

FISHER INVESTMENTS EUROPE™

COVID-19 RESEARCH CATEGORIES:
EQUITY MARKET INTERNALS

GLOBAL EQUITY SCENARIOS

For professional client use only

The swift equity market downturn has been large enough to be deemed a bear market. In our view, the downturn has some characteristics of a bear market (e.g. magnitude, likely recession) and some characteristics of a very large correction (e.g. speed and panic of the downturn). Recoveries from corrections and bear markets can behave very differently. Bear markets are often followed by smaller, value-oriented, cyclical companies leading early in the new bull. Size and style leadership changes following corrections are less consistent. Looking forward, we think there are three primary paths the market may take, which will dictate the proper portfolio positioning.

Scenario	Sector Views
Scenario 1 - If widespread shutdowns end relatively quickly: <ul style="list-style-type: none"> Activity resumes quickly Most or all negativity already reflected in prices Large but short-term economic contraction followed by a strong rebound Market acts like an outsized correction, major portfolio moves unlikely needed 	<ul style="list-style-type: none"> Current sector views and positioning remain relatively unchanged Growth oriented sectors and high quality categories regain leadership in the near term
Scenario 2 - If shutdowns and closures continue longer than expected: <ul style="list-style-type: none"> Longer recession likely, further volatility and possible downside in the short-term but priced in quickly Change portfolios to position for a traditional new bull market recovery 12 to 18 months in the future = prices higher 	<ul style="list-style-type: none"> Sector views may change in the months ahead as we get closer to the start of a new bull market cycle Possibly target exposure to smaller, value-oriented sectors, cyclicals and categories likely to bounce the most off the bottom
Scenario 3 - If shutdowns and closures continue indefinitely: <ul style="list-style-type: none"> A deep global recession Potentially take defensive action New bull market timing unknown 	<ul style="list-style-type: none"> Defensive sectors lead global markets longer than in the first two scenarios Possibly take defensive action including shifts to existing sector weights before repositioning for the start of a new bull market cycle

As of 31/05/2020.

PRIMARY RESEARCH CATEGORIES

The environment resulting from COVID-19 is unprecedented in many ways. Not necessarily with the virus itself—unfortunately there are numerous examples of highly-contagious viruses exacting terrible human tolls. But the restrictions, swift economic impact, and speed of the market decline lack historical precedents. While historical analysis remains useful in this period, we have reorganized some of our research efforts into the categories below to assess development in this unique period.

Research Category		Key Data Examples
Virus Progression	Detailed analysis on COVID-19's progression worldwide in order to identify how global markets likely respond.	<ul style="list-style-type: none"> New cases, active cases, % positive tests Regional hospital capacity
Institutional Responses	Tracking governmental shutdowns and responses globally to help us better understand how markets will respond as economies start to reopen as well as scale the economic cost of these restrictions.	<ul style="list-style-type: none"> Changes to virus containment policies Fiscal and monetary policy measures
Equity Market Internals	The relative performance of different types of equities may provide signals about shifting investor sentiment.	<ul style="list-style-type: none"> COVID-19 winners vs. losers Size & style performance spreads
Non-Equity Capital Markets	Changes in these factors indicate not only if stress on the financial system is abating, but also the current risk level perceived by market participants.	<ul style="list-style-type: none"> HY & IG spreads, commercial paper, LIBOR-OIS, CDs
Higher Frequency Economic Data	Daily available economic data can provide insight on how the economy is progressing towards "normalization" and how COVID-19 concerns continue to weigh on the economy once restrictions are lifted.	<ul style="list-style-type: none"> Traffic, consumer spending, restaurant reservations, hotel occupancy, air travel
Sentiment	Analyzing sentiment and changes in market expectations helps us evaluate how investors, consumers and corporations are pricing in news and developments related to COVID-19.	<ul style="list-style-type: none"> Timing of corporate and economic forecasts Consensus economic, EPS, market expectations

Source: Fisher investments research as of 31/05/2020.

