Mondrian Funds Plc

March 2021

Mondrian Global Equity Fund

Fund Overview

Investment Philosophy

- A value-oriented, dividend discount methodology that focuses on future anticipated dividends and discounts the value of those dividends back to today's present value.
- An approach that focuses on providing a rate of return meaningfully greater than the client's domestic rate of inflation.
- Client portfolios that seek to preserve capital during protracted global market declines.
- Portfolio performance that has been typically less volatile than the MSCI World Index and most other global managers.

USD Fund Performance* (as of March 31, 2021)	Month	Quarter to Date	Year to Date	12 Months	3 Yrs (Ann)	5 Yrs (Ann)	10 Yrs (Ann)	SI (Ann)
Fund NAV Return	5.2%	6.5%	6.5%	39.2%	8.3%	9.8%	N.A	7.8%
Benchmark Return	3.3%	4.9%	4.9%	54.0%	12.8%	13.4%	N.A	10.1%
Relative Returns	1.8%	1.5%	1.5%	-9.6%	-4.0%	-3.2%	N.A	-2.1%

Fund Characteristics (as of March 31, 2021)	Total Assets	P/E (Trailing) 12 Months	P/B (Trailing) 12 Months	Dividend Yield	Number of Holdings	Weighted Average Market Cap
Fund	$21.8 million	23.5x	2.3x	2.2%	44	$164.9 billion
MSCI World	—	30.4x	3.1x	1.7%	1586	$298.3 billion

Sector Allocation	Fund	MSCI World
Communication Services	4.0	9.0
Consumer Discretionary	10.4	12.1
Consumer Staples	14.7	7.2
Energy	1.3	3.2
Financials	11.7	13.7
Health Care	20.8	12.4
Industrials	11.0	10.9
Information Technology	13.8	21.3
Materials	0.0	4.5
Real Estate	3.1	2.7
Utilities	7.6	3.0
Cash	**1.5**	**—**
Total	**100.0**	**100.0**

Country Allocation	Fund	MSCI World
North America	**53.3**	**69.7**
Canada	0.0	3.3
United States	53.3	66.4
Europe & Middle East	**24.5**	**19.2**
France	6.2	3.4
Germany	2.3	2.9
Italy	1.9	0.8
Spain	1.9	0.7
United Kingdom	12.2	4.3
Other Europe	0.0	7.1
Pacific	**20.7**	**11.1**
Hong Kong	1.8	1.0
Japan	14.7	7.5
Singapore	1.0	0.3
Other Pacific	3.2	2.2
Cash	**1.5**	**—**
Total	**100.0**	**100.0**

*Performance Inception Date: 29 December 2014.

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

See important notes on page 7.

