

Mondrian International Small Cap Equity

International Small Cap at a Glance

- Total Product Assets: USD 6.1 billion
- Product Inception: January 1998
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- History of outperformance versus the benchmark, with lower volatility
- Dedicated small cap team
- Universe: Securities that have a maximum market capitalization of approximately USD 4.0bn at time of purchase
- Portfolios contain 70-120 securities
- Annual turnover is generally 20-40%

Our Organization

- Founded in 1990, with 30 years of stable, consistent leadership
- Over 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 56 investment professionals in London

Performance Summary (USD)

Composite	Composite Gross (%)	Composite Net (%)	MSCI World ex-US Small Cap (%)
Cumulative			
Q221	4.59	4.39	4.81
Annualized			
1 Year	40.64	39.55	42.28
3 Years	8.92	8.08	8.92
5 Years	11.79	10.93	11.88
10 Years	8.15	7.32	7.66
15 Years	9.24	8.40	6.10
SI Jan 1, 1998	10.84	9.98	8.17

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.

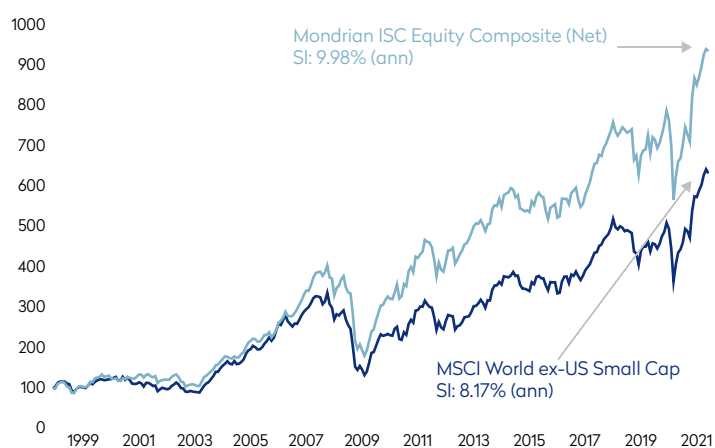
Benefits of Our Approach

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 international small cap benchmarks and performance of most other international small cap 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) January 1998 = 100



Return Summary

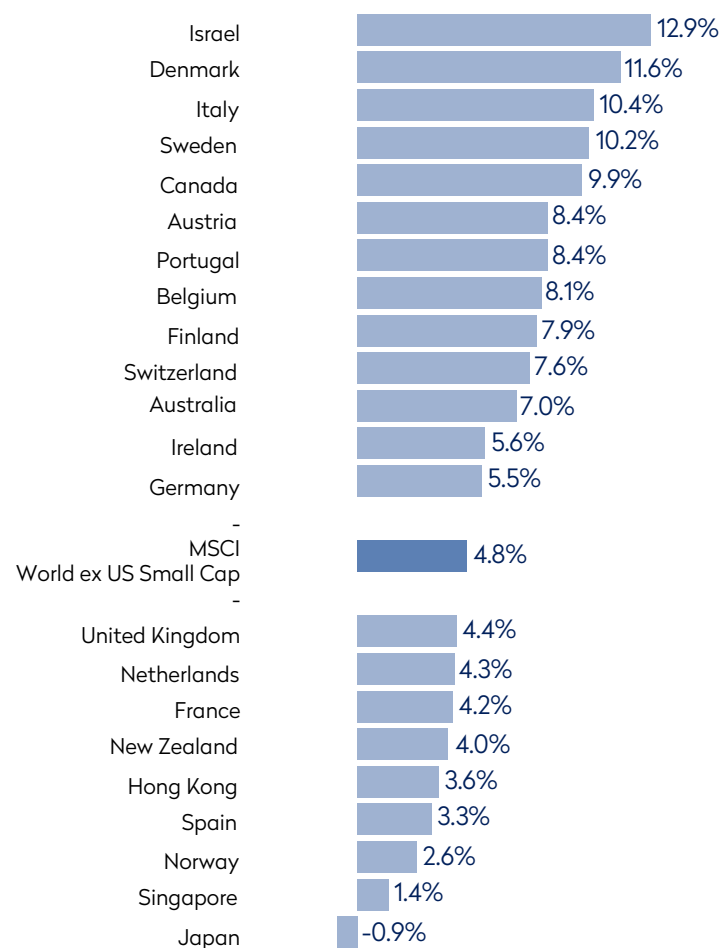
	Composite Gross Return	Composite Net Return	MSCI World ex-US Small Cap
Quarter 2, 2021	4.59%	4.39%	4.81%

