![MONDRIAN INVESTMENT PARTNERS LIMITED]

FOURTH QUARTER 2019

Mondrian International Small Cap Equity
Quarterly Update

International Small Cap at a Glance

- Total Product Assets: 6.0 billion
- Product Inception: January 1998
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- History of outperformance versus the benchmark, with lower volatility
- Dedicated small cap team
- Universe: Securities that have a maximum market capitalization of approximately US$3.5bn at time of purchase
- Portfolios contain 70-120 securities
- Annual turnover is generally 20-40%

Our Organization

- Founded in 1990, with almost 30 years of stable, consistent leadership
- 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

Performance Summary (USD)

	Composite Gross %	Composite Net %	MSCI World Ex-US Small Cap %
Cumulative Periods			
Quarter 4, 2019	11.49	11.27	11.40
Annualized Periods			
1 Year	25.94	24.97	25.41
3 Years	13.07	12.20	10.42
5 Years	8.62	7.78	8.17
10 Years	10.00	9.15	8.04
15 Years	9.94	9.09	6.64
Since Inception January 1, 1998 (annualized)	**10.69**	**9.84**	**7.70**

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.

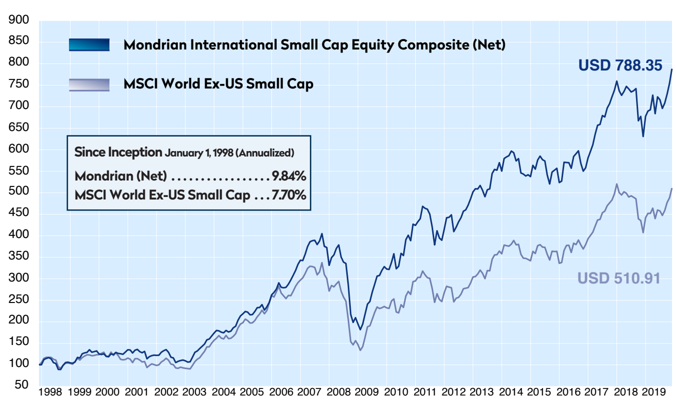
Benefits of Our Approach

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 international small cap benchmarks and performance of most other international small cap 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) January 1998 = 100



See Important Notes & Disclosures on page 5.

	Composite Gross Return	Composite Net Return	MSCI World Ex-US Small Cap
Quarter 4, 2019	11.49%	11.27%	11.40%

Market Background

The MSCI World ex-US Small Cap Index rose 11.4% during the fourth quarter (all returns in US dollars)

2019 saw a slowdown in global economic activity, partly driven by trade tensions between the US and China as well as broader political uncertainty. In response, many central banks opted to ease monetary policy which represented a U-turn on the previous stance of gradual tightening. As a result, market participants lowered their interest rate expectations which helped international small cap markets to rise 12.6% over the first 9 months of the year, despite significant market volatility. In the fourth quarter, markets continued to rise strongly, up 11.4%, after being boosted by currency tailwinds, increasing optimism of a 'phase-one' US-China trade deal and reduced political uncertainty in the UK. Overall, international small cap markets gained 25.4% in 2019.

Most markets rose during the quarter, Asia Pacific markets lagged

The UK small cap market registered the highest returns in the index, up 19.4%. During the quarter, Prime Minister Boris Johnson secured a new Brexit withdrawal agreement with the EU, but failed to pass it through Parliament by his deadline of October 31st. Parliament subsequently voted to hold a general election in December, which the Conservative Party won by a significant margin. Boris Johnson's Parliamentary majority should ensure ratification of the withdrawal agreement by the end of January. Elsewhere in Europe, the Swedish and German small cap markets outperformed the index, gaining 17.2% and 14.6% respectively. The French small cap market underperformed the index, rising 9.2%. The Irish small cap market was the worst performing market in the index, down 1.1%, driven by a weak local consumer staples sector.

In the Asia Pacific region, the Japanese and Singapore small cap markets delivered the highest returns, both gaining 8.1%. The Hong Kong and New Zealand small cap markets returned 6.5% and 6.4% respectively. The Australian small cap market was the weakest in the region, up just 4.0%.

