

**MARKET REVIEW**

Global equities, as represented by the MSCI ACWI Index, generated a total return of 19.2% during the second quarter of 2020 even though the period started out with elevated levels of fear and uncertainty triggered by the COVID-19 outbreaks and lockdowns covering half the world's population. However, this unprecedented economic crisis prompted many governments to respond with extremely aggressive monetary and fiscal stimulus. In the U.S., the combination of the Payroll Protection Program, \$600 of extra weekly unemployment benefit, and \$1200 stimulus checks to many individuals, has helped to stunt the negative impacts of the massive economic contraction. In Europe, the crisis galvanized governments into a proposal to jointly issue bonds to fund a 750-billion-euro economic recovery plan for the European Union. Synchronized lockdowns and social distancing practices eventually enabled many countries to successfully "bend the curve." By the end of the quarter, most countries were in varying degrees of exit from the lockdowns, and investors were looking forward to V-shaped economic rebounds. The initial pace of "re-opening" was indeed promising as U.S. employment data for both May and June came in well ahead of consensus estimates.

**STRATEGY REVIEW**

The strategy generated strong absolute returns for the quarter, though it underperformed its benchmark on a relative basis. This relative underperformance primarily stemmed from some portfolio repositioning in 1Q20, where we added to less economically sensitive and more resilient companies that could withstand the potentially challenging economic environment that we expect in the coming months. These less economically sensitive stocks lagged during the strong market rally in 2Q20, especially in the speculative risk-on market of April. Conversely, European Industrials were a positive relative contributor over the period on the back of proposed stimulus measures in the region.

Industrials was the largest contributing sector, with shares of **Saint Gobain** particularly strong as the company should be a potential beneficiary of proposed stimulus measures in Europe. **Agnico Eagle Mines** was the largest contributing stock, as gold prices rose significantly during the period.

Information Technology was the largest detracting sector, as shares of **Kyocera** underperformed given the company's exposure to the automobile end market which is experiencing COVID-19 related weakness. **China Mobile** was the largest detracting stock, as the shares were negatively affected by the geopolitical tensions between China and the West.

**STRATEGY CHANGES**

The strategy initiated a position in Svenska Handelsbanken AB and Panasonic during the quarter.

**Svenska Handelsbanken** is a Swedish bank focused mostly on retail and commercial operations. The bank boasts one of the strongest balance sheets in Europe, with an excess capital position and has historically experienced very low credit costs, even during times of extreme economic weakness.

The strategy also initiated a position in **Panasonic** which was purchased given the low valuation attached to the battery business, which we believe will be a beneficiary of the shift in the automobile industry from internal combustion engine to electronic vehicles.

The strategy exited several positions during the quarter including Airbus, PT Bank Rakyat Indonesia, and Tokyo Gas. We sold **Airbus** due to worries on the duration of the current crisis coupled with the ongoing health of the air carriers. We also believe the rebound in air travel will be muted post COVID-19. Rising risks to the Indonesian economy as a result of the coronavirus pandemic and falling commodity prices prompted the sale of **Bank Rakyat**. **Tokyo Gas** was sold to fund other compelling holdings and

PERFORMANCE (%)	QTD	YTD	1 YR	3 YRS	5 YRS	10 YRS	ITD
Gross	13.0	-14.1	-8.2	-1.9	1.9	7.1	5.5
MSCI ACWI ex-U.S.A. - Net	16.1	-11.0	-4.8	1.1	2.3	5.1	3.5
Excess Return (Gross)	-3.1	-3.1	-3.4	-3.1	-0.4	2.0	2.1

Inception Date: 7/1/1998

ANNUAL RETURNS (%)	2019	2018	2017	2016	2015
Gross	17.0	-13.8	26.9	3.1	0.9
MSCI ACWI ex-U.S.A. - Net	21.5	-14.2	27.2	4.5	-5.7
Excess Return (Gross)	-4.5	0.4	-0.2	-1.3	6.5