EQUITY MARKET INTERNALS

- The COVID-19 basket dispersion tracks the spread between custom baskets of US stocks that benefitted or suffered the most from COVID-19 panic and social distancing.
- If the relative performance of those parts of the market that were impacted the most improves, or deteriorates, that may provide signals about shifting investor sentiment and could foreshadow a reversal or further downturn.
- **Winners** include food/staples, shipping, stay-at-home entertainment, firearms and Amazon.
- **Losers** include travel, restaurants, retail, autos and live entertainment.

COVID IMPACT LOSERS & WINNERS

The relative performance of different types of equities may provide signals about shifting investor sentiment. For example, comparing the performance of perceived COVID-19 “losers” to “winners” may signal shifts in investor confidence.

Russell 3000 COVID IMPACT – “Winners”				
	YTD	Since Last Trough	Basket count	Largest Stock in Basket
“Winners” Categories	9.8%	28.2%	142	--
Firearms	61.4%	59.8%	3	Sturm Ruger
Amazon	40.8%	36.7%	1	Amazon.com
Stay-Home Entertainment	26.0%	25.5%	10	Netflix
Shipping	-0.5%	30.3%	30	United Parcel Service
Food & Staples	-2.3%	24.5%	98	Walmart

Source: Fisher Investments Research, FactSet as of 09/06/2020. Shows performance of custom baskets of COVID impacted equities for the Russell 3000 index. Last trough refers to March 23rd 2020.

COVID IMPACT LOSERS & WINNERS

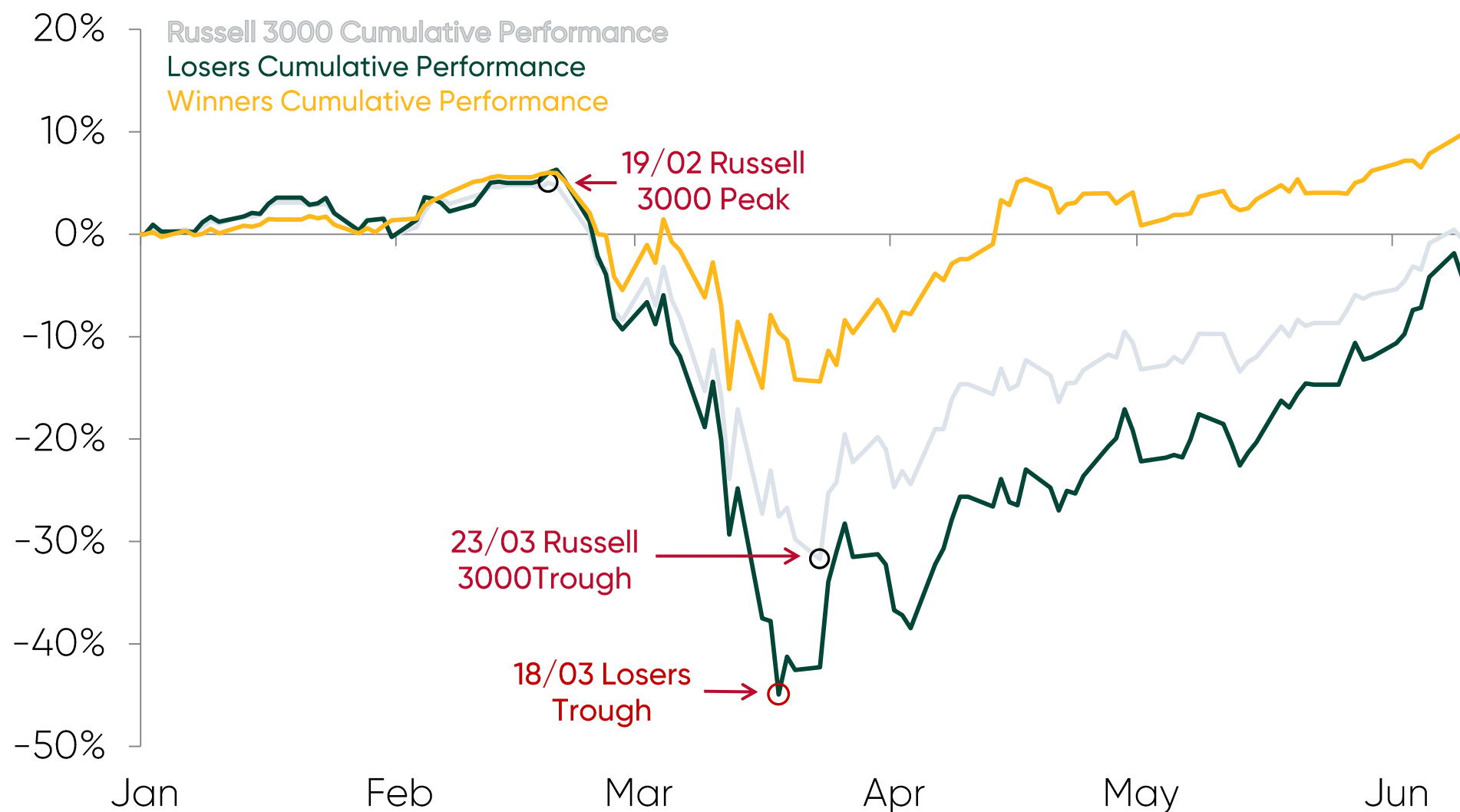
The relative performance of different types of equities may provide signals about shifting investor sentiment. For example, comparing the performance of perceived COVID-19 “losers” to “winners” may signal shifts in investor confidence.

