

# JENNISON LARGE CAP VALUE EQUITY

MANAGED ACCOUNTS DECEMBER 31, 2018

## JENNISON AT A GLANCE

- Founded 1969
- Approximately \$160.7 billion in assets under management
- 71 investment professionals
- pgiminvestments.com

## PORTFOLIO OBJECTIVE

*Seeks long-term growth of capital by investing in a diversified portfolio of equity securities that Jennison believes are being valued at a discount and having some of the following four broad characteristics: below "normal," but improving, operations; strong franchises with low embedded expectations; presence of hidden assets; and, special situations (such as takeover arbitrage or other event driven investments). There is no guarantee that the strategy will achieve its objective.*

## KEY PROFESSIONALS

	Years of Experience
Warren Koontz, Jr., CFA Portfolio Manager	35
Daniel Nichols Portfolio Specialist	26
Mary Flaherty Portfolio Advisor	18

## PORTFOLIO FACTS

	Model	Russell 1000 Value Idx
# of Holdings	63	725
Price/Book Ratio	1.9	1.9
Dividend Yield	2.5%	2.9%
12-Month Turnover	27.0%	N/A
Weighted Avg Mkt Cap	\$146.5B	\$111.4B

Jennison was founded in 1969 to manage large cap growth portfolios for institutional clients, and over the years, the firm has expanded its capabilities to include value, blend, balanced, global, fixed income, and long/short strategies across market capitalizations. The firm was acquired by Prudential in 1985. Jennison believes its competitive distinctions include widely respected investment professionals, original research, an entrepreneurial culture, and premier client service. Jennison's experience has suggested that long-term success and the ability to meet client needs are directly tied to these advantages.

## PORTFOLIO OVERVIEW

The Jennison Large Cap Value Portfolio seeks to outperform the Russell 1000® Value Index with comparable risk characteristics. The investment team does so through investments in companies it believes are being valued at a discount to their intrinsic value, as defined by the value of their earnings, or free cash flow, the value of their assets, their private market value, or some combination of these factors. The firm's proprietary fundamental research is the primary source of the strategy's success. As a general principle, the team believes that most large companies possess normalized levels of returns consistent with normalized levels of growth. While a company's return and growth rate may deviate from those normalized levels over short periods of time, they usually revert to their means over the long term. Therefore, many of the strategy's investments are companies the team expects to benefit from reversion to their long-term means. The team believes it can achieve this by exploiting two main market anomalies, the information gap and time horizon gap. The information gap arises from the Large Cap Value team's ability to generate insights by leveraging its cumulative experience to identify the 3-5 critical issues that will drive the performance of the company's stock. The time horizon gap arises from the team's ability to concentrate on often-overlooked, longer-term operating dynamics of companies, and to identify stocks currently undervalued because the market is extrapolating temporary below-trend performance into the future. The team then tries to identify changes in fundamentals (catalysts) that will lead to upward re-valuations to a company's earnings. The resulting portfolio generally holds 60-80 stocks, diversified across industries and sectors. Asset allocation does not assure a profit or protect against loss in declining markets. Managed money programs may not be suitable for all investors. Since no one manager/investment program is suitable for all types of investors, your investment objectives, risk tolerance, and liquidity needs must be reviewed before suitable managers/investment programs can be introduced to you.

## JMA LARGE CAP VALUE EQUITY COMPOSITE PERFORMANCE AS OF 12/31/2018 (%)

Total Return	QTR	YTD	1-year	3-year	5-year	10-year	Since 5/31/2000
Pure Gross Composite	-12.88	-9.28	-9.28	5.84	3.89	11.01	7.13
Net Composite	-13.56	-11.99	-11.99	2.73	0.82	7.75	4.10
Russell 1000 Value Index	-11.72	-8.27	-8.27	6.95	5.95	11.17	6.21

Past performance does not guarantee future results and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate and securities, when sold, may be worth more or less than their original cost. Maximum annual program fee is 3.0%.

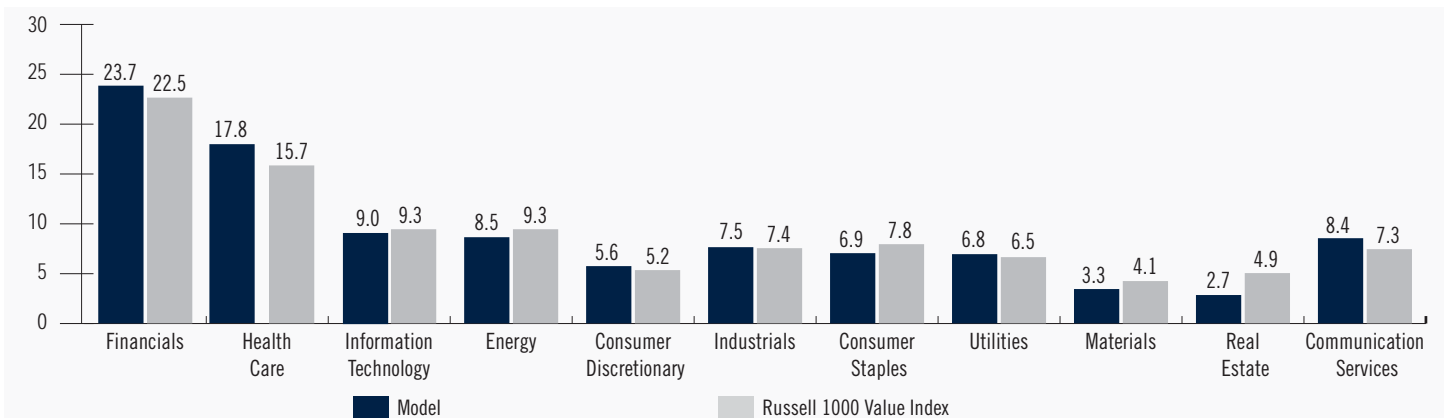
Performance results fluctuate and the client's principal may be at risk under certain market conditions. Clients should consider the risks of the strategy before investing. Performance results are calculated in U.S. dollars and reflect reinvestment of dividends and other earnings. Returns are gross of reclaimable withholding taxes, if any, and net of non-reclaimable withholding taxes. The wrap fee includes charges for trading costs, portfolio management, custody and other administrative and sponsor related fees. "Pure" gross returns from October 1, 2000 to present do not reflect the deduction of any trading costs, fees, or expenses. "Pure" gross returns from May 31, 2000 through September 30, 2000 reflect the deduction of trading costs. From October 1, 2000 through 2002, net returns were calculated quarterly and reflect the deduction of actual wrap fee. For periods prior to October 1, 2000, and for those beginning January 1, 2003, net-of-fees returns are calculated monthly by subtracting the highest annual program fee charged by sponsors of programs in which JMA participates from the "pure" gross return. The highest annual program fee, which includes fees for JMA's services, that may be charged by sponsors to accounts managed by JMA is 3.00% (0.25% per month). Each sponsor's standard program fees are described in Part II of each sponsor's Form ADV or Wrap Fee Sponsor Brochure.

