

Mondrian Emerging Markets Value Equity Fund

MPEMX

Fund Objective

The Fund seeks long-term capital appreciation.

Investment Strategy

Mondrian is an active, value-oriented defensive manager. We invest in securities of emerging markets companies where rigorous dividend discount analysis identifies value in terms of long-term flow of income. 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 the Fund's expected total return.

The decision making process for the Mondrian Emerging Markets Value Equity Fund combines bottom-up and top-down analysis and stock selection is core to the Fund's investment process. Key to the research process is fundamental company analysis and a comprehensive program of visiting current and prospective companies. The Fund's investment approach seeks to generate three specific benefits:

- Provide a rate of return meaningfully greater than the US shareholder's domestic rate of inflation.
- Preserve capital during protracted international market declines.
- Provide Fund performance that is less volatile than the MSCI EM Index (emerging markets) and other emerging markets mutual funds.

Fund Overview

Initial Investment	\$50,000
Inception Date	November 2, 2007
Total Net Assets	\$15m
Ticker Symbol	MPEMX
CUSIP	36381Y207
NAV	\$8.68
Net Expense Ratio	0.92%
Gross Expense Ratio	1.13%

Fund Performance

	Quarter	1 Year	Annualized Returns			
			3 Years	5 Years	10 Years	Since Inception
Mondrian Fund	20.02%	15.83%	5.56%	10.07%	2.00%	1.61%
MSCI EM	19.70%	18.31%	6.17%	12.81%	3.63%	2.28%
MSCI EM Value	22.98%	5.48%	1.77%	9.18%	0.90%	0.76%

The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than performance quoted. For performance data current to the most recent month end, please call 888-832-4386. NAV returns since inception of November 2, 2007 when the Fund was the Laudus Mondrian Emerging Markets Fund. The Fund was reorganized into the Mondrian Emerging Markets Value Equity Fund on September 24, 2018. It continues to be managed in the same way.

Country Allocation

	Fund	MSCI EM
Asia	85.7	80.0
China	43.8	39.1
India	10.8	9.2
Indonesia	1.7	1.3
South Korea	12.6	13.5
Taiwan	16.7	12.8
Other Asia	—	4.1
Europe, Middle East & Africa	4.9	12.1
Russia	2.5	3.0
Saudi Arabia	—	2.4
South Africa	2.4	3.5
Other EMEA	—	3.3
Latin America	7.4	7.9
Brazil	4.6	5.1
Mexico	1.3	1.7
Other Latin America	1.5	1.1
Developed Markets	3.1	—
Cash	-1.2	—
Total	100.0	100.0

MSCI Emerging Markets Index (Net) - A free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global emerging markets. This series approximates the minimum possible dividend reinvestment. The returns are calculated applying dividend withholding rates applicable to non-resident persons who do not benefit from double taxation treaties.

The MSCI Emerging Markets Value Index captures large and mid cap securities exhibiting overall value style characteristics across 26 Emerging Markets (EM) countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

Effective September 24, 2018, Mondrian Investment Partners Limited (the Advisor) has contractually agreed to waive fees and reimburse expenses to the extent necessary to keep Total Annual Fund Operating Expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses and non-routine expenses from exceeding 0.92% of the Fund's average daily net assets until February 28, 2021.

Fund Characteristics

	Fund	MSCI EM
Number of Securities	44	1,397
Wtd. Avg. Market Capitalization	\$159,840m	\$155,677m
Price-to-Earnings *	18.6	21.7
Price-to-Book	2.5	2.0
Price-to-Cash Flow	13.7	13.0

Sector Allocation

	Fund	MSCI EM
Banks & Diversified Financials **	15.3	15.0
Communication Services	11.3	11.6
Consumer Discretionary	10.6	18.3
Consumer Staples	8.1	5.9
Energy	4.2	5.0
Health Care	5.6	4.7
Industrials	—	4.3
Information Technology	33.2	20.5
Insurance **	6.0	2.9
Materials	6.9	7.6
Real Estate	—	2.1
Utilities	—	2.0
Cash	-1.2	—
Total	100.0	100.0

** Financials sector has been broken down to display key subsector weights

Top Equity Holdings

	Net Assets
TSMC	9.2%
Samsung Electronics Pref	6.6%
Alibaba	5.7%
Ping An Insurance	5.1%
Baidu	4.1%
Tencent	4.0%
China Merchants Bank	4.0%
HDFC	3.2%
NetEase	3.1%
Midea	3.0%
TOTAL	48.0%

Holdings are subject to change.

