

# Mondrian Global All Countries World Equity

## Global All Countries World Equity at a Glance

- Product Inception: August 2002
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- History of outperformance versus the benchmark, with lower volatility
- Portfolios contain 40-70 securities

## Our Organization

- Founded in 1990, with 30 years of stable, consistent leadership
- 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

## 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 equity benchmarks and most other global equity managers.

## Investment Process

- A value-oriented, dividend discount methodology for individual security and market analysis, designed to identify value across the world
- 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

## Performance Summary (USD)

Composite	Composite Gross (%)	Composite Net (%)	MSCI ACW (%)	MSCI ACW Value (%)
<b>Cumulative</b>				
Q121	5.68	5.51	4.57	8.87
<b>Annualized</b>				
1 Year	42.54	41.62	54.60	48.82
3 Years	9.56	8.85	12.07	6.23
5 Years	11.31	10.59	13.21	9.05
<b>SI Aug 1, 2002</b>	<b>9.01</b>	<b>8.31</b>	<b>8.86</b>	<b>7.57</b>

## Cumulative Returns (USD) August 2002 = 100



## Return Summary

	Composite Gross Return	Composite Net Return	MSCI ACW	MSCI ACW Value
Quarter 1, 2021	5.68%	5.51%	4.57%	8.87%

## Performance Highlights and Key Attributes

### Global markets moved higher as the US Congress passed a historic fiscal stimulus package

2021 got off to a turbulent start as two Democrats won the Senate runoff election in Georgia. This result provided the Democratic Party a slim technical control of the Senate, giving Joe Biden's party sway over both houses of Congress. President Biden put this control to good use in March as he got approval for his USD1.9T COVID-19 relief bill, delivering on his top policy priority. However, in an ominous sign for bipartisanship, the stimulus package was passed without a single Republican voting in favor of the bill. Joe Biden's Treasury Secretary, Janet Yellen, urged G20 finance officials to "go big" on stimulus spending in order to shore up the global economy. The quarter ended with President Biden unveiling a new USD2T infrastructure and economic recovery package that looks to build on his campaign promise to "build back better". The plan will be funded by a rise in corporation tax and additional measures to prevent corporations from offshoring profits. The US market largely shrugged off the news of the tax rise with the S&P 500 ending the period at a new all-time high. With an unprecedented amount of fiscal stimulus about to hit the US economy it has led to widespread concerns about rising inflation. The 10 year breakeven inflation rate, a proxy for the market's inflation expectation, continued to move higher throughout the quarter. Despite this, the Federal Reserve reaffirmed no rate rises until at least 2024 despite significantly upgrading its outlook for US economic growth. The Fed now expects the US economy will grow 6.5% in 2021, compared with 4.2% in its December forecast. The upgrade was driven by the size of the recently approved fiscal stimulus and the success and promising outlook for the vaccine rollout.

### Country allocation was a headwind to performance in the period

Overweight exposure to the Japanese and French markets, as well as underweight exposure to the US market, boosted returns in the first quarter. These positive effects were more than offset by overweight exposure to the Chinese and Hong Kong markets.

### Sector allocation detracted from returns

Overweight exposure to defensive sectors, such as the health care, consumer staples, and utilities sectors, detracted from relative performance. This headwind to performance was partly counterbalanced by underweight exposure to the IT and consumer discretionary sectors.

### Stock selection was positive on a regional and sectoral basis

Strong stock selection in the IT, health care, and financials sector was positive for performance. Within IT, Maximus and Cisco both rallied strongly whilst growth names within the sector underperformed. These positive effects were partially offset by weaker stock selection in consumer staples and industrials sectors. On a regional basis, strong stock selection in the US was slightly reduced by weaker selections in Germany, UK, China and Hong Kong.

