP	REP	DEM	DEM	DEM	DEM	DEM	DEM	REP	REP
3rd Quartile	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	REP	REP	REP	REP	REP	REP	REP	REP	REP	REP	REP	REP
Bottom Quartile	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	DEM	REP	REP	REP	REP	REP

Source: National Conference of State Legislatures, US BEA, as of January 2020. 1978 – 2020 legislative partisan composition by state and Q3 2019 per capita income by state.
 *Excludes Nebraska (non-partisan unicameral legislature).

FEW VULNERABLE SENATE SEATS

US Senate seats in which a candidate from one party is running in a state that frequently votes for the opposite party are vulnerable. The table below shows Senate seats up for election in 2020 with the states sorted by how they voted for President Trump in 2016. There are few such vulnerable candidates in this year's election, meaning a huge swing in either direction is unlikely.

Senator	Party	State	2016 % Vote for Trump	2012 % Vote for Romney	Senator	Party	State	2016 % Vote for Trump	2012 % Vote for Romney
Enzi, M. (OPEN)	R	WY	70%	69%	Loeffler, K.*	R	GA	51%	53%
Moore Capito, S.	R	WV	69%	62%	Perdue, D.	R	GA	51%	53%
Inhofe, J.	R	OK	65%	67%	Tillis, T.	R	NC	51%	50%
Jones, D.	D	AL	63%	61%	McSally, M.*	R	AZ	50%	54%
McConnell, M.	R	KY	63%	60%	Peters, G.	D	MI	48%	45%
Rounds, M.	R	SD	62%	58%	Shaheen, J.	D	NH	47%	46%
Alexander, L. (OPEN)	R	TN	61%	59%	Smith, T.	D	MN	45%	45%
Cotton, T.	R	AR	60%	61%	Warner, M.	D	VA	45%	47%
Sasse, B.	R	NE	60%	60%	Collins, S.	R	ME	45%	41%
Risch, J.	R	ID	59%	65%	Gardner, C.	R	CO	45%	46%
Hyde-Smith, C.	R	MS	58%	55%	Booker, C.	D	NJ	42%	41%
Cassidy, B.	R	LA	58%	58%	Coons, C.	D	DE	42%	40%
Daines, S.	R	MT	57%	55%	Merkley, J.	D	OR	41%	42%
Roberts, P. (OPEN)	R	KS	57%	60%	Reed, J.	D	RI	40%	35%
Graham, L.	R	SC	56%	55%	Udall, T. (OPEN)	D	NM	40%	43%
Sullivan, D.	R	AK	53%	55%	Durbin, R.	D	IL	39%	41%
Cornyn, J.	R	TX	53%	57%	Markey, E.	D	MA	34%	38%
Ernst, J.	R	IA	52%	46%					

Source: Fisher Investments Research, US Senate, as of July 2020. Senators up for re-election in 2020. *Indicates a 2020 special election. (OPEN means incumbent is not seeking re-election).

HOW PREDICTIVE HAS POLLING BEEN?

Though Joe Biden enjoys a healthy lead in polls, voter preferences can change a lot between July of the election year and actual results of the November election.

LARGE DEMOCRATIC SURPRISE  **LARGE REPUBLICAN SURPRISE**

July of the Election Year Polling Compared to Popular Vote on November Election							
Election Year	Presidential Candidates		July Polling %		Popular Vote		Vote Surprise*
	Democrat	Republican	Democrat	Republican	Democrat	Republican	
1936	Roosevelt	Landon	49%	45%	60%	37%	19%
1940	Roosevelt	Willkie	44%	43%	55%	45%	9%
1944	Roosevelt	Dewey	49%	41%	53%	46%	1%
1948	Truman	Dewey	37%	48%	49%	45%	15%
1952	Stevenson	Eisenhower	43%	50%	44%	55%	4%
1956	Stevenson	Eisenhower	37%	61%	42%	57%	9%
1960	Kennedy	Nixon	50%	46%	50%	50%	4%
1964	Johnson	Goldwater	59%	31%	61%	39%	6%
1968	Humphrey	Nixon	38%	40%	43%	43%	2%
1972	McGovern	Nixon	37%	56%	38%	61%	4%
1976	Carter	Ford	62%	29%	50%	48%	31%
1980	Carter	Reagan	34%	37%	41%	50%	6%
1984	Mondale	Reagan	41%	53%	41%	59%	6%
1988	Dukakis	Bush	54%	37%	46%	53%	24%
1992	Clinton	Bush	57%	32%	43%	37%	19%
1996	Clinton	Dole	50%	35%	49%	41%	7%
2000	Gore	Bush	38%	50%	48%	48%	12%
2004	Kerry	Bush	45%	51%	48%	51%	3%
2008	Obama	McCain	44%	44%	53%	46%	7%
2012	Obama	Romney	47%	45%	51%	47%	2%
2016	Clinton	Trump	41%	39%	48%	46%	0%
2020	Biden	Trump	49%	41%	???	???	???
Average	--	--	--	--	--	--	9%