Russell 3000 COVID IMPACT – “Losers”				
	YTD	Since Last Trough	Basket count	Largest Stock in Basket
“Losers” Categories	-4.2%	66.0%	237	--
Automobiles	14.2%	87.2%	42	Tesla
Retail	4.9%	67.0%	79	Home Depot
Restaurants	-4.9%	52.8%	42	McDonald's
Travel	-25.2%	62.9%	57	Booking Holdings
Live Entertainment	-25.7%	51.7%	17	Liberty Media

Source: Fisher Investments Research, FactSet as of 09/06/2020. Shows performance of custom baskets of COVID impacted equities for the Russell 3000 index. Last trough refers to March 23rd 2020.

COVID IMPACT BASKETS – YTD CUMULATIVE PERFORMANCE

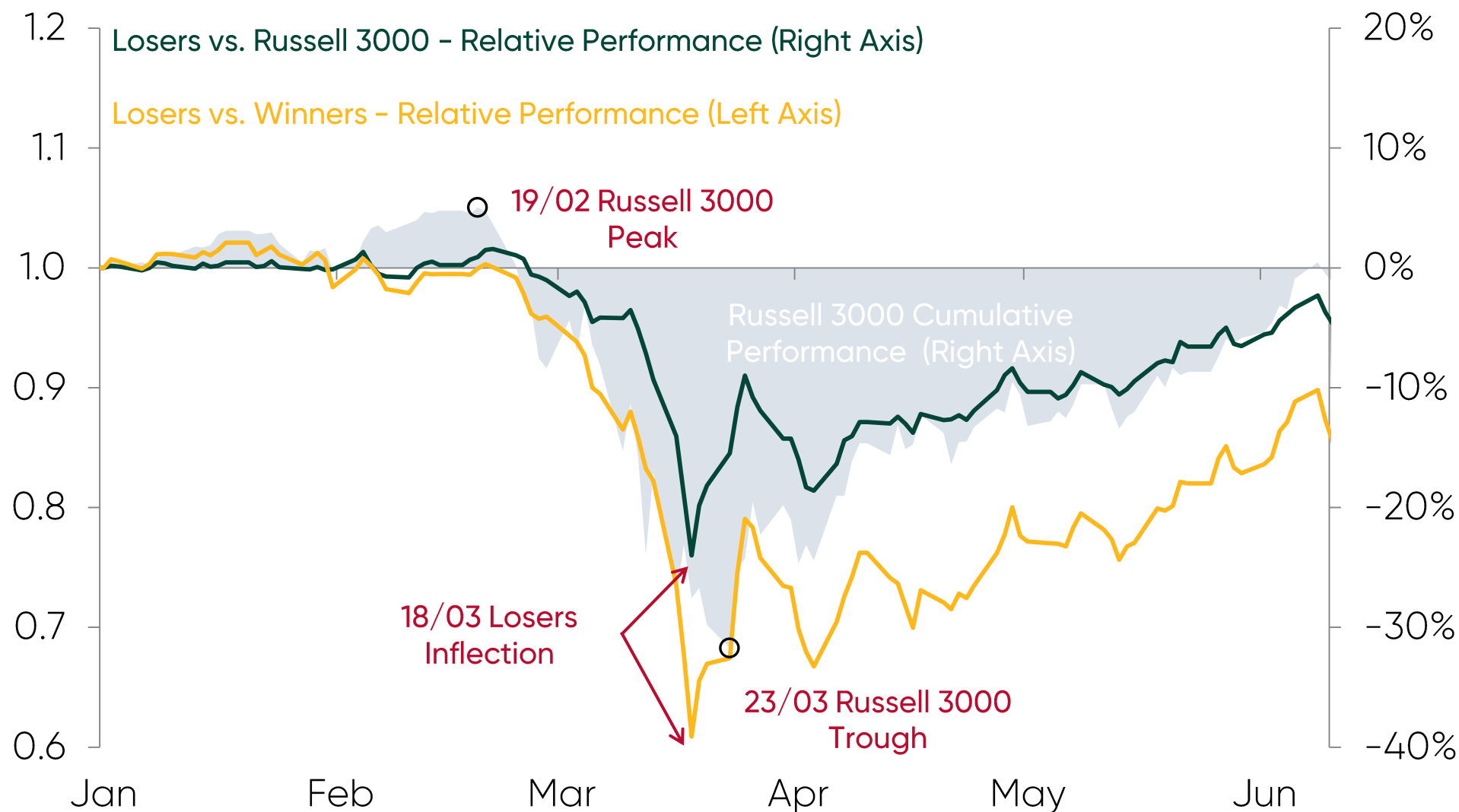
The “loser” basket bottomed on March 18th, three trading days before the broader market troughed on March 23rd. Since March 23rd, the “losers” have outperformed “winners” by +37.8%.



