Quarterly Update
Quarter 1, 2022

Mondrian
INVESTMENT PARTNERS

Mondrian Global Equity

Global Equity Strategy at a Glance

- Total Strategy Assets: USD 2.0 billion
- Strategy Inception: April 1991
- Number of Holdings: 35 – 50 securities
- Annual turnover: Approx. 25-45%
- Active, value-oriented defensive strategy
- Consistent application of income-oriented valuation approach
- History of outperformance versus the benchmark, with lower volatility

Our Organization

- Founded in 1990, with over 30 years of stable, consistent leadership
- Firm wide assets over USD 55 billion
- 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

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 global benchmarks and performance of most other global managers.

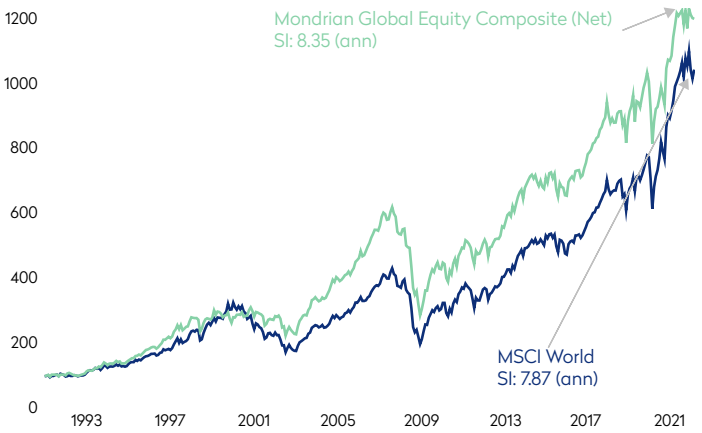
Investment Process

- A value-oriented dividend discount analysis that isolates value at the individual security, sector and market levels.
- Assessment of relative global equity valuations is enhanced by in-house purchasing power parity analysis.
- Consistent use of a disciplined valuation process, with emphasis on fundamental stock research and company visits.

Performance Summary (USD)

Composite	Composite Gross (%)	Composite Net (%)	MSCI World (%)	MSCI World Value (%)
Cumulative				
Q122	-2.36	-2.52	-5.15	-0.65
Annualized				
1 Year	5.55	4.87	10.12	10.57
3 Years	9.50	8.80	14.98	9.78
5 Years	9.44	8.73	12.42	7.88
SI Apr. 1, 1991	**9.06**	**8.35**	**7.87**	**N/A**

Cumulative Returns (USD) April 1991 = 100



See Important Notes & Disclosures on page 5.

Quarterly Update

Global markets got off to a turbulent start to the year with many investors selling shares of technology companies as the prospect of rising interest rates made these long duration stocks less attractive. In February, global markets fell and volatility spiked as Russian armed forces invaded Ukraine. Brent crude oil surged above $100 for the first time since 2014 and remained elevated through the quarter as the market worried the conflict in Ukraine would lead to disruptions to supply. The international community was quick to condemn Russia's actions and to impose economic sanctions. Global markets rebounded in March as the Federal Reserve approved the first interest rate hike in more than three years. The increase in rates had been largely anticipated by the market but policymaker's hawkish tone, which was underpinned by their confidence in the strength of the US economy, was a surprise to the market.

Performance Highlights and Key Attributes

	Relative Effects	Negative Contributors	Positive Contributors
Country Allocation	Positive	No exposure to Canada No exposure to Australia Overweight France	Overweight UK Overweight Japan Underweight United States
Stock Selection	Positive	UK Utilities Germany	United States Industrials France
Significant Stock Contributors		Continental Associated British Foods Enel	Thales AbbVie Progressive
Currency Allocation	Negative	Overweight Japanese yen Overweight British pound	No exposure to Swedish krona

Country allocation boosted performance in the first quarter

The portfolio's overweight exposure to the UK and Japan was positive for performance in the first quarter as both markets rebounded, having been relatively weak towards the end of last year. These positive effects were partly offset by having no exposure to the Canadian and Australian markets, which both did well given their high exposure to commodity prices.

