

## Global Equity Strategy at a Glance

Total Strategy Assets:	USD 536.6 million
Strategy Inception:	1991
Number of Holdings:	35 – 50 securities
Annual turnover:	Approx. 25 – 35%

- Active, value-oriented defensive strategy
- Consistent application of income-oriented valuation approach
- History of outperformance versus the benchmark, with lower volatility

## Global Equity ESG Strategy at a Glance

Total Product Assets:	USD 2.3 million
Product Inception:	January 1, 2019

- Active, value-oriented defensive strategy
- Consistent application of income-oriented valuation approach
- Detailed, long-term fundamental company analysis; systematic and explicit integration of ESG risks and opportunities into company valuations

## Our Organization

- Founded in 1990, with 30 years of stable, consistent leadership
- Firm wide assets over USD 49 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 56 investment professionals

## Performance Summary (USD)

Global Equity ESG Strategy	Composite (Gross) %	Composite (Net) %	MSCI World %	MSCI World (Value) %
Quarter 2, 2020	15.08	14.90	19.36	12.58
Quarter 1, 2020	-19.79	-19.92	-21.05	-26.96
Since Inception (Jan. 1, 2019 annualized)	11.80	11.08	13.12	0.07

Global Equity Strategy	Composite (Gross) %	Composite (Net) %	MSCI World %	MSCI World (Value) %
Quarter 2, 2020	14.09	13.91	19.36	12.58
1 Year	-1.19	-1.83	2.84	-11.32
3 Years (annualized)	4.93	4.25	6.70	-0.81
5 Years (annualized)	6.22	5.54	6.90	2.21
Since Inception (Apr. 1, 1991 annualized)	8.63	7.93	7.06	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 global benchmarks and performance of most other global managers.

## Investment Process

A value-oriented dividend discount analysis that isolates value at the individual security, sector and market levels.

- Assessment of relative global equity valuations is enhanced by in-house purchasing power parity analysis.
- Consistent use of a disciplined valuation process, with emphasis on fundamental stock research and company visits.
- Informed by Mondrian's proprietary ESG Summary Report, the Global Equity ESG product includes principles-based capital allocation.

## Principles-Based Capital Allocation

- Holdings should normally meet or exceed a minimum threshold as assessed using Mondrian's proprietary ESG Summary Reports.
- Exposure to business involvements deemed unacceptable for the ESG mandate—presently fossil fuel extraction, weapons and tobacco—should be minimized.
- Positive consideration would typically be given to stocks with more favorable ESG characteristics where two or more companies exhibit comparable valuations.

## Performance Highlights and Key Attributes

---

### Global markets rally strongly despite worldwide coronavirus cases passing 10 million

US stocks recorded their best quarter in more than 20 years, a remarkable rally considering the coronavirus pandemic brought economies around the world to a virtual standstill in the period. The strength of markets can largely be attributed to the speed and scale of the monetary and fiscal stimulus announced by governments around the world. After cutting interest rates to near zero in March, the Federal Reserve announced it would start buying junk bonds in April and in June, committed to low interest rates through 2022. Relations between the US and China continued to sour in the period with accusations over the cause and mismanagement of the coronavirus pandemic being made on both sides. The US increased pressure on Huawei, the Chinese tech giant, in the period and Beijing instructed state-owned firms to halt the purchase of US agricultural products, which had been a key part of previous trade negotiations. The net composite lagged in a strong market, which was once again, driven by growth stocks: MSCI World Growth outperformed MSCI World Value by 1150bps.

### Country allocation was a headwind to performance

Overweight exposure to the Japanese, Singaporean and UK markets and underweight exposure to the US market detracted from returns in the period. These negative effects were partly offset by underweight exposure to the Swiss and Canadian market.

### Sector allocation detracted from returns

The portfolio benefited from its underweight exposure to the financials, real estate, and energy sectors. Traditionally defensive sectors such as consumer staples and utilities lagged this quarter. The portfolio's overweight exposure to these attractively valued defensive sectors pulled back relative returns.

### Stock selection was negative on both a regional and sectoral basis

Strong stock selection in the materials, consumer discretionary and utilities sectors was more than offset by weaker selections in IT and health care. On a regional basis, strong stock selection in the UK and Switzerland was more than offset by weaker stock selection in the US and Japan.

### Currency allocation effects were a headwind

Underweight exposure to the US dollar and overweight exposure to the Euro and Singapore dollar were positive for performance. These positive effects were more than offset by having no exposure to the Canadian and Australian dollar.