Source: Fisher Investments Research & FactSet as of 09/06/2020. Shows cumulative performance for the custom winners & losers baskets, as well as for the Russell 3000 index from 01/01/2020 to 09/06/2020.

COVID IMPACT BASKETS – YTD RELATIVE PERFORMANCE

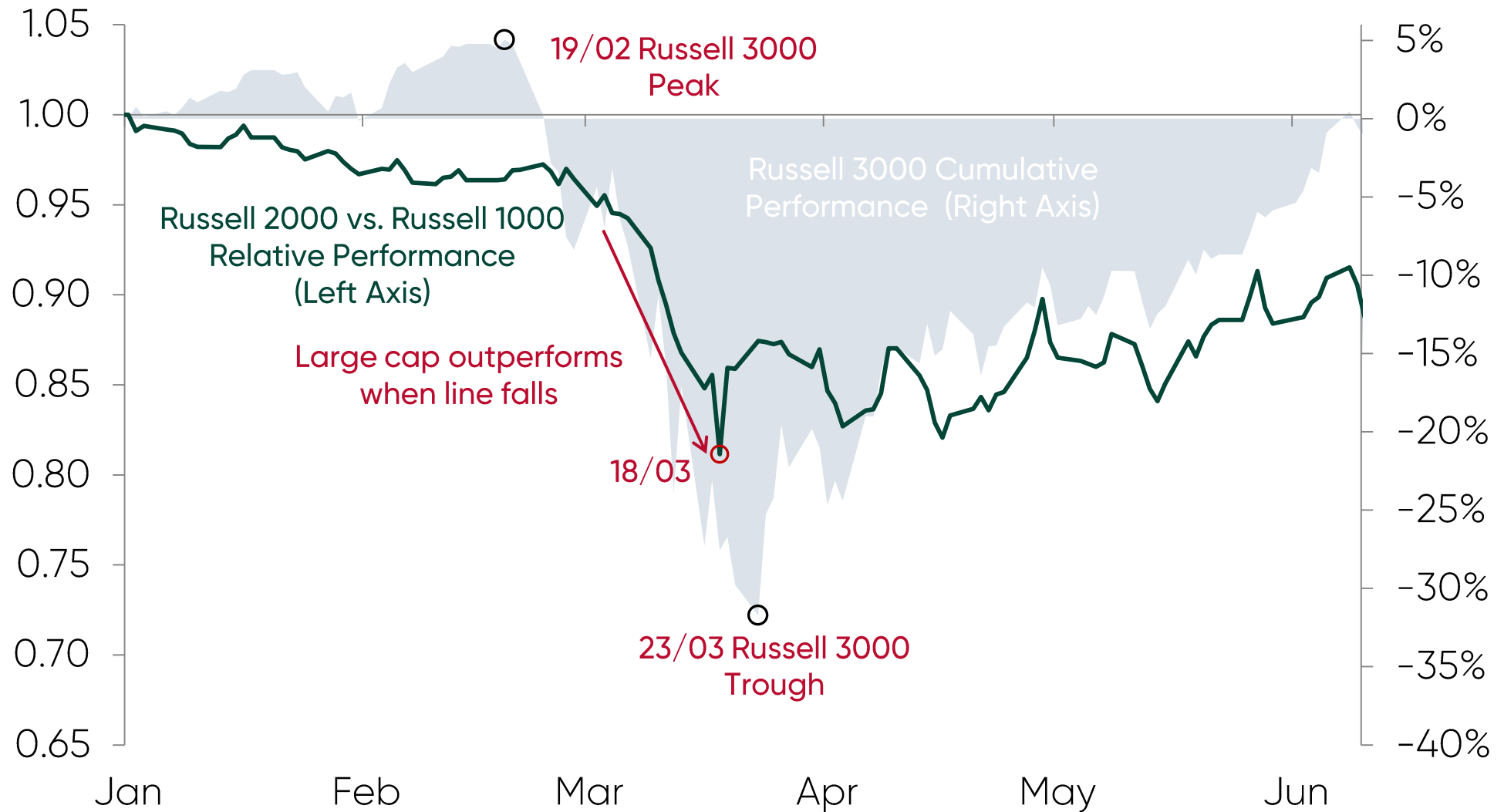
The COVID impact “losers” have outperformed “winners” by +52.6% (+74.0% vs +21.4%) since the “losers” trough on March 18th, though the bounce remains inconsistent.



Source: Fisher Investments Research & FactSet as of 09/06/2020. Shows cumulative performance for the custom winners & losers baskets, as well as for the Russell 3000 index from 01/01/2020 to 09/06/2020.

