

Mondrian Global ESG Equity

Global Equity Strategy at a Glance

- Total Strategy Assets: USD 977.5 million
- Strategy Inception: April 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: \$2.7 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 approximately USD 59 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 58 investment professionals

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 Summary (US dollars)

Global Equity ESG Strategy	Composite Gross (%)	Composite Net (%)	MSCI World (%)	MSCI World Value (%)	Global Equity Strategy	Composite Gross (%)	Composite Net (%)	MSCI World (%)	MSCI World Value (%)
Q420	11.58	11.40	13.96	15.73	Q420	11.68	11.50	13.96	15.73
1 Year	7.05	6.36	15.90	-1.16	1 Year	4.52	3.84	15.90	-1.16
SI Jan. 1, 2019	17.09	16.33	21.64	9.67	3 Years	6.91	6.22	10.54	2.39
					5 Years	10.29	9.57	12.19	7.15
					SI Apr. 1, 1991	9.02	8.31	7.68	N/A

Performance Highlights and Key Attributes

Global markets rallied strongly in the fourth quarter as several COVID-19 vaccines were approved

Global markets fell in October as COVID-19 cases around the world surged and a number of European governments were forced to bring back strict lockdown measures. The VIX, a measure of expected volatility on the S&P 500, rallied strong through October as concerns over COVID-19 and the upcoming US election came into focus. This market weakness was short lived as global stocks recorded one of the largest monthly rallies on record in November as a series of COVID-19 vaccine breakthroughs were reported. Markets received a further boost as Joe Biden won a tight presidential election, reducing near-term political uncertainty. December provided more positive news with the UK and EU agreeing a Brexit deal, marking the end of months of negotiations, and the US Congress agreeing a \$900bn economic stimulus packaging. However, the year ended with the concerning news that a new variant of COVID-19 had been discovered in the UK, that was more contagious than previous versions, and looks likely to cause further disruption to economies around the world.

Country allocation was positive

Underweight exposure to the Swiss market and overweight exposure to the Spanish, Chinese, and Hong Kong markets boosted returns in the period. This was only partly offset by underweight exposure to the US market and overweight exposure to the UK market.

Sector allocation detracted from returns in the period

Overweight exposure to defensive sectors such as the consumer staples and health care sectors, as well as underweight exposure to the financials sector, held back relative performance in the fourth quarter. These negative effects were only partly counterbalanced by underweight exposure to the real estate sector.

Stock selection was negative on a regional and sectoral basis

Stock selection in consumer discretionary, where Alibaba was weak following news that Chinese regulators had launched an antitrust investigation against it, and in the IT sector held back relative returns. This was offset by stronger stock selection in the materials sector and in financials, where Lloyds and New York Community Bancorp outperformed. On a regional basis, strong stock selection in Germany, where Continental rallied strongly, was more than offset by weaker selections in China, Hong Kong, and France.

Currency allocation boosted performance in the quarter

Underweight exposure to the US dollar and overweight exposure to UK sterling, which more than offset local market weakness, was positive for performance in the fourth quarter. This was only partly offset by underweight exposure to the Australian and Canadian 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 position in the health care sector and an underweight position in the IT sector



New Stock Overview – HCA Healthcare

HCA is the largest for-profit hospital company in the US, representing 4-5% of the hospital industry. It owns and operates 185 hospitals and approximately 2,000 sites of care, including surgery centers, free standing emergency rooms, urgent care centres and physician clinics in 21 US states and in the United Kingdom. HCA controls leading inpatient market share in most of its markets and enjoys by far the highest average market share of US for-profit hospital operators. The company's share price has come under pressure in 2020 as COVID-19 and the US recession reduced elective procedures and increased company costs. However, at the end of October, HCA reported better-than-expected Q320 results, with the business continuing to recover as volume growth improved. Further, the company announced that it would return the government stimulus it had received earlier in the year, while also providing preliminary 2021 guidance, signaling its confidence that it can manage through future COVID spikes without government support. HCA should benefit as the spread of COVID becomes better managed: core volumes are expected to return, surgeries (the highest margin volumes) should normalize, an improving economy is likely to spur better payer mix and increased demand, and the company will be better positioned to deploy capital. HCA's strong capex spend in fast-growing markets positions it to outperform peer volume growth in the future. Meanwhile, scale advantages should allow it to control costs. Following this year's coronavirus-related weakness, we have taken the opportunity to start building a position in what we believe is a very strong company at an attractive valuation.

ESG Considerations

HCA has strong corporate governance with good privacy and data security enforcement mechanisms, supplemented by employee training and systematic audits. In addition, the company maintains robust anti-corruption procedures.