RISK (5-YEAR)	PORTFOLIO	INDEX
Standard Deviation	14.6	14.7
Beta	1.0	1.0
Correlation	1.0	1.0
Tracking Error	3.8	-
Up Capture (%)	95.3	100.0
Down Capture (%)	96.9	100.0
Batting Average	50.0	-
Information Ratio	-0.1	-

ATTRIBUTION	SELECTION & INTERACTION (%)	ALLOCATION EFFECT (%)	TOTAL EFFECT (%)
Comm. Svcs.	-1.5	0.0	-1.4
Cons. Disc.	-0.1	-0.1	-0.2
Cons. Stap.	0.2	0.5	0.7
Energy	-0.5	0.0	-0.5
Financials	-0.5	0.3	-0.2
Health Care	-1.0	0.0	-1.0
Industrials	1.4	0.0	1.4
Info. Tech.	-1.5	0.0	-1.5
Materials	0.9	-0.1	0.7
Real Estate	0.7	-0.1	0.5
Utilities	-0.9	-0.3	-1.2
Cash	0.0	-0.5	-0.5
Total	-2.7	-0.5	-3.2

TOP 5 CONTRIBUTORS	SECTOR	COUNTRY	TOTAL RETURN (%)	TOTAL EFFECT (%)
Agnico-Eagle Mines Limited	Materials	CAN	61.5	1.1
Cie de Saint-Gobain	Industrials	FRA	48.0	0.6
Deutsche Post AG	Industrials	DEU	34.5	0.5
Schneider Electric SE	Industrials	FRA	31.7	0.4
Vonovia SE	Real Estate	DEU	24.5	0.3

TOP 5 DETRACTORS	SECTOR	COUNTRY	TOTAL RETURN (%)	TOTAL EFFECT (%)
China Mobile Limited	Comm. Svcs.	CHN	-8.2	-1.1
Kansai Electric Power	Utilities	JPN	-13.1	-1.0
Kyocera Corp.	Info. Tech.	JPN	-8.4	-0.7
Tokyo Gas Co.	Utilities	JPN	0.8	-0.5
KDDI Corp.	Comm. Svcs.	JPN	1.4	-0.5

# Rockefeller Non-U.S. Equity Strategy

## Second Quarter 2020

strategy changes during the quarter.

### INVESTMENT OUTLOOK

In spite of various economic data that painted a picture of better-than-expected pace of economic rebound in the late spring and the early summer, we believe there will be bumps ahead as the daily new COVID-19 case counts in the U.S. have surged to new highs. The alarming increases in COVID-19 outbreaks across the Southern and Western states in the U.S. will likely impede the rate of normalization. Some industries will continue to face existential threats or depressed demand until effective therapeutics and vaccines become available. Investors will also start to pay attention to Republicans' slippage in the polling data across key swing states, which portends rising odds of a "blue sweep" in the November elections, which could have negative implications for the equity market. On the positive side, we expect additional fiscal stimulus on the scale of \$1 trillion-plus to be passed by U.S. Congress before the end of July as well as good news on therapeutic and vaccine developments. In short, we believe the market's V-shaped recovery phase is likely over, and we caution for some volatility ahead.

SECTOR ALLOCATIONS	PORTFOLIO (%)	INDEX (%)	DIFFERENCE (%)
Industrials	15.3	11.4	4.0
Communication Services	14.9	7.6	7.3
Financials	12.3	18.1	-5.9
Health Care	12.1	10.7	1.5
Information Technology	9.7	11.0	-1.3
Consumer Discretionary	8.3	12.6	-4.3
Utilities	6.7	3.5	3.2
Materials	6.2	7.6	-1.4
Real Estate	5.0	2.8	2.1
Energy	4.8	4.8	0.0
Consumer Staples	2.1	10.0	-7.9
Cash	2.7	0.0	2.7