COVID IMPACT SIZE SPREADS

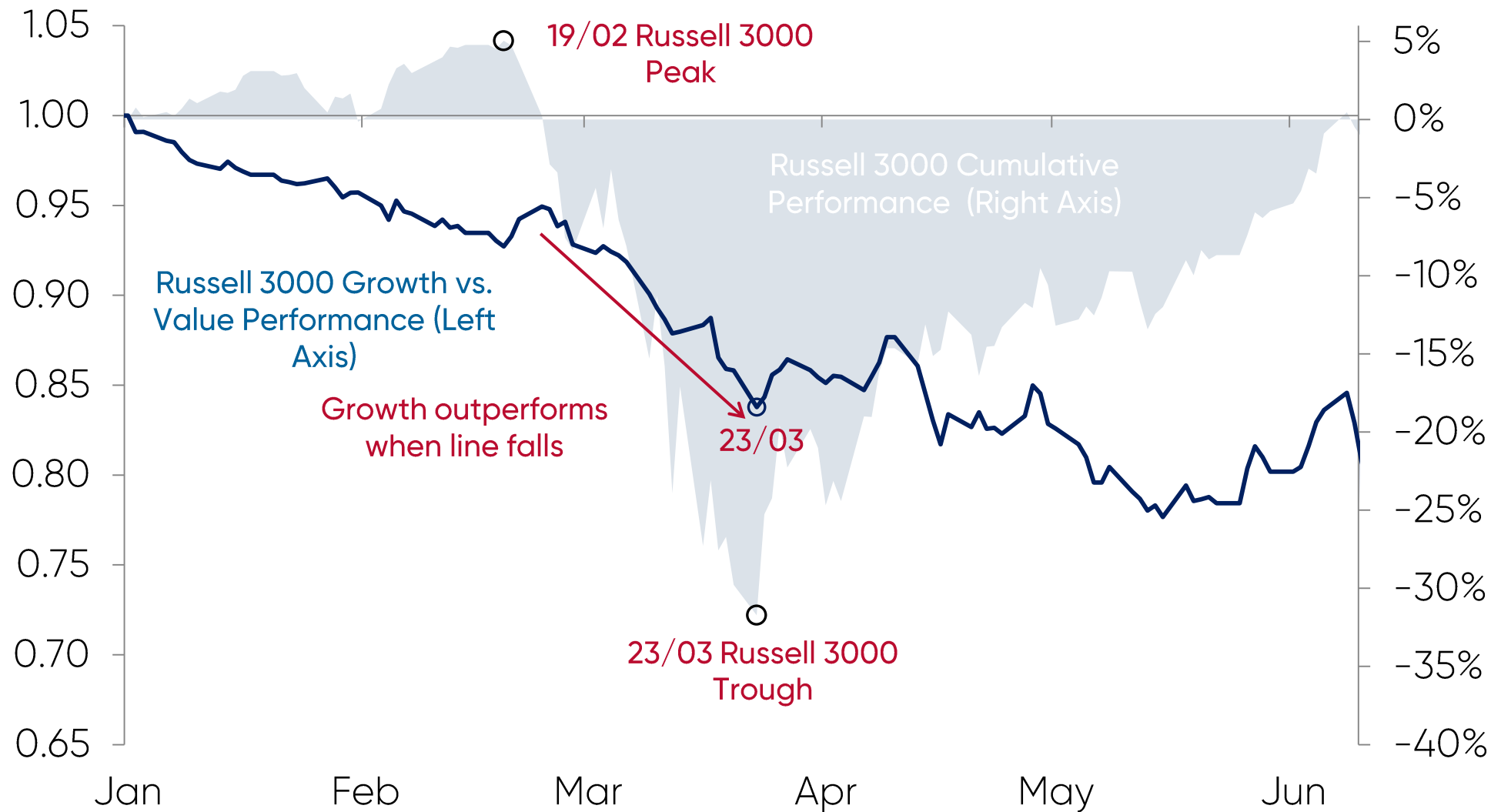
Large cap led the way through the downturn, but style leadership has remained inconsistent since. Since the March 23rd trough, the Russell 2000 has outperformed the Russell 1000 by 5.2%.



Source: Fisher Investments Research & FactSet as of 09/06/2020. Shows cumulative performance for the Russell 1000 vs. Russell 2000 index, and Russell 3000 index from 01/01/2020 to 09/06/2020.