In North America, the Canadian small cap market rose 10.2%.

All sectors registered positive returns; cyclically sensitive sectors led returns

The information technology sector rose 16.1% over the quarter, ending the year as the strongest performing sector, up 50.6%. The cyclically sensitive industrials, consumer discretionary and materials sectors gained 14.1%, 12.3% and 12.1% respectively. The energy and utilities sectors underperformed the index, though still rose 8.2% and 7.9% respectively. The consumer staples sector registered the lowest returns in the index, albeit up 5.7%.

Exchange rate movements boosted US dollar returns

Most international currencies appreciated against the US dollar in the quarter, after the US Federal Reserve cut interest rates again in response to a sluggish global macroeconomic environment. In particular, the New Zealand dollar, the British pound, the Australian dollar and the euro appreciated by 7.6%, 7.5%, 4.2% and 3.0% respectively. The Japanese yen was the only currency to depreciate against the dollar, down 0.6% in the quarter.

Performance Attribution for the Fourth Quarter

In a strong quarter for equity markets the Composite portfolio delivered a positive return of 11.3% (net of fees), marginally underperforming the benchmark by 0.1%.

Stock selection contributed positively overall, predominantly driven by Canada, Germany and Switzerland, and only partially offset by selection in the Netherlands and Sweden. Further positive contributions came from currency movements, particularly an underweight exposure to the weak Japanese yen and an overweight exposure to the New Zealand dollar. However the latter was offset by an overweight position in the relatively weak New Zealand market, the biggest driver of negative market allocation during the quarter.

Performance Attribution for the Year ended 31 December 2019

International small cap markets were strong in 2019, ending the year up 25.4%. The Composite portfolio returned 25.0% (net of fees), underperforming the benchmark by 0.4%.

Strong stock selection in a number of markets, but particularly within Canada, Japan, France and Sweden, was the key driver of outperformance. In Hong Kong, strong stock selection partially offset negative contributions from the overweight position in the weak local market. Additional positive contributions came from an underweight position in the relatively weak Japanese market and overweight exposure to the strong Canadian dollar.

See Important Notes & Disclosures on page 5.

Investment Outlook

A New Decade, But It's Déjà Vu All Over Again

Following the Global Financial Crisis (GFC), we finally saw a synchronized global cyclical recovery in 2016 and 2017 which paved the way for a gradual normalization of monetary policy across the globe, led by the Fed with its ending of quantitative easing (QE). There were expectations that a change in the discount rate would alter risk appetite bringing normalization in financial markets. However, this has now been derailed with the resumption of QE in some cases and an easing bias across both developed and emerging economies – déjà vu!

Prolonged accommodative financial and liquidity conditions have led to slow progress in deleveraging and lax implementation of structural reforms to improve productivity. Inadequate social safety nets to cater for those disadvantaged by globalization and automation alongside asset inflation against an environment of modest economic growth drove wealth inequalities, creating social issues with implications to politics, stability and growth. Unless these issues are resolved, and without significant improvements in productivity and structural reforms, we believe developed economies will face a path of lower trend growth, modest inflation and lower short-term policy rates relative to history.

Indeed, trend growth across developed economies has fallen since the GFC, with sluggish investment cycles keeping productivity levels relatively low. This was reflected in the recent short-lived cyclical recovery from late 2016 to mid-2018 which was muted relative to previous cycles.

It was expected that growth would moderate led by both the US and China due to fading effects of US tax reforms and China's attempt to deleverage and restructure its state-owned enterprises (SOEs), local government and financial institutions. However, the slowdown has been further exacerbated by trade tensions between the US and its trading partners, primarily China. This has affected sentiment, confidence and the investment cycle with implications on manufacturing activity and global trade impacting aggregate global demand. Up until now, global growth has hinged on a single engine – household consumption – kept resilient thus far by low interest rates, healthy employment and wage growth. Monetary easing and fiscal stimulus will provide further support to offset the slowdown caused by trade tensions.

