

Mondrian International Aggregate Fixed Income Overview

Q2 | June 30, 2020

Mondrian Investment Partners Limited

- Mondrian is **employee owned**; approximately half of employees are partners today
- Founded in 1990, with **30 years** of stable, consistent leadership
- Highly experienced team of **56 investment professionals** in London
- Firmwide assets: over **USD 49 billion**
- Income-oriented **value discipline** across all products

Our Approach to International Aggregate Fixed Income

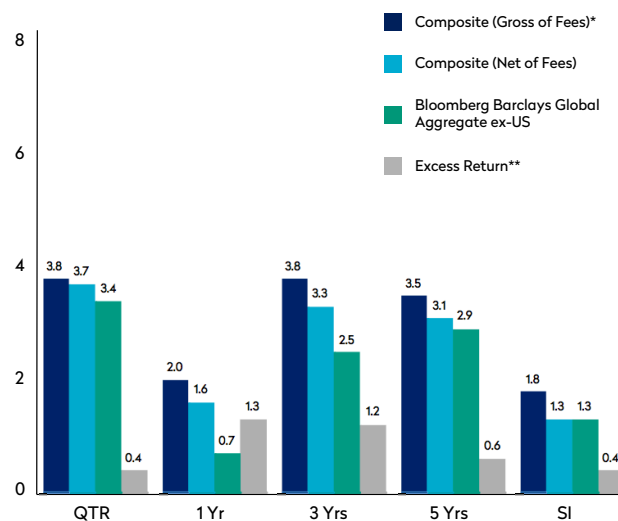
- USD 4.1 billion in Fixed Income; **USD 2.1 billion in Developed Markets Debt**
- We invest in international bond markets that best compensate for inflation and sovereign credit risks measured by a market's **Prospective Real Yield**
- Mondrian's **value approach** to international credit is **quantitatively driven**, extracting value across the **credit cycle**, by identifying the best value opportunities using **Relative Value Indicators**
- Currency allocation: **Purchasing Power Parity** approach used; supplemented by our sovereign credit analysis
- **Opportunistic exposure** to U.S. debt, emerging markets debt and inflation-linked bonds
- **Environmental, Social and Governance (ESG)** considerations are integral to our process

Why Mondrian International Aggregate Fixed Income?

- **Strong track record** – we believe this is **repeatable** for the following reasons:
 - **Financially robust, employee-owned firm** – long-term continuity and stability
 - **Stable, well-resourced team** with expert knowledge of the asset class
 - **Disciplined process** that has been shown to work over a long period
 - **Not reliant on “star managers”** with potentially unrepeatabe calls
 - **Nimble** – manageable AUM and focused team means we can continue to rapidly exploit opportunities

- **Comprehensive ESG integration** – sovereign and corporate investment process **awarded A+** in the 2020 PRI assessment¹
- **Competitive management fees**

International Aggregate Fixed Income Composite (USD)



*Inception Date: November 1, 2003

**Measured against the Gross Composite

Source: Mondrian Investment Partners/Bloomberg Barclays Global Aggregate ex-US Bond Index

Characteristics

	Mondrian Representative Account	Bloomberg Barclays Global Aggregate ex-US Index
Yield to Maturity (%)	0.8	0.6
Modified Duration	8.5 years	8.3 years
Average Maturity	10.0 years	9.7 years
Average Quality	A+	A+
Information Ratio (3yrs)	1.1	—
Number of Issues	80	11,297

Source: Mondrian Investment Partners/Bloomberg Barclays Global Aggregate ex-US Bond Index

¹Please refer to www.unpri.org for the Principles for Responsible Investments (“PRI”) assessment methodology. Mondrian’s full Assessment Report and Transparency Report may be requested via the PRI Data Portal.

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Top Active Positions

Local Currency Bonds

	Duration Weighted Exposure (%)	
	1	2
	Mondrian Allocation	Active Weight

Overweights

Japan	36.8	+6.9
Mexico	3.9	+3.6
USA	3.2	+3.2

Underweights

United Kingdom	3.5	-8.9
Eurozone	35.7	-2.2
Canada	2.8	-2.0

Currencies

	Currency Exposure (%)	
	3	4
	Mondrian Allocation	Active Weight

Overweights

Mexico	4.7	+4.3
United Kingdom	11.5	+3.0
Norway	2.0	+1.8

Underweights

Eurozone	38.8	-3.1
Canada	2.5	-2.2
Australia	0.0	-2.2

Sectors

	Duration Weighted Exposure (%)	
	5	6
	Mondrian Allocation	Active Weight

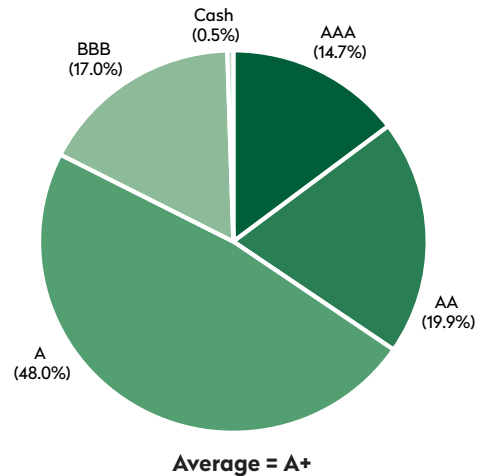
Treasury	85.8	+10.0
Government-Related	6.4	-7.3
Corporate	8.6	+0.5
Securitized	1.1	-1.4

1.3.5 Allocation in representative account. Absent client restrictions, allocations are consistent across all client portfolios with the same mandate type. Bond exposures are calculated in duration weighted terms.

Where bond exposure is shown, this represents the portfolio's exposure to bonds issued in that currency. Where currency exposure is shown, this represents the portfolio's exposure to bonds, cash and forward positions denominated in that currency.

2.4.6 Active weight exposure (Mondrian weight minus index weight).

Credit Rating Distribution



The pie chart above for the Mondrian representative account has been constructed using the index rating methodology.

Source: Mondrian Investment Partners/Bloomberg Barclays Global Aggregate ex-US Bond Index

Important Notes and Disclosures

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 Mondrian International Aggregate Fixed Income Composite includes US dollar based discretionary fee paying portfolios, measured against the Bloomberg Barclays Global Aggregate ex-US Index gross of US withholding taxes. The portfolios are invested in global bonds and are allowed no more than 20% in emerging markets debt. 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.

This Quarterly Update contains supplemental information which complements the Mondrian International Aggregate Fixed Income Composite GIPS compliant presentation. Additional information is available upon request.

Calculations for yield to maturity, modified duration, average maturity, average quality and country allocations 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.

Past performance is not indicative of future results. An investment involves the risk of loss. The investment return and value of investments will fluctuate.

There can be no assurance that the investment objectives of the strategy will be achieved.

All characteristic data provided is produced using Mondrian's accounting system data.

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.

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.

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.

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.

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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.

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