

# JENNISON NATURAL RESOURCES 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 capital growth by investing in companies that own, explore, mine, process, and develop natural resources commodities.

## KEY PROFESSIONALS

	Years of Experience
Neil P. Brown, CFA Portfolio Manager	22
Jay Saunders Portfolio Manager	19
Jason T. McManus Quantitative Portfolio Manager	21
Abhijit Kamekar Portfolio Specialist	28
Mary Flaherty Portfolio Specialist	18

## PORTFOLIO FACTS

	Model	Lipper Nat Res Idx
# of Holdings	56	—
Price/Book Ratio	1.4	—
Dividend Yield	2.6%	—
12-Month Turnover	28.9%	—
Weighted Avg Mkt Cap	\$32.6B	—

The investment strategies described herein are those of Jennison Associates. These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Advisor.

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 Natural Resources Equity strategy combines the expertise of Jennison's Global Natural Resources Equity and Custom Solutions teams. The investment portfolio is based on Jennison's Global Natural Resources Equity portfolio, but in keeping with the restrictions on separately managed accounts (SMAs), all foreign ordinaries are replaced with appropriate US-listed natural resources exchange traded funds (ETFs). The Global Natural Resources Equity team attempts to identify market dynamics underpinning natural resource commodities and looks for companies with the potential to outperform even in an environment of changing commodity prices. The team uses a combination of top-down and bottom-up analysis, with a focus on secular, rather than tactical considerations. Top-down analysis identifies relative strengths across commodity groups to determine which have favorable supply/demand characteristics; bottom-up fundamental research identifies companies with desirable characteristics which we believe indicate the potential to outperform. In an era of rising marginal costs for commodities, we believe we can outperform by owning companies that can organically grow both reserves and production, control costs and gain access to reserves in a world increasingly dominated by state-run resource companies. We also look at whether the companies under consideration can provide the needed technology and infrastructure used in the search for reserves and the final production process.

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. Small- and mid-cap stocks may be subject to more erratic market movements than large-cap stocks.

## JMA NATURAL RESOURCES EQUITY COMPOSITE PERFORMANCE AS OF 12/31/2018 (%)

Total Return	QTR	YTD	1-year	Since 7/1/2014
Pure Gross Composite	—	—	—	—
Net Composite	—	—	—	—
Lipper Natural Resources Fund Index	—	—	—	—

Currently, there are no accounts actively managed in the JMA Natural Resources Equity strategy (since 11/30/2016) Therefore, composite performance is not currently available.

## SUPPLEMENTAL – GLOBAL NAT RES EQUITY COMPOSITE PERFORMANCE AS OF 12/31/2018 (%)

Total Return	QTR	YTD	1-year	3-year	5-year	10-year	20-year	Since 8/31/1991
Pure Gross Composite	-26.54	-26.89	-26.89	1.73	-9.39	2.20	9.83	8.95
Net Composite	-26.68	-27.37	-27.37	1.24	-9.78	1.79	9.40	8.32
Global Nat Res Custom Index	-21.69	-22.41	-22.41	3.01	-6.24	2.69	6.81	—

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%.

Information is supplemental to the JMA Natural Resources Equity Composite. The inception date of the institutional Jennison Global Natural Resources Equity Composite is August 31, 1991. The institutional Jennison Global Natural Resources Equity Composite performance is being shown for informational purposes only. Although the institutional account is currently managed in a similar manner, there may be material differences. For example, certain securities not permitted in the JMA Natural Resources Equity strategy will be replaced with an appropriate US listed natural resources ETF. Further, the implementation of the JMA Natural Resources Equity strategy will differ from the institutional account by a one day lag. Since Jennison manages its client portfolio according to each client's investment needs and circumstances, you should not assume that similar performance results to those shown would have been achieved for the JMA Natural Resources Equity portfolio had you been invested during this period. While the same Natural Resources Equity investment process is applied to both the institutional Jennison Global Natural Resources Equity Composite and the JMA Natural Resources Equity Composite, accounts in the institutional Global Natural Resources Composite generally invest in 80 to 140 securities, whereas wrap accounts in the JMA Natural Resources Equity Composite generally invest in 50 to 100 securities, therefore performance results, holdings, and fees will differ.

