

Mondrian U.S. Large Cap Equity

U.S. Large Cap Equity Strategy at a Glance

- Product Inception: January 2006
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- History of outperformance versus the benchmark, with lower volatility
- Portfolios contain 25-35 securities
- Annual turnover is generally 20-35%

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

Composite	Composite Gross (%)	Composite Net (%)	Russell 1000 Value (%)	Net Relative to Russell 1000 Value (%)
Cumulative				
Q2 2021	7.19	7.07	5.21	1.77
Annualized				
1 Year	34.10	33.50	43.68	-7.09
3 Years	15.16	14.65	12.42	1.98
5 Years	14.42	13.91	11.87	1.82
SI Jan 1, 2006	9.60	9.11	8.19	0.85

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.

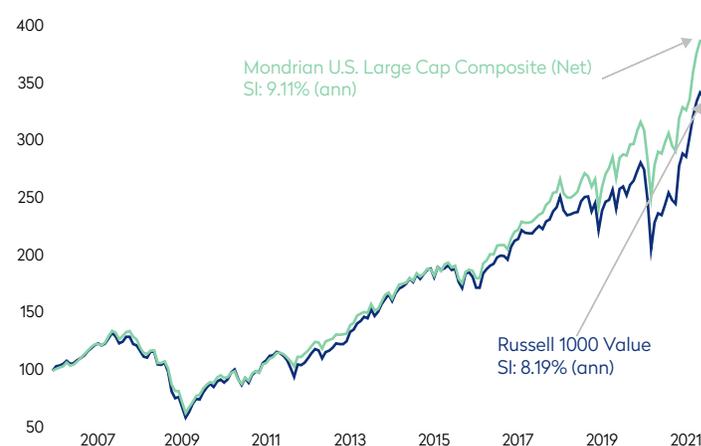
Benefits of Our Approach

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 market declines. Additionally, our portfolio performance has historically been less volatile than the applicable benchmarks and competing managers.

Investment Process

- A value-oriented, dividend discount methodology designed to identify value.
- Rigorous bottom-up, fundamental research is strongly emphasized. An extensive program of company visits is used in conjunction with proprietary internal research to support the decision making process.

Cumulative Returns (USD) January 2006 = 100



Return Summary

	Composite Gross Return	Composite Net Return	Russell 1000 Value	Russell 1000 Value Relative to Net
Quarter 2, 2021	7.19%	7.07%	5.21%	1.77%

Market Background

Global markets moved higher despite rising inflation concerns

Equities continued to move higher in the second quarter despite rising concerns about inflation. Although the fight against COVID-19 hit a stumbling block in April due to rising concerns around some dangerous side effects in some of the vaccines, markets were supported by a continuation of the global vaccine rollout, strong corporate earnings, improving macroeconomic data, and the Federal Reserve maintaining its dovish stance. Recent data from the Department of Labor shows US inflation moved higher in the quarter with the consumer price index (CPI) up 4.2% in May when compared to a year ago. Core CPI, which excludes the often volatile food and energy categories, also rose significantly as the US's economic recovery continued to gain momentum. Despite concerns around rising inflation, at the end of its two-day policy June meeting, the US central bank kept its main interest rate on hold at the rock-bottom range of 0 to 0.25 per cent, where it has been since the start of the pandemic. Meanwhile Fed Chairman Jerome Powell said that it was "highly unlikely" that rates would rise this year. However, whereas in March when most Fed officials predicted that current rates would be maintained until at least 2024, the consensus has shifted towards an earlier lift-off in 2023, signalling the central bank's belief in a faster transition to a full recovery and tighter monetary policy. Returns in the US supported global indices, helped by the vaccine rollout and the historic fiscal stimulus passed earlier this year.

The net composite performed strongly in both absolute terms, returning 7.1%, and relative terms, beating the benchmark which appreciated 5.2% in the quarter.

Performance Attribution for Q2 2021

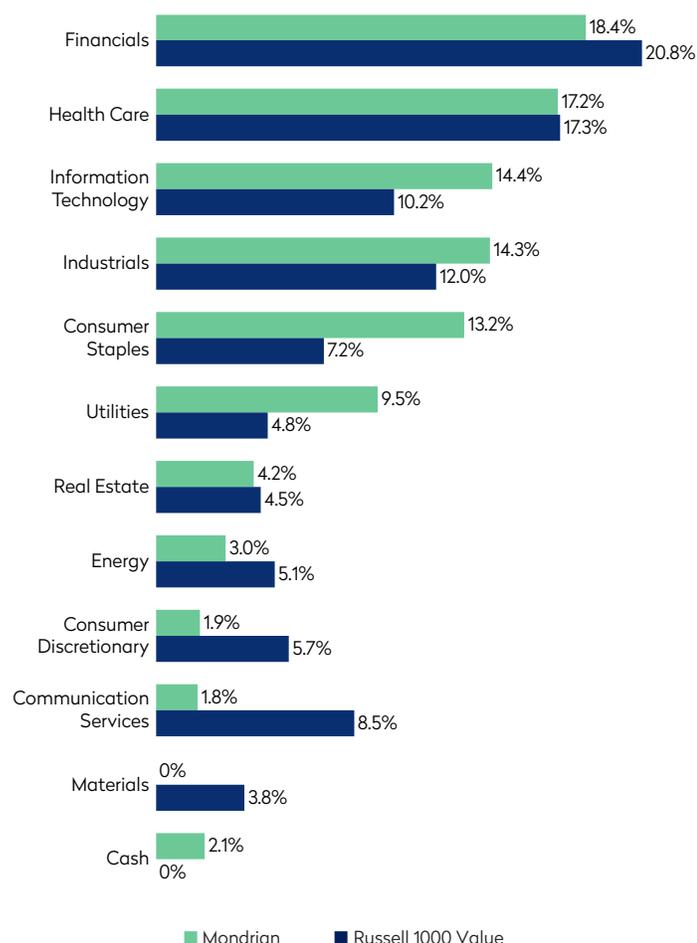
Sector positioning detracted from relative returns

The portfolio's overweight positions in the utilities, IT and consumer staples sectors detracted from relative returns. This was only partly offset by underweight positions in the weaker communication services sector and the overweight in the stronger health care sector.

Stock selection was a positive for relative returns

Stock selection was strong within IT, industrials, health care and financials, more than offsetting negative sector allocation. Selections in consumer staples were very slightly negative in the quarter.

Sector Weightings



Characteristics

	Mondrian	Russell 1000 Value
Weighted Average P/E (Trailing 12 months)	29.0x	24.0x
Weighted Average P/B	3.4x	2.7x
Weighted Average Dividend Yield	2.2%	1.9%
Number of Holdings	32	842
Weighted Average Market Cap	\$217.9 billion	\$152.7 billion
Median Market Cap	\$73.1 billion	\$14.0 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.

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 individual securities, both bonds and equities. The U.S. Large Cap Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the Russell 1000 Value gross of US withholding taxes. 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.
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3. This Quarterly Update contains supplemental information which complements the Mondrian The U.S. Large Cap Equity Composite GIPS compliant presentation. Additional information is available upon request.
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5. Calculations for P/E, P/B, dividend yield, sector allocations and market caps are based on generally accepted industry standards. All characteristics are based on a representative account and derived by 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.
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7. There can be no assurance that the investment objectives of the strategy will be achieved.
8. All characteristic data provided is produced using Mondrian's accounting system data.
9. Performance results marked "Gross" do not reflect deduction of investment advisory fees but are net of transaction costs. 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.
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