REGION ALLOCATIONS	PORTFOLIO (%)	INDEX (%)	DIFFERENCE (%)
Europe	52.5	41.9	10.6
Asia / Pacific (ex. Japan)	20.8	30.2	-9.4
Japan	18.2	16.5	1.8
North America	5.7	6.5	-0.7
Africa / Middle East	0.0	2.7	-2.7
Latin America	0.0	2.3	-2.3
Cash	2.7	0.0	2.7

TOP 10 HOLDINGS	PORTFOLIO (%)	INDEX (%)	DIFFERENCE (%)
Vonovia SE	5.0	0.2	4.8
GlaxoSmithKline Plc	4.5	0.5	4.0
Novartis AG	4.1	0.9	3.2
China Mobile Limited	4.0	0.2	3.8
Enel SpA	3.9	0.3	3.5
Schneider Electric SE	3.8	0.3	3.5
Samsung Electronics	3.8	1.2	2.6
Agnico-Eagle Mines Limited	3.7	0.1	3.6
Sony Corp.	3.7	0.4	3.3
Tencent Holdings	3.6	1.8	1.8

PORTFOLIO CHARACTERISTICS	PORTFOLIO	INDEX
# of Holdings	39	2,372
Weighted Med. Market Cap (Bn)	45.2	33.4
Return on Equity (%)	9.9%	11.9%
Price/Earnings Ratio	17.0x	20.8x
Dividend Yield	3.0%	3.1%
Active Share	89.0%	-
Ten Largest Equity Holdings (%)	40.1%	12.2%

BUYS	COUNTRY	SECTOR
Booking Holdings Inc.	USA	Cons. Disc.
Panasonic Corporation	JPN	Cons. Disc.
Svenska Handelsbanken AB	SWE	Financials

SELLS	COUNTRY	SECTOR
Airbus SE	FRA	Industrials
Booking Holdings Inc.	USA	Cons. Disc.
PT Bank Rakyat	IDN	Financials
Tokyo Gas Co.	JPN	Utilities

### STRATEGY OVERVIEW

Portfolio Manager(s)	David P. Harris, CFA
	Jimmy C. Chang, CFA
Strategy Inception	July 1, 1998
AUM (\$M) Strategy	232.9
Benchmark	MSCI ACWI ex-U.S.A. - Net
Vehicle(s)	Separate account
	Commingled Fund

### CONTACT

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### ROCKEFELLER ASSET MANAGEMENT

Rockefeller Asset Management, a division of Rockefeller Capital Management, offers global, U.S., non-U.S., and environmental, social and governance ("ESG") equity strategies, as well as a range of tax-exempt and taxable fixed income strategies, serving institutions, high net-worth individuals and families. With over 30 years of experience in global investing, we pair our distinctive worldview and long-term investment horizon with thorough fundamental research combining traditional and non-traditional analysis. We offer strategies that seek to outperform benchmarks over multiple market cycles, driven by a disciplined investment process in a highly collaborative team culture. As of June 30, 2020, Rockefeller Asset Management had \$9.7B in assets under management.

### INVESTMENT APPROACH

The portfolio seeks to outperform the MSCI All Country World Index ex-U.S.A-Net over a full market cycle (3-5 years). We believe that market inefficiencies are caused by an overemphasis on short-term results, a lack of global perspective, and historical behavioral biases. In seeking to capitalize on these factors, we employ a bottom-up, fundamental investment approach with a long-term horizon, while integrating non-traditional research to provide additional insight into a company's long-term competitive edge and help identify risks that equity analysis alone might not fully consider. Our collaborative investment team seeks to identify an active portfolio of compelling investment opportunities (typically 40-60 names).

