

Mondrian All Countries World Ex-US Equity Quarterly Update

All Countries World Ex-US Equity at a Glance

- Total Product Assets: \$4.9 billion
- Product Inception: February 1998
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- History of lower volatility versus the benchmark
- Portfolios contain 35-55 developed market equity securities and 50-100 emerging market equity securities

Our Organization

- Founded in 1990, with 30 years of stable, consistent leadership
- Firmwide Assets: Over \$49 billion
- Mondrian is employee owned; approximately half of employees are partners
- Consistent, income-oriented value discipline has been applied to all products since the firm's inception
- Highly experienced team of 56 investment professionals in London

Performance Summary (US\$)

	Composite (Gross) %	Composite (Net) %	MSCI ACW Ex-US %	MSCI ACW Ex-US Value %
Cumulative Periods				
Quarter 2, 2020	11.22	11.03	16.12	12.76
Annualized Periods				
1 Year	-12.62	-13.22	-4.80	-15.26
3 Years	-2.20	-2.88	1.13	-3.95
5 Years	0.26	-0.44	2.26	-1.25
7 Years	2.37	1.66	3.71	0.94
10 Years	4.54	3.81	4.97	2.79
Since Inception (February 1, 1998)	5.80	5.07	4.62	N/A

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 equity benchmarks and most other international 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.

Characteristics (All information is as of June 30, 2020)

	Mondrian	MSCI ACW Ex-US
Weighted Average P/E	12.2x	16.0x
Weighted Average P/B	1.1x	1.6x
Weighted Average Dividend Yield	3.8%	2.8%
Number of Holdings	96	2,372
Weighted Average Market Cap	\$58.3 billion	\$78.6 billion

All Countries World Ex-US Equity Quarterly Update Quarter 2, 2020

Quarterly Update

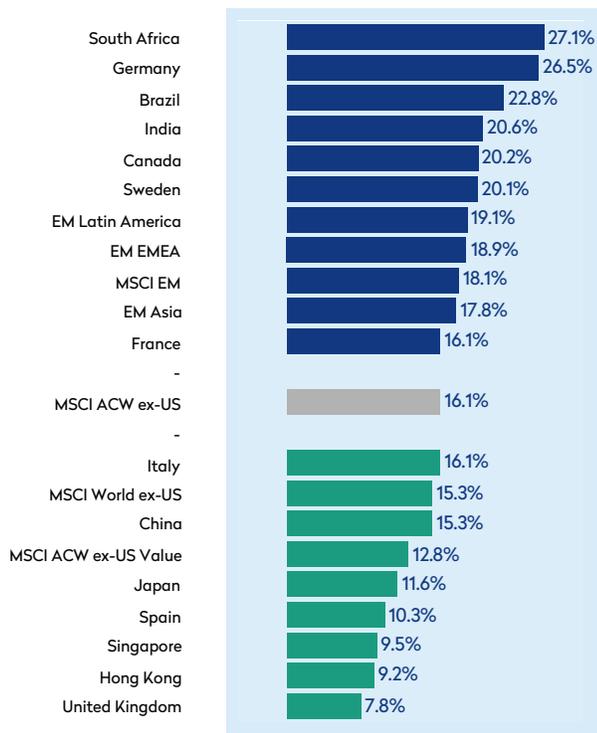
International equities recovered some ground in the second quarter, helped by the tentative re-opening of certain economies and further stimulus adding to already substantial central bank liquidity. European markets led Asia Pacific, supported by hopes of a comprehensive EU support package and falling COVID-19 cases. Cyclical sectors mostly led returns, but the energy sector continued to lag despite a significant rebound in oil prices. Geopolitical tensions resurfaced, including the US-China trade war, Hong Kong, and the ongoing Brexit negotiations. Emerging markets led developed markets during the period as a number of the Asia-Pacific markets emerged from stringent lockdowns earlier than the developed world. International currency appreciation added to US dollar returns.

