Quarter 1, 2022

Mondrian International Government Fixed Income Fund

MPIFX

Mondrian
INVESTMENT PARTNERS

Investment Objective

The investment objective of the Fund is to seek long-term total return consistent with its value-oriented investment approach.

Fund Strategy

Mondrian is an active, value-oriented defensive manager. We invest in international markets that offer high income in real (inflation-adjusted) terms, measured by a market's Prospective Real Yield (PRY).

We define PRY as the 10 year government bond yield minus Mondrian's inflation forecast.

Fund Overview

Initial Investment	$50,000
Inception Date	November 2, 2007
Total Net Assets	$13m
Ticker Symbol	MPIFX
CUSIP	36381Y306
NAV	$8.57
Net Expense Ratio	0.60%
Gross Expense Ratio	0.98%

Fund Performance

			Annualized Returns			
	Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception
Mondrian Fund	-7.15%	-10.91%	-0.80%	1.22%	-0.63%	1.60%
FTSE non-US Dollar World Government Bond Index	-7.13%	-10.36%	-1.21%	0.77%	-0.37%	1.51%

Returns are annualized for periods over 1 year. Fund Inception November 2, 2007. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than performance quoted. For performance data current to the most recent month end, please call 888-832-4386. NAV returns since inception of November 2, 2007 when the Fund was the Laudus Mondrian International Government Fixed Income Fund. The Fund was reorganized into the Mondrian International Government Fixed Income Fund on September 24, 2018. It continues to be managed in the same way.

Country Allocation

	Bond Exposure (%)	Currency Exposure (%)	FTSE WGBI Index (Non-US) (%)
Asia Pacific	**35.4**	**36.0**	**32.6**
Australia	3.2	2.1	2.3
China	0.0	0.0	2.1
Japan	26.8	31.8	26.9
Malaysia	2.1	2.1	0.7
Singapore	3.3	0.0	0.6
Americas	**12.5**	**2.5**	**3.9**
Canada	4.8	0.1	2.9
Mexico	5.3	0.1	1.1
Peru	2.4	2.4	0.0
USA	0.0	-0.1	0.0
Europe	**51.5**	**61.5**	**62.8**
Eurozone	46.7	50.3	53.2
Denmark	0.0	0.0	0.6
Norway	3.0	0.1	0.4
Poland	0.0	3.2	0.6
Sweden	0.0	0.0	0.4
United Kingdom	1.9	7.9	7.6
Cash	**0.6**	**—**	**—**

Mondrian Investment Partners Limited (the Advisor) has contractually agreed to waive fees and reimburse expenses to the extent necessary to keep Total Annual Fund Operating Expenses (excluding interest, taxes, brokerage commissions, acquired fund fees and expenses and non-routine expenses from exceeding 0.60% of the Fund's average daily net assets until February 28, 2024.

Bond funds are subject to increased loss of principal during periods of rising interest rates. As interest rates rise, bond prices usually fall. Foreign investing involves special risks such as currency fluctuations and political uncertainty. Diversification does not eliminate the risk of experiencing investment losses. There are risks associated with investing in foreign companies, such as volatile market conditions, economic and political instability, fluctuations in currency and exchange rates, and an increased risk of price volatility associated with less uniformity in accounting and reporting requirements. Investing in emerging markets accentuates these risks. Investments in emerging markets are more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. The Fund is non-diversified and, as such, may invest a greater percentage of its assets in the securities of a single issuer, making the Fund more susceptible to risks associated with a single economic or political event. The use of derivatives instruments involves risks different from, or possibly greater than, the risk associated with investing directly in securities.

Statistical Information (3 year, as of March 31, 2022)

	Fund	FTSE non-USD World Gov. Bond Index
Sharpe ratio	-0.25	-0.31
Information ratio	0.37	0.00
Standard deviation	6.70%	6.63%
R-squared	97.11%	100%

Calculation information: All statistical information calculations are based on returns over the past 36 months for the Fund and the Index. Sharpe ratio is a measure of reward per unit of risk - the higher the Sharpe ratio, the better. It is a portfolio's excess return over the risk-free rate divided by the portfolio's standard deviation. The portfolio's excess return is its geometric mean return minus the geometric mean return of the risk-free instrument (by default, T- bills). Information ratio is a measure of the consistency of a portfolio manager's performance. It is calculated by taking the average excess return over the comparative index and dividing by the standard deviation of the excess returns. Standard deviation is a widely recognized measure of volatility of an investment portfolio, or how widely monthly returns vary from a portfolio's long-term average annual total return. R-squared indicates on a scale of 0 to 100 the percentage of a fund's performance that is explained by movements in its comparative index.

