

Mondrian U.S. Small Cap Equity

U.S. Small Cap at a Glance

- Total Product Assets: USD 132.9 million
- Product Inception: July 2015
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- Benchmark: Russell 2000/Russell 2000 Value
- Dedicated U.S. small cap team
- Universe: Securities that have a market capitalization of up to USD 4 billion at time of purchase
- Portfolios contain 30-60 securities
- Annual turnover is expected to be below 40%

Our Organisation

- Founded in 1990, with 30 years of stable, consistent leadership
- Approximately USD 50 billion under management and advisement¹
- 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 57 investment professionals in London

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 seeks to be less volatile than the applicable indices and competitors.

Investment Process

- A value oriented dividend discount analysis isolates value in a unified manner
- Fundamental research is strongly emphasized. An extensive program of company visits enhances initial qualitative and quantitative desk research, both prior to the purchase of a stock and after its inclusion in the portfolio

Composite ¹	Composite Gross (%)	Russell 2000 (%)	Russell 2000 Value (%)	Relative Return (%)
Q320	-0.6	4.9	2.6	-5.3
1Yr	-21.7	0.4	-14.9	-22.0
3Yrs (Ann)	-4.0	1.8	-5.1	-5.7
SI Jul 1, 2015 (Ann)	1.8	5.0	1.7	-3.0

Sector Allocation ²	Mondrian (%)	Russell 2000 (%)	Russell 2000 Value (%)
Communication Services	—	2.3	2.6
Consumer Discretionary	—	13.5	13.3
Consumer Staples	—	3.4	3.7
Energy	3.3	1.9	3.9
Financials	4.9	14.8	26.6
Health Care	5.7	21.5	6.9
Industrials	39.7	15.2	16.8
Information Technology	19.2	13.5	6.0
Materials	17.5	4.0	5.6
Real Estate	8.8	6.6	9.9
Utilities	—	3.2	5.0
Cash	0.9	—	—
Total	100.0	100.0	100.0

Notes:

¹Performance in USD (gross).

Source: Mondrian Investment Partners and Russell.

Characteristics ²	Mondrian	Russell 2000	Russell 2000 Value
P/E (Trailing 12 Months)	15.1x	18.6x	14.0x
P/B	1.9x	2.0x	1.2x
Dividend Yield (%)	2.7	1.5	2.7
Number of Holdings	38	2,019	1,459
Weighted Average Market Cap (USD)	2,306	2,484	1,907
Median Market Cap (USD)	1,941	643	558
Information Ratio (3Yrs)	-0.9 ³ /0.2 ⁴	—	—

Notes:

²Representative account benchmarked to Russell 2000.

³Versus Russell 2000.

⁴Versus Russell 2000 Value.

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 individual securities, both bonds and equities. The U.S. Small Cap Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the Russell 2000 gross of US withholding taxes. 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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This Quarterly Update contains supplemental information which complements the Mondrian U.S. Small Cap Equity Composite GIPS compliant presentation. Additional information is available upon request.

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.

Calculations for P/E, P/B, dividend yield, sector allocations and market caps are based on generally accepted industry standards. All characteristics are based on a representative account and derived by 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. 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.

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Data sources: Mondrian and FactSet. Russell 2000 characteristics calculated by Mondrian using generally accepted industry standards.