



March 2021

Mondrian Global Fixed Income Fund

(USD Unhedged)

Fund Overview

Investment Philosophy

- A value-oriented philosophy, which focuses on global fixed income markets that offer high income in real (inflation-adjusted) terms.
- Considers the relative value of country bond markets for a Eurozone based investor.

USD Fund Performance

(as of March 31, 2021)

	Month	Quarter to Date	Year to Date	12 Months	3 Yrs (Ann)	SI (Ann)
Fund NAV Return	-2.4%	-6.0%	-6.0%	N.A.	N.A.	-2.7%
Benchmark Return (FTSE WGBI - USD)	-2.1%	-5.7%	-5.7%	N.A.	N.A.	-2.9%
Relative Returns	-0.3%	-0.4%	-0.4%	N.A.	N.A.	0.2%

Fund Characteristics

(as of March 31, 2021)

	Average Coupon	Average Maturity	Modified Duration	Number of Issues	Average Quality	Yield to Maturity
Fund	2.5%	9.4	7.9	37	AA	1.0%
Index	1.8%	9.7	8.6	1087	AA	0.5%

Credit Rating Distribution



Credit ratings used are Moody's long-term credit ratings. Where these are unavailable, S&P's credit ratings are used instead.
 Source: Mondrian Investment Partners Limited/FTSE WGBI.

Country Allocation

	Bond Exposure	Currency Exposure	FTSE WGBI (USD)
Asia Pacific	31.7	17.5	19.4
Japan	22.8	17.5	16.9
Singapore	6.9	0.0	0.4
Australia	2.0	0.0	1.8
Europe	28.3	45.6	40.9
Eurozone	25.2	32.1	34.1
Norway	3.0	3.1	0.2
Poland	0.0	2.0	0.6
UK	0.0	8.4	5.4
North America	31.8	34.0	38.6
USA	31.8	31.9	36.9
Canada	0.0	2.1	1.7
Latin America	6.6	2.8	0.7
Mexico	6.6	2.8	0.7
Middle East & Africa	0.0	0.0	0.4
Cash	1.6	0.0	0.0
Total	100.0	100.0	100.0

Mondrian Global Fixed Income Fund, Mondrian Local Currency Emerging Market Debt Fund, Mondrian Emerging Markets Equity Fund, Mondrian Global Equity Fund and Mondrian Global Green Bond Fund are sub funds of Mondrian Funds Plc; a UCITS Fund.

See important notes on page 4.