### Currency allocation was negative

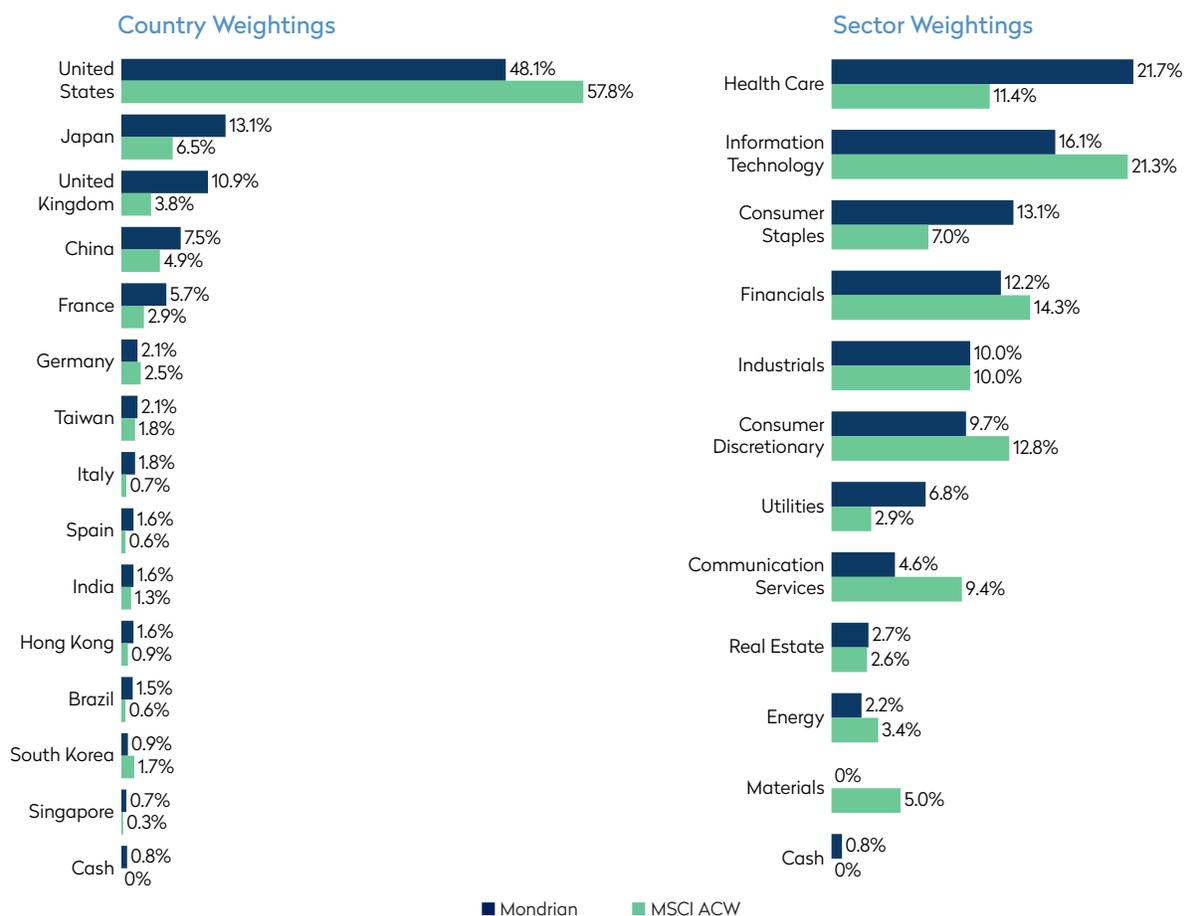
Overweight exposure to the Japanese yen and underweight exposure to the US dollar detracted from performance in the period. These negative effects were reduced by being overweight UK sterling and having no exposure to the Swiss franc.

## 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 and consumer staples sectors and an underweight position in the IT sector

## Portfolio Composition



## Characteristics

	Mondrian	MSCI ACW
Weighted Average P/E (trailing 12 months)	23.3x	28.8x
Weighted Average P/B	2.4x	2.9x
Weighted Average Dividend Yield	2.1%	1.7%
Number of Holdings	52	2,978
Weighted Average Market Cap	\$164.0 billion	\$280.5 billion
Median Market Cap	\$42.1 billion	\$10.0 billion

## Portfolio Managers

### Aileen Gan

Chief Investment Officer – Global Equities  
Managing Partner

### Clive Gillmore

Chief Executive Officer  
and Group Chief Investment Officer  
Founding Partner

### Jonathan Spread

Senior Portfolio Manager  
Partner

### James Francken

Portfolio Manager  
Partner

### Charlie Hill

Portfolio Manager  
Partner

### Paul Thompson

Portfolio Manager  
Partner

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

## 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.  

Mondrian's Global All Countries World Equity Composite, formerly known as the All Countries World (including US) Composite, includes US dollar based discretionary fee paying portfolios, measured against the Morgan Stanley Capital International All Countries World Index, net of US withholding taxes. The portfolios are invested in equities with allowance for hedging and investment in Emerging Markets.

To receive a complete list and description of composites and/or a presentation that adheres to the GIPS standards, contact Mondrian Investment Partners Limited +44 (0)207 477 7000.
2. 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.
3. Past performance is not indicative of future results. An investment involves the risk of loss. The investment return and value of investments will fluctuate.
4. There can be no assurance that the investment objectives of the strategy will be achieved.
5. All characteristic data provided is produced using Mondrian's accounting system data.
6. 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.
7. 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.
8. 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.
9. 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.
10. For institutional investors and professional financial advisers only.
11. It should not be assumed that investments made in the future will be profitable or will equal the performance of any security referenced in this piece. Examples of securities bought or sold may not represent a complete list of all transactions in the period. Holdings are subject to change.
12. Mondrian Investment Partners Limited is authorised and regulated by the Financial Conduct Authority