Risk Information

	Fund	MSCI EM
Standard Deviation (3 year annualized)	19.9%	19.6%
Beta (3 year data)	0.99	

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	China Taiwan India	Saudi Arabia South Africa
Sector Positioning	Information Technology Financials Consumer Staples	Consumer Discretionary Industrials Real Estate

Performance Review

The Fund narrowly outperformed in the fourth quarter as value names rally during strongest quarter for Emerging Markets since 2009. Global equity markets rose sharply given positive progress with the approval and roll-out of Covid-19 vaccination programs. The EM asset class was further supported by US dollar weakness.

Positive stock selection in China, Korea and Taiwan produced the majority of outperformance for the quarter, held back somewhat by negative selection in India and Russia. Top-down allocation was impacted negatively by the overweight allocation to China and underweight exposure to the appreciation of the South African rand and Latin American currencies. At the sector level, overweight positioning to the continued outperformance of the IT sector added value, as did positive stock selection within the financials and communication services sector. Stock selection within the materials, health care and consumer discretionary sectors detracted.

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. Price to Cash Flow - The Price to Cash Flow Ratio is the ratio of a stock's price to its cash flow per share.

* The above P/E includes positions with a negative P/E ratio resulting in distorted data.

Standard Deviation - A measure of the volatility of returns. Beta - A measure of a fund's sensitivity to market movements.

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Performance Highlights and Key Attributes

Top-down allocation was negative for the quarter

The overweight allocation to the underperforming Chinese market produced a small negative contribution to investment performance. Currency positioning also detracted, as underweight exposure to the appreciation of the South African rand and Latin American currencies held back returns. Offsetting this somewhat was overweight positioning in Taiwan and zero exposure in Saudi Arabia (+6.5%) and Malaysia (+10.1%).

Sector allocation was positive; IT continued year-to-date outperformance

As witnessed in prior quarters there was again substantial divergence between sector returns; however despite a broad value rally this dispersion was more nuanced than simple mean reversion. The largest positive contributor to relative returns was the Fund's overweight allocation to the IT sector (+34.2%), ending the year as the best performer in the asset class with a full-year return of +60.1%. The consumer discretionary sector lagged as Chinese internet giant Alibaba, the largest constituent in the sector, fell 20.8% following the cancellation of the Ant Group IPO and subsequent launch of an anti-trust investigation. Despite our holding in Alibaba, the Fund's underweight allocation to the sector added value.

Stock selection positive; driven by China and Taiwan

Positive stock selection in China was the result of several different holdings all outperforming. Internet search provider Baidu (+70.4%) rose sharply in December following reports the company was looking to establish a JV producing electric vehicles, while financial China Merchants Bank (+33.9%) participated in the general strength of the financials sector. The Fund's China A-share positions also made a meaningful contribution to investment performance, led by baijiu producer Jiangsu Yanghe (+95.7%), white goods manufacturer Midea (+41.1%) and the recently initiated position in solar module maker LONGi Green Energy. Stock selection within the IT sector was positive overall, with Korean index heavyweight Samsung Electronics (+51.4%) and Taiwanese names ASE Technology (+41.7%) and Delta Electronics (+42.8%) particularly strong. In what was a relatively weak quarter for the consumer staples sector the Fund's positions in noodle maker Tingyi (-3.2%), sanitary product manufacturer Hengan (-2.6%), pork producer WH Group (+2.9%), and fast moving consumer goods company Unilever all lagged. Elsewhere, Chinese pharmaceutical CSPC (-16.0%), Indian conglomerate Reliance Industries (-10.3%) and gold miner Barrick Gold (-18.9%) all underperformed.

Fund Transactions

During the quarter we added three new positions to the portfolio.

Firstly we initiated a position in the Russian gold miner Polymetal. The company has amongst the lowest costs in the industry, highest returns on capital amongst majors, and the most generous dividend policy of all majors. The company trades at an attractive valuation in absolute terms, and below that of many peers despite invariably better qualities from a mining perspective. The position will complement our recently initiated position in Barrick, given our constructive view on the gold price in the context of the current macro backdrop.