### PERFORMANCE AND OTHER NOTES

- The investment return and principal value of an investment will fluctuate and may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Totals may not sum up to 100% due to rounding.
- The information provided is for the Non-U.S. Equity Representative Portfolio ("Non-U.S. Equity Portfolio"), which is included in the Rockefeller Asset Management - Non-U.S. Equity Composite. Strategy performance is provided for the Non-U.S. Equity Composite. The Non-U.S. Equity Portfolio's performance inception date is 7/1/1998. Strategy performance and characteristics are reported on a representative account basis. The performance and characteristics of individual accounts within a particular strategy will vary.
- Returns were calculated using daily, true-time weighted total returns in U.S. dollars that include unrealized and realized capital change and income earned from underlying holdings. Trade date accounting is used for valuing positions. Dividends are recognized in accounts on an ex-date basis. Periods greater than one year are annualized.
- The performance figures shown are gross and do not reflect deductions of advisory, custody and other fees and expenses that an investor would incur in the management of an advisory account. Standard management fees are disclosed in Part 2A of Rockefeller & Co.'s Form ADV. The payment of these fees would reduce an investor's actual investment return over time. For instance, a portfolio valued at \$1,000 achieving an average annual return of 10 percent over a period of five years, before deducting a 1 percent per annum advisory fee paid monthly, would total approximately \$1,611 but only \$1,532 after deduction of fees.
- Prior to January 1, 2013, the benchmark for the Non-U.S. Equity Portfolio was the MSCI EAFE - Net (MSCI EAFE). Effective January 1, 2013 and forward, the Portfolio's benchmark changed to the MSCI All Country World Index ex-U.S.A - Net (MSCI ACWI ex-U.S.A), since that is now more representative of the Portfolio's non-U.S. investment strategy. Annualized returns for the benchmark that include periods prior to January 1, 2013, reflect a time-weighted blend of the MSCI ACWI ex-U.S.A and the historical benchmark. Annual returns for the benchmark reflect the performance of the MSCI EAFE for periods prior to January 1, 2013. Results of the MSCI ACWI ex-U.S.A and the MSCI EAFE are presented after the deduction of certain foreign withholding taxes but do not reflect commissions or fees that would be incurred by an investor pursuing the index.
- Portfolio risk measures, characteristics and holdings are for the time periods or dates shown, are subject to change at any time and may not be representative of current or future risk measures, characteristics and holdings. Characteristics are a weighted median. A complete list of holdings and additional performance attribution information is available upon request.
- Company references and portfolio characteristics are provided for illustrative purposes only and should not be construed as investment advice or a recommendation to purchase, sell or hold any security.
- The returns, risk measures, characteristics and holdings of other portfolios included in the composite or for a new portfolio may vary from the information shown. Future results may vary substantially from past performance. No investment strategy can guarantee profit or protection from loss.
- This information is based on financial, economic, market and other conditions prevailing as of the date of this material and is subject to change. Certain information contained therein may constitute "forward-looking statements" and/or may be obtained from, or based on, third party sources that Rockefeller believes to be reliable. No representations or warranties are made as to the accuracy or completeness of such statements, and actual events, or results may differ materially from those reflected or contemplated. Opinions and analysis offered constitute Rockefeller's judgement and are subject to change without notice.
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12. Rockefeller Capital Management is the marketing name of Rockefeller Capital Management L.P. and its affiliates. Investment advisory, asset management and fiduciary activities are performed by the following affiliates of Rockefeller Capital Management: Rockefeller & Co. LLC, Rockefeller Trust Company, N.A. and The Rockefeller Trust Company (Delaware), as the case may be. Rockefeller Asset Management is a division of Rockefeller & Co. LLC. and the "Firm" for purposes of the Global Investment Performance Standards ("GIPS®"). Rockefeller Asset Management has been independently verified for the period January 1, 2006 through December 31, 2019. Effective January 1, 2018, the Firm was redefined to include the management of fixed income strategies for periods dating back to January 1, 2012. A complete list and description of the firm's composite and / or presentation that adheres to the GIPS® standards is available upon request.
  13. Assets under management are provided for Rockefeller Asset Management, a division of Rockefeller & Co. LLC, and the "Firm" for purposes of the Global Investment Performance Standards (GIPS®). Firm assets under management reflect total GIPS® discretionary and nondiscretionary assets managed by the Firm. Figures as of 06/30/2020. Values might be preliminary based on date materials are published.