*The "Vote Surprise" is the difference between the actual margin of victory and the expected margin of victory in the July Polls (i.e., Expected Democratic Win Margin: 4%, Actual Democratic Win Margin: 23%; 4%-23% = -19%). Source: Gallup, RealClearPolitics and Britannica.com (Encyclopedia Britannica); Pre-August Presidential Election Trial-Heats from Gallup, 1936-2012, Presidential Election Average Polling from RealClearPolitics, July 2016 and June 2020-July 2020, Historical Presidential Election Popular Vote Percentages, 1936-2016, as of July 2020

INCUMBENTS' ADVANTAGE

Despite lagging in polls recently, President Trump carries the incumbent advantage into the election. Incumbents are usually difficult to beat. Past losses have tended to involve weak economies and/or strong third-party candidates.

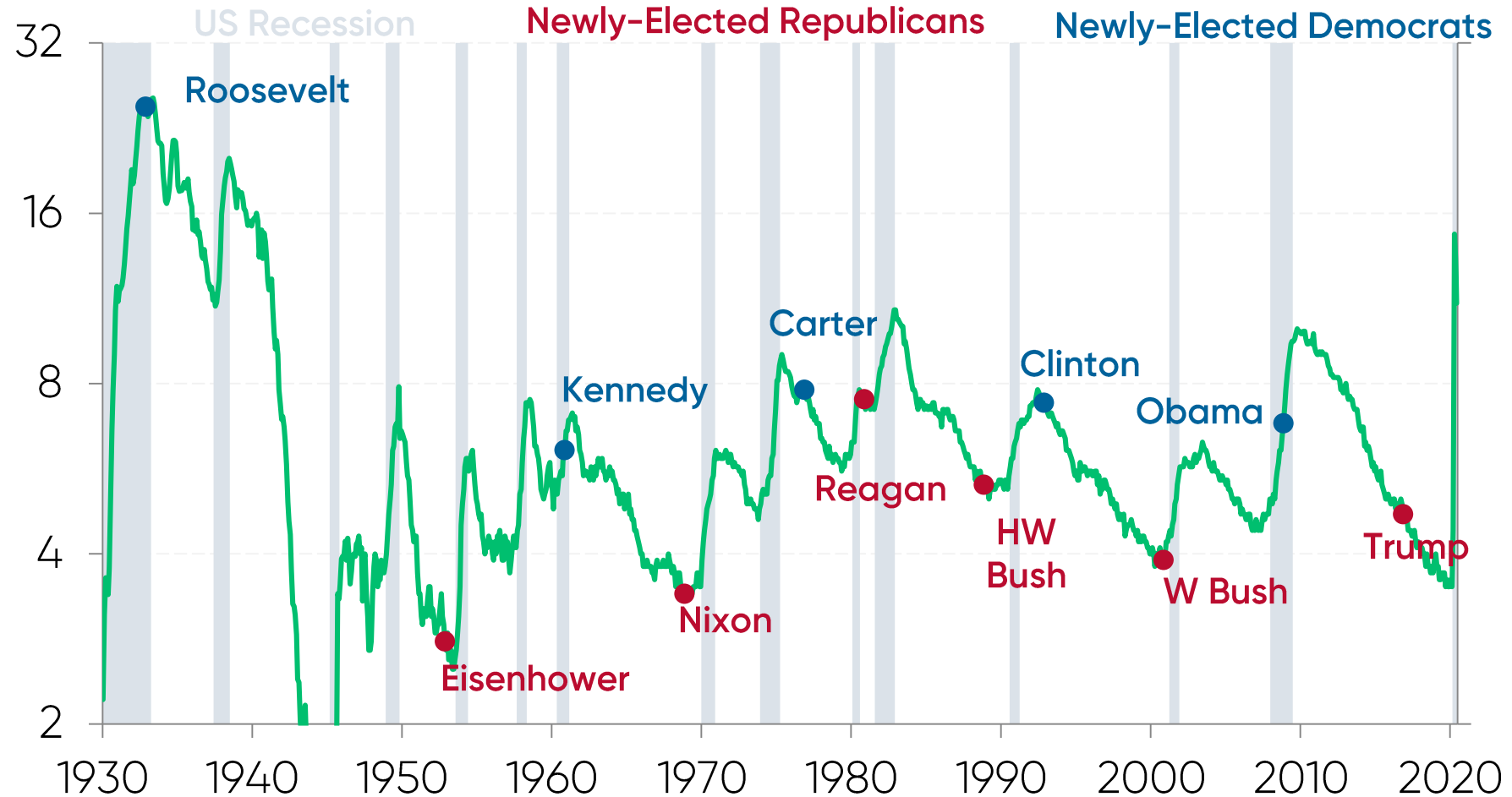
History of Incumbent US Presidents Running for Re-Election Since 1900								
Election Year	Open Race or Sitting Incumbent?	Incumbent President Running for Re-Election	Result		Election Year	Open Race or Sitting Incumbent?	Incumbent President Running for Re-Election	Result
1900	Incumbent	William McKinley	Won		1960	Open	Lyndon B. Johnson	Won
1904	Incumbent	Theodore Roosevelt	Won		1964	Incumbent		
1908	Open	William Howard Taft	LOST		1968	Open		
1912	Incumbent				1972	Incumbent	Richard Nixon	Won
1916	Incumbent				Woodrow Wilson	Won	1976	Incumbent
1920	Open	Calvin Coolidge	Won		1980	Incumbent	Jimmy Carter	LOST
1924	Incumbent				1984	Incumbent	Ronald Reagan	Won
1928	Open				1988	Open	George H. W. Bush	LOST
1932	Incumbent	Herbert Hoover	LOST		1992	Incumbent		
1936	Incumbent	Franklin D. Roosevelt	Won		1996	Incumbent		
1940	Incumbent	Franklin D. Roosevelt	Won		2000	Open	George W. Bush	Won
1944	Incumbent	Franklin D. Roosevelt	Won		2004	Incumbent		
1948	Incumbent	Harry S Truman	Won		2008	Open		
1952	Open	Dwight D. Eisenhower	Won		2012	Incumbent	Barack Obama	Won
1956	Incumbent				2016	Open		
Incumbent Victories							15	
Incumbent Losses							5	