International small cap equity markets rose 4.8% during the second quarter in spite of some weakness towards the end of the quarter. European and Canadian equity markets led returns in April and May thanks to a fall in covid-19 infection rates, coupled with continued progress in the rollout of vaccinations and further easing of restrictions. However, in June markets fell due to concerns over the rapid spread of the delta variant of coronavirus and depreciation of all major international currencies against the dollar, which was driven higher by expectations of future rate rises.

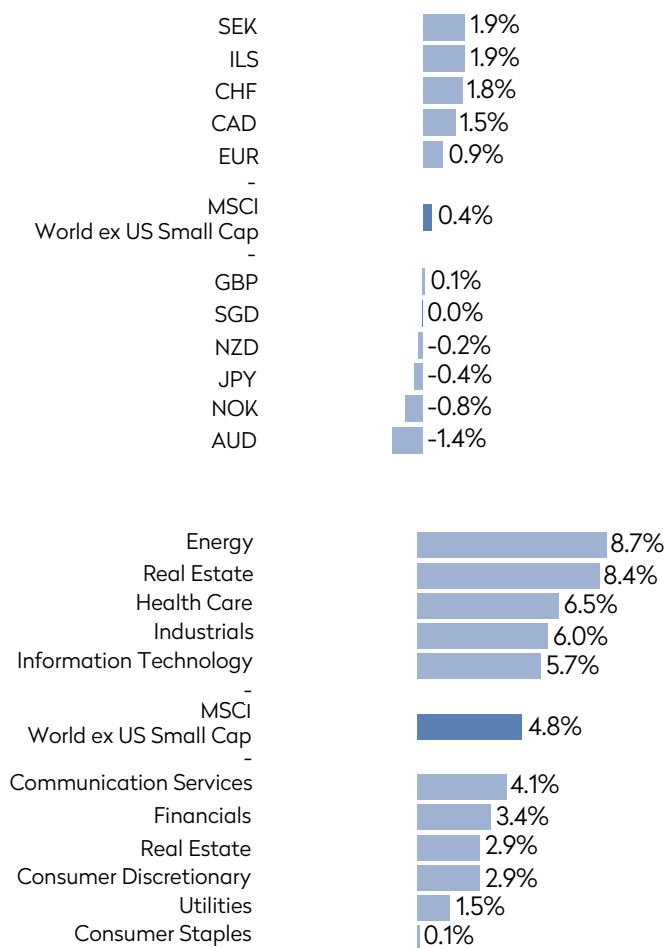
Japan was the weakest and only small cap market in the index to fall during the quarter, held back by the weak local financials and materials sectors, as the vaccine rollout continued to languish relative to other developed countries and the country experienced a new wave of infections, leading to a renewed state of emergency in Tokyo and Osaka in April.