Top Ten Holdings

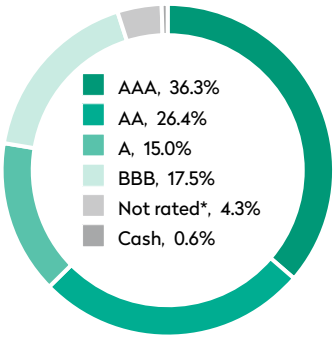
	Net Assets
Mexico Bonos 8% 07-Nov-47	5.3%
Japan Govt 30yr 0.3% 20-Jun-46 (051)	5.2%
Italy BTPS 2.95% 01-Sep-38	5.1%
Asian Dev Bank 2.35% 21-Jun-27	4.9%
Italy BTPS 2% 01-Feb-28	4.8%
Kingdom of Belgium 1% 22-Jun-26	4.6%
Rep of Finland 0.5% 15-Sep-27	4.5%
KFW Intl Finance 2.05% 16-Feb-26	4.5%
Euro Inv Bank 2.15% 18-Jan-27	4.5%
European Fin Stability 0.95% 14-Feb-28	4.4%
TOTAL	**47.7%**

Holdings are subject to change.

Fund Characteristics

	Fund	FTSE non-USD World Gov. Bond Index
Number of Securities	40	907
Portfolio Turnover (1 Year Trailing)	14.05%	—
Average Maturity	10.7 years	10.9 years
Average Duration	8.9 years	9.5 years

Credit Rating Distribution *



The credit quality breakdown depicts the credit quality ratings of the Fund's securities. All rated securities are rated by Nationally Recognized Statistical Rating Organizations (NRSRO) Standard & Poor's (S&P), Moody's and/or Fitch. We progress down the hierarchy S&P followed by Moody's followed by Fitch. When a security is not rated by any NRSRO, it is classified as 'Not Rated'. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest).

* There are currently one Netherlands and one Italian government bond that are not rated by any NRSRO, but the issuers of these securities (the governments of the Netherlands and Italy) are rated by all three NRSROs.

Investment Strategy

Our investment strategy is as follows:

Overweight Positions

- Malaysia, Mexico, Peru and Singapore
- Norwegian krone and Polish zloty

Underweight Positions

- Eurozone (broadly neutral to Italy and underweight Spain)
- Underweight UK market

FTSE non-US Dollar World Government Bond Index: A market capitalization index that measures the total rate of return performance for the government bonds of 22 countries, excluding the U.S., with a remaining maturity of at least 1 year. U.S. Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies.
Prospective Real Yield is the return that you expect to get from an investment, adjusted for the effects of inflation.
Maturity of a bond will generally be determined using a portfolio security's final maturity date (date on which the final principal payment of a bond is scheduled to be paid); however, for securitized products, such as mortgage-backed securities and certain other asset-backed securities, maturity will be determined on an average life basis (weighted average time to receipt of all principal payments) by the investment adviser. Because pre-payment rates of individual mortgage pools vary widely, the average life of a particular pool cannot be predicted precisely. For securities with embedded demand features, such as puts or calls, either the demand date or the final maturity date will be used depending on interest rates, yields and other market conditions. The weighted average maturity (WAM) of a fund is dollar-weighted based upon the market value of a fund's securities at the time of the calculation. Duration is a measure of an individual bond's sensitivity to interest rates, expressed in years. Calculations of duration generally take into account the bond's yield, interest payments, maturity date and call features. Weighted Average Duration is a measure of the duration of all bonds in a fund's portfolio, also expressed in years, based on the market value weighted average duration of each bond in the portfolio. Standard Deviation - A measure of the volatility of returns. Beta - A measure of a fund's sensitivity to market movements.

Performance Review

Over the first quarter as a whole, the FTSE World Government ex-US Bond Index fell 7.1% in US dollar unhedged terms. In local currency terms the index fell 4.5%, with benchmark international currencies falling 2.7% on average against the US dollar. The strongest performing markets were Mexico (+1.2%), China (+1.2%) and Malaysia (-2.2%). Currency was the main driver of outperformance in the case of Mexico, whereas for China and Malaysia it was local bond market outperformance. The weakest performing markets were the UK (-10.6%), Denmark (-8.9%) and Poland (-8.4%). Local bond market weakness was the main driver of underperformance in the case of all three markets.

The Fund performed broadly in line with the benchmark index in the first quarter. The underweight to United Kingdom gilts was positive for performance as was the overweight to Mexican bonds and duration. The overweight to the Peruvian sol was also beneficial for performance. However, these were offset by intra-Eurozone positioning as well as the overweight to the Japanese yen and underweight to the Canadian dollar.