We also initiated in LONGi Green Energy, the world's leading manufacturer of high efficiency modules used for solar power generation. LONGi has proven itself to be a world leader in technological development and innovation in this space, gaining market share in China and globally to be the number one player in the world today. It is privately owned, has a robust balance sheet at almost net cash despite the investments & R&D undertaken, and stands out versus many of its peers. Given their scale and integrated business model, the profit margins and ROIC are superior to peers given lowest manufacturing costs, and we feel this is one of the best and most attractively valued companies to play the long term structural growth globally in renewable energy.

Lastly we took a position in Gree Electric Appliances, the leading global air conditioning manufacturer with a well-established brand. The company's ownership structure has transitioned recently with a substantial stake invested by Hillhouse Capital, whereupon initiatives are under way to improve and digitalize their distribution channels, offer a new management incentive program, and improve results of operations. The company has one of the highest operating margins in the sector, is underpinned by a balance sheet where cash is over 25% of its current market cap, generates strong free cash flow, and has underperformed its peers and the market in the past year. We believe Gree should participate in the growth of air conditioners in China, driven by consumption upgrades and rising wealth, while the restructuring ahead will provide investors with an attractive range of outcomes.

To fund these purchases, amongst other transactions, we continued recent strategic moves to sell out positions that no longer offered us attractive long-term risk adjusted valuations relative to other opportunities across the asset class. Accordingly we exited the positions in Russian energy producer Gazprom, Chinese telecom China Mobile, and casino operator Sands China.

To determine if the Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk, and charges and expenses. This and other information can be found in the funds full and summary prospectus which can be obtained by calling 888-832-4386 or by visiting www.mondrian.com/mutualfunds. Please read the prospectus carefully before investing.

Investing involves risk, including the possible loss of principal. International investments entail risks not ordinarily associated with U.S. investments including fluctuation in currency values, differences in accounting principles, or economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors, as well as increased volatility and lower trading volume. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. Indices are unmanaged and do not include the effect of fees. One cannot invest directly in an index.

The Mondrian Investment Partners Limited Funds are distributed by SEI Investment Distribution Co. (SIDCO). SIDCO is not affiliated with the advisor, Mondrian Investment Partners Limited. Mondrian Investment Partners Limited is Authorized and Regulated by the Financial Conduct Authority.

Mondrian Investment Partners Limited

Our Organization

Successful and Well-Managed

- Founded in 1990
- 30 years of stable, consistent leadership
- Over USD 58 billion* under management and advisement

Independent, Employee-Owned

- Equity ownership plan designed to attract, retain and motivate highly skilled people
- Mondrian is employee owned
- Approximately half of employees are partners

Time-Tested Investment Philosophy and Process

- All products utilize an income-oriented value discipline
- Consistently applied since the company's founding in 1990
- In-depth global fundamental research

Well-Resourced Team

- Highly experienced team of 58 investment professionals in London
- Low turnover of professional staff
- Strong culture of client service and support

* As of December 31, 2020, Mondrian has total assets under management of USD 54.9 billion. In addition, the firm also had USD 4.1 billion of model delivery assets under advisement.

Company Overview

Mondrian is an independent, employee-owned, global value-oriented manager with almost 30 years' experience in managing a range of equity and fixed income products for a variety of clients based around the World. During this period the business has been managed in a stable, successful fashion, and is controlled by an employee partnership. This ownership structure ensures alignment of interests with clients and reinforces the long-term approach to investment that Mondrian has used since the firm was founded in 1990. Prior to a management buyout in 2004, the business was affiliated with US-based Delaware Investments. Mondrian's value style products have had a track record of producing consistent, strong risk-adjusted performance in a variety of different market environments.

People: Our Best Resource

The most important resource of any investment organization, and Mondrian in particular, is the investment team and staff. Mondrian's investment team has been working together for almost 30 years. We have a low turnover of professional staff, and a strong culture of client service and support.

Philosophy

Mondrian is an active, value-oriented defensive manager. In the management of all equity assets, we invest in securities in which rigorous dividend-discount analysis identifies value in terms of the long-term flow of income. Dividend yield and future real growth play a central role in our decision making process; over time the dividend component will be a meaningful portion of the expected total return.

Our methodology is applied consistently to individual securities across all markets and industries.