Source: Fisher Investments Research as of July 2020.

HIGH UNEMPLOYMENT HISTORICALLY FAVOURS DEMOCRATS

However despite the incumbents advantage, the current economic condition could pose a challenge for President Trump's election chances. Using labour as a proxy, high unemployment tends to favour Democrats.

US Unemployment Rate (% , Log Scale)



Source: Factset and Fisher Investments Research *Excludes new presidents coming to power outside of elections, e.g., death (Truman, LBJ) or resignation (Ford)

SECTOR PERFORMANCE ELECTION YEARS

U.S. Presidential election results can have a big impact on sector performance. Recently, Health Care and Energy have been among the sectors most affected by campaign posturing.

Sector	Average Relative Return – Election Years		
	Democrat Winner	Republican Winner	All Elections
Consumer Discretionary	0.3%	-3.0%	-1.3%
Communication Services	0.6%	-6.9%	-3.0%
Consumer Staples	0.1%	-0.2%	-0.1%
Energy	-2.4%	10.2%	4.2%
Financials	3.1%	7.0%	5.1%
Health Care	-8.0%	3.0%	-2.8%
Industrials	0.2%	0.9%	0.5%
Information Technology	2.4%	0.9%	1.7%
Materials	-2.5%	-3.5%	-2.9%
Real Estate	-1.8%	1.7%	-0.1%
Utilities	-2.1%	5.8%	1.7%
Election Wins*	12	11	

*From 1928 to 2016 election results. Source: Factset, USD, data from December 1927 to December 2019.

REPUBLICAN PRESIDENTS HISTORICALLY BENEFIT ENERGY RELATIVE PERFORMANCE

Historically under Republican leadership, regulation has been favourable for the Energy sector. While the Energy sector is still underperforming since 2016 due to oil & gas market oversupply and deteriorating quality metrics, underperformance would have likely been more severe under a stricter regulatory environment.