New Stock Overview – SSE

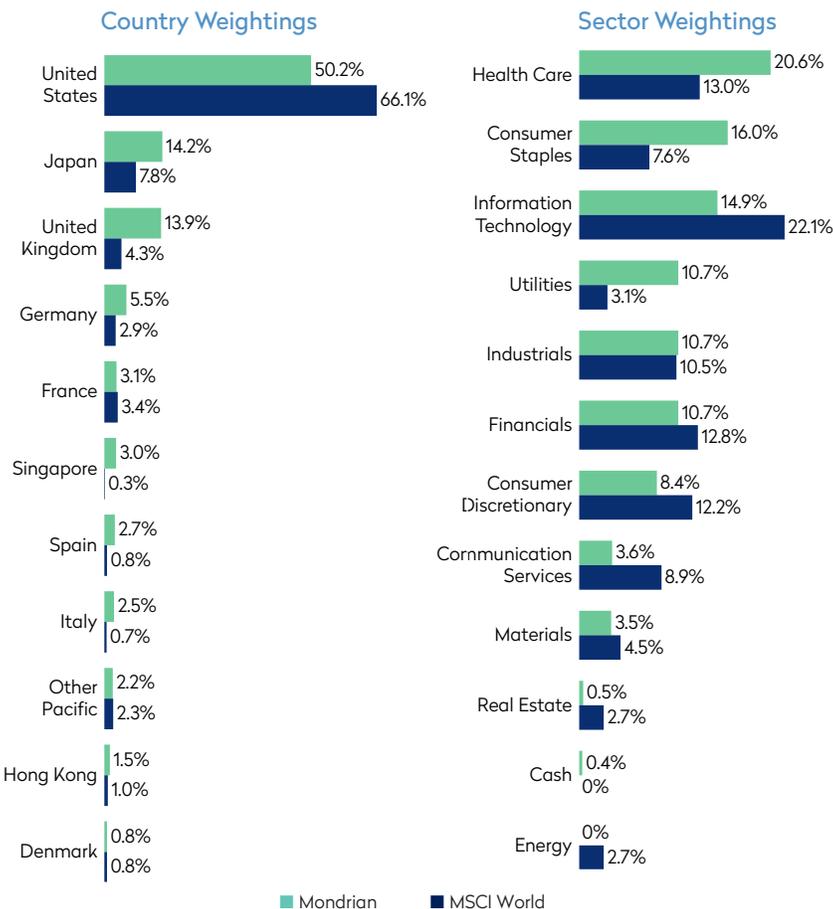


SSE, the UK utility, is well-positioned to benefit from two of the key trends within the European utilities sector, electrification and decarbonization, due to its significant exposure to electricity networks and its strong footprint in renewable power generation, particularly in wind. The UK has committed to reducing emissions by the fastest rate of any major economy and aims to for at least a 68% reduction in greenhouse gas emissions, compared to 1990 levels, by the end of the decade. Following the weakness in the share price due to regulatory headwinds and political uncertainty created by Brexit, the shares now look attractively valued. After initiating our position in SSE the UK's energy regulator announced it will cut returns that network companies can make by less than initially proposed.

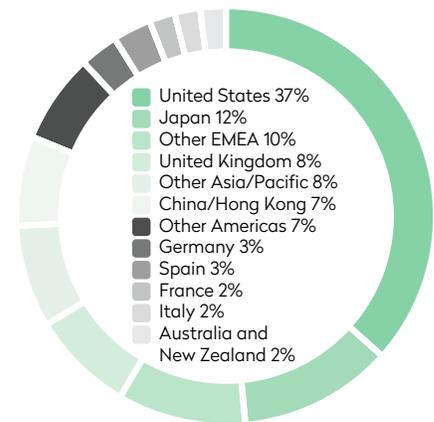
ESG Considerations

SSE's core business strategy is to combat the challenges of climate change and to be a leading energy provider in a low-carbon world. The company also has ambition targets to reduce its carbon intensity by 60% and treble its renewable energy output by 2030.

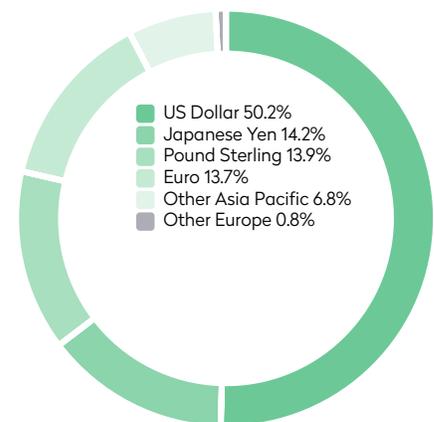
Portfolio Composition



Portfolio Revenue by Geographical Exposure



Currency Exposure



Characteristics

	Mondrian	MSCI World
Weighted Average P/E (trailing 12 months)	20.7x	28.4x
Weighted Average P/B	2.3x	2.9x
Weighted Average Dividend Yield	2.4%	1.8%
Number of Holdings	43	1585
Weighted Average Market Cap	158.0 billion	312.6 billion
Median Market Cap	34.8 billion	16.0 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
Managing Partner

James Francken
Portfolio Manager
Partner

Harry Hewitt
Assistant Portfolio Manager

Mondrian utilizes a team approach to making investment decisions at the strategy level, with input from across the Global Equity team.

See Important Notes & Disclosures on page 5.

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.
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