## Investment Strategy and Portfolio Positioning

---

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

- Underweight position in the US market
- Overweight positions in the UK and Japan
- Overweight positions in the health care sector and an underweight position in the financial sector

## Investment Strategy and Portfolio Positioning (continued)

### • New Stock Overview – Centene



Centene is a US-based health insurance company that focuses on providing government-subsidised services to poorer members of the population. It does this through the delivery of health insurance programs, primarily Medicaid (for disabled and the poorest people), but also Medicare (for aged people) and public exchanges (for those whose incomes are too high for Medicaid). Managed Care Organisations (MCO) can deliver health care at a higher quality and lower cost than traditional government programs, meaning that the industry over time should grow faster than health care spending, which itself should grow faster than GDP.

Centene has a long history of winning share organically and via acquisitions. As an insurer, its risks are short-tail and the company has a proven record of good execution by pricing effectively. Its management is well-regarded and its balance sheet is healthy. Further, given its counter-cyclical characteristics, the company's top-line should see a boost in a recessionary environment and the company will benefit should lockdowns last longer than expected.

#### ESG Considerations

In 2017, Centene launched its Provider Accessibility Initiative: the program has helped over 123,000 people across Centene's health plans to have improved disability access to their medical providers' offices and services.

### • New Stock Overview – Waters Corp



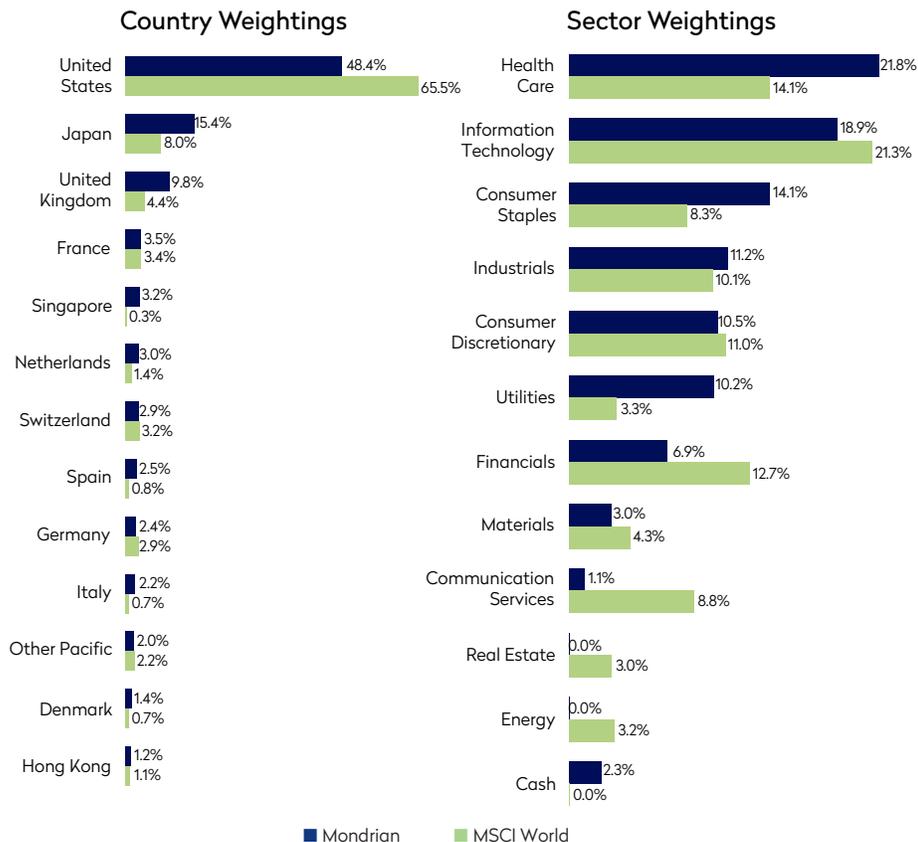
Waters Corp is a leading supplier of analytical instrumentation and consumable products, which are used mainly for research and quality assurance applications by pharmaceutical, life science, biochemical, industrial, academic and government customers. The company has a No. 1 position in the liquid chromatography market (about 55% of its instrument business), a top 5 position in the mass spectrometry market (about 30%) and a No. 1 position in the thermal analysis market (about 15%). Further, the company has a strong recurring revenue mix (approximately 50% of sales).

Water's growth has slowed in 2018 and 2019, and its share price has lagged, given a gradually decelerating liquid chromatography product cycle, share shifts in some markets and headwinds from new Chinese government policies impacting the company's generic pharmaceutical and food testing customers. The stock has pulled back further in 2020, given the impact of coronavirus on Waters' end markets. We believe that the stock is now attractively valued, even when assuming a slowdown in organic growth. Going forward, we expect to see the company generating significant free cash, with among the highest operating margins in its industry, while it continues to endorse high-ROIC investments. We took advantage of the recent price weakness to initiate a position in the stock.