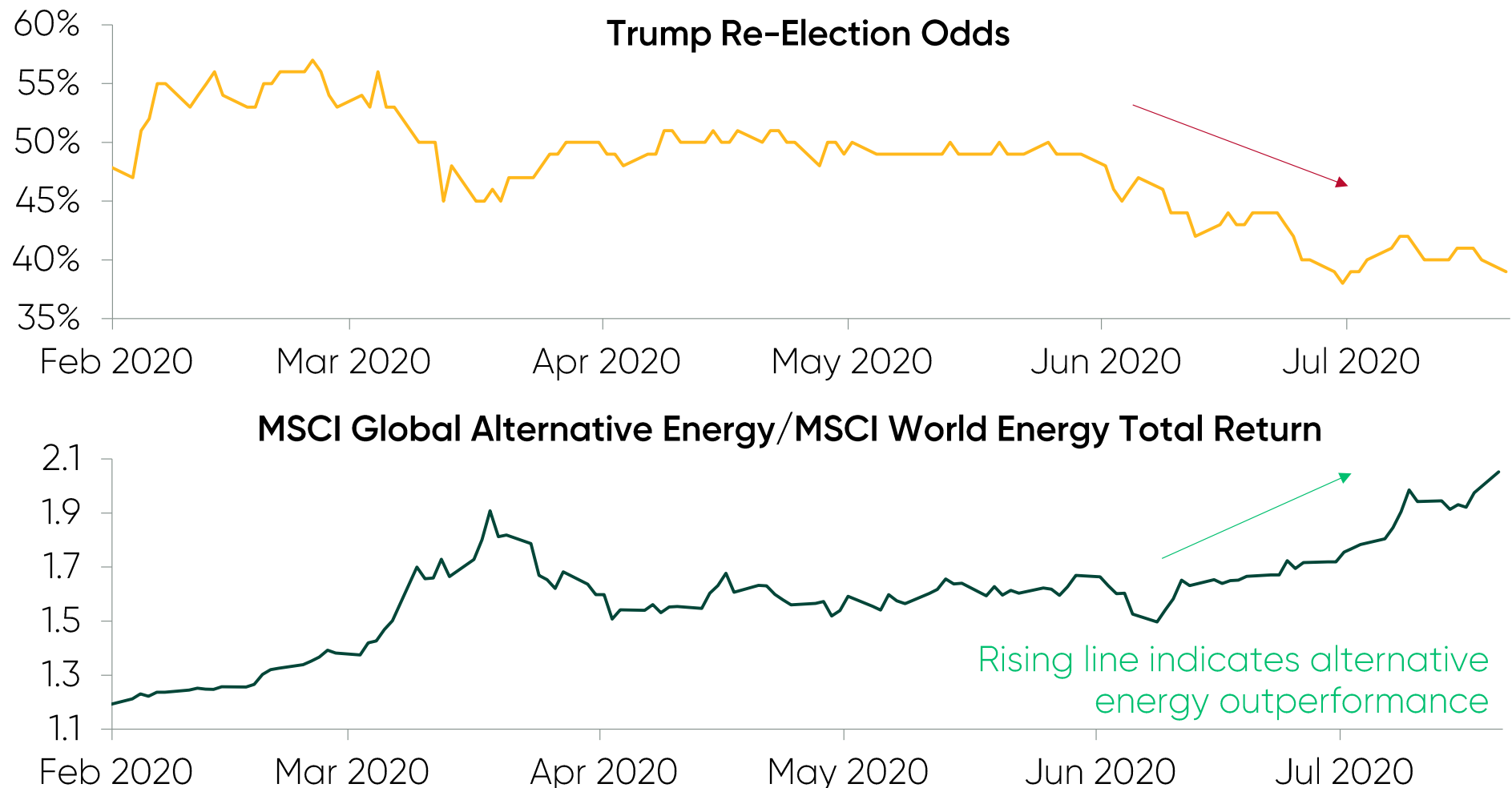
Similar to his Republican predecessor, President Trump has implemented policies supporting the US oil & gas sector, including accelerated approval of infrastructure projects (such as pipelines), opening up federal lands for oil extraction and rolling back environmental provisions.

		Election Year
Election Year (GOP Victories)	Elected President	Energy Relative Return vs S&P 500 (Price Return)
1952	Eisenhower	-4.7%
1956	Eisenhower	8.9%
1968	Nixon	9.3%
1972	Nixon	-0.6%
1980	Reagan	20.6%
1984	Reagan	10.7%
1988	HW Bush	0.4%
2000	W Bush	23.4%
2004	W Bush	19.8%
2016	Trump	14.1%
Average		10.2%
Median		10.0%

Source: Factset.