In a strong quarter for markets and another tough quarter for value investors, portfolio returns lagged the MSCI ACW ex-US index. Returns from MSCI ACW ex-US Value have now lagged MSCI ACW ex-US Growth by c.25% over one year and by c.7% annualized over the last five years. While this has been an unprecedented and prolonged challenging environment for value investors, looking forward we believe that the skew of outcomes for the unloved value space relative to the growth sub-index is even more attractive.

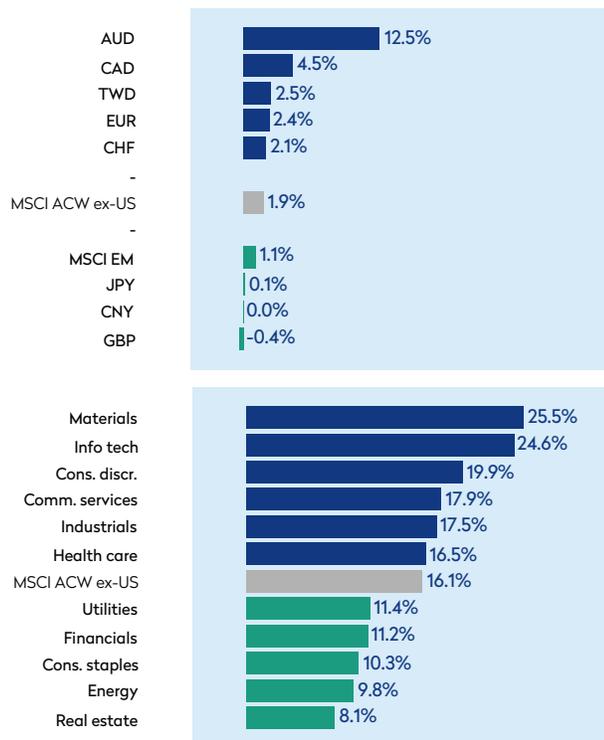
Market Background: MSCI AC World Ex-US Index (USD)

Q2, 2020

Selected Equity Market Returns



Selected Currency and Sector Returns



All Countries World Ex-US Equity

Quarterly Update

Quarter 2, 2020

Performance Attribution

	Relative Effects	Negative Contributors	Positive Contributors
Country Allocation	Held back	Underweight Netherlands Overweight UK Overweight Singapore	Underweight Switzerland Overweight Germany
Stock Selection	Held back	Japan Hong Kong	France India
Significant Stock Contributors		Fujifilm Kyocera CK Hutchison	Saint Gobain Kingfisher Continental
Currency Allocation	Held back	Underweight Australian dollar Overweight British pound	

- **Country allocation held back relative returns, driven by the overweight positions in Singapore and the UK**

While the portfolio benefitted from the underweight position in the Swiss equity market, this was more than offset by the impact of the overweight positions in the UK and Singapore, which lagged the broader index. Uncertainty about ongoing Brexit negotiations and the high weighting to the weak energy sector weighed on the UK market.

- **Stock selection in Asia Pacific weighed on relative returns**

Stock selection in Japan held back relative returns; stocks in the portfolio which had held up well in the weak first quarter consequently did not keep up with the market rebound. Fujifilm, the Japanese diversified imaging and healthcare company, declined as market excitement around the potential for its Avigan antiviral drug to treat COVID-19 abated as the Japanese government delayed regulatory approval. Avigan is not material to our investment case and the company continues to generate strong free cash flow. We had taken some profits earlier in the quarter and the holding has still contributed positively to portfolio relative performance year-to-date and since added. Kyocera, the Japanese electronic component and equipment manufacturer, also fell back. The company's guidance for this year's dividend to decrease by c.25% in line with profits was disappointing given its exceptionally strong net cash balance sheet but Kyocera still appears well-placed to grow earnings and shareholder returns in the long-term.