COVID IMPACT STYLE SPREADS

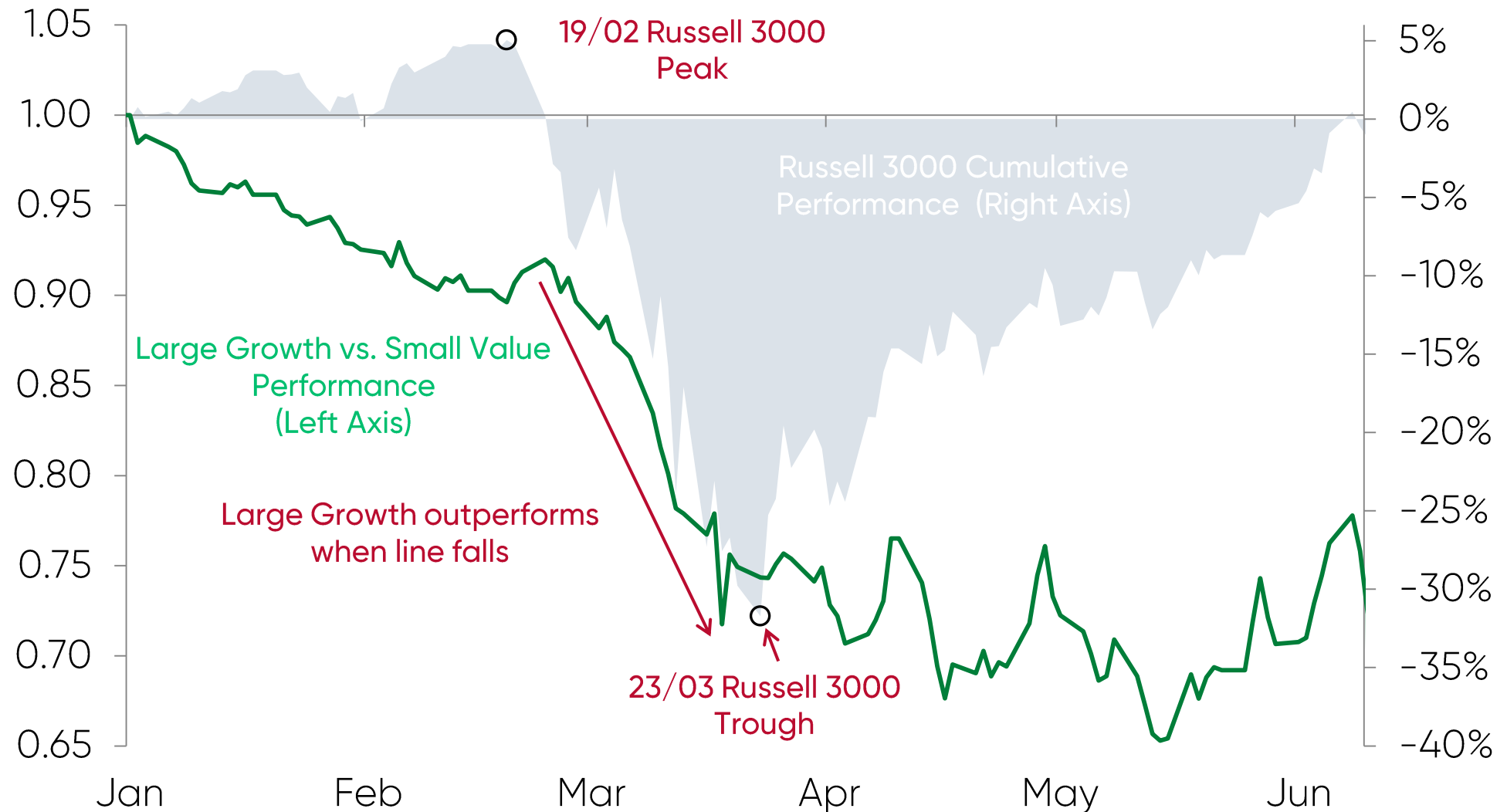
Growth leadership has been more prominent than size leadership. While there has been some counter trend rallies, growth has consistently led over this period through the downturn, as well as most of the recovery.



Source: Fisher Investments Research & FactSet as of 09/06/2020. Shows cumulative performance for the Russell 3000 Growth vs. Russell 3000 Value, and Russell 3000 index from 01/01/2020 to 09/06/2020.