Investment Outlook

The current spike in inflation and rising cost of living in many countries has become a major concern for policymakers and the public alike. However, as things stand, it is not likely to last and does not herald a return to an era of high global inflation in our opinion.

The average headline annual rate of inflation in the G7 economies was 6.3% at the end of February. We have not seen inflation this high since 1982. Naturally this is stoking fear of a return to a time when high inflation was the norm. However, high inflation now has two singular causes: the after effects of the pandemic and geopolitics. The first saw choked supply chains unable to meet pent up demand; the second has resulted in an additional sharp rise in energy and commodity prices. Although the rise in consumer energy prices is not as egregious as the two energy price shocks in the 1970s, it is not surprising that it has invited comparison to the 1970s and invoked fears of a return to the high inflation of that era.

However, the structural economic backdrop now is very different to that of the 1970s. In the 1970s, expectations of persistent inflation had undeniably become entrenched in economic forecasts, methods of accounting, business planning and contract negotiation. At that time, the economy was more highly regulated and more labour and energy intensive. Local workforces were generally more protected, unionised and collective pay settlements were the norm. This caused inflation to feed on itself and exorcising it required a very sharp and painful monetary shock.

Higher inflation now has admittedly persisted much longer than initially expected due to the pandemic and geopolitical shocks. Indeed, it will likely continue to rise in the short term as geopolitical pressures have recently pushed food and energy prices even higher. However, energy inflation tends not to persist. As it recedes, it will become a disinflationary force. Moreover, 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 labour in deindustrialized, service-dominated economies and technology-driven competition, are still very much in place for now.

Inflation forecasting is very much front and centre of our approach to global fixed income investment. We overweight high quality bond markets that best compensate us for inflation risk, displaying a relatively high Prospective Real Yield (PRY). Those markets currently include Mexico, Peru, Norway, Singapore and Malaysia. In addition, the recent widening of credit spreads has allowed us to add selectively to high quality credit thereby picking up additional value over and above sovereign issuers.

When setting investment policy we must also take into account currency valuations. Currencies that provide good value according to our Purchasing Power Parity (PPP) models include the Polish zloty, Malaysian ringgit, Norwegian krone, Peruvian sol and Japanese yen. We recently increased exposure to the yen as it is now signalling as extremely cheap according to our PPP models.

Mondrian
INVESTMENT PARTNERS

Mondrian Investment Partners Limited

Our Organization

Successful and Well-Managed

- Founded in 1990
- Over 30 years of stable, consistent leadership
- Over USD 55 billion* under management and advisement

Company Overview

Mondrian is an independent, employee-owned, global value-oriented manager with over 30 years' experience in managing a range of equity and fixed income products for a variety of clients based around the World. During this period the business has been managed in a stable, successful fashion, and is controlled by an employee partnership. This ownership structure ensures alignment of interests with clients and reinforces the long-term approach to investment that Mondrian has used since the firm was founded in 1990. Prior to a management buyout in 2004, the business was affiliated with US-based Delaware Investments. Mondrian's value style products have had a track record of producing consistent, strong risk-adjusted performance in a variety of different market environments.

Independent, Employee-Owned

- Equity ownership plan designed to attract, retain and motivate highly skilled people
- Mondrian is employee owned
- Approximately half of employees are partners

People: Our Best Resource

The most important resource of any investment organization, and Mondrian in particular, is the investment team and staff. Mondrian's investment team has been working together for almost 30 years. We have a low turnover of professional staff, and a strong culture of client service and support.

Time-Tested Investment Philosophy and Process

- All products utilize an income-oriented value discipline
- Consistently applied since the company's founding in 1990
- In-depth global fundamental research

Philosophy

Mondrian follows a highly disciplined and repeatable process: it overweight markets that it believes will provide a high risk-adjusted real income stream. To do so, Mondrian calculates each market's Prospective Real Yield (PRY), factoring in its own inflation forecasts and analysis of sovereign credit risk.

This is overlaid with a separate assessment of relative currency valuations employing Mondrian's own real exchange rate analysis

Well-Resourced Team

- Highly experienced team of 60 investment professionals in London
- Low turnover of professional staff
- Strong culture of client service and support

* As of March 2022, Mondrian has total assets under management of USD 52.8 billion. In addition, the firm also had USD 4.3 billion of model delivery assets under advisement.

Mondrian Investment Partners Limited Fifth Floor, 10 Gresham Street, London EC2V 7JD - Telephone: 020 7477 7000
Mondrian Investment Partners (U.S.), Inc. 201 King of Prussia Road, Suite 620, Radnor PA 19087 - Telephone: (215) 825-4500
www.mondrian.com