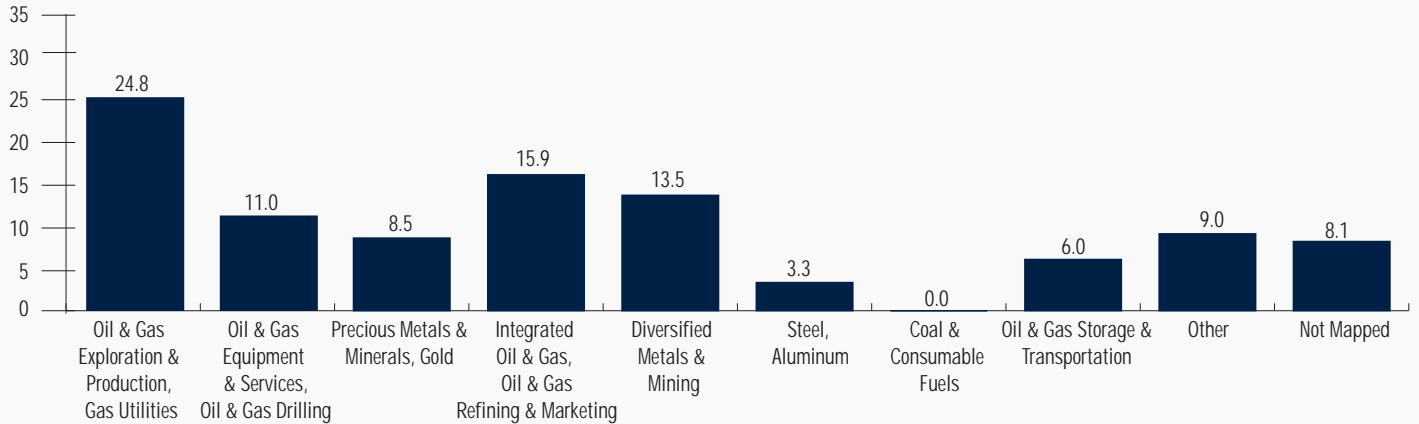


TOP HOLDINGS

1 SPDR S&P Metals & Mining ETF	6.3%	11 WPX Energy	2.6%
2 EOG Resources	3.7	12 BP	2.6
3 BHP Group	3.4	13 Agnico Eagle Mines	2.3
4 Andarko Petroleum	3.2	14 Cheniere Energy	2.2
5 Concho Resources	3.1	15 Noble Energy	2.2
6 Suncor Energy	3.0	16 Newmont Mining	2.2
7 Marathon Petroleum	2.9	17 TechnipFMC	2.2
8 Royal Dutch Shell	2.9	18 Valero Energy	2.2
9 Randgold Resources	2.8	19 Continental Resources	2.1
10 Anglo American	2.7	20 Rio Tinto	2.0

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.

SUB-INDUSTRY ALLOCATION (%)



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Performance results are calculated in US 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 do not reflect the deduction of any trading costs, fees or expenses. 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 the Part II of each sponsor's Form ADV or Wrap Fee Sponsor Brochure.

The Global Natural Resources Equity Composite (Institutional Composite) contains assets that were transferred from the Predecessor. Jennison did not previously manage assets with a style similar to that of the Institutional Composite. The Institutional Composite inception date was August 31, 1991. The Global Natural Resources Equity strategy uses fundamental research to invest primarily in stocks that are attractively priced relative to the intrinsic value of the relevant natural resource or that are issued by companies that should benefit under existing or anticipated economic conditions.

Performance results are calculated in US dollars and reflect reinvestment of dividends and other earnings. Performance returns for periods prior to September 15, 2000 were achieved at and calculated by the Predecessor. All institutional account returns were calculated using a Modified Dietz methodology. Gross returns for the investment company accounts were calculated by Lipper. For periods prior to September 15, 2000, the net of fee performance was calculated using the highest fee charged by the accounts' previous investment adviser, which was 100 basis points. Subsequently, net of fee performance is presented net of Jennison's actual advisory fees and transaction costs. Since September 15, 2000, gross of fee performance is presented before custodial and Jennison's actual advisory fees but after transaction costs. Returns are gross of reclaimable withholding taxes, if any, and net of non-reclaimable withholding taxes. Actual advisory fees charged and actual account minimum size may vary by account due to various conditions described in Jennison Associates LLC's Form ADV.

The Global Natural Resources Custom Index is comprised of the Lipper Natural Resources Funds Index and the Lipper Global Natural Resources Funds Index. For the period from January 1, 1992 through December 31, 2008, returns for the Lipper Natural Resources Funds Index are shown; thereafter, returns for the Lipper Global Natural Resources Funds Index are shown. Previously, the benchmark was the Lipper Natural Resources Funds Index for all periods. The Lipper Natural Resources Funds Index are funds that invest primarily in the equity securities of domestic companies engaged in the exploration, development, production, or distribution of natural resources (including oil, natural gas, and base minerals) and/or alternative energy sources (including solar, wind, hydro, tidal, and geothermal). The Lipper Global Natural Resources Funds Index are funds that invest primarily in the equity securities of domestic and foreign companies engaged in the exploration, development, production, or distribution of natural resources (including oil, natural gas, and base minerals) and/or alternative energy sources (including solar, wind, hydro, tidal, and geothermal). The Lipper Indices are comprised solely of mutual funds which are subject to higher fees and expenses than Jennison's Composite. Indices are unmanaged and not available for direct investment. Index performance do not reflect any management, custody, transaction or other expenses associated with the active management of a portfolio or strategy, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

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