

Mondrian Emerging Markets Equity Quarterly Update

Emerging Markets at a Glance

- Total Emerging Markets Assets: \$8.5 billion
- Total Product Assets: \$6.2 billion
- Product Inception: August 1996
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- Number of Stocks: c.50-70
- Annual turnover is generally 30-50%

Our Organization

- Founded in 1990, with over 30 years of stable, consistent leadership
- Emerging strategy started in 1996
- Firmwide Assets: Approximately \$55 billion
- Mondrian is employee owned; approximately half of employees are partners today
- Consistent, income-oriented value discipline has been applied to all products since the firm's inception
- Highly experienced team of 54 investment professionals in London
- Dedicated Emerging team of 8

Performance Summary (USD)

	Composite (Gross) %	Composite (Net) %	MSCI EM %
Cumulative Periods			
Quarter 4, 2019	13.17	12.98	11.84
Annualized Periods			
1 Year	19.07	18.25	18.42
3 Years	9.84	9.08	11.57
5 Years	4.15	3.43	5.61
7 Years	2.13	1.42	3.26
10 Years	4.15	3.43	3.68
Since Inception (August 1996)	8.86	8.10	6.26

Philosophy

We invest in stocks where rigorous dividend discount analysis isolates value in terms of the long-term flow of dividends. Dividend yield and future real growth play a central role in our decision making process and over time the dividend component is expected to be a meaningful portion of expected total return.

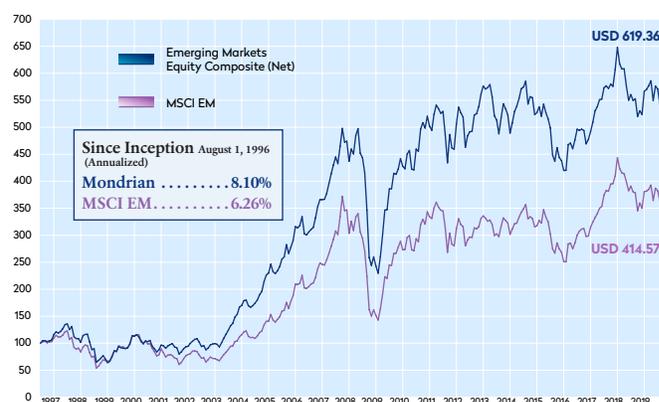
Benefits of Our Approach

Mondrian's approach focuses on providing a rate of return meaningfully greater than the client's domestic rate of inflation. Our portfolios seek to preserve capital during protracted global market declines. Additionally, our portfolio performance has historically been less volatile than the emerging benchmarks and most other emerging equity managers.

Investment Process

- A value oriented dividend discount analysis at both the individual security and market level isolates value across geographic and industrial borders in a unified manner.
- A long term purchasing power parity approach, supplemented by shorter-term probability assessment.
- Fundamental research is strongly emphasized. An extensive program of company and market visits enhances initial qualitative and quantitative desk research, both prior to the purchase of a stock and after its inclusion in the portfolio.

Cumulative Returns (USD) August 1996 = 100



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	Composite Gross Return	Composite Net Return	MSCI EM
Quarter 4, 2019	13.17%	12.98%	11.84%

Performance Highlights and Key Attributes

Emerging Markets posted sharp gains in fourth quarter

The MSCI Emerging Markets Index posted a quarterly gain of +11.8%. The ongoing developments regarding US-China trade relations took a positive turn in December with the announcement of an initial phase one trade deal that markets responded favourably to. All regions posted strong absolute returns, although Asia (+12.5%) was the best performing region. This was driven by outperformance of key markets Taiwan (+17.9%), China (+14.7%) and Korea (+13.4%). India was the notable laggard, still up 5.3%, as concerns lingered over the outlook for the Indian economy. Both Latin America and EMEA underperformed on a relative basis, despite gaining 10.5% and 9.9% respectively. The portfolio outperformed during the lower return months of October and November while displaying effective upside capture during the very strong final month of the year. This resulted in relative outperformance of the Net Composite for the quarter overall.