However, fiscal stimulus in the US is likely to be constrained given its fiscal indebtedness and therefore is unlikely to provide significant impetus to accelerate growth. Further, the Chinese authorities have not shown willingness to undertake an aggressive fiscal stimulus response as it attempts to strike a balance between growth and financial stability. Unlike previous slowdowns, fixed asset investment has not been as aggressive. While China is likely to benefit from its stimulus, we may observe some episodic stresses unless its policy gets aggressive. In addition, the recovery in the Eurozone has not been strong and has been impacted by a slowdown in external trade. The Eurozone is therefore unlikely to provide a lift to global growth with its resumption of QE even if Germany undertakes an aggressive fiscal spending policy. As a result, we believe global growth is likely to remain modest given the absence of a boost from the world's two largest economies – the US and China.

Relatively stronger growth in the US and its safe haven status is likely to maintain the strength in the US dollar despite its overvaluation which will pose challenges for international equities. However, whilst slowing global growth, political uncertainties and trade protectionism are likely to limit the performance across broad international equity markets, valuations of equities and currencies outside the US are relatively attractive. On the other hand, corporate profits in the US appear to have reached their peaks, valuations are rich and a strong US dollar limits further upside. This makes international equities, particularly the inefficient international small cap asset class, compelling to a US-based investor, offering appealing alpha-generation opportunities. Market uncertainties with tail risks present opportunities for a manager like Mondrian which adopts a disciplined investment approach focused on targeting real rates of return, downside protection and minimized volatility.

The Mondrian International Small Cap equity portfolio adopts a diversified and balanced approach capturing attractively valued investments with well capitalized balance sheets, enjoying structural growth opportunities with sustainable business models and strong cash flows to support growth and dividend payments. This strategy aims to deliver both downside protection during periods of volatility as well as upside capture during periods of optimism.

See Important Notes & Disclosures on page 5.

Sector Allocation

	Mondrian %	MSCI World Ex-US Small Cap %
Communication Services	4.8	4.4
Consumer Discretionary	11.9	12.1
Consumer Staples	7.5	5.9
Energy	1.0	3.6
Financials	1.3	10.6
Health Care	3.1	6.9
Industrials	33.8	21.1
Information Technology	10.9	9.8
Materials	6.3	9.6
Real Estate	8.4	13.3
Utilities	8.9	2.7
Cash	**2.1**	**–**
TOTAL	100.0	100.0

Country Allocation

	Mondrian %	MSCI World Ex-US Small Cap %
North America	**12.2**	**8.6**
Canada	12.2	8.6
Asia Pacific	**34.5**	**38.4**
Australia	6.2	6.8
Hong Kong/China	3.2	1.7
Japan	17.3	27.6
New Zealand	2.2	0.8
Singapore	5.6	1.5
Europe & Middle East	**51.1**	**53.0**
Belgium	2.4	1.9
France	8.5	3.2
Germany	9.0	5.6
Ireland	1.3	0.3
Italy	1.3	3.2
Netherlands	3.5	2.3
Norway	0.7	2.0
Sweden	3.2	5.6
Switzerland	3.0	4.5
United Kingdom	18.3	17.0
Other Europe	**–**	**7.4**
Cash	**2.1**	**–**
TOTAL	100.0	100.0

Investment Strategy

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

- A defensively positioned portfolio focused on well managed, attractively valued, high yielding companies, with structural growth prospects and robust balance sheets
- Exposure to fiscally strong economies which are able to undertake counter-cyclical fiscal policies to boost domestic growth
- Exposure to smaller de-correlated markets

Portfolio Managers

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See Important Notes & Disclosures on page 5.

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 International Small Cap Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI World Ex-US Small Cap Index net of US withholding taxes. The portfolios are invested in non-US based small capitalisation equities with the allowance for hedging. The MSCI World Ex-US Small Cap 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.

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2. This Quarterly Update contains supplemental information which complements the Mondrian International Small Cap 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 Second 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 results marked "Gross" do not reflect deduction of investment advisory fees but are net of transaction costs and withholding tax. Investment returns will be reduced accordingly. 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.

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