Mondrian Global Equity Fund Overview

Portfolio (as of March 31, 2021)	Holdings		P/E Ratio (%)		Dividend Yield (%)	
	Fund	MSCI World	Fund	MSCI World	Fund	MSCI World
North America	53.3	69.7	29.5	33.3	1.8	1.5
United States	53.3	66.4	29.5	34.0	1.8	1.4
AbbVie	1.0		30.4		4.8	
Alphabet	2.2		34.4		0.0	
American Tower	3.1		54.0		2.1	
Centene	3.3		19.6		0.0	
Cisco Systems	3.2		20.7		2.9	
Colgate	3.0		25.1		2.3	
Duke Energy	1.4		34.9		4.0	
Exxon Mobil	1.3		Loss		6.2	
HCA Healthcare	2.8		17.2		1.0	
Johnson & Johnson	3.3		23.1		2.5	
L3Harris Technologies	2.7		38.7		2.0	
Maximus	2.9		25.2		1.3	
Microsoft	3.1		34.7		1.0	
New York Community Bancorp	2.0		12.9		5.4	
Pepsi	3.1		26.7		2.9	
PPL Corp	0.9		14.6		5.8	
S&P Global	2.0		34.8		0.9	
Stericycle	2.5		30.0		0.0	
Synchrony Financial	1.2		17.4		2.2	
Ulta Beauty	0.9		65.2		0.0	
Visa	1.7		39.8		0.6	
Waters	2.3		32.2		0.0	
Wells Fargo	3.4		55.6		1.0	
Europe & Middle East	24.5	19.2	19.7	24.7	3.1	2.3
France	6.2	3.4	18.1	41.2	2.2	1.7
Sanofi	3.1		13.7		3.8	
Thales	3.1		27.0		0.5	
Germany	2.3	2.9	76.7	21.7	2.7	2.2
Continental	2.3		76.7		2.7	
Italy	1.9	0.8	15.4	16.8	4.0	1.9
Enel	1.9		15.4		4.0	
Spain	1.9	0.7	23.5	40.0	6.9	3.6
Naturgy Energy	1.9		23.5		6.9	
United Kingdom	12.2	4.3	18.4	19.8	3.0	3.3
GlaxoSmithKline	2.9		11.1		6.2	
Kingfisher	2.0		14.6		0.0	
Lloyds Bank	3.0		101.9		0.0	
SSE	1.5		18.8		5.5	
Unilever	2.8		18.2		3.7	
Pacific	20.7	11.1	18.0	26.2	2.2	2.2
Hong Kong	1.8	1.0	9.5	28.2	5.0	2.5
WH Group	1.8		9.5		5.0	
Japan	14.7	7.5	21.3	24.9	1.8	1.9
Kyocera	2.9		36.2		1.7	
Matsumotokiyoshi	1.4		20.7		1.4	
Mitsubishi Electric	2.9		21.2		2.1	
Otsuka	2.1		15.3		2.1	
Sekisui Chemical	1.0		22.4		2.2	
Sundrug	2.6		17.6		1.7	
Toyota Industries	1.8		23.9		1.5	
Singapore	1.0	0.3	12.6	23.3	4.3	3.4
Singapore Telecom	1.0		12.6		4.3	
Other Pacific	3.2	2.2	16.7		1.5	
Alibaba	2.5		25.1		0.0	
China Mobile	0.8		N/A		6.4	
Cash	1.5				0.1	
Total	**100.0**	**100.0**	**23.5**	**30.4**	**2.2**	**1.7**

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See important notes on page 7.

Monthly Commentary for March 2021

Return Summary

	Fund Return %	MSCI World Index %
March 2021	5.2	3.3

Performance Highlights and Key Attributes

Global markets rally as Congress passes historic US stimulus package

President Biden signed his USD1.9T COVID-19 relief bill into law, delivering on his top policy priority. The deal includes USD1,400 of direct stimulus checks to US households, an extension of federal top-ups to unemployment insurance, and another USD350B for state and local governments. 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. With parts of Europe renewing strict lockdown measures and the European Union hitting a number of issues with its vaccine rollout, Ms. Yellen may get her wish as European leaders look to mitigate the damage caused by a slower than expected recovery from the COVID-19 pandemic. The Federal Reserve signaled 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. The period 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 with the S&P 500 ending the period at a new all-time high.

Country allocation was a negative in the period

Underweight exposure to the US market and overweight exposure to the Japanese and French market was positive for returns in the period. These positive effects were more than offset by overweight exposure to the Chinese and Hong Kong markets, as well as underweight exposure to the Swiss and Swedish markets.

Sector allocation added to relative returns in March

Overweight exposure to the consumer staples and utilities sectors, as well as underweight exposure to the IT sector, boosted returns in March. These positive effects were only slightly reduced by overweight exposure to the relatively weaker health care sector.

Stock selection was the main driver of outperformance

Strong stock selection in the health care and IT sectors, where Cisco rallied strongly, boosted relative returns. These positive effects were only partly offset by weaker selections in the consumer staples and consumer discretionary sectors. On a regional basis, strong selections in the US and UK was only partly offset by weaker selections in China, Hong Kong and Germany.

Currency allocation was a headwind in the period

Overweight exposure to the Japanese yen and UK sterling, as well as underweight exposure to the US dollar, was negative for performance. These negative effects were partially reduced by underweight 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 consumer staples and health care sectors and an underweight position in the IT sector

Portfolio Transactions

In March we initiated a new position in Ulta Beauty (specialty retail) (see below).

