

# JENNISON SMID CAP CORE 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 to outperform the Russell 2500™ Index over the intermediate/long term, while exhibiting equal or less risk. Seeks to uncover companies that have attractive valuations, and should experience solid earnings growth on an intermediate-term basis. There is no guarantee that the strategy will achieve its objective.

## KEY PROFESSIONALS

	Years of Experience
John Mullman Portfolio Manager	32
Jason Swiatek Portfolio Manager	24
Jeffrey McCarthy Portfolio Advisor	23

## PORTFOLIO FACTS

	Model	Russell 2500 ldx
# of Holdings	80	2,511
Price/Book Ratio	1.9	2.0
Dividend Yield	1.7%	1.8%
12-Month Turnover	38.0%	—
Weighted Avg Mkt Cap	\$4.7B	\$4.4B

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

Jennison believes that active management through original bottom-up fundamental research can add significant value in uncovering inefficiencies that exist in the small/mid-cap asset class. This product's core style represents a blend of both growth and value, and is diversified across industries and sectors. The investment team focuses its research efforts on those companies within the universe that they believe are most likely to generate attractive absolute and relative revenue and earnings growth while remaining reasonably valued relative to expectations. The universe of securities includes those that have market caps between \$250 million and \$3.5 billion. The team primarily relies on its own analysis to identify companies with a strong competitive position, quality management team, demonstrated growth in sales and earnings, balance sheet flexibility and strength, and/or strong earnings growth prospects. The underlying investment philosophy is to buy businesses rather than just stocks. If the initial criteria are met and company meetings further satisfy the team's requirements, detailed financial analysis is then performed. This analysis includes developing internal earnings estimates and three-year earnings/cash flow projections. The final investment decision is based on the appreciation potential of a security relative to its target versus the possible risk attributes.

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 SMID CAP CORE EQUITY COMPOSITE PERFORMANCE AS OF 12/31/2018 (%)

Total Return	QTR	YTD	1-year
Pure Gross Composite	—	—	—
Net Composite	—	—	—
Russell 2500 Index	—	—	—

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%.

As of 9/30/2014, there were no active accounts in the JMA SMid Cap Core Equity Composite. There were no accounts actively managed in the JMA SMid Cap Core Equity strategy from August 1, 2009 through January 31, 2011. Beginning May 1, 2005, "pure" gross of fee returns do not reflect the deduction of any expenses, including trading costs. "Pure" gross of fee returns are supplemental to net of fee returns. "Pure" gross returns from 2004 through April 30, 2005 reflect the deduction of trading costs. Performance presented for periods prior to May 1, 2005 represents the returns achieved by a pooled vehicle managed in a similar strategy.

## SUPPLEMENTAL – SMID CAP CORE EQUITY COMPOSITE PERFORMANCE AS OF 12/31/2018 (%)

Total Return	QTR	YTD	1-year	3-year	5-year	10-year	Since 5/31/2004
Pure Gross Composite	-19.30	-12.47	-12.47	6.48	5.07	13.13	9.29
Net Composite	-19.46	-13.16	-13.16	5.64	4.23	12.26	8.55
Russell 2500 Index	-18.49	-10.00	-10.00	7.32	5.14	13.14	8.26

Information is supplemental to the JMA SMid Cap Core Equity Composite. The inception date of the institutional Jennison SMid Cap Core Equity Composite is May 31, 2004. The institutional Jennison SMid Cap Core 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 in the future. Since Jennison manages its client portfolios 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 SMid Cap Core Equity portfolio had you been invested during this period. While the same SMid Cap Core Equity investment process is applied to both the institutional Jennison SMid Cap Core Equity Composite and the JMA SMid Cap Core Equity Composite, accounts in the institutional Jennison SMid Cap Core Equity Composite generally invest in 70 to 100 securities, whereas wrap accounts in the JMA SMid Cap Core Equity Composite generally invest in 100 to 120 securities, therefore performance results may differ. Performance results are calculated in U.S. dollars and reflect reinvestment of dividends and other earnings. Gross of fee performance is presented before custodial and Jennison's advisory fees but after transaction costs. Net of fee returns were calculated by subtracting the highest annual program fee 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). The Russell 2500™ Index is an unmanaged index and measures the performance of the 2,500 smallest companies in the Russell 3000® Index, which represents approximately 18% 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 invest in an index. All indexes are unmanaged.

