Quarter 2, 2020

Mondrian International Equity SMA

Model Delivery Product Update

MONDRIAN INVESTMENT PARTNERS LIMITED

International Equity SMA Model at a Glance

Total Product Assets: $1.5 billion
Product Inception: December 1, 2009

- Active, fundamental, long-term value investment philosophy
- Consistent application of income oriented valuation methodology
- Detailed, long-term fundamental company analysis
- History of outperformance versus the benchmark, with lower volatility

Our Organization

- Founded in 1990, with 30 years of stable, consistent leadership
- Firm wide assets over $49 billion under management and advisement
- 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 (US dollars)

International Equity Delivered Strategy	Composite (Gross)	Composite (Net)	MSCI EAFE	MSCI EAFE (Value)
Quarter 2, 2020	9.71	9.60	14.88	12.43
1 Year	-10.70	-11.06	-5.13	-14.48
5 Years (annualized)	1.46	1.05	2.05	-1.59
Since Inception (Dec. 1, 2009 annualized)	4.34	3.93	4.14	1.76

Philosophy

Our model contains 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 seeks to provide three key investment benefits:

1. A rate of return meaningfully greater than the client's domestic rate of inflation
2. Preservation of capital during protracted global market declines
3. Less volatile portfolio performance than international equity benchmarks and other international equity managers

Investment Process

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

- Long-term purchasing power parity approach, supplemented by shorter-term probability assessment
- Long-term fundamental research is strongly emphasized; an extensive program of company and market visits enhances qualitative and quantitative research

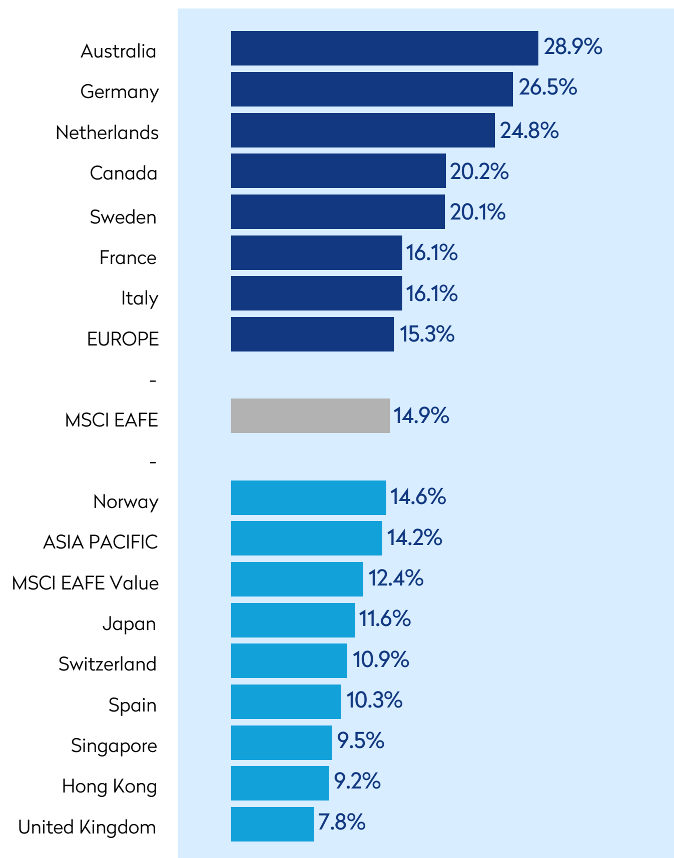
Quarterly Update

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. International currency appreciation added to US dollar returns.