In addition, we added to Alibaba (China's largest ecommerce player), Colgate (global consumer goods company), Pepsi (US snack & non-alcoholic drinks company), Stericycle (US listed medical waste company), and Unilever (global consumer goods company). These additions were funded by trimming Duke Energy (US utility), ExxonMobil (oil & gas), Matsumotokiyoshi (Japanese drugstore operator), New York Community Bancorp (residential mortgage bank), PPL (US utility), and Synchrony Financial (consumer financial services company).

All returns in USD.

See important notes on page 7.

New Stock Overview – Ulta Beauty

Ulta Beauty is a specialist beauty retailer, selling a wide variety of products across cosmetics, skincare, and haircare and providing in-store salon services. They operate out of 1,262 stores in the United States as well as having an online presence and a highly effective loyalty program. Beauty is an attractive end market given historically strong growth, limited cyclicality, rapid innovation, and slow penetration of ecommerce, helped by the preference to try products in-store before purchase. Ulta is differentiated from other beauty retailers by their uniquely wide range of products, covering all price points and categories; high-end, prestige brands are very cautious about where their products are sold. As the US economy emerges from Covid, we see the outlook for Ulta as attractive: US consumers are financially strong; there is pent-up demand for going out, which should benefit beauty sales; and new product launches by brands have been held back. More importantly, Ulta is very well positioned to capture market share from department stores, (the traditional home of prestige beauty products), and mall-based competitors. Over time, we expect off-line margins to benefit from weaker competition, slower store growth, and reduced rent due to the increasing amount of US retail space. This should offset the pressure from lower ecommerce margins, which also have the potential to increase with scale. Given the expected slowdown in store growth and resulting benefit to free cash flow, we think Ulta will be in a position to enhance shareholder returns with a dividend in the medium-term. We believe the prospects for the business and dividends are currently undervalued by the market.

See important notes on page 7.

Quarterly Commentary for March 2021

Return Summary

	Fund Return %	MSCI World Index %
Quarter 1, 2021	6.5	4.9

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 positive

Overweight exposure to the Japanese market, as well as underweight exposure to the US market, boosted returns in the first quarter. These positive effects were partly offset by underweight exposure to the Dutch and Swedish markets.

Sector allocation detracted from returns in the period

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

Stock selection was positive on a regional and sectoral basis and was the main driver of outperformance

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

Currency allocation was a headwind to performance

Overweight exposure to the Japanese yen and euro, as well as underweight exposure to the US dollar, detracted from performance in the period. These negative effects were reduced by having no exposure to the Swiss franc and Swedish krona.

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 consumer staples and health care sectors and an underweight position in the IT sector

Portfolio Transactions

In the first quarter, we initiated in American Tower (US based multi-tenant communications REIT), L3Harris Technologies (US defense company), and Ulta Beauty (specialty retail) (see below).

We added to positions with attractive risk-adjusted returns: Mitsubishi Electric (Japanese industrial electronics), Sanofi (French pharmaceuticals), Thales (French defense company), Wells Fargo (US banking and financial services), Alibaba (China's largest ecommerce player), Unilever (global consumer goods company), Centene (US health insurance), HCA Healthcare (the largest for-profit hospital operator in the US), Colgate (global consumer products), Pepsi (US snack & non-alcoholic drinks company), and Stericycle (US listed medical waste company).

All returns in USD.

See important notes on page 7.

In addition, we trimmed positions in the following names: Naturgy (Spanish utility), Duke Energy (US utility), China Mobile (Chinese telecommunications), Visa (global payment solutions provider), Waters (US analytical instrument manufacturer), ExxonMobil (oil & gas), Matsumotokiyoshi (Japanese drugstore operator), New York Community Bancorp (residential mortgage bank), PPL (US utility), and Synchrony Financial (consumer financial services company).

Finally, we exited positions in Amcor (global packaging manufacturer), Check Point (network security), DuPont (US-listed diversified specialty chemicals manufacturer), and ISS (facilities services).

