

Mondrian Emerging Markets Equity

Emerging Markets at a Glance

- Total Emerging Markets Assets: USD 8.4 billion
- Total Product Assets: USD 8.1 billion
- Product Inception: August 1996
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- Portfolios contain circa 40-60 securities
- Annual turnover is generally 30-50%

Our Organisation

- Founded in 1990, with 30 years of stable, consistent leadership
- Emerging strategy started in 1996
- Approximately USD 60 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 58 investment professionals in London
- Dedicated Emerging team of eight

Performance Summary (USD)

Composite	Composite Gross (%)	Composite Net (%)	MSCI EM Index (%)	MSCI EM Value Index (%)
Cumulative				
Q121	4.23	4.00	2.29	4.11
Annualized				
1 Year	63.24	61.79	58.39	52.53
3 Years	7.63	6.67	6.48	2.60
5 Years	10.45	9.46	12.07	8.42
7 Years	5.69	4.75	6.58	3.50
10 Years	4.27	3.34	3.65	1.03
SI (Aug 1, 1996)	9.23	8.25	6.76	-

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.

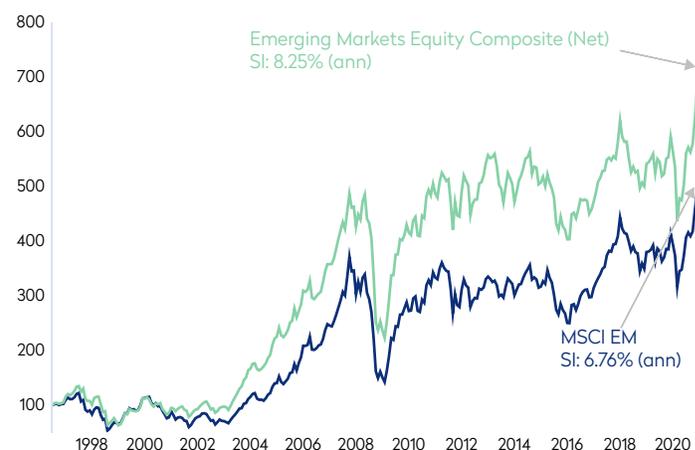
Benefits of Our Approach

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 emerging benchmarks and most other emerging equity managers.

Investment Process

- A value oriented dividend discount analysis at both the individual security and market level isolates value across geographic and industrial borders in a unified manner
- A long term purchasing power parity approach, supplemented by shorter-term probability assessment
- Fundamental research is strongly emphasized. An extensive program of company and market visits enhances initial qualitative and quantitative desk research, both prior to the purchase of a stock and after its inclusion in the portfolio

Cumulative Returns (USD) August 1996 = 100



Return Summary

	Composite Gross Return	Composite Net Return	MSCI EM	MSCI EM Value
Quarter 1, 2021	4.23%	4.00%	2.29%	4.11%

Market Background

Emerging Markets recorded fourth consecutive quarter of positive returns

The MSCI Emerging Markets Index rose 2.3% during the first quarter. Following a strong start to the year, the emergence of risk factors such as rising US bond yields and new social mobility restrictions enforced due to severe second waves of Covid-19 in certain countries halted market momentum as the quarter progressed. EMEA (+8.1%) was the best performing region, led by the outperformance of both Saudi Arabia (+16.5%) and South Africa (+12.1%). Asia (+2.2%) performed in line with the index return. Taiwan (+10.9%) continued to be led by the strength of tech-related names, while India (+5.1%) also outperformed. Latin America (-5.3%) was the worst performing region, held back by a sell-off in Brazilian assets following the removal of Petrobras' CEO by President Bolsonaro and the government's inability to effectively control increasing levels of Covid-19 infections. The net composite outperformed the positive index return.

Top-down allocation was negative for the quarter

The portfolio's underweight allocation to EMEA's outperformance held back investment performance. In particular, no exposure to the strength of Saudi Arabia (+16.5%) and underweight exposure to South Africa (+12.1%) detracted. Overweight positioning in Taiwan continued to add value as IT-related names sustained the market's recent outperformance.

Sector allocation was positive; IT continued recent outperformance

The portfolio's overweight allocation to IT (+4.7%) contributed positively to relative performance, which was further supported by positive stock selection from a number of the portfolio's Taiwanese and Indian names. The consumer discretionary sector lagged as several of the highly weighted Chinese index holdings underperformed. The portfolio's underweight allocation to the sector accordingly had a positive impact on relative returns, offset by stock selection within the sector. Underweight exposure to industrial metals within the materials sector was the primary detractor from sector returns.