POTENTIAL IMPACT OF A FORMER VICE PRESIDENT BIDEN PRESIDENTIAL VICTORY ON ALTERNATIVE ENERGY

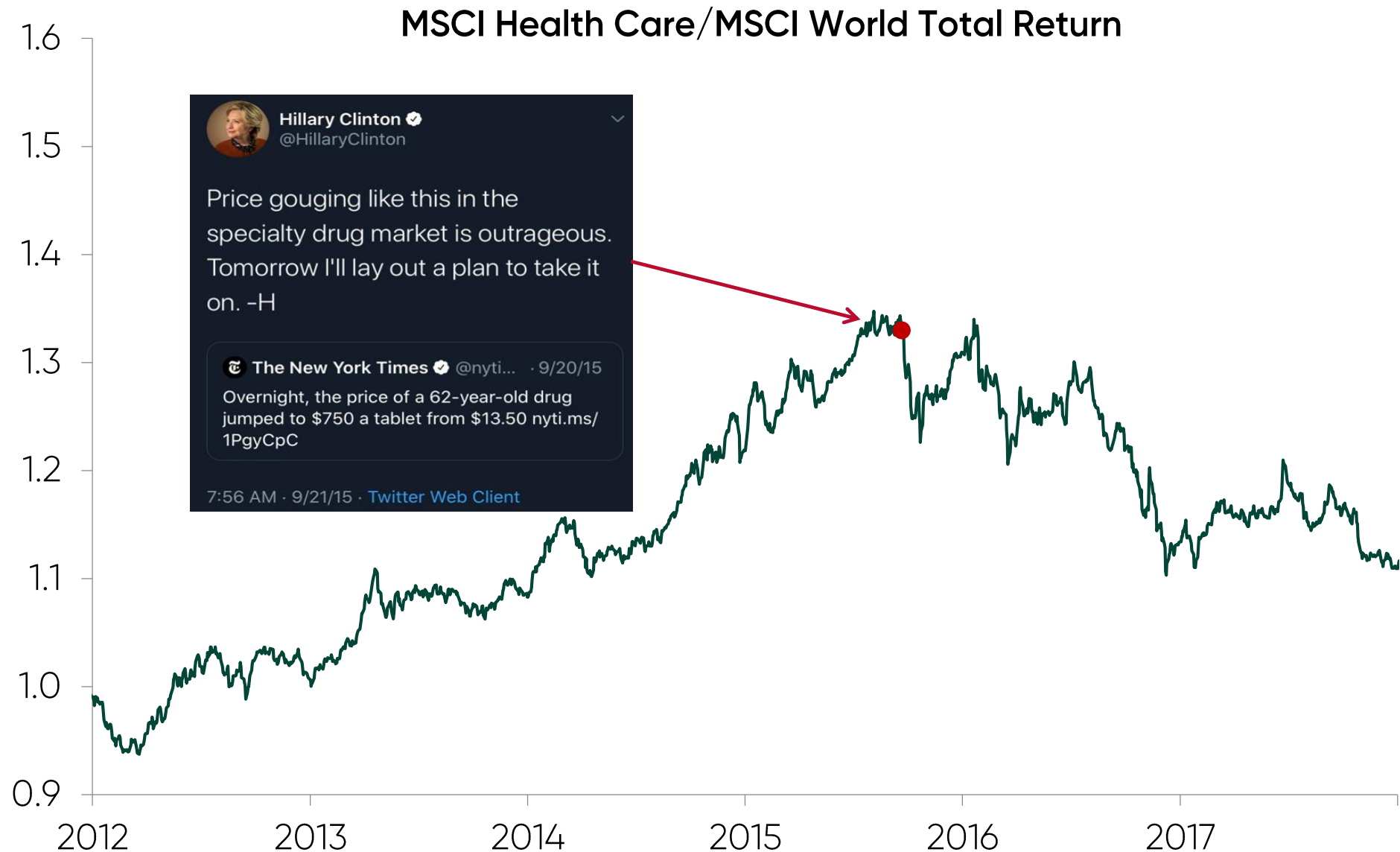
If former Vice President Biden is elected, he may seek to reverse parts of President Trump's energy policy under the Green New Deal and enact regulations to promote net zero carbon emissions by 2035. While it's still too early to tell if he will be elected or if his proposal will be implemented in its current form, the legislation proceeding likely benefits companies with alternative energy exposure.



Source: PredictIt & FactSet, as of July 2020.

HEALTH CARE RELATIVE PERFORMANCE

Fears of drug price regulation weighed on Health Care equities during 2016 election season as policy proposals were released.



Source: Factset, indexed to 1 on December 2011, from December 2011 to January 2018.

DISCLOSURES

FIRM

Fisher Investments Europe Limited (FIE) is authorised and regulated by the Financial Conduct Authority. It is registered in England, Company Number 3850593. FIE is wholly-owned by Fisher Asset Management, LLC, trading as Fisher Investments (FI), which is wholly-owned by Fisher Investments, Inc.

This material may also be found posted on the Fisher Investments Europe web-site at www.fisherinvestmentseurope.com. If your firm wishes to be removed from receiving these materials in the future or wishes to pay for this material, please contact Fisher Investments Europe.

Fisher Investments (FI) is an investment adviser registered with the securities and Exchange Commission. As of 30 June 2020, FI managed over \$122 billion, including assets sub-managed for its wholly-owned subsidiaries. FI and its subsidiaries maintain four principal business units – Fisher Investments Institutional Group (FIIG), Fisher Investments Private Client Group (FIPCG), Fisher Investments International (FI), and Fisher Investments 401(k) Solutions Group (401(k) Solutions). These groups serve a global client base of diverse investors including corporations, public and multi-employer pension funds, foundations and endowments, insurance companies, healthcare organisations, governments and high-net-worth individuals. FI's Investment Policy Committee (IPC) is responsible for investment decisions for all investment strategies.

For purposes of defining "years with Fisher Investments," FI was established as a sole proprietorship in 1979, incorporated in 1986, registered with the US SEC in 1987, replacing the prior registration of the sole proprietorship, and succeeded its investment adviser registration to a limited liability company in 2005. "Years with Fisher Investments" is calculated using the date on which FI was established as a sole proprietorship through 30 June 2020.

