Quarterly Update
Quarter 3, 2022

Mondrian
INVESTMENT PARTNERS

Mondrian Global Equity

Global Equity Strategy at a Glance

- Total Strategy Assets: USD 1.9 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 approxumately USD 45 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 59 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.

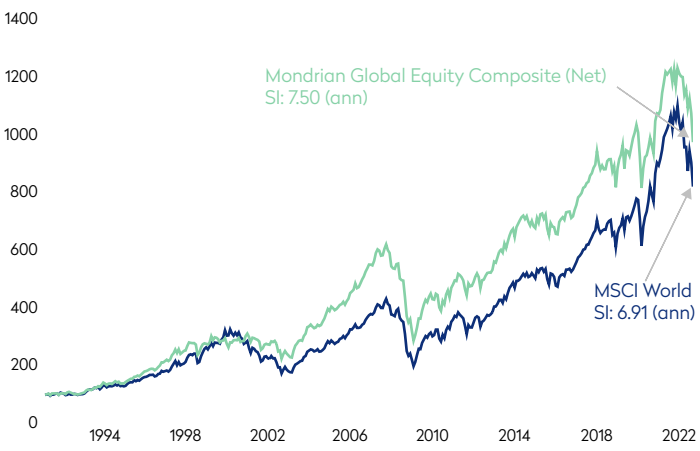
Investment Process

- 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				
Q322	-10.57	-10.71	-6.19	-7.25
Annualized				
1 Year	-17.05	-17.59	-19.63	-12.67
3 Years	1.24	0.58	4.56	1.76
5 Years	3.23	2.57	5.30	2.21
10 Years	7.14	6.45	8.11	6.14
SI Apr. 1, 1991	**8.20**	**7.50**	**6.92**	**N/A**

Cumulative Returns (USD) April 1991 = 100



See Important Notes & Disclosures on page 5.

Quarterly Update

After rising strongly early in the quarter global markets fell sharply, ending down for the period. The initial market rally was fueled by optimism that inflation may have peaked with July CPI data showing inflation had started to slow. These gains began to reverse after Fed Chairman Jerome Powell's speech at the Jackson Hole Economic Symposium where he reiterated the importance of not letting up in the fight against inflation and warned rising interest rates will likely cause some pain to the US economy. Markets were hit with further bad news towards the end of the period as August's US CPI numbers surprised to the upside. The data left investors betting on an aggressive Federal Reserve response, which likely reduces the chance of a soft landing for the US economy.

The Fund lagged in the period, having outperformed strongly in the first half of the year, in part because of the outperformance of growth stocks, as well as some stock specific issues with holdings in Europe.

Performance Highlights and Key Attributes

	Relative Effects	Negative Contributors	Positive Contributors
Country Allocation	Positive	Overweight China/Hong Kong No exposure to Australia No exposure to Canada	Overweight Japan Overweight UK Overweight Italy
Stock Selection	Negative	Consumer discretionary Health care France	Consumer staples Financials
Significant Stock Contributors		Ubisoft Dell Technologies GSK	Sundrug Pinnacle Financial Partners Walmart
Currency Allocation	Negative	Overweight Japanese yen Overweight British pound Underweight US dollar	No exposure to Canadian dollar

Country allocation added to relative returns in the period

The portfolio's overweight exposure to the UK and Japan was positive for relative returns in the period as both these markets outperformed in local currency. These positive effects were partly offset by overweight exposure to Hong Kong and China, which saw returns held back by ongoing COVID-19 related lockdowns and slowing economic growth.

Stock selection was the main driver of underperformance

A number of the portfolio's health care names, primarily GSK and Sanofi, were hit by growing concerns around US litigation over a heartburn drug that contained a possible carcinogen. Whilst the size of any potential settlement remains unknown these companies have strong balance sheets that should allow them to weather even the most penal of outcomes. Within the consumer discretionary sector, Ubisoft was weak following news that Tencent was increasing its stake in the company. Whilst this news is a positive endorsement of Ubisoft's gaming franchises it is thought to have lowered the chances of a near-term takeover which some investors had been speculating on.