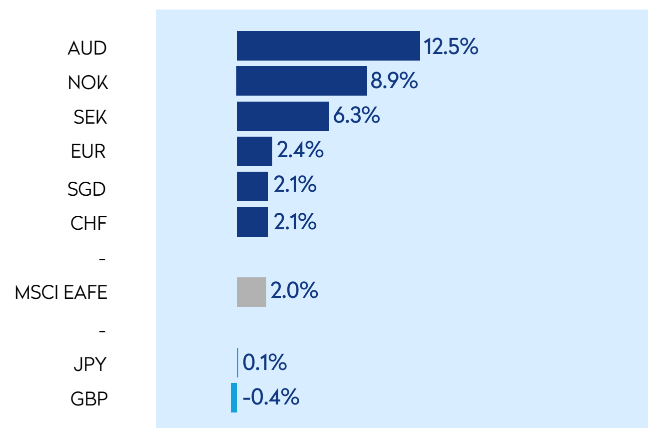
In a strong quarter for markets and another tough quarter for value investors, net composite returns lagged the MSCI EAFE index. Returns from MSCI EAFE Value have now lagged MSCI EAFE Growth by c.20% over one year and by more than 7% annualized over the last five years. While this has been an unprecedented 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.

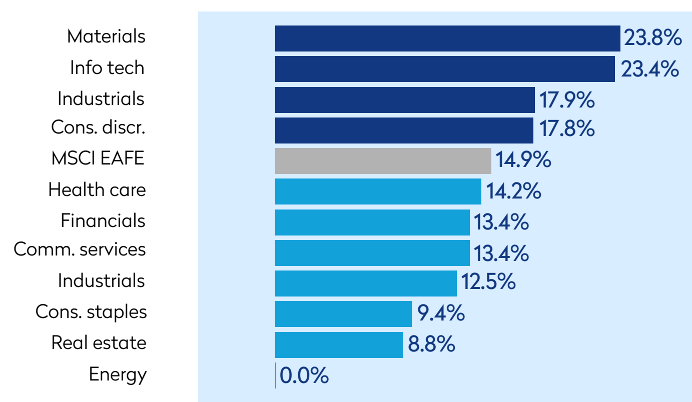
Market Background: MSCI EAFE Index (USD) Q2 2020

Selected Equity Market Returns



Selected Currency and Sector Returns





Performance Attribution

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

International Equity SMA Portfolio

- **Country allocation held back relative returns, driven by the overweight positions in Hong Kong 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 Hong Kong which lagged the broader index. Uncertainty about ongoing Brexit negotiations and the high weighting to the weak energy sector weighed on the UK market. The Hong Kong equity market lagged after China imposed a new security law and the US began to take measures to partially remove the territory's special economic status. All of the portfolio's holdings listed in Hong Kong generate most of their revenues and profits outside of domestic Hong Kong.

- **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 Hong Kong, China Mobile lagged given its more defensive qualities.

  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 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**

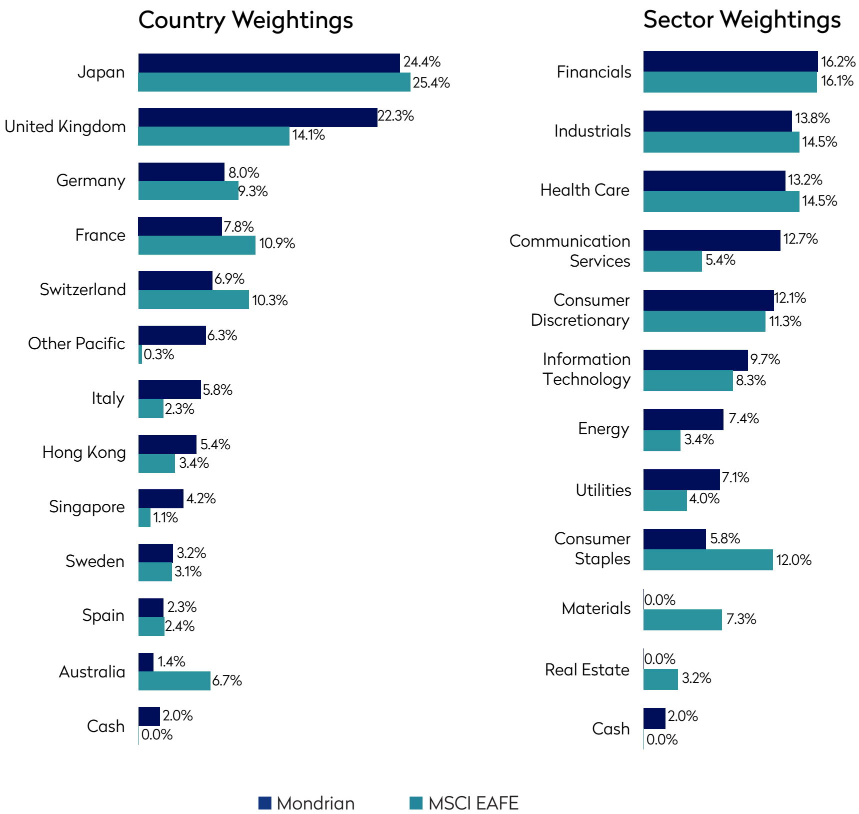
  Most international currencies appreciated against the US dollar. The underweight position in the strong Australian dollar held back relative returns.