Top-down allocation was positive for the quarter

Positive country allocation was largely driven by the portfolio's limited exposure to a number of underperforming markets. Underweight positioning in Thailand along with zero exposure to the weak Saudi, Polish and Chilean markets all contributed positively. Offsetting this was the overweight allocation to the underperforming Indian market.

Sector allocation positive; health care outperformed

Prior year-to-date laggard the health care sector rallied during the fourth quarter. In particular, Chinese health care names continued to perform positively after an improvement in sentiment regarding the regulatory environment in China. Accordingly the portfolio's overweight allocation to the sector and positive stock selection added value. Positive stock selection in the consumer staples also contributed to relative returns, offset by positioning in the financials sector.

Stock selection positive; led by Taiwan and South Africa

Stock selection in Taiwan was driven by the continued outperformance of semiconductor names TSMC and ASE Technology. Both stocks benefitted from strong demand indicators relating to 5G rollout and smartphone build cycle. Within South Africa, paper and packaging producer Mondi recovered from year-to-date lows reached during the third quarter, and energy and chemicals producer Sasol rose sharply after announcing the successful repair of the company's new US based ethane cracker. Elsewhere the portfolio's Chinese health care names sustained recent outperformance as China Medical Systems rose 21.1% and CSPC Pharmaceutical

gained 18.8%. During a very positive quarter for the majority of markets, stock selection in India detracted somewhat from relative returns. IT services stocks Infosys and HCL Technologies both lagged, while weakness in industrial Larsen & Toubro and mining company Vedanta also held back performance. Housing finance company Indiabulls received positive news towards year end, when the Indian government filed an affidavit in the Delhi High Court stating there were no irregularities with respect to certain company loans that had been accused of being fraudulent.

Portfolio narrowly outperformed in positive year for emerging markets

The asset class recovered sharply from the weakness experienced in 2018, posting an 18.4% gain for the year. In this strong year for the asset class the Net Composite slightly underperformed on a relative basis. The primary source of relative returns stemmed from the portfolio's top-down positioning. The overweight allocation to the outperforming Brazilian market and underweight positioning in South Africa and Thailand all contributed positively. Similarly zero exposure to the notably weak Chilean and Saudi markets added further value. Positive stock selection in China and Taiwan was offset by more disappointing performance in India, albeit largely caused by the performance of one stock. At the sector level, positioning in the communication services and information technology sectors boosted returns, as did stock selection in the health care and energy sectors. The main exposures that held back relative returns were overweight positioning in the weak materials and stock selection in the financials sector.

Investment Strategy and Portfolio Positioning

The main highlights of the strategy being adopted for the account are:

- A strong value stock orientation. The portfolio has a significant yield premium to the benchmark, a lower P/E and a lower price-to-book and price to cash ratio relative to the index.
- Underweight positioning in the communication services, energy, industrials and utilities sectors where risk adjusted valuations mostly remain challenged.
- Overweight exposure to financials where attractive valuations should be supported by domestic growth and increased penetration of their services and products. Also overweight to IT, materials and health care.
- Underweight in EMEA given unattractive risk adjusted valuations. Zero exposure to Saudi Arabia and Central Eastern Europe, underweight to South Africa.
- Overweight exposure to the attractively valued markets of Russia, India, China and Korea.

Mondrian Emerging Markets Equity

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Characteristics (All information is as of December 31, 2019)

	Mondrian	MSCI EM
Weighted Average P/E (trailing 12 months)*	12.9x	15.0x
Weighted Average P/B	1.6x	1.7x
Weighted Average Dividend Yield	3.4%	2.7%
Number of Holdings	56	1,404
Weighted Average Market Cap	\$97.6 billion	\$102.7 billion
Median Market Cap	\$15.7 billion	\$3.6 billion

Sector Allocation

	Mondrian %	MSCI EM %
Communication Services	3.9	11.0
Consumer Discretionary	14.9	14.2
Consumer Staples	5.8	6.3
Energy	5.8	7.4
Financials	27.0	24.2
Health Care	6.7	2.8
Industrials	3.6	5.3
Information Technology	17.8	15.7
Materials	11.0	7.4
Real Estate	2.0	3.0
Utilities	0.9	2.6
Cash	0.6	—
Total	100.0	100.0