COVID IMPACT SIZE & STYLE SPREADS

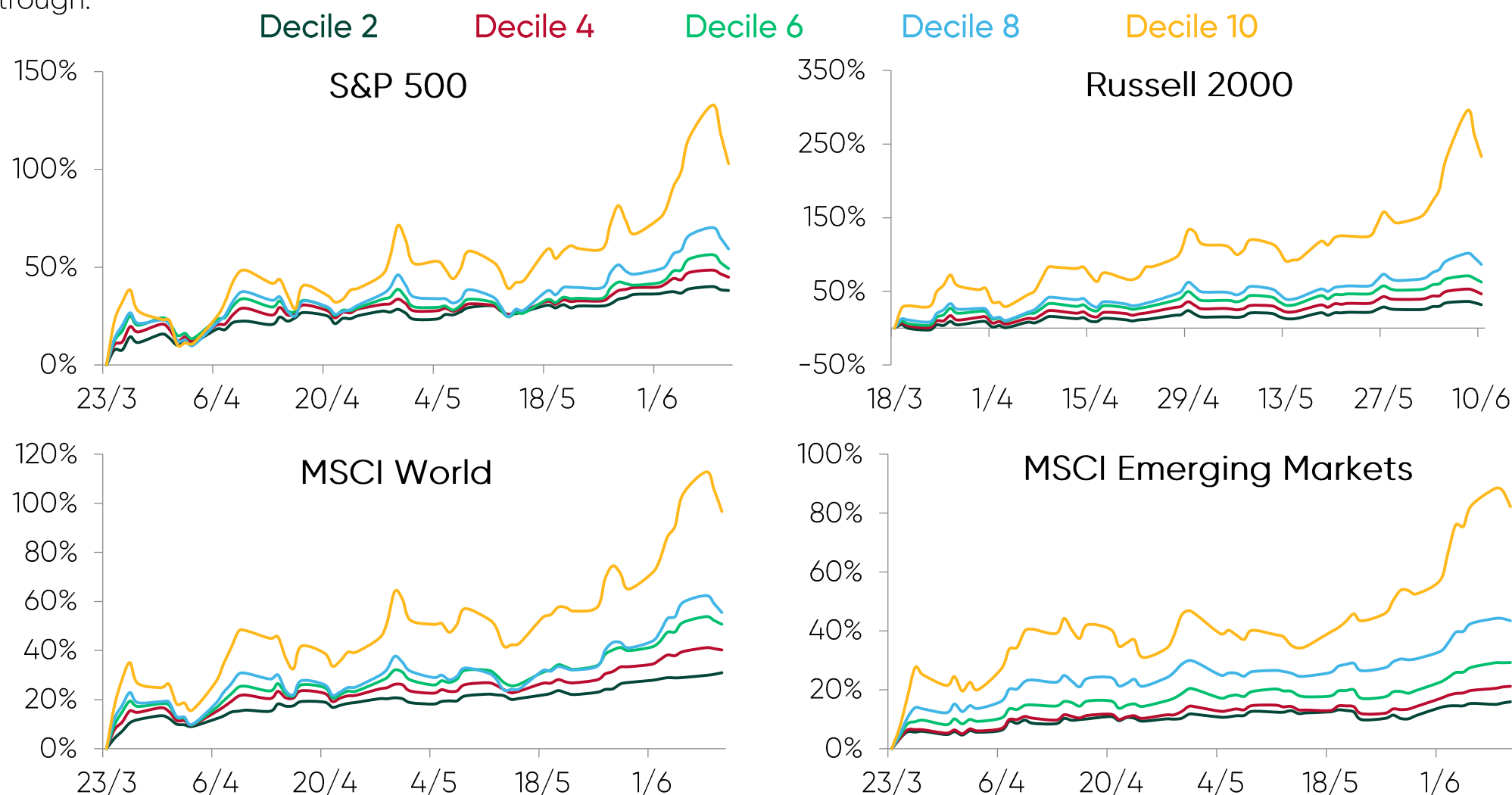
A closer look at a combination of size and style factors reveals the widest performance spread between the observed categories. While large growth has outperformed through the downturn and most of the recovery, this has remained inconsistent, with bouts of small cap value outperformance.



Source: Fisher Investments Research & FactSet as of 09/06/2020. Shows cumulative performance for the Russell 1000 Growth vs. Russell 2000 Value, and Russell 3000 index from 01/01/2020 to 09/06/2020.

BOUNCE EFFECT ALIVE & WELL

While outperformance across style & size spreads remains inconsistent, a broad bounce effect seeing the worst performers of the downturn outperform in the recovery is apparent. The charts below categorize equities in deciles relative to their performance from the last index high to peak, and plot their performance from the last market trough.



Source: Fisher Investments Research & FactSet as of 10/06/2020. Shows cumulative performance of equities for shown indices by decile, based on performance from relevant previous market high to trough, with charts showing cumulative performance for those deciles from the last index trough to 10/06/2020.

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.

Fisher Investments (FI) is an investment adviser registered with the securities and Exchange Commission. As of 31 March 2020, FI managed over \$98 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 31 December 2019.

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

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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

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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