FI is wholly owned by Fisher Investments, Inc. Since Inception, Fisher Investments, Inc. has been 100% Fisher-family and employee owned, currently Fisher Investments Inc. beneficially owns 100% of Fisher investments (FI), as listed in Schedule A to FI's form ADV Part 1. Ken Fisher beneficially owns more than 75% of Fisher Investments, Inc. as noted in Schedule B to FI's Form ADV Part 1.

FIE delegates portfolio management to FI. FI's Investment Policy Committee is responsible for all strategic investment decisions. FIE's Investment Oversight Committee (IOC) is responsible for overseeing FI's management of portfolios that have been delegated to FI. Matters arising pursuant to FI's portfolio management policies are elevated to the IOC.

The foregoing information has been approved by Fisher Investments Europe.

The foregoing information constitutes the general views of Fisher Investments and should not be regarded as personalised investment advice or a reflection of the performance of Fisher Investments or its clients. Investing in financial markets involves the risk of loss and there is no guarantee that all or any capital invested will be repaid. Past performance is never a guarantee nor reliable indicator of future results. Other methods may produce different results, and the results for individual portfolios or different periods may vary depending on market conditions and the composition of a portfolio or index. The value of investments and the income from them will fluctuate with world financial markets and international currency exchange rates. If you have asked us to comment on a particular security then the information should not be considered a recommendation to purchase or sell the security for you or anyone else. We provide our general comments to you based on information we believe to be reliable. There can be no assurances that we will continue to hold this view; and we may change our views at any time based on new information, analysis or reconsideration. Some of the information we have produced for you may have been obtained from a third party source that is not affiliated with Fisher Investments. Fisher Investments requests that this information be used for your confidential and personal use.

TERMS OF BUSINESS

Fisher Investments Europe Limited (FIE) is authorised and regulated by the Financial Conduct Authority. Registered in England, Company No. 3850593.

1. Fisher Investments Europe

Fisher Investments Europe Limited is registered in England (Company No. 3850593) and authorised and regulated by the UK Financial Conduct Authority ("FCA") (FCA No. 191609). Fisher Investments Europe's permitted business is agreeing to carry on a regulated activity, managing investments, advising on investments, making arrangements with a view to transactions in investments, arranging deals in investments, dealing in investments as agent, advising on pension transfers and pension opt-outs, and insurance mediation. You can check this on the FCA's register by visiting the FCA's website www.fca.gov.uk/register/home.do or by contacting the FCA on +44 0845 606 1234. The FCA's address is 25 The North Colonnade, Canary Wharf, London E14 5HS.

2. Communications

Fisher Investments Europe can be contacted by mail at 6-10 Whitfield Street, London W1T 2RE; by telephone on +44 0800 144 4731; or by email to FIEOperations@fisherinvestments.co.uk. All communications with Fisher Investments Europe will be in English only. Fisher Investments Europe's web address is <https://institutional.fisherinvestments.com/en-gb>.

3. Services

These Terms of Business explain the services offered to professional clients and will apply from when Fisher Investments Europe begins to advise you. Fisher Investments Europe offers restricted advice only (meaning it does *not* offer independent advice based on an analysis of the whole of the market), as more fully explained in [Clause 4](#) below. As part of its services, Fisher Investments Europe seeks to:

- a) Reasonably determine your client categorisation;
- b) Understand your financial circumstances and investment aims to determine whether the full discretionary investment service described in [Clause 4](#) and the proposed investment mandate and accompanying benchmark(s) (or an Undertaking for Collective Investment in Transferable Securities ("UCITS") with a similar mandate and benchmark for which Fisher Investments Europe's parent company serves as investment manager) are suitable for you;
- c) Explain features of the investment strategy;
- d) Describe investment performance as it relates to the investment strategy;
- e) Provide a full explanation of costs;
- f) Assist in the completion of documentation;
- g) Where specifically agreed, review your position periodically and suggest adjustments where appropriate.

Fisher Investments Europe will not provide ongoing services unless you enter into an agreement for discretionary investment management services or invest in a UCITS as described in [Clause 4](#).

4. Discretionary Investment Management Service and Investments

To help you achieve your financial goals, Fisher Investments Europe may offer its discretionary investment management services. In such case, Fisher Investments Europe will delegate the portfolio management function, as well as certain ancillary services, to its parent company, Fisher Asset Management, LLC, trading as Fisher Investments, which has its headquarters in the USA and is regulated by the US Securities and Exchange Commission. In certain limited circumstances where appropriate, Fisher Investments Europe may recommend that you establish a discretionary investment management relationship directly with Fisher Investments. In such case, Fisher Investments Europe acts as an introducing firm. A separate investment management agreement will govern any discretionary investment management relationship whether with Fisher Investments Europe or with Fisher Investments. Subject to applicable regulations, for qualified investors Fisher Investments Europe may recommend an investment in UCITS regulated by the Central Bank of Ireland and for which Fisher Investments serves as investment manager.