In Europe, the portfolio benefitted from exposure to attractively valued and oversold cyclicals which should benefit from the gradual reopening of economies. These included Saint Gobain and Kingfisher, which both rose c.50% in the quarter supported by signs of recovery in construction and DIY demand. Saint Gobain's energy saving products are also well placed to benefit from the Next Generation EU recovery fund. Continental, the German auto and tire parts maker, also rose strongly, helped by German government incentives for auto purchases and a faster-than-expected recovery in global auto demand and miles driven, with the important Chinese auto market seeing growth in year-on-year sales.

- **Relative returns were held back by the overweight position in the energy sector**

The positive impact of the underweight positions in the relatively weak consumer staples and real estate sectors was more than offset by the overweight position in the relatively weak energy sector and the underweight position in the strong materials sector. The energy sector continued to lag despite oil prices rising by more than 60% following an OPEC+ agreement to reduce production as dividend cuts and impairments weighed. In contrast, investor optimism over fiscal spending and a recovery in activity in China and ongoing supply disruption in iron ore and copper helped the materials sector to lead returns.

Stock selection within sectors held back relative returns. Although the portfolio benefitted from strong stock selection in the consumer discretionary sector, this was more than offset by stock selection in the IT sector, mostly dominated by the portfolio's holdings in Japan.

- **Currency allocation detracted from relative returns**

Most international currencies appreciated against the US dollar. The underweight position in the strong Australian dollar held back relative returns.

All Countries World Ex-US Equity

Quarterly Update

Quarter 2, 2020

Investment Strategy

Mondrian's bottom-up fundamental research process utilizes a long-term dividend discount model to isolate value at the individual security level, in an approach that makes valuations comparable across differing markets and sectors. The following positioning is a consequence of this investment philosophy:

	Overweight Positions	Underweight Positions
Country Positioning	Asia Pacific Select European markets	Australia Canada
Sector Positioning	Communication services Energy Health care	Materials Real estate Consumer staples

Sector Allocation

	Mondrian	MSCI
	%	ACW Ex-US
	%	%
Communication Services	10.4	7.6
Consumer Discretionary	12.6	12.6
Consumer Staples	6.5	10.0
Energy	7.6	4.8
Financials	18.3	18.1
Health Care	12.2	10.7
Industrials	10.8	11.4
Information Technology	11.9	11.0
Materials	3.1	7.6
Real Estate	0.9	2.8
Utilities	4.8	3.5
Cash	0.9	—
TOTAL	100.0	100.0

Country Allocation

	Mondrian	MSCI
	%	ACW Ex-US
	%	%
North America	0.5	6.5
Canada	0.5	6.5
Developed Pacific	27.6	24.0
Australia	0.8	4.4
Hong Kong	2.7	2.2
Japan	21.1	16.5
Singapore	3.0	0.7
Dev Europe and Mid East	44.0	40.9
Denmark	1.1	1.5
France	6.4	7.1
Germany	7.7	6.0
Italy	3.7	1.5
Netherlands	1.1	2.8
Spain	1.7	1.6
Sweden	2.1	2.0
Switzerland	4.3	6.7
United Kingdom	16.0	9.1
Emerging Markets	26.9	28.7
Cash	0.9	—
TOTAL	100.0	100.0

Portfolio Managers

Elizabeth A. Desmond Director and Chief Investment Officer International Equities	Andrew Miller Chief Investment Officer Emerging Markets Equities	Nigel A. Bliss Senior Portfolio Manager	Steven Dutaut Senior Portfolio Manager
--	---	---	--

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

See Important Notes & Disclosures on page 5.

All Countries World Ex-US Equity Quarterly Update Quarter 2, 2020

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 All Countries World Ex-US Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI ACW EX-US Index net of US withholding taxes. The portfolios are invested in non-US based equities with the allowance for hedging. The MSCI ACW EX-US 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.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.
2. This quarterly update contains supplemental information which complements the All Countries World Ex-US 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 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.
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.

For institutional investors and professional financial advisers only. It should not be assumed that investments made in the future will be profitable or will equal the performance of any security referenced in this piece. Examples of securities bought or sold may not represent a complete list of all transactions in the period. Holdings are subject to change.

Mondrian Investment Partners Limited is authorised and regulated by the Financial Conduct Authority