Stock selection was the main driver of outperformance

The portfolio benefited from strong stock selection in the US and France. In the US, AbbVie continued to outperform on the back of solid results that showed continued strong momentum within its aesthetics portfolio. Progressive, the leading US auto insurer, also outperformed in the period as underwriting profitability trends continued to improve. The stock also benefitted from the market pricing in higher interest rates. Thales, the European defense company, was the standout performer in the period after a number of European countries outlined their intentions to increase defense spending following Russia's invasion of Ukraine. The company also reinforced its commitment to shareholder returns in the period by announcing the first share buyback program in the history of the group.

These positive effects were partly reduced by weaker selections in Europe. Continental, the auto parts and tire company, underperformed through the period as component shortages continue to hold back auto sales and higher energy prices in Europe look set to pressure margins. These short-term issues should abate in time and we believe a lot of the market's concerns are more than discounted in the current share price. Associated British Foods underperformed in the period as concerns about new low-cost competition in apparel retailing grew and the market priced in greater inflationary pressures. However, we believe the company is well positioned to compete with new players given its industry leading cost structure and that it should benefit from a trade down effect, as it did through the last recession, when consumer incomes were squeezed.

Sector allocation was a positive in the period

Underweight exposure to the IT and consumer discretionary sectors, and overweight exposure to the health care sector, was positive for returns. However, the portfolio's underweight exposure to the energy and materials sectors, which surged with commodity prices on the back of Russia's invasion of Ukraine, held back returns in the period. As discussed above, Brent crude hit $100 in the period as concerns around supply disruptions which benefited energy names.

Currency allocation was a significant headwind to performance

The portfolio's overweight exposure to the Japanese yen was the main driver of the currency headwind in the first quarter but overweight exposure to the British pound and underweight exposure to the US dollar also detracted from returns. The Japanese yen came under pressure in the period as the current account slipped into a small deficit, in large part because Japan is an oil importer, and the Bank of Japan showed strong resolve to maintain its policy of yield-curve control despite rising global interest rates.

See Important Notes & Disclosures on page 5.

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	United Kingdom Japan	United States
Sector Positioning	Health care Consumer staples	Information technology Materials