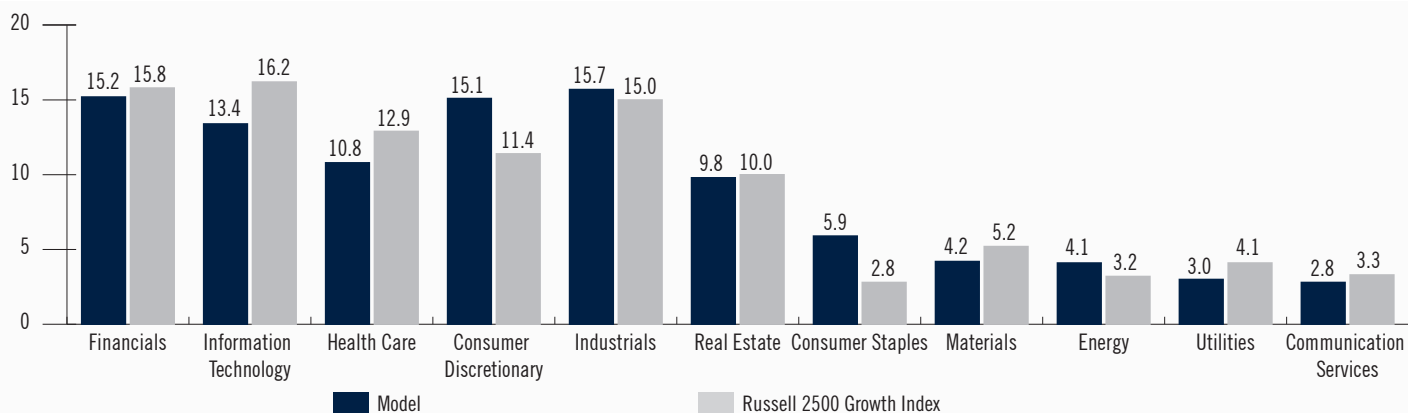


TOP HOLDINGS

1 CDW	2.7%	11 WPX Energy	1.9%
2 Vail Resorts	2.5	12 Evergy	1.9
3 Pinnacle Financial Partners	2.4	13 MFA Financial	1.8
4 Performance Food Group	2.4	14 HubSpot	1.8
5 East West Bancorp	2.2	15 Mobile Mini	1.7
6 Howard Hughes	2.2	16 Five Below	1.7
7 Ulta Beauty	2.0	17 Rexnord	1.7
8 Tallgrass Energy	2.0	18 Gaming and Leisure Properties	1.6
9 BankUnited	1.9	19 CyberArk Software	1.6
10 Planet Fitness	1.9	20 Paycom Software	1.5

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 SMid Cap Core Equity Composite (composite) inception date was January 1, 2004. The composite performance presented for periods from May 1, 2005 to present includes all wrap accounts that are managed in JMA's SMid Cap Core Equity Strategy (strategy). The strategy buys both growth and value stocks using a research-intensive process that uses both fundamental research and a disciplined portfolio construction process. Performance presented for periods prior to May 1, 2005 represents the returns achieved by accounts in the Jennison SMid Cap Core Equity Composite. The Jennison SMid Cap Core Equity Composite includes all fee-paying discretionary non-wrap fee program accounts that have been managed in Jennison's SMid Cap Core Equity strategy for at least one full calendar month. Jennison cannot guarantee that the performance of the Jennison SMid Cap Core 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 SMid Cap Core Equity Composite that may not be experienced by accounts in wrap fee programs. While the same SMid Cap Core Equity investment process is applied to both the Jennison SMid Cap Core Equity Composite and the composite, accounts in the Jennison SMid Cap Core Equity Composite generally invest in 70 to 100 securities, whereas accounts in the composite generally invest in 100 to 120 securities, therefore performance results may differ. The performance data provided is that of the Jennison SMid Cap Core 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.

**SMid Cap Core Equity Composite:** The data presented represents past performance and does not guarantee future results. Performance results fluctuate, and there can be no assurances that objectives will be achieved. Client's principal may be at risk under certain market conditions. Performance results are calculated in U.S. dollars and reflect reinvestment of dividends and other earnings. Gross of fee performance is presented before custodial and Jennison's actual advisory fees but after transaction costs. Net-of-fee returns are calculated monthly by subtracting the highest annual program fee charged by sponsors of programs in which JMA participates from the gross return. The highest annual program fee, which includes fees for JMA's services, charged by sponsors to accounts managed by JMA is 3.00% (0.25% per month). 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. See the ADV for the customary fee schedule. The SMid Cap Core Equity Composite (composite) inception date was May 31, 2004. The SMid Cap Core Equity strategy buys both growth and value stocks using a research-intensive process that uses both fundamental research and a disciplined portfolio construction process. The universe of securities in these accounts will have larger cap names that are not normally included in the accounts in the Small Cap Core Equity Composite. In addition, small cap names in the lower end of the small cap universe are generally held exclusively in the accounts in the Small Cap Core Equity Composite.

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