

# Mondrian Focused International Equity

## Focused International Equity at a Glance

- Total Product Assets: \$6.6 billion
- Product Inception: October 2000
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- History of outperformance versus the benchmark, with lower volatility
- Portfolios contain 30-40 securities
- Annual turnover is generally 10-20%

## Our Organization

- Founded in 1990, with 30 years of stable, consistent leadership
- Approximately USD 55 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 60 investment professionals in London

## Performance Summary (USD)

Composite	Composite Gross (%)	Composite Net (%)	MSCI EAFE (%)	MSCI EAFE Value (%)
<b>Cumulative</b>				
Q122	-1.32	-1.48	-5.91	0.33
<b>Annualized</b>				
1 Year	4.74	4.06	1.16	3.55
3 Years	6.70	6.01	7.78	5.24
5 Years	6.32	5.63	6.72	4.18
7 Years	5.23	4.55	5.11	3.13
10 Years	6.86	6.17	6.27	4.87
<b>SI Oct 1, 2000 (Ann)</b>	<b>6.91</b>	<b>6.22</b>	<b>4.27</b>	<b>4.12</b>

## 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.

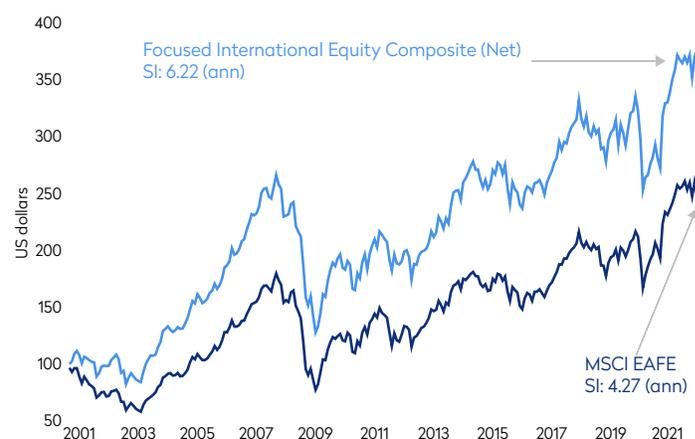
## Benefits of Our Approach

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 equity benchmarks and most other international equity 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) October 2000 = 100



## Quarterly Update

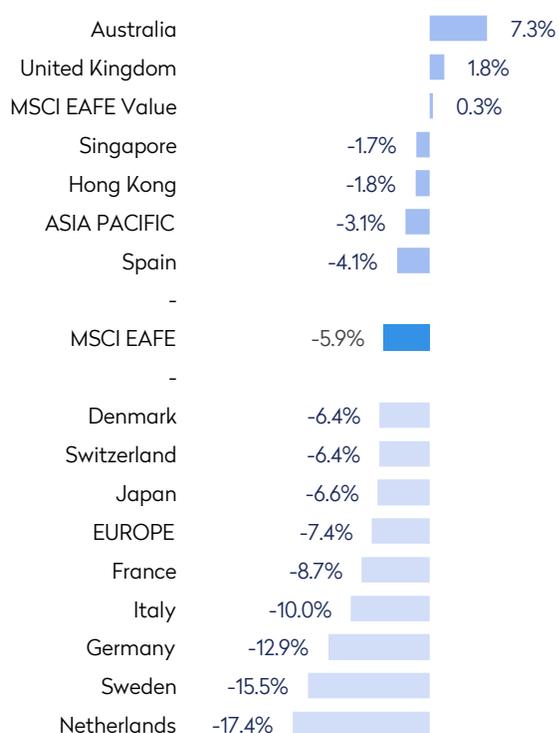
Equity markets declined in the first quarter. January was the weakest month since March 2020, driven by increased expectations of monetary policy tightening amid rising inflation. Russia's invasion of Ukraine, which prompted sanctions, disruptions to supply chains and further inflationary pressure from commodity prices exacerbated the weakness. The energy sector was the standout performer, rising 17% as the isolation of Russia from the West raised concerns over the supply of oil, which rallied to its highest level since 2008. Asia Pacific markets led Europe, helped by lower exposure to Russia. Depreciation of most international currencies held back US dollar returns.

In a weak quarter for equity markets, portfolio returns exceeded the index, driven by strong stock selection.