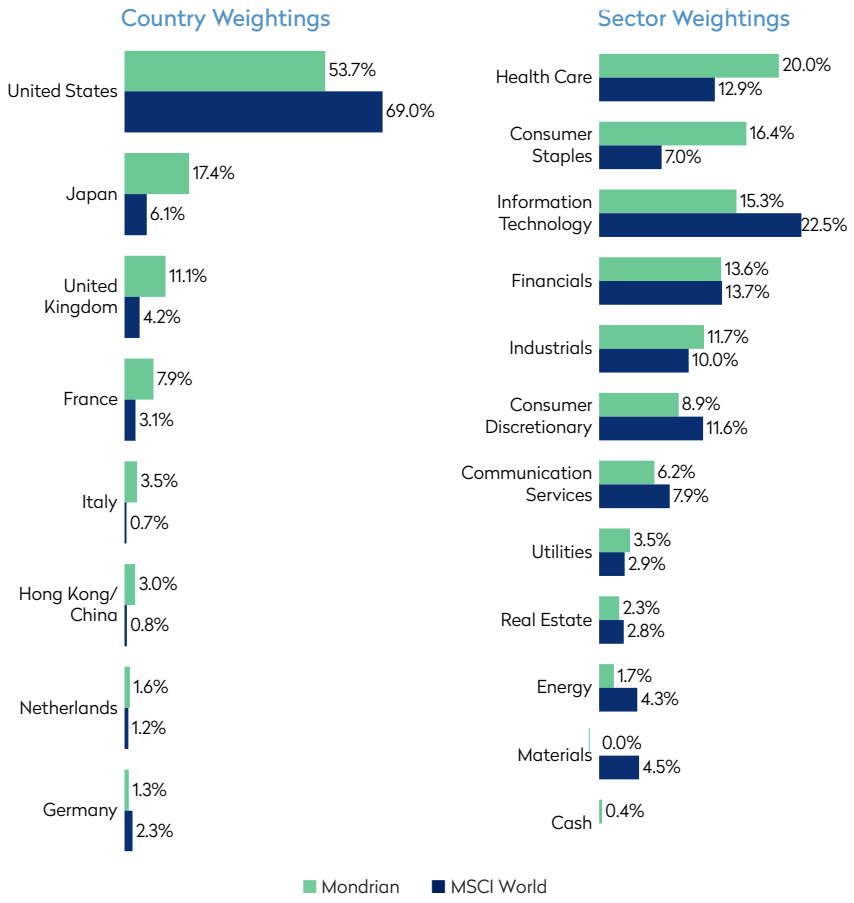
New Stock Overviews

We initiated three new positions during the quarter:

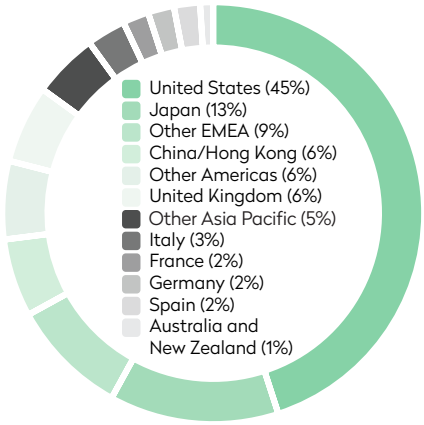
- Walmart is a US-based multinational retailer with operations in the US, Canada, Mexico, China, and India. The business reports in three segments; US Operations, Sam's Club, and International, with the vast majority of profits coming from the US business. The company has been investing heavily for a number of years as it has built out its logistics capabilities and it is now the second largest eCommerce retailer in the US. Walmart is the cost leader in US retail and, with a strong reputation for providing everyday low prices, it typically gains share when consumers are under financial pressure. Sam's Club is a chain of membership-only retail warehouse clubs that operates in the US and around the world. The club concept has grown in popularity throughout the pandemic as consumers have looked to consolidate their shopping trips and Sam's Club is currently experiencing record membership numbers. In recent years, Walmart has shifted its focus internationally by selling struggling businesses and favoring regions where they believe there is the potential for strong growth in revenues and profits. The stock underperformed in 2021 despite a number of new and potentially highly profitable initiatives beginning to gain traction. We believe the potential of Walmart's advertising and third-party eCommerce businesses is not captured in today's price and that, even without assuming success for these new ventures, the core business is attractively valued.
- Associated British Foods is a UK food processing and retailing company. Primark, the discount clothing retailer, accounts for half of the business, primarily operating in Western Europe. Primark has a strong position in all of its markets as the lowest cost provider of clothing, unrivalled by any other major retailer, due to a highly cost effective supply chain that relies on economies of scale from high sales volumes. The Grocery division has an array of high quality brands, particularly Twinings Ovaltine, which is highly profitable and has delivered strong growth through its premium tea offering and investment in new products such as fruit and herbal infusions. The group has strong cash generation and a robust net cash balance sheet, and is focused on maximizing return on capital employed.
- Philips is a leader in "health tech"– where health care equipment and IT cross over – that is characterized by high barriers to entry and stable market expansion. With exposure to diagnostic imaging, image-guided therapy, patient monitoring and health informatics, more than 65% of Philips' sales come from leadership positions (#1 or #2 positions). In April 2021, Philips disclosed that foam used in some of its breathing devices and ventilators may degrade and expose patients to harmful particles. The stock has since lost material value in anticipation of a loss of market share, the cost to remedy the situation and potential legal liabilities. Nevertheless, the company has a healthy balance sheet and generates material free cash flow. We believe that at current levels the various litigation issues related to breathing devices and ventilators are fully reflected in the share price, with short term weakness providing an opportunity for us to initiate a position at an attractive valuation.