Market Background

Selected Equity Market Returns



Selected Currency and Sector Returns



Performance Attribution

	Positive	Negative
Stock Contribution	Japan BayCurrent Consulting Canada Spin Master United Kingdom Equiniti Australia Altium	Norway Fjordkraft Japan Kyudenko Hong Kong/China HKBN Australia Costa
Currency Contribution	Underweight Japanese yen Overweight euro	Underweight Swedish krona Underweight Swiss franc
Market Contribution	Underweight Japan Overweight Australia	No exposure to Israel Underweight Sweden

Performance attribution for the second quarter

The composite portfolio (net of fees) rose 4.4% in the second quarter, to underperform the benchmark by 0.4%. The key detractor from returns was market allocation, in particular the portfolio's lack of exposure to the relatively strong markets in Israel and Denmark, as well as underweight and overweight exposures to Sweden and Singapore respectively. Meanwhile, stock selection contributed positively to returns, driven by very strong stock selection in Japan, the UK and Italy; although this was partially offset by negative stock selection within Norway and Hong Kong. Currency effects were a modest detractor from returns.

Investment Strategy

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

- A diversified and balanced strategy ensuring that the portfolio is defensively positioned with a focus on well managed, attractively valued companies backed by structural growth prospects, sustainable cash flow generation and robust balance sheets.
- Exposure to fiscally strong economies, which are able to undertake counter-cyclical fiscal policies to boost domestic growth, through bottom-up stock selection.

Modifications to Small Cap Definition

We wish to inform you that as of July 1, 2021, we have decided to revise our definition of developed international small cap stocks in line with protracted market fluctuations. Currently, our developed International Small Cap 'buy' universe includes stocks with a total market capitalization of up to approximately USD 3.5 billion at initial purchase across all applicable markets. Given the significant upward movement in the markets since the last revision made in January 2014, we have decided to revise the market cap limit to approximately USD 4.0 billion for securities eligible for initial purchase. This enables us to access a universe of stocks small enough to be classified as 'small cap' and to continue to have broadly similar market-cap characteristics as the two most commonly used international small cap indices (MSCI World Ex-US Small Cap Index and S&P Developed ex-US Small Cap Index). Under the change, we will hold securities in the portfolio as long as they remain attractive using our in-house dividend discount analysis up to a sustained market-cap of approximately USD 8.0 billion. The Mondrian investment philosophy and process for the developed International Small Cap product remains unchanged utilizing a disciplined investment framework to produce attractive real returns with defensive value performance characteristics.

Sector Allocation	Mondrian (%)	MSCI World ex-US Small Cap	Country Allocation	Mondrian (%)	MSCI World Ex-US Small Cap
Communication Services	1.2	4.2	North America	6.5	8.7
			Canada	6.5	8.7
Consumer Discretionary	16.7	12.8	Asia Pacific	40.4	38.4
Consumer Staples	7.3	5.6	Australia	9.6	8.3
Energy	2.5	2.7	Hong Kong/China	6.5	2.0
Financials	2.1	10.3	Japan	19.2	25.6
Health Care	3.3	7.1	Singapore	5.2	1.7
Industrials	26.5	22.7	Other Asia Pacific	—	0.8
Information Technology	13.9	9.7	Europe & Middle East	52.0	52.9
Materials	7.5	10.3	Belgium	0.9	1.5
Real Estate	10.4	11.6	France	9.0	3.0
Utilities	7.6	3.1	Germany	8.2	4.8
Cash	1.0	—	Ireland	1.3	0.5
			Italy	1.4	2.6
Total	100.0	100.0	Netherlands	3.3	2.2
			Norway	1.8	2.2
			Sweden	2.8	6.8
			Switzerland	1.5	4.7
			United Kingdom	21.8	16.0
			Other Europe	—	8.6
			Cash	1.0	—
			Total	100.0	100.0

Portfolio Managers

Ormala Krishnan

Chief Investment Officer — Small Cap Equities
Managing Partner

Aidan Nicholson

Senior Portfolio Manager
Partner

Bhavin Manek

Senior Portfolio Manager
Partner

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 International Small Cap Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI World Ex-US Small Cap Index net of US withholding taxes. The portfolios are invested in non-US based small capitalisation equities with the allowance for hedging. The MSCI World Ex-US Small Cap 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.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

2. This Quarterly Update contains supplemental information which complements the Mondrian International Small Cap 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 second 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.

For institutional investors and professional financial advisers only.

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.

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