Positive stock selection drove portfolio outperformance; led by China and Taiwan

Positive stock selection in China was led by the outperformance of the portfolio's health care names China Medical System and CSPC Pharmaceutical. Both companies benefited from results that exceeded investor expectations, as well as increased optimism over in-licensed new drugs. Separately, the position in financial China Merchants Bank continued to outperform the wider financials sector. Taiwanese stock selection was driven by the sustained outperformance of IT names Hon Hai (+33.0%), ASE Technology (+29.0%), and TSMC (+9.3%). In what was a strong quarter for the materials sector the portfolio's positions in gold miners Barrick Gold and Polymetal underperformed as the gold price lagged the performance of industrial commodities.

Investment Strategy and Portfolio Positioning

The main highlights of the strategy being adopted for the account are:

- A long term approach underpinned by a clear valuation discipline. Amongst undervalued companies, the portfolio has a focus on strong companies within their sectors and markets, and those that generate sustainable free cash flow with a healthy balance sheet.
- Overweight exposure to the Greater China markets. We believe the China and Taiwanese markets have attractive long term dynamics and a high proportion of robust, world-leading, and stable companies. Both have support measures in place, and effective control by government to better navigate through the global pandemic.
- Overweight Asia as a whole, despite underweights in Korea and the ASEAN markets given less attractive valuations and opportunities there.
- Underweight in EMEA and Latin America given unattractive risk adjusted valuations. Zero exposure to Saudi Arabia and Central Eastern Europe, underweight to South Africa.

Investment Strategy and Portfolio Positioning (continued)

- Overweight exposure to IT, health care and consumer staples where attractive valuations should be supported by a combination of strong balance sheets, long term structural growth drivers, and increased penetration of products and services. Also overweight financials.
- Underweight consumer discretionary given high valuations, and in more cyclical areas such as industrials and real estate where risk adjusted valuations mostly remain challenged.

Characteristics	Mondrian	MSCI EM Index
Weighted Average P/E (Trailing 12 Months)*	18.7x	21.5x
Weighted Average P/B	2.6x	2.1x
Weighted Average Dividend Yield	2.0%	1.8%
Number of Holdings	43	1,392
Weighted Average Market Cap	\$187.7 billion	\$161.7 billion
Median Market Cap	\$33.4 billion	\$4.5 billion

Sector Allocation	Mondrian (%)	MSCI EM Index (%)	Country Allocation	Mondrian (%)	MSCI EM Index (%)
Communication Services	11.5	11.7	Asia Pacific	83.9	79.9
Consumer Discretionary	11.5	17.7	China	43.6	37.9
Consumer Staples	7.7	5.6	India	10.5	9.7
Energy	4.7	4.8	Indonesia	1.7	1.2
Financials	20.8	18.2	South Korea	9.9	13.3
Health Care	6.4	4.5	Taiwan	18.2	13.8
Industrials	-	4.3	Other Asia	-	3.9
Information Technology	29.8	20.9	Europe, Middle East & Africa	4.9	12.9
Materials	6.7	8.1	Russia	2.4	3.1
Real Estate	-	2.2	Saudi Arabia	-	2.8
Utilities	-	2.0	South Africa	2.5	3.8
Cash	1.0	-	Other EMEA	-	3.2
Total	100.0	100.0	Latin America	6.7	7.3
			Brazil	4.3	4.5
			Mexico	1.2	1.7
			Other Latin America	1.2	1.1
			Developed Markets	3.5	-
			Cash	1.0	-
			Total	100.0	100.0

*The portfolio PE calculation does not account for Suzano as it is in loss and distorts the overall number.

Portfolio Managers

Andrew Miller

Chief Investment Officer Emerging Markets Equities Managing Partner

Gregory Halton

Senior Portfolio Manager Partner

Ginny Chong

Head of Chinese Equities, Senior Portfolio Manager Partner

Boris Veselinovich

Senior Portfolio Manager Partner

Mondrian utilizes a team approach to making investment decisions. The individuals listed above represent several key members of the team.

See Important Notes & Disclosures on page 4.

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 Emerging Markets Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI EM Index net of US withholding taxes. The portfolios are invested in non-US based equities with the allowance for hedging. The MSCI EM 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 (U.S.), Inc at 215-825-4500.
2. This Quarterly Update contains supplemental information which complements the Mondrian Emerging Markets Equity Composite GIPS compliant presentation. Additional information is available upon request.
3. 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.
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 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.
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