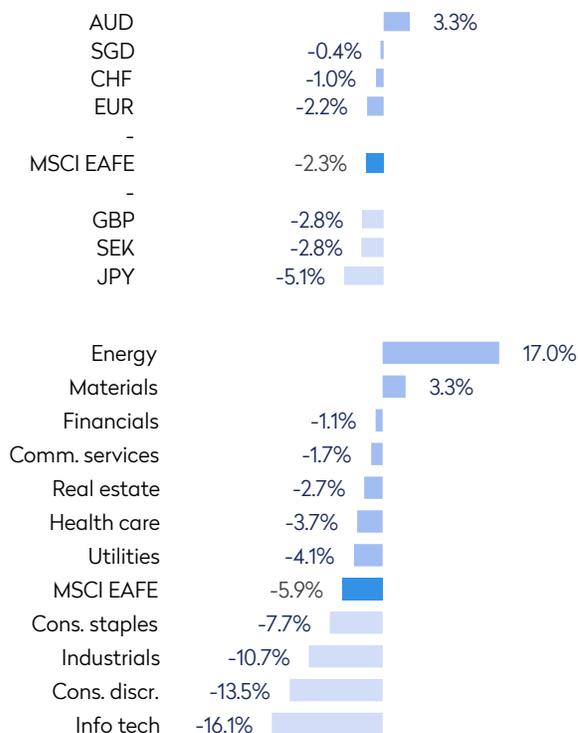
## Market Background: MSCI EAFE Index (USD)

Q1 2022

### Selected Equity Market Returns



### Selected Currency and Sector Returns



## Performance Attribution

	Relative Effects	Negative Contributors	Positive Contributors
Country Allocation	Added	Underweight Australia	Overweight UK Underweight Netherlands
Stock Selection	Added	UK	Japan Singapore Hong Kong
Significant Stock Contributors		Continental Kingfisher Sony	United Overseas Bank Shell NTT
Currency Allocation	Held back	Underweight Australian dollar Overweight Japanese yen	Overweight Hong Kong dollar

### The overweight position in the UK added to relative returns

The positive impact of the portfolio's overweight position in the strong UK equity market and the underweight position in the weak Dutch equity market more than offset the underweight position in the strong Australian equity market.

The Netherlands was the weakest performing market due to its high IT exposure which weighed on returns. In contrast, the UK was supported by high exposure to the energy and materials sectors.

### Stock selection in Japan, Singapore and Hong Kong added to relative returns

Strong stock selection in Japan was driven by the position in NTT, the telecommunications and IT services provider, which was buoyed by an upward revision to profit guidance. In Singapore, United Overseas Bank was also strong as the central bank tightened monetary policy amid higher inflation.

### Relative returns were supported by the overweight position in the strong energy sector

The positive impact of the portfolio's overweight positions in the relatively strong energy and communication services sectors more than offset the underweight position in the strong materials sector. Stock selection within the industrials, health care and financials sectors added to relative returns.

### Currency allocation held back relative returns

The underweight position in the strong Australian dollar and the overweight position in the weak Japanese yen held back relative returns.

## Investment Strategy

Mondrian's bottom-up fundamental research process utilizes a long-term dividend discount model to isolate value at the individual security level, in an approach that makes valuations comparable across differing markets and sectors. The following positioning is a consequence of this investment philosophy:

	Overweight Positions	Underweight Positions
Country Positioning	Asia Pacific United Kingdom	Australia Switzerland
Sector Positioning	Communication services Utilities Energy	Materials Industrials Consumer staples

Sector Allocation	Mondrian (%)	MSCI EAFE (%)	Country Allocation	Mondrian (%)	MSCI EAFE (%)
Communication Services	10.8	4.8	<b>Pacific</b>	<b>40.4</b>	<b>35.0</b>
Consumer Discretionary	10.7	11.5	Hong Kong/China	6.2	2.9
Consumer Staples	7.4	10.2	Japan	27.0	22.3
Energy	8.4	4.1	Singapore	5.3	1.5
Financials	16.0	17.7	Other Pacific	1.8	–
Health Care	13.9	13.0	<b>Europe &amp; Middle East</b>	<b>57.4</b>	<b>65.0</b>
Industrials	12.1	15.4	France	6.5	11.4
Information Technology	6.6	8.6	Germany	6.3	8.2
Materials	1.8	8.2	Italy	8.5	2.4
Real Estate	–	2.9	Spain	2.9	2.3
Utilities	10.0	3.4	Sweden	2.4	3.6
Cash	2.2	–	Switzerland	3.7	10.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	United Kingdom	27.1	15.3
			Cash	2.2	–
			<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Portfolio Managers

### Elizabeth A. Desmond

Director and Chief Investment Officer  
International Equities  
Founding Partner

### Nigel A. Bliss

Senior Portfolio Manager  
Partner

### Andrew R. Porter

Senior Portfolio Manager  
Partner

### Alex D. Simcox

Senior Portfolio Manager  
Partner

Mondrian utilizes a team approach to making investment decisions. The individuals listed above represent several key members of the team.

See Important Notes & Disclosures on page 5.

### 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 Focused International Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI EAFE Index net of US withholding taxes. The portfolios are invested in non-US based equities with the allowance for hedging. The MSCI EAFE 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.

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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.
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