See Important Notes & Disclosures on page 5.

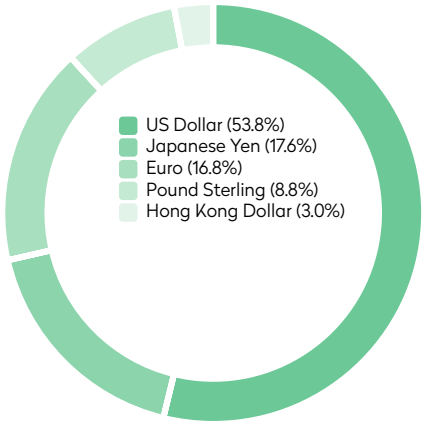
Portfolio Composition



Portfolio Revenue by Geographical Exposure



Currency Exposure



Characteristics

	Mondrian	MSCI World
Weighted Average P/E (trailing 12 months)	17.7x	20.1x
Weighted Average P/B	2.4x	3.2x
Weighted Average Dividend Yield	2.0%	1.8%
Number of Holdings	45	1,540
Weighted Average Market Cap	$214.0 billion	$419.8 billion
Median Market Cap	$44.0 billion	$18.2 billion

MSCI World – The MSCI World net Index is a free float adjusted market capitalization index that is designed to measure the equity market performance of global developed markets.

Index returns are shown with net dividends reinvested.

Weighted Average Market Cap – The portfolio-weighted average market capitalizations of all equity securities.

Portfolio Turnover - A measure of how frequently assets within a fund are bought and sold by the managers.

Price-to-Earnings – The Price to Earnings Ratio is a stock's current price divided by the company's trailing 12-month earnings per share from continuous operations.

Price-to-Book – The Price to Book Ratio links the stock/share price of a company with the book or accounting value of shareholders' equity per share.

Dividend Yield – The Dividend Yield is the portfolio-weighted average of the annualized gross dividend per share figure of all portfolio holdings.

Portfolio Managers

Aileen Gan
Chief Investment Officer – Global Equities
Managing Partner

Clive Gillmore
CEO & Group CIO
Founding Partner

Jonathan Spread
Head of Research - US, Senior Portfolio Manager, Partner

James Francken
Senior Portfolio Manager, Partner

Harry Hewitt
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 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 Global Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the Morgan Stanley Capital International World or equivalent Index. The benchmark index for 1994 and 1995 is a customised index consisting of the monthly US$ return of the Standard & Poor's 500 Composite Index (60% weighting) and the Morgan Stanley Capital International EAFE Index (40% weighting). The weightings were changed in January 1996 to 67% and 33% respectively. From January 1997 the benchmark returned to the Morgan Stanley Capital International World Index. All indices are net of US withholding taxes. The portfolios are invested in global equities allowing for country weighting restrictions with restricted allowance for investment in bonds.

   During the period April 1991 to September 2004 this performance was achieved with US stock selection input from Mondrian's former affiliate, Delaware Investment Advisers ("DIA"). Mondrian had overall responsibility for the asset allocation decisions between the US and non-US portions of this composite. Shortly after the MBO of Mondrian in September 2004, the services of DIA were no longer utilised in the constituent portfolio of this composite and the entire responsibility for US stock selection for this composite has resided with Mondrian. Any new global equity mandate will utilise Mondrian's in-house US stock selection capabilities. From September 2004 to May 2007, the Mondrian Global Equity Composite has consisted only of a Mondrian sponsored limited partnership with no external investors.

   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.
2. This Quarterly Update contains supplemental information which complements the Mondrian Global 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 first 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.
12. 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.