Investment Strategy

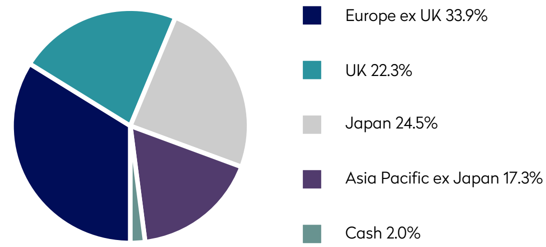
Mondrian's bottom-up fundamental research process utilizes a long-term dividend discount model to isolate value at the individual security level, in an approach that makes valuations comparable across differing markets and sectors. The following positioning is a consequence of this investment philosophy:

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

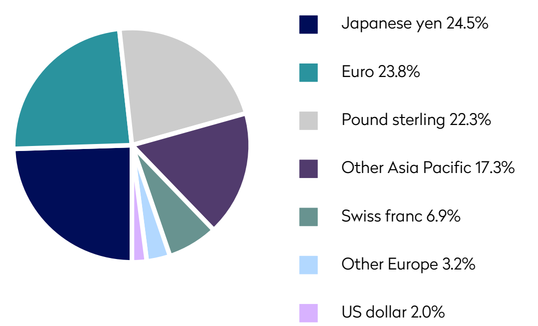
Portfolio Composition



Geographical Equity Exposure



Currency Exposure



Characteristics

	Mondrian	MSCI EAFE
Number of Holdings	37	902
Weighted Average Market Cap	$60.0 billion	$60.7 billion
Median Market Cap	$34.7 billion	$9.5 billion
Price-to-Earnings	11.9x	15.8x
Price-to-Book	1.1x	1.5x
Dividend Yield	4.2%	2.8%

MSCI EAFE – The MSCI EAFE Index (Europe, Australasia, Far East) is a free float adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US and Canada.

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

Elizabeth A. Desmond
Director and Chief Investment Officer
International Equities

Nigel A. Bliss
Senior Portfolio Manager

Zsolt Mester
Portfolio Manager

Mondrian utilizes a team approach to making investment decisions at the strategy level, with input from across the International Equity team. The individuals mentioned above make the final decisions for the International Equity SMA.

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 International Equity Delivered Strategy Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI EAFE Index net of US withholding taxes. The International Equity Delivered Strategy Composite portfolios are invested in non-US based equities with the allowance for hedging. The MSCI EAFE 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 (.), Inc at 215-825-4500.
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3. This Quarterly Update contains supplemental information which complements the Mondrian International Equity Delivered Strategy Composite GIPS compliant presentations. Additional information is available upon request.
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 may be higher than the indicative net performance shown because some accounts may have sliding fee scales and therefore lower effective fee rates.
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