5. Client Categorisation

Fisher Investments Europe deals with both retail clients and professional clients. All clients and potential clients who deal with Fisher Investments Europe's institutional relationship managers ("RMs") will be treated as professional clients, either through qualification as a professional client or, in the case of local municipal authorities, through opting up to be treated as a professional client. Accordingly, you are categorised as a professional client. You have the right to request re-categorisation as a retail client which offers a higher degree of regulatory protection, but Fisher Investments Europe does not normally agree to requests of this kind.

6. Financial Services Compensation Scheme ("FSCS")

Whilst the activities of Fisher Investments Europe are covered by the FSCS, compensation under the FSCS in the event Fisher Investments is unable to meet its liabilities because of its financial circumstances is only available to eligible claimants. Because you have been categorised as a professional client, you are unlikely to be eligible. In addition, the protections of the UK regulatory regime, including the FSCS, do not apply in relation to the services of Fisher Investments or any non-UK service providers or to the extent your assets are invested in non-UK funds or ETFs. In the event you are eligible and do have a valid claim, the FSCS may be able to compensate you for the full amount of your claim up to £50,000 per person per firm. You can contact Fisher Investments Europe or the FSCS (www.fscs.org.uk) in order to obtain more information regarding the conditions governing compensation and the formalities which must be completed to obtain compensation.

TERMS OF BUSINESS

Fisher Investments Europe Limited (FIE) is authorised and regulated by the Financial Conduct Authority. Registered in England, Company No. 3850593.

7. Risks

Investments in securities present numerous risks, including various market, currency, currency fluctuation, economic, political, instability, business, differences in financial reporting, liquidity risk, interest rate risk, credit risk, and other risks, and can be very volatile. Investing in securities can result in a loss, including a loss of principal. Using leverage to purchase and maintain larger security positions will increase exposure to market volatility and risk of loss and is not recommended. Investments in securities are only suitable for clients who are capable of undertaking and bearing a risk of loss. Specific risks associated with particular types of securities that may be held in your account are explained further in the IMA.

Past performance is not a guarantee nor a reliable indicator of future investment returns. Fisher Investments Europe cannot guarantee and makes no representation or warranty as to future investment returns or performance. There is no guarantee for avoidance of loss, which is impossible with investments in securities, and you have not received any such guarantee or similar warranty from Fisher Investments Europe or any representatives thereof.

8. Data Protection

To advise you on financial matters, Fisher Investments Europe may collect personal and sensitive information subject to applicable data protection laws. By providing such information to Fisher Investments Europe, you consent to Fisher Investments Europe processing your data, both manually and electronically, including transferring data outside the European Economic Area, including to its parent, Fisher Investments, in the United States, for the purposes of providing services and enabling Fisher Investments to provide services, maintaining records, analysing your financial situation, providing information to regulatory bodies and service providers assisting Fisher Investments Europe and/or Fisher Investments in providing services, or otherwise permitted by law. Upon request, you are entitled to obtain access to and to rectify the data relating to you.

9. Custody and Execution

Neither Fisher Investments Europe nor Fisher Investments is authorised to hold client money. Neither Fisher Investments Europe nor Fisher Investments will accept cheques made out to it in respect of investments, nor will they handle cash. All client assets are held at external custodians where each client has a direct account in their own name. If you appoint Fisher Investments Europe as your discretionary asset manager, execution of transactions will be arranged through such custodians and brokers and at such prices and commissions that Fisher Investments determines in good faith to be in your best interests. Further information regarding selection of brokers is set out in the investment management agreement with Fisher Investments Europe (the "IMA").

If you appoint Fisher Investments Europe as your discretionary asset manager, Fisher Investments Europe or Fisher Investments, pursuant to an outsourcing agreement with Fisher Investments Europe, will arrange for the execution of transactions through those custodians and brokers and at such prices and commissions that it determines in good faith will be in your best interests. Further information regarding the selection of brokers is governed by the IMA. Fisher Investments Europe does not structure or charge its fees in such a way as to discriminate unfairly between execution venues.

The brokers and dealers to which your transactions may be allocated will use various execution venues, including without limitation:

- a) Regulated Markets in the USA or elsewhere (usually those exchanges where companies have their primary listing and other exchanges on which their securities are admitted to trading);
- b) Multi-Lateral Trading Facilities ("MTF") and Organised Trading Facilities ("OTF") in the USA or elsewhere (i.e. a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments—in the system and in accordance with non-discretionary rules—in a way that results in a contract);
- c) Systematic Internalisers (which are investment firms dealing as principal and providing liquidity on a systematic basis);
- d) Other liquidity providers that have similar functions to any of the above;
- e) Counterparties that may access the above venues on behalf of Fisher Investments Europe or Fisher Investments (or their clients) or trade on their own account.