Country Allocation

	Mondrian %	MSCI EM %
Asia	75.3	73.6
China	35.1	34.3
India	11.3	8.6
Indonesia	1.5	1.9
Malaysia	2.4	1.8
South Korea	13.8	11.7
Taiwan	10.2	11.7
Thailand	1.0	2.6
Other Asia	—	1.0
Europe, Africa & Middle East	11.2	15.0
Russia	5.5	3.9
Saudi Arabia	—	2.6
South Africa	4.0	4.7
Other EMEA	1.7	3.8
Latin America	12.9	11.4
Brazil	8.8	7.5
Mexico	3.3	2.3
Peru	0.8	0.3
Other Latin America	—	1.3
Cash	0.6	—
Total	100.0	100.0

*Due to small negative PEs on Embraer and Suzano, overall PE numbers are distorted. Excluding Embraer and Suzano from calculations would give the portfolio PE 10.8.

Portfolio Managers

Andrew Miller Chief Investment Officer – Emerging Markets Equities	Clive A. Gillmore Chief Executive Officer & Group Chief Investment Officer
Ginny Chong Senior Portfolio Manager	Gregory Halton Senior Portfolio Manager
	Boris Veselinovich Senior Portfolio Manager

Mondrian utilizes a team approach to making investment decisions. The individuals listed above represent several key members of the team.

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Important Notes & Disclosures

1. Mondrian claims compliance with the Global Investment Performance Standards (GIPS®). Mondrian is a value-oriented defensive manager seeking to achieve high real returns for its clients. All products utilize an income-oriented value discipline. Mondrian's methodology is applied consistently to markets and individual securities, both bonds and equities. The Emerging Markets Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI EM Index net of US withholding taxes. The portfolios are invested in non-US based equities with the allowance for hedging. The MSCI EM Index assumes the reinvestment of dividends after the deduction of withholding tax and approximates the minimum possible dividend re-investment. To receive a complete list and description of composites and/or a presentation that adheres to the GIPS standards, contact Mondrian Investment Partners (U.S.), Inc at 215-825-4500.
2. This Quarterly Update contains supplemental information which complements the Mondrian Emerging Markets Equity Composite GIPS compliant presentation. Additional information is available upon request.
3. Total Product Assets may consist of multiple composites. Performance for the main composite for the product is shown. Accounts may not be included in the main composite for reasons such as client domicile or client specific investment restrictions.
4. Calculations for P/E, P/B, dividend yield, sector country allocations and market caps are based on generally accepted industry standards. All characteristics are based on a representative account and derived by first calculating the characteristics for each security, and then calculating the weighted-average of these values. The details of exact calculations can be provided upon request.
5. Past performance is not indicative of future results. An investment involves the risk of loss. The investment return and value of investments will fluctuate.
6. There can be no assurance that the investment objectives of the strategy will be achieved.
7. All characteristic data provided is produced using Mondrian's accounting system data.
8. Performance returns marked "Net" reflect deduction of investment advisory fees and are calculated by deducting a quarterly indicative fee from the quarterly composite return. The indicative fee is defined as being the effective fee rate (or average weighted fee) at the composite's minimum account size. Actual net composite performance would be higher than the indicative net performance shown because some accounts have sliding fee scales and therefore lower effective fee rates.
9. Views expressed were current as of the date indicated, are subject to change, and may not reflect current views. Views should not be considered a recommendation to buy, hold or sell any security and should not be relied on as research or investment advice.
10. This Quarterly Update may include forward-looking statements. All statements other than statements of historical facts are forward-looking statements (including words such as "believe," "estimate," "anticipate," "may," "will," "should," "expect"). Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Various factors could cause actual results or performance to differ materially from those reflected in such forward-looking statements.
11. This introductory material is for informational purposes only and is not an offer or solicitation with respect to any securities. Any offer of securities can only be made by written offering materials, which are available solely upon request, on an exclusively private basis and only to qualified financially sophisticated investors. The information set forth herein is a summary only and does not set forth all of the risks associated with the investment strategy described herein.