Mondrian Global Fixed Income Fund Overview

Portfolio (as of March 31, 2021)	Holdings (%) Bond Exposure	Holdings (%) Currency Exposure	FTSE WG Bond Index
Asia Pacific	31.7	17.5	19.4
Japan	22.8	17.5	16.9
Japan Govt 2yr 0.1% 01-Sep-22 (416)	1.4		
Japan Govt 10yr 0.1% 20-Jun-26 (343)	4.1		
Japan Govt 20yr 0.2% 20-Jun-36 (157)	4.9		
Japan Govt 30yr 0.3% 20-Jun-46 (051)	1.5		
Japan Govt 20yr 1.5% 20-Mar-34 (148)	3.1		
Japan Govt 30yr 1.7% 20-Mar-44 (042)	2.5		
Japan Govt 20yr 1.9% 20-Jun-25 (078)	2.2		
Japan Govt 20yr 2.1% 20-Dec-26 (092)	3.1		
Singapore	6.9	0.0	0.4
Singapore Govt 1.75% 01-Feb-23	1.9		
Singapore Govt 3.5% 01-Mar-27	2.3		
Singapore Govt 2.875% 01-Sep-30	2.7		
Australia	2.0	0.0	1.8
Australian Govt 3.25% 21-Apr-25	1.0		
Australian Govt 3.75% 21-Apr-37	1.0		
Europe	28.3	45.6	40.9
Eurozone	25.2	32.1	34.1
Bundesschatzanweisungen 0% 16-Sep-22	2.0		
Bundesobligation 0% 13-Oct-23	1.7		
Bundesrepublik 0.25% 15-Feb-29	2.6		
Bundesrepublik 0.5% 15-Aug-27	0.9		
Bundesrepublik 2.5% 04-Jul-44	2.2		
France O.A.T. 0.5% 25-May-25	2.1		
France O.A.T. 1.5% 25-May-31	3.9		
France O.A.T. 3.25% 25-May-45	2.6		
Italy BTPS 0.95% 01-Mar-23	1.0		
Italy BTPS 1.6% 01-Jun-26	3.4		
Italy BTPS 2.45% 01-Sep-33	2.8		
Other Europe	3.0	13.5	6.2
Norway	3.0	3.1	0.2
Norwegian Govt 2% 24-May-23	0.7		
Norwegian Govt 3.75% 25-May-21	2.3		
Poland	0.0	2.0	0.6
United Kingdom	0.0	8.4	5.4
North America	31.8	34.0	38.6
Canada	0.0	2.1	1.7
USA	31.8	31.9	36.9
US Treasury 1.625% 15-Feb-26	3.6		
US Treasury 2% 15-Feb-22	3.2		
US Treasury 2.5% 15-Aug-23	3.1		
US Treasury 2.5% 15-May-24	2.4		
US Treasury 2.5% 15-Feb-46	0.2		
US Treasury 2.75% 28-Feb-25	3.9		
US Treasury 2.75% 15-Feb-28	4.4		
US Treasury 2.75% 15-Aug-42	4.1		
US Treasury 4.5% 15-May-38	2.5		
US Treasury 5.375% 15-Feb-31	4.4		
Latin America	6.6	2.8	0.7
Mexico	6.6	2.8	0.7
Mexico Bonos 10% 05-Dec-24	0.4		
Mexico Bonos 10% 20-Nov-36	2.6		
Mexico Bonos 7.75% 23-Nov-34	2.5		
Mexico Bonos 8% 07-Nov-47	1.0		
Middle East & Africa	0.0	0.0	0.4
Cash	1.6	0.0	0.0
Total	100.0	100.0	100.0

Monthly Commentary for March 2021

Market Background

In March, the FTSE World Government Bond Index fell 0.3% in euro hedged terms. The strongest performing markets were Australia (+0.9%), Japan (+0.8%) and the Eurozone (+0.2%). The weakest performing markets were Mexico (-3.3%), Singapore (-2.4%) and Malaysia (-1.3%).

Over the first quarter as a whole, the FTSE World Government Bond Index fell 3.3% in euro hedged terms. The strongest performing markets were Japan (-0.6%), Poland (-1.1%) and Sweden (-1.8%). The weakest performing markets were the UK (-8.1%), Mexico (-5.9%) and Singapore (-5.8%).

Investment Performance

The fund underperformed the benchmark by 0.23% in March. The underweight to Eurozone bonds and the overweights to Mexican and Singapore bonds detracted from performance as did the short duration stance in the United States. However the overweight to Japanese bonds and Mexican peso benefited performance over the month.

Over the quarter as a whole, the fund underperformed the benchmark index by 0.27%.

Investment Outlook

Almost without exception, government bond yields across the world rose in the first quarter. Amongst developed markets, this rise was most acute in the US. For instance, the US 10-year government bond yield rose by just over 80 basis points. This is a large move but certainly not unprecedented historically and only natural given the large fall in yields last year and the expectation of economic recovery this year, primed by fiscal stimulus.

