

Mondrian International Government Fixed Income Fund



MPIFX

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	\$11m
Ticker Symbol	MPIFX
CUSIP	36381Y306
NAV	\$7.53
Net Expense Ratio	0.60%
Gross Expense Ratio	0.98%

Fund Performance

	Annualized Returns						
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Mondrian Fund	-12.14%	-18.42	-22.13%	-6.19%	-2.17%	-2.02%	0.68%
FTSE non-US Dollar World Government Bond Index	-12.50%	-18.74%	-21.92%	-6.72%	-2.62%	-1.71%	0.56%

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	37.8	35.8	33.3
Australia	3.0	2.0	2.3
China	1.9	0.0	3.5
Japan	27.4	31.5	26.1
Malaysia	2.2	2.2	0.8
Singapore	3.2	0.0	0.7
Americas	12.9	2.4	4.2
Canada	5.1	0.1	3.1
Mexico	5.6	0.1	1.2
Peru	2.2	2.2	0.0
USA	0.0	0.0	0.0
Europe	48.9	61.8	61.9
Eurozone	43.4	50.8	52.4
Denmark	0.0	0.0	0.6
Norway	3.0	0.1	0.3
Poland	0.0	2.9	0.6
Sweden	0.0	0.0	0.4
United Kingdom	2.5	8.0	7.6
Cash	0.5	—	—

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 June 30, 2022)

	Fund	FTSE non-USD World Gov. Bond Index
Sharpe ratio	-0.85	-0.93
Information ratio	0.47	0.00
Standard deviation	8.23%	8.03%
R-squared	97.93%	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.

Fund Characteristics

	Fund	FTSE non-USD World Gov. Bond Index
Number of Securities	42	912
Portfolio Turnover (1 Year Trailing)	18.47%	—
Average Maturity	11.1 years	10.9 years
Average Duration	9.0 years	9.0 years

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)

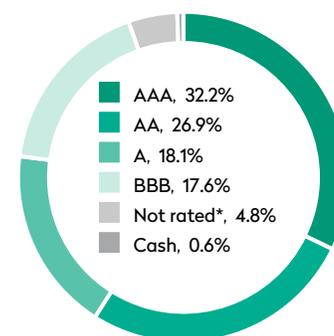
Underweight UK market

Top Ten Holdings

	Net Assets
Mexico Bonos 8% 07-Nov-47	5.6%
Japan Govt 30yr 0.3% 20-Jun-46 (051)	5.3%
Italy BTPS 2% 01-Feb-28	5.0%
Japan Govt 20yr 0.2% 20-Jun-36 (157)	4.8%
Italy BTPS 2.95% 01-Sep-38	4.8%
Rep of Finland 0.5% 15-Sep-27	4.8%
Euro Inv Bank 2.15% 18-Jan-27	4.7%
European Fin Stability 0.95% 14-Feb-28	4.7%
Asian Dev Bank 2.35% 21-Jun-27	4.3%
Republic of Austria 6.25% 15-Jul-27	4.3%
TOTAL	48.2%

Holdings are subject to change.

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

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 second quarter as a whole, the FTSE World Government ex-US Bond Index fell 12.5% in US dollar unhedged terms. In local currency terms the index fell 5.5%, with benchmark international currencies falling 7.4% on average against the US dollar. The strongest performing markets were Mexico (-3.0%), China (-4.5%) and Singapore (-6.0%). Currency was the main driver of outperformance in the case of Mexico and Singapore, whereas for China it was local bond market outperformance. The weakest performing markets were the UK (-15.8%), Denmark (-14.0%) and the Eurozone (-13.0%). Local bond market weakness was the main driver of underperformance in the case of all three markets.

The Fund outperformed the benchmark index by 0.4% over the second quarter. The overweight positions to Malaysia and Peru added to performance over the quarter, as did duration positioning to the US and to the UK. These positions were partially offset by the overweight to the Japanese yen and underweight to the Canadian dollar, which detracted from performance over the quarter.

Investment Outlook

There has been much talk of global recession recently. However, although recession does not appear to be imminent, growth does appear to be slowing significantly across the world. This makes the global economy more vulnerable to shocks and, in this sense, the risk of recession is certainly rising. In the US, for instance, the Atlanta Fed's nowcasting model suggests the economy is already contracting. Put this on top of the Q1 contraction in GDP and the US would already be in a technical recession. This seems unlikely. For one thing, the Q1 contraction was mostly due to a surge in net imports masking buoyant domestic demand. Moreover, other coincident indicators, such as those based on unemployment and job vacancies, suggest demand is still holding up. Leading indicators, on the other hand, such as those published by the US Conference Board, do suggest a significant deceleration of growth, not only in the US but across the globe. This is where the worry lies for both commodities and equities and does not bode well for the idea that central banks, such as the Federal Reserve and ECB, will be able to tame inflation without causing a recessionary 'hard landing'. Longer term yields, which price in the path of short-term rates, may therefore have priced in too much monetary tightening, suggesting that yields could just as easily fall as rise in the immediate future. In such an environment, we believe it makes sense to remain broadly neutral to duration across developed market portfolios for now. If, and when, a recession comes, high quality bond portfolios tend to do relatively well.

Even as nominal yields have risen, the US bond market is not great value in Prospective Real Yield (PRY) terms. Bond markets that provide better compensation for inflation - in other words with relatively attractive PRYs - include those of Mexico, Peru, Norway, Singapore, Malaysia and China. Within the Eurozone, where we are underweight overall, we continue to hold a broadly neutral position in Italian bonds. The additional yield they offer is broadly consistent with their credit risk in our opinion. The ECB announced last month, that it would develop new tools to aid the smooth transmission of monetary policy across the region and avoid any fragmentation. This quelled an incipient but contained rise in bond spreads that accompanied the ECB's announcement to start raising rates.

One effect of rising short-term rates and longer-term bond yields in the US, has been a significant appreciation of the US dollar. The US dollar index (DXY) is now at a twenty year high and, more importantly, so are real measures of US dollar value such as our own Purchasing Power Parity (PPP) valuations and those produced by other organisations, such as the Bank for International Settlements. This suggests that the US dollar is extremely overvalued. This is most apparent in the exchange rate between the US dollar and Japanese yen. Japanese bond yields remain anchored by the Bank of Japan's loose monetary policy which includes a cap on the 10-year bond yield. However, US dollar overvaluation is not only apparent in the yen and we are therefore underweight to the US dollar and overweight to a basket of the best value international currencies on global unhedged mandates. These include the euro, Polish zloty, Malaysian ringgit and Peruvian sol.

To determine if the Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk, and charges and expenses. This and other information can be found in the funds full and summary prospectus which can be obtained by calling 888-832-4386 or by visiting www.mondrian.com/mutualfunds. Please read the prospectus carefully before investing.

Investing involves risk, including the possible loss of principal. International investments entail risks not ordinarily associated with U.S. investments including fluctuation in currency values, differences in accounting principles, or economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors, as well as increased volatility and lower trading volume. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses.

Indices are unmanaged and do not include the effect of fees. One cannot invest directly in an index.

The Mondrian Investment Partners Limited Funds are distributed by SEI Investment Distribution Co. (SIDCO). SIDCO is not affiliated with the advisor, Mondrian Investment Partners Limited. Mondrian Investment Partners Limited is Authorised and Regulated by the Financial Conduct Authority.

Mondrian Investment Partners Limited

Our Organization

Successful and Well-Managed

- Founded in 1990
- Over 30 years of stable, consistent leadership
- Over USD 50 billion* under management and advisement

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

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

Well-Resourced Team

- Highly experienced team of 58 investment professionals in London
- Low turnover of professional staff
- Strong culture of client service and support

* As of June 2022, Mondrian has total assets under management of USD 47.1 billion. In addition, the firm also had USD 3.6 billion of model delivery assets under 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.

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 over 30 years. We have a low turnover of professional staff, and a strong culture of client service and support.

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