These negative effects were partly offset by strong stock selection in the consumer staples sector, where both Sundrug and Walmart outperformed. Sundrug reported good results, as it benefited from the Japanese economy continuing to reopen, and announced a significant increase in their pay-out ratio, which was taken positively by the market. Similarly, Walmart reported good results as it showed encouraging progress on managing the excess inventory that had weighed on margins earlier in the year.

Sector allocation was a positive in the period

Underweight exposure to the real estate and communication services sectors was positive for performance in the period. This was partly offset by overweight exposure to the health care sector, as well as underweight exposure to the energy and consumer discretionary sectors.

Currency allocation was a significant headwind to performance

The portfolio's overweight exposure to the Japanese yen and British pound were headwinds in the third quarter, with currency movements more than offsetting the outperformance of these markets in local currency. The portfolio's underweight exposure to the US dollar also held back returns in the period. The strength of the US dollar this year has been driven, in part, by the Federal Reserve being more aggressive than other central banks in fighting inflation and increasing 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.

Despite the underperformance of the IT sector and other growth segments of the market, we continue to find the valuations of many of these companies remain stretched. The overall portfolio positioning remains unchanged as follows:

	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 four new positions in the third quarter (see below). Fujitsu was funded by trimming SCSK, Mitsubishi Electric, and Kyocera, which have held up well this year. The new names in the US were funded by trimming Dollar Tree, Progressive, and Centene which have all outperformed this year:

- Berkshire Hathaway is a diversified and decentralized conglomerate. Their most significant operations are in the areas of insurance, freight rail transportation, and energy distribution and generation (utility business). We see a number of attractive growth drivers across these operations. The rail business has the potential to expand margins through efficiencies and pricing and is also a lower-emission alternative to trucking over long distances. The utility business can benefit from the huge investments required in electricity distribution and generation due to a shift away from fossil fuels towards renewable generation and electric vehicles. The GEICO business within insurance continues to benefit from the shift in personal auto insurance towards low-cost direct distribution, particularly online. The commercial insurance businesses are competitively advantaged by the overall group's unique scale and financial strength. In addition to the growth opportunities, Berkshire Hathaway has significant excess capital, not just in terms of the net debt position, but also the large investment in equities. Recent share buybacks reflect this balance sheet strength and the undervaluation of the shares. Despite the key-man risk associated with Warren Buffett, Chairman and CEO, we believe the shares provide an attractive return with low risk.
- Fujitsu is Japan's largest IT service provider. Over time the company has exited non-core hardware businesses to focus on its core, less capital intensive, and more stable IT services business. Whilst total IT spending in Japan is on a par with the West relative to GDP, a much higher proportion is currently spent on legacy products; this gap is expected to close somewhat which should benefit Fujitsu. The Japanese IT services sector is relatively fragmented with the top 10 players accounting for only 55% market share and we think Fujitsu is well placed to continue to take share over time. We believe the prospects for growth, ongoing margin improvement, and shareholder returns are currently undervalued by the market.
- Micron is a leading integrated device manufacturer of memory and storage solutions. The company earns ~85% of its profits from DRAM, where it is one of only three manufacturers globally, and the remaining ~15% from NAND. The DRAM industry has greatly improved over time as supply has consolidated and demand has diversified into mobile and data center solutions, having previously been dominated by the PC industry. The NAND industry has not consolidated to the same extent but is underpinned by much higher growth as the technology displaces other storage mediums. The DRAM and NAND industries enjoy strong secular growth, both from the proliferation of computing devices and from an increasing memory content per device. Near-term concerns about slowing economic growth have created an attractive entry point in the stock, which is well supported by a net cash balance sheet and an increasing focus on shareholder returns.
- DuPont is a leading specialty materials company that has seen its portfolio of businesses change significantly through a number of mergers and divestitures. After selling its Mobility & Materials segment the company will be comprised of two segments that are higher growth, less cyclical, and higher margin. The company's Electronics & Industrial segment sells a diverse suite of consumable components that go into the manufacturing of semiconductors, circuit boards, and industrial processes. DuPont has industry-leading technologies and market share for critical processes, and their products are a low proportion of their customers' costs. On top of this, DuPont has industry leading brands within its Water & Protection segment, such as Kevlar