Although there has been much debate about what this stimulus means for inflation, our forecasts have only risen modestly. Inflation prints will almost inevitably step up during the course of this year as a consequence of a return towards normality and the possibility of pent-up demand meeting supply bottlenecks as COVID related restrictions gradually become relaxed. However, any rise should be limited. There is still a great deal of spare capacity in the global economy. Unemployment continues to be above long-run averages, keeping a lid on wage growth and the vast build-up of both private and public debt in the face of the pandemic will likely weigh on economic expansion as balance sheets are repaired. In addition to this, the same secular forces that have driven a decline in trend inflation over the past forty years, such as globalization, the weakened bargaining power of labor in deindustrialized, service-dominated economies and

technology-driven competition, are still very much in place (see Quarterly Perspective). So, although we have increased our inflation forecasts, including that of the US, and have been reducing duration across portfolios to reflect the improving economic outlook, we continue to emphasize that our inflation forecasts remain modest. That said, our forecast for US inflation (although modest) is among the highest of all high-income economies translating into a relatively low Prospective Real Yield (PRY) for the US and a duration underweight to its bond market. As well as being underweight to US duration, we are modestly underweight to US credit on global and US aggregate mandates as credit spreads have tightened. We also continue to be underweight to the US dollar on global mandates since it remains expensive according to our Purchasing Power Parity (PPP) valuations amply reinforcing the tactical case for international fixed income.

In the Eurozone and Japan, bond yields have also risen, but not to the same extent as in the US. The 10-year government bond yields of Germany and Japan were up by around 26 and 7 basis points respectively over the first quarter. Recovery in the Eurozone looks further off, threatened by a third wave of the Coronavirus and in Japan, long term bond yields are targeted directly by the central bank. In fact, given its lower inflation outlook, Japanese government bond yields continue to look relatively attractive at the moment with a PRY higher than that of most other developed markets. Other developed global bond markets with attractive PRYs currently include those of China, Singapore, Mexico and Malaysia.

Investment Strategy

- Underweight Eurozone (exposure to France, Germany and Italy)
- No exposure to the UK
- Overweight Norway
- Overweight Mexico, partially hedged.
- Broadly neutral to Australia
- Underweight to the US
- No exposure to Canadian bonds; broadly neutral Canadian dollar
- Overweight Japan
- Overweight Singapore

Fund Transactions

There were no strategic changes to the fund in March.

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Important Notes

1. Calculations for Average Coupon, Average Maturity, Modified Duration, Average Quality, and Yield to Maturity are based on generally accepted industry standards. All Fund characteristics are derived by first calculating the characteristics for each security, and then calculating the weighted-average of these values for the Fund. The details of exact calculations can be provided upon request.
2. Past performance is not indicative of future results. An investment in the Fund involves the risk of loss. The investment return and value of Shares in the Fund will fluctuate. When a redemption is made, the Shares may be worth more or less than when originally purchased.
3. There can be no assurance that the investment objectives of the Fund will be achieved.
4. The Fund is managed in accordance with the investment objective and guidelines and other terms and conditions described in the Prospectus and Fund Supplement. The Fund is not managed in accordance with the individual guidelines of any one investor.
5. The Total Assets of the Fund and the Fund Return are calculated using the official Net Asset Value data of the Fund. All other information has been calculated using Mondrian's accounting system data, which may differ from official Net Asset Value data of the Fund, for example because of timing of the accounting of Administrative Expenses and pricing for securities.
6. All performance information provided in this Fund Overview is net of Transaction Expenses, Administrative Expenses and Management Fees (each as described in the Supplement to the Prospectus).
7. The FTSE World Government Bond Index is a market weighted index of world government fixed income securities in which the total market value of the constituent countries is at least \$25 billion.
8. This Fund Overview is confidential and only for the use of participants in the Fund and their advisers. This Fund Overview may not be redistributed or reproduced, in whole or in part.
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 Fund Overview 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.

Key Investor Information Documents for qualified investors only in Switzerland.

Qualified investors can obtain the extract prospectus (edition for Switzerland), the Key Investor Information Documents, the memorandum and articles of association, the extract annual and semi-annual report, and further information free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. For the units of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva.

Mondrian Investment Partners Limited is authorised and regulated by the Financial Conduct Authority.

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