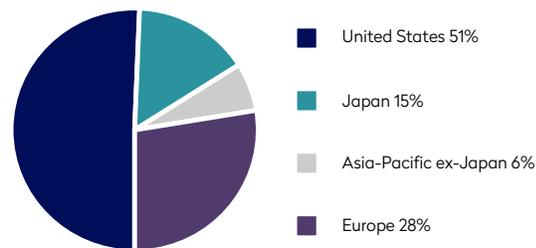
#### ESG Considerations

As an industry leader in specialty measurement, Waters Corp enables scientists across many fields of innovation to advance solutions to the world's most pressing problems. It helps the pharmaceutical industry to discover and develop new treatments and the food industry to address the challenges of feeding the world's growing population.

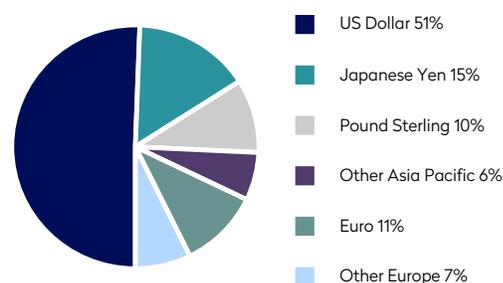
## Portfolio Composition



## Portfolio Revenue by Geographical Exposure



## Currency Exposure



## Characteristics

	Mondrian	MSCI World
Weighted Average P/E (trailing 12 months)	17.0x	20.6x
Weighted Average P/B	2.0x	2.5x
Weighted Average Dividend Yield	2.7%	2.2%
Number of Holdings	42	1603
Weighted Average Market Cap	USD 164.3 billion	USD 248.5 billion
Median Market Cap	USD 28.3 billion	USD 12.3 billion

MSCI World – The MSCI World net Index is a free float adjusted market capitalization index that is designed to measure the equity market performance of global developed markets.

Index returns are shown with net dividends reinvested.

Weighted Average Market Cap – The portfolio-weighted average market capitalizations of all equity securities.

Portfolio Turnover – A measure of how frequently assets within a fund are bought and sold by the managers.

Price-to-Earnings – The Price to Earnings Ratio is a stock’s current price divided by the company’s trailing 12-month earnings per share from continuous operations.

Price-to-Book – The Price to Book Ratio links the stock/share price of a company with the book or accounting value of shareholders’ equity per share.

Dividend Yield – The Dividend Yield is the portfolio-weighted average of the annualized gross dividend per share figure of all portfolio holdings.

## Portfolio Managers

**Aileen Gan**  
Chief Investment Officer – Global Equities

**James Francken**  
Portfolio Manager

**Harry Hewitt**  
Assistant Portfolio Manager

## Important Notes and 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 Global Equity ESG Global Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the Morgan Stanley Capital International World or equivalent Index. The benchmark index for 1994 and 1995 is a customised index consisting of the monthly USD return of the Standard & Poor's 500 Composite Index (60% weighting) and the Morgan Stanley Capital International EAFE Index (40% weighting). The weightings were changed in January 1996 to 67% and 33% respectively. From January 1997 the benchmark returned to the Morgan Stanley Capital International World Index. All indices are net of US withholding taxes. The portfolios are invested in global equities allowing for country weighting restrictions with restricted allowance for investment in bonds.

During the period April 1991 to September 2004 the Global Equity Composite performance was achieved with US stock selection input from Mondrian's former affiliate, Delaware Investment Advisers ("DIA"). Mondrian had overall responsibility for the asset allocation decisions between the US and non-US portions of this composite. Shortly after the MBO of Mondrian in September 2004, the services of DIA were no longer utilized in the constituent portfolio of this composite and the entire responsibility for US stock selection for this composite has resided with Mondrian. Any new global equity mandate will utilize Mondrian's in-house US stock selection capabilities. From September 2004 to May 2007, the Mondrian Global Equity Composite has consisted only of a Mondrian sponsored limited partnership with no external investors.

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 Global Equity ESG Composite GIPS compliant presentation. Additional information is available upon request.
3. Total Product Assets may consist of multiple composites. If showing Total Product Assets, Total Assets 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.
12. For institutional investors and professional financial advisers only.
13. 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.
14. Mondrian Investment Partners Limited is authorised and regulated by the Financial Conduct Authority

## Further Information

For more information please contact Mondrian Investment Partners (U.S.), Inc. at 215-825-4500