New Stock Overview – American Tower

American Tower is a U.S. based real estate investment trust, which engages in the provision of wireless communications infrastructure; in particular, macro and rooftop cell towers. They are the market leader in the U.S. and also operate in India, Europe, Central and South America, Canada, and Africa. Telecommunication companies rent space on American Tower's infrastructure to host their cell antennas and other equipment. The strength of the cell tower market comes from the contract structure in which rents escalate each year in combination with a largely fixed cost base resulting in strong and improving margins. The contracts are long-term in nature, often up to 30 years in length, and the industry has high barriers to entry, particularly in the U.S. where it is very hard to get planning permission for new towers. Telecommunication companies around the world have begun to roll out 5G which has resulted in additional rent increases on top of the previous escalators. Relative to its' peers, American Tower has a much larger international presence which offers strong growth opportunities in less developed markets such as India and across Africa. Despite recent FX headwinds and customer consolidation, our long-term analysis has identified the potential in these markets as they have now stabilized and are advancing technologically. American Tower is a market leader with a diversified portfolio of assets that provide a positive growth outlook as well as the opportunity for strong shareholder returns and we believe this is not fully reflected in the current share price.

New Stock Overview – L3Harris Technologies

L3Harris is a US aerospace and defense contractor. The company was formed from the merger of L3 Technologies and Harris Corporation in 2019. Around 60% of its sales are to the US government, with the remainder split between international governments and the commercial sector. They have a focus on technologies around communications, antennas, radars, and sensors. This aligns them well with US Department of Defense spending priorities such as space, intelligence/ surveillance/ reconnaissance, communications modernization, and electronic warfare. The recent merger provides opportunities for synergies and margin expansion. As the Democratic Party became the favorite to win the US election, fears grew that the defense budget would be cut in future. This was also a period when news about vaccines started to drive investor preference towards stocks with recovery potential, funded from more stable areas such as defense stocks. The resulting sell-off in defense stocks has presented an opportunity to buy into a well-run, well-positioned, stable, and high-return business. Given the deterioration in relations between the US and China and a general softening in concern around fiscal deficits, helped by low inflation and interest rates, we believe that the new US President is unlikely to cut defense spending significantly and that clarity around future spending plans will be taken positively by investors.

New Stock Overview – Ulta Beauty

Ulta Beauty is a specialist beauty retailer, selling a wide variety of products across cosmetics, skincare, and haircare and providing in-store salon services. They operate out of 1,262 stores in the United States as well as having an online presence and a highly effective loyalty program. Beauty is an attractive end market given historically strong growth, limited cyclicality, rapid innovation, and slow penetration of ecommerce, helped by the preference to try products in-store before purchase. Ulta is differentiated from other beauty retailers by their uniquely wide range of products, covering all price points and categories; high-end, prestige brands are very cautious about where their products are sold. As the US economy emerges from Covid, we see the outlook for Ulta as attractive: US consumers are financially strong; there is pent-up demand for going out, which should benefit beauty sales; and new product launches by brands have been held back. More importantly, Ulta is very well positioned to capture market share from department stores, (the traditional home of prestige beauty products), and mall-based competitors. Over time, we expect off-line margins to benefit from weaker competition, slower store growth, and reduced rent due to the increasing amount of US retail space. This should offset the pressure from lower ecommerce margins, which also have the potential to increase with scale. Given the expected slowdown in store growth and resulting benefit to free cash flow, we think Ulta will be in a position to enhance shareholder returns with a dividend in the medium-term. We believe the prospects for the business and dividends are currently undervalued by the market.

See important notes on page 7.

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Important Notes

1. Calculations for P/E, P/B, dividend yield and market caps 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 interests in the Fund will fluctuate. When a withdrawal is made, the interests 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 Supplement, as each may be amended or modified from time to time in accordance with their terms. 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. All returns in this Fund Overview are in US dollars.
6. All performance provided in this Fund Overview is net of Transaction Expenses, Administrative Expenses and Management Fees but gross of Subscription Charges and Redemption Charges (each as described in the Prospectus and Supplement). Subscription Charges and Redemption Charges are automatically deducted from subscription payments and redemption proceeds. Investor returns will be reduced by Subscription Charges and Redemption Charges paid.
7. The MSCI World Index Net data are presented. The MSCI World Net Index assumes the reinvestment of dividends after the deduction of withholding tax and approximates the minimum possible dividend re-investment.

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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'Ile, CH-1204 Geneva. For the units of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva.