FIRST QUARTER 2021 REVIEW & OUTLOOK
EXECUTIVE SUMMARY

12 April 2021

PORTFOLIO THEMES

- We continue to favour larger, high-quality companies as our assessment is that we remain in a late bull market cycle despite the technical bear in 2020.
- The recent relative strength in smaller and more value-oriented companies is likely a typical countertrend in a longer growth-led cycle.
- Measures of economic growth and inflation likely moderate once last year's deeply depressed base levels are passed, supporting our preference for growth-oriented equities.

MARKET OUTLOOK

- **Expect an Above-Average Year for Global Equities:** We anticipate a strong year for global markets tied to equities' resilience, political clarity and continued vaccine development and distribution.
- **We Believe We are Late in the Market Cycle:** The 2020 downturn behaved more like an outsized correction than a traditional bear so the market cycle did not reset. The vast majority of our sentiment and market indicators point to this being a late cycle bull market, yet many forecasters expect early-cycle leadership.
- **Investor Sentiment is Elevated but not Euphoric and can Remain High for a Long Time:** Positive sentiment can reign for a while before equities reach a euphoric peak, with strong returns along the way. Monitoring sentiment will be key for investors in 2021.

Global markets extended their climb in Q1, rising 4.6%.[i] Value equities led growth with Tech and Tech-like equities lagging, however we believe this to be a temporary countertrend. We are monitoring this carefully with the understanding that style volatility is normal. Crucially, our outlook hasn't changed. We still think equities should have a good year, with growth regaining its leadership as markets climb alongside sentiment.

As detailed in past Reviews, 2020's bear market acted like an oversized correction. There was little to no excess before governments shut down the global economy to restrain Covid-19's spread, triggering a contraction unlike normal recessions. Markets priced this rapidly—too fast to reset the market cycle, in our view.

As a result, equities are behaving like they are in the late stages of the bull market that began in 2009—a point when returns are usually strong with growth leading despite irregular value countertrend rallies. Overwhelmingly, most observers now envision a young bull market with years to run amid extended value leadership. Global markets efficiently price in broad expectations and we believe there are fundamental reasons for our current contrarian view. While we believe this bull market has room to run now, it is likely closer to its end than most expect.

Value's leadership dominated headlines globally in Q1—a big sign this is a temporary and fleeting leadership reversal, in our view. Long-term interest rates rose swiftly—which inflated expectations for inflation and fast economic growth to benefit the industries that suffered most during lockdowns—all value categories.

i Source: FactSet, as of 01/04/2021. MSCI ACWI Index return with net dividends, 31/12/2020 – 31/03/2021.

The steeper yield curve also heightened expectations for bank earnings, another big value component. Fund managers are now more optimistic on value than they have been in many years with retail investors following suit. After a brief bump tied to reopening, economic growth will likely be slower than headlines expect. Inflation probably won't spike, anchoring long-term interest rates—a backdrop favouring growth equities over value. Further, value equities, especially illiquid small ones, are generally lower quality and usually fare worst in bear markets. While we don't think a bear market is imminent, investors shifting heavily to value and not appreciating this bull market's late-cycle traits could be setting themselves up for disappointment.

Sentiment today is classically late-cycle. Optimism abounds. Pockets of euphoria exist in areas such as cryptocurrencies, digital assets called non-fungible tokens (NFTs) and so-called blank check companies (Special-Purpose Acquisition Companies, or SPACs). These fads wouldn't happen in a typical new bull market, when pessimism dominates.

Pockets of skepticism exist though, and politics underpins much of it. Many investors are concerned about spending and potential tax increases. This is understandable, and in the US more legislation may pass early in President Biden's term than we initially envisioned. But plenty of historical data show markets pre-price widely watched bills like taxes and spending, limiting their power over equities—positively or negatively. For example, major tax and spending hikes dominated last year's US presidential campaign and the vast majority of investors expected them in some form. Therefore, efficient markets dealt with all of this by the time President Biden was elected. Also, his "honeymoon" period with lawmakers and voters is nearly over. Gridlock— tied to the Democratic Party's narrow edge in the House and Senate as well as internal divisions—should result in any proposed legislation, such as a tax bill, getting watered down. Pushing bills through repeatedly would likely wear out fast, as many in Congress look ahead to 2022's midterms. As 2021 passes, gridlock's realities should grip tighter.

In European politics, Netherlands Prime Minister Mark Rutte's People's Party for Freedom and Democracy (VVD) won the most votes in mid-March's general election. Yet at the month's end, Prime Minister Rutte became entangled in a long-running childcare scandal, as allegations he tried to silence a whistleblower emerged. Italy has a new government, led by former ECB President Mario Draghi. Some observers think Prime Minister Draghi's popularity and reputation for competence bolster his ability to pass major changes, including overhauling Italy's bureaucracy and implementing sweeping tax reforms. However, we doubt Prime Minister Draghi's government will be much more active than its predecessors. Additionally, two widely watched German regional elections saw outgoing Chancellor Angela Merkel's Christian Democratic Union (CDU) suffer historic losses. Some observers see the results as a precursor for September's federal election, though that seems unlikely to us. No one party looks likely to run away with September's vote, and no politician currently has Chancellor Merkel's popularity. It appears another do-little German coalition government is likely, which should prevent extreme legislation—a positive for equities.

Emerging Markets (EM) also rose in Q1, rising in accordance with Covid-19 vaccine optimism and the value countertrend—helping EM heavy sectors such as Energy and Materials. However, Emerging Markets fell in March, with the biggest detractor a sharp fall in Chinese equities, which account for over 35% of the MSCI EM's market capitalisation.[ii] Chinese volatility, stemmed primarily from fears over the new enforcement of the Holding Foreign Companies Accountable Act—which raises the possibility of Chinese ADRs being delisted from US exchanges—and regulatory rumblings from Beijing. The People's Bank of China (PBOC) is reportedly planning to toughen oversight of digital commerce and payments—putting some large Tech and Tech-like names in its sights—and financial regulators are also considering measures that would further tighten private credit. While these issues are worth watching, we think the sentiment reaction to them is excessive. Once the sentiment reaction passes, we think the country's favourable economic fundaments should regain primacy, boosting Tech and e-commerce in particular.

ii Source: FactSet, as of 01/04/2021. MSCI Emerging Markets and constituent countries' market capitalisation on 31/03/2021

We think China's recent decline is a correction, not the start of something much worse, and we still think EM equities are likely to have a good to great year, with growth equities leading.

Markets' ability to pre-price major, widely discussed developments was one of last year's biggest lessons. It won't surprise us if the major economic data swings likely ahead push sentiment up and down. Economic data series are often calculated on a year-over-year basis. Last year's deeply depressed figures will be the base for forthcoming reporting, which will yield huge growth rates even if activity is static month to month. As we move through the second quarter, and last year's sharp rebound becomes the new base, we believe it could drive big slowdowns or even drops for the same reason. We expect to see plenty of headline volatility tied to this dynamic.

This "base effect" will also boost inflation briefly. This looks temporary to us, as inflation and interest rates move globally, not nationally. Global forces are relatively benign. On the economic front, many envision a big, stimulus-fueled boom in the coming months. Economic growth may spike temporarily, but we don't think a huge, lasting surge is ahead. We aren't pessimistic, but late in bull markets, high expectations and greed can drive some investors to make risky, overly optimistic decisions.

While we don't see a bear market as imminent, we are vigilant for what could cause one and we diligently monitor widespread signs which could affect equities broadly. But overall, this looks like a very good, late bull market year to us.

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EXHIBIT 1: 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.

EXHIBIT 2: 2. COMMUNICATIONS

Fisher Investments Europe can be contacted by mail at Level 18, One Canada Square, Canary Wharf, London, E14 5AX; 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.

EXHIBIT 3: 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.

EXHIBIT 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.

EXHIBIT 5: 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.

EXHIBIT 6: 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.

EXHIBIT 7: 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.

EXHIBIT 8: 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.

EXHIBIT 9: 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.

EXHIBIT 10: 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 is 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.

EXHIBIT 11: 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.

EXHIBIT 12: 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.

EXHIBIT 13: 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 Level 18, One Canada Square Canary Wharf, London, E14 5AX
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.

EXHIBIT 14: 14. GOVERNING LAW
These Terms of Business are governed by English law.

Should you have any questions about any of the information provided above, please contact FIE by mail at Level 18, One Canada Square, Canary Wharf, London, E14 5AX or by telephone at +44 (0)207 299 6848.

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Since Inception, Fisher Investments and its subsidiaries have been 100% Fisher-family and employee owned.

Unless otherwise specified, references to investment professionals, operations personnel, and middle and back office personnel are references to FI employees. "We", "our," "us" and "the firm" generally refer to the combined capabilities of FIE and FI.

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