TOP HOLDINGS

1 JPMorgan Chase	4.9%	11 Cisco Systems	2.2%
2 Pfizer	3.1	12 Verizon Communications	2.2
3 Bank of America	2.8	13 Boeing	2.0
4 Chevron	2.8	14 Procter & Gamble	2.0
5 American Electric Power	2.6	15 Comcast	1.9
6 Eli Lilly & Co	2.5	16 Chubb	1.9
7 Exelon	2.4	17 Union Pacific	1.7
8 Merck	2.4	18 AstraZeneca	1.7
9 Royal Dutch Shell	2.3	19 PNC	1.7
10 Walmart	2.3	20 American Tower	1.7

Model holdings are subject to change. The top holdings, as well as other data, are as of the period indicated, and should not be considered a recommendation to purchase, hold, or sell any particular security. There is no assurance that any of the securities noted will remain in a portfolio at the time you receive this fact sheet. Actual holdings and percentage allocation in individual client portfolios may vary and are subject to change. It should not be assumed that any of the holdings discussed were, or will prove to be, profitable, or that the investment recommendations or decisions we make in the future will be profitable.

SECTOR BREAKDOWN (%)



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The JMA Large Cap Value Equity Composite ("Composite") inception date was May 31, 2000. Composite performance from May 31, 2000 to August 31, 2000 and September 1, 2000 to 2002 includes account performance calculated by and whose records were maintained by an affiliate of Jennison. The Composite performance presented for periods from October 1, 2000 to present includes all wrap accounts that are managed in JMA's Large Cap Value Equity Strategy ("Strategy"). The Strategy seeks long-term growth of capital by investing primarily in common stocks of large companies that are believed to be valued at a discount to their true worth and that possess a set of catalysts that should lead to a positive change in the market's expectations, resulting in outperformance. For all periods since October 1, 2000, wrap portfolios represent 100% of the Composite. In 2007, Jennison determined it was appropriate to link the JMA Large Cap Value Equity Composite returns to a similarly managed Institutional Composite. Prior to 2007, the Institutional Composite returns were not presented. Performance presented for periods prior to October 1, 2000 represents the returns achieved by accounts in the Jennison Large Cap Value Equity Composite. The Jennison Large Cap Value Equity Composite includes all fee-paying discretionary non-wrap fee program accounts that have been managed in Jennison's Large Cap Value Equity strategy for at least one full calendar month. Jennison cannot guarantee that the performance of the Jennison Large Cap Value Equity Composite will be similar to its results from the management of accounts in wrap fee programs due to a variety of reasons, including differences in the types, availability, and diversity of securities that can be purchased, economies of scale, regulations, and other factors applicable to the management of accounts in the Jennison Large Cap Value Equity Composite that may not be experienced by accounts in wrap fee programs. While the same Large Cap Value Equity investment process is applied to both the Jennison Large Cap Value Equity Composite and the Composite, accounts in the Jennison Large Cap Value Equity Composite generally invest in 60 to 80 securities, whereas accounts in the Composite generally invest in 50 to 80 securities; therefore performance results may differ. The performance data provided is that of the Jennison Large Cap Value Portfolio which includes the performance of all discretionary wrap program sponsors managed within the strategy. Non-discretionary accounts are excluded from Composite performance. A specific client's account performance and investment experience will differ from what is shown here.

The Russell 1000® Value Index is unmanaged and measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. The financial indices referenced herein are provided for informational purposes only. When comparing the performance of a manager to its benchmark(s), please note that the manager's holdings and portfolio characteristics may differ from those of the benchmark(s). Additional factors impacting the performance displayed herein may include portfolio-rebalancing, the timing of cash flows, and differences in volatility, none of which impact the performance of the financial indices. Financial indices assume reinvestment of dividends but do not reflect the impact of fees, applicable taxes or trading costs which may also reduce the returns shown. All indices referenced in this presentation are registered trade names or trademark/service marks of third parties. References to such trade names or trademark/service marks and data is proprietary and confidential and cannot be redistributed without Jennison's prior consent. Investors cannot directly invest in an index.

Source for Russell Index data: Mellon Analytical Solutions. Certain information in this document has been obtained from sources that Jennison believes to be reliable as of the date presented; however, Jennison cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. The information contained herein is current as of the date of issuance (or such earlier date as referenced herein) and is subject to change without notice. Jennison has no obligation to update any or all such information; nor do we make any express or implied warranties or representations as to the completeness or accuracy.

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