Source: FactSet Portfolio Analytics. Possible Rounding Differences.

Rockefeller Asset Management - Non-U.S. Equity Composite - 12/31/2019

Composite Creation Date: January 1, 2000

Reporting Currency: USD

Year	Gross Annual Return	Net Annual Return	Benchmark Return	3-Year Annualized Standard Deviation		Composite Dispersion (Standard Deviation)	Number of Accounts	Composite Assets at Period End (in \$M)	Firm Assets at Period End (in \$M)
				Composite	Benchmark				
2019	16.8%	15.4%	21.5%	12.2%	11.4%	0.5%	17	270.5	10,238.9
2018	-13.9%	-14.9%	-14.2%	11.6%	11.4%	0.2%	14	236.6	8,822.2
2017	27.0%	25.5%	27.2%	11.1%	11.9%	0.2%	10	224.3	9,348.1
2016	3.2%	1.9%	4.5%	11.9%	12.5%	N/A	7	119.4	7,240.3
2015	0.8%	-0.4%	-5.7%	11.6%	12.1%	N/A	6	102.8	7,387.7
2014	-1.3%	-2.5%	-3.9%	11.8%	12.8%	N/A	2	86.2	6,978.4
2013	27.2%	25.7%	15.3%	15.2%	16.0%	N/A	2	82.1	7,187.8
2012	20.8%	19.4%	17.3%	18.8%	19.4%	N/A	2	56.7	7,562.0
2011	-6.4%	-7.5%	-12.1%	21.3%	22.4%	N/A	2	53.8	3,662.4
2010	14.8%	13.5%	7.8%	25.7%	26.2%	N/A	2	53.7	3,927.3
2009	27.3%	25.8%	31.8%	23.2%	23.6%	N/A	2	48.0	3,715.6
2008	-42.9%	-43.6%	-43.4%	20.5%	19.2%	0.2%	7	90.4	2,925.8
2007	11.5%	10.2%	11.2%	N/A	N/A	N/A	7	188.0	4,818.3
2006	29.2%	27.6%	26.3%	N/A	N/A	N/A	5	170.0	4,805.1

#### COMPLIANCE STATEMENT

Rockefeller Asset Management ("RAM") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RAM has been independently verified for the period January 1, 2006 through December 31, 2019. Effective January 1, 2018, the Firm was redefined to include the management of fixed income strategies for periods dating back to January 1, 2012. As a result, the Firm's assets under management for periods after January 1, 2012 have been restated to reflect these additional managed fixed income assets. The verification report are available upon request.

Verification assesses whether (1) the firm has complied with all of the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Non - U.S. Equity Composite has been examined for the period January 1, 2014 through December 31, 2019. The verification and performance examination reports are available upon request.

#### FIRM INFORMATION

RAM is a division of Rockefeller & Co. LLC ("R&Co."). R&Co. is an independent investment management firm which is an indirect wholly owned subsidiary of Rockefeller Capital Management, L.P. In connection with a change in control of Rockefeller & Co.'s parent company effective as of March 1, 2018, R&Co. succeeded to the investment advisory business of Rockefeller & Co., Inc., an investment advisory firm that has been registered with the U.S. Securities and Exchange Commission since 1980. RAM manages a variety of equity, fixed income and multi-asset-class strategies that consist of equity, fixed income and/or alternative assets (e.g., hedge funds or private equity funds) for institutional and high-net-worth clients.