You must be notified and approve of any off-venue trades prior to execution unless previously agreed to by you directly with the custodian. As a result of brokers/dealers using the execution venues mentioned above, your transactions may be executed on an execution venue that is neither a regulated market in the European Union nor an MTF in the European Union and therefore you will be required to expressly consent to the execution policy of Fisher Investments Europe by signing the IMA.

Fisher Investments Europe's top five trading venues are listed on its website.

Generally, financial instruments will not be affected if a custodian suspends payments or goes bankrupt. This is due to the fact that you will normally be able to take possession of your financial instruments based on the custodian's registration of your rights. Generally, it is only if the custodian fails to handle your financial instruments or register your rights correctly where you may not be able to take possession of the financial instruments.

If you appoint Fisher Investments Europe as your discretionary asset manager, you will receive a periodic statement every calendar quarter. This statement compares the performance of your account with that of a relevant benchmark in order to facilitate the assessment of performance achieved by the account. For performance, management fee calculation and reporting purposes, exchange traded equity securities are valued based upon the price on the exchange or market on which they trade as of the close of business of such exchange or market. All equity securities that are not traded on a listed exchange are valued using a modelled estimate of the bid price, also known as a bid evaluation, provided by Fisher Investments Europe's primary pricing service. Fixed income securities are valued based on market quotations or a bid evaluation provided by Fisher Investments Europe's primary pricing service. All securities are valued daily given a price from Fisher Investments Europe's primary pricing service is provided; otherwise, all securities are valued on at least a monthly basis.

TERMS OF BUSINESS

Fisher Investments Europe Limited (FIE) is authorised and regulated by the Financial Conduct Authority. Registered in England, Company No. 3850593.

10. Conflicts of Interest

Fisher Investments Europe has a conflicts of interest policy to identify, manage and disclose conflicts of interest. Fisher Investments Europe, Fisher Investments or any of their employees or representatives may have with a client of Fisher Investments Europe, or that may exist between two clients of Fisher Investments Europe. Fisher Investments Europe's conflicts of interest policy covers gifts and favours, outside employment, client privacy, inadvertent custody, marketing and sales activities, recommendations and advice, and discretionary investment management services. RMs employed by Fisher Investments Europe are paid a variable component of their total remuneration, calculated as a percentage by reference to management fees paid to the Investment Manager during the first three years of the client relationship. Such remuneration will not increase or impact the fees payable by you. Details on Fisher Investments Europe's conflicts of interest policy are available on request. In addition, Fisher Investments Europe provides a copy of Fisher Investments' Form ADV Parts 2A and 2B to all clients, detailing additional conflicts of interest applicable to Fisher Investments.

11. Fees

If you appoint Fisher Investments Europe as your discretionary investment manager, you will pay management fees to Fisher Investments Europe as detailed in the IMA. Fisher Investments Europe will pay a portion of such management fees to Fisher Investments as the sub-manager. If you appoint Fisher Investments directly as your discretionary investment manager, you will pay management fees directly to Fisher Investments as detailed in the investment management agreement. If you invest in a UCITS fund managed by Fisher Investments, Fisher Investments will receive its management fee indirectly through the UCITS. Fisher Investments Europe does not charge a separate fee for its introducing or distribution services. You will also incur transaction and custody fees charged by brokers and custodians. However, any such additional fees will be payable directly to brokers/custodians, and neither Fisher Investments Europe nor Fisher Investments will share in any commission or other remuneration.

12. Termination

If you wish to cease using the services of Fisher Investments Europe at any time, then send notification and the arrangement will cease in accordance with the IMA. However, if a transaction is in the middle of being arranged on your behalf at that time and it is too late to unwind it, then the transaction may need to be completed first.

13. Complaints

Fisher Investments Europe seeks to provide a high standard of service to clients at all times. If you have a complaint about services, please contact Fisher Investments Europe:

by writing to: Head of Compliance
Fisher Investments Europe Limited
2nd Floor, 6-10 Whitfield Street
London W1T 2RE

or by calling: +44 0800 144 4731

or by emailing: FIEOperations@fisherinvestments.co.uk

Fisher Investments Europe will endeavour to resolve the matter, as soon as practicable and generally within 8 weeks. If you are dissatisfied with the outcome of any complaint made to Fisher Investments Europe, or you do not receive a response within such time, you may be eligible to complain directly to the UK Financial Ombudsman Service ("FOS"). Further details in respect of FOS can be found at www.financial-ombudsman.org.uk.

14. Governing Law

These Terms of Business are governed by English law.

FISHER INVESTMENTS EUROPETM