#### COMPOSITE DESCRIPTION

The **Non-U.S. Equity Composite** (the "Composite") is comprised of fee and non-fee paying separately managed and pooled discretionary accounts that invest primarily in publicly traded equity securities of non-U.S. companies with capitalizations typically greater than U.S. \$3B. The account(s) within this Composite are relatively concentrated versus the benchmark and contain growth and value securities. Effective September 1, 2015, one proprietary non-fee paying account was added to the Composite. The Composite seeks to achieve long-term returns which exceed those of a broad market index, such as the MSCI All Country World Index ex USA -Net Dividends. The Composite includes accounts that may hold up to 5% in any single security or 10% in the aggregate of their market value in non-discretionary low cost basis equity securities. A low cost basis equity security is defined as a security with a cost basis of less than 25% of current market value and is non-discretionary. The account(s) may hold fixed income securities from time to time. RAM's list of composite descriptions is available upon request.

## **BENCHMARK**

For comparison purposes, the Composite is measured against the MSCI All Country World Index ex-USA-Net Dividends ("MSCI ACWI ex-USA") for the periods on and after January 1, 2013. The Composite's benchmark changed because we believe the MSCI ACWI ex-USA is more representative of the Composite's non-U.S. investment strategy. The MSCI ACWI ex-USA includes large, mid and small cap companies and targets coverage of approximately 99% of the global equity opportunity set outside the U.S. The MSCI ACWI ex-USA captures large and mid cap representation across 22 of 23 developed markets countries (excluding the United States) and 23 emerging markets countries. The benchmark returns are total returns that include the change in market value and the receipt of dividends. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Sources of foreign exchange rates may be different between the Composite and the benchmark; however, there have not been material differences to date. Prior to January 1, 2013, the benchmark for the Composite was the MSCI EAFE - Net Dividends (MSCI EAFE). Annual returns for the benchmark reflect the performance of the MSCI ACWI ex-USA for periods on and after January 1, 2013 and the performance of the MSCI EAFE for prior periods. Results of the MSCI ACWI ex-USA and the MSCI EAFE and are presented after the deduction of certain foreign withholding taxes. Returns of all indices do not reflect commissions or fees that would be incurred by an investor in pursuing the index return.

## **COMPOSITE CALCULATION METHODOLOGY**

Returns shown are time-weighted total returns in U.S. dollars and reflect receipt of dividends and interest. Gross performance figures are presented gross of investment management fees and custodial fees, but net of withholding taxes and all trading expenses. There is no minimum account size for inclusion in the Composite. Internal dispersion is calculated using the equally weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the Composite for the entire year. For those years when less than six portfolios were included in the Composite for the full year, no dispersion measure is presented. RAM's policies and procedures for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

RAM charges a fee generally based on a percentage of the value of the assets under management. The standard annual management fee schedule for accounts in the Composite is 100 basis points. Clients who access the investment strategy through private funds managed by RAM are also charged an annual 14 basis point administration fee on the value of their invested assets. Fees are negotiable in certain circumstances; as a result, accounts in the Composite may not be charged the standard rate. The gross performance figures do not reflect deductions of advisory fees that an investor would incur in the management of an advisory account. The payment of these fees would reduce an investor's actual investment return over time. For instance, a portfolio valued at \$1,000 achieving an average annual return of 10% over a period of five years, before deducting a 1% per annum advisory fee paid monthly, would total approximately \$1,611, but only \$1,532 after deduction of fees.

Net of Fees returns reflect the gross performance after the monthly deduction of an annual investment management fee of 1.20% - the highest breakpoint in effect under historical fee schedules during the periods shown. RAM's investment management fees, which may be negotiated, are described in more detail in Part 2A of R&Co.'s Form ADV. The actual investment management fees charged may vary by client.

The percentages of the Composite's assets represented by non-fee paying accounts for calendar years 2006 through 2017 are: 3.9% in 2015, and 3.5% in 2016.

## **ADDITIONAL DISCLOSURES**

The information is as of the date of this presentation and may not be representative of current or future performance. The Composite's investments may change at any time. Future results may vary substantially from past performance. RAM considers the information in this presentation to be accurate, but does not represent that it is complete or should be relied upon as the sole source of investment performance or suitability for investment. This presentation may not be reproduced or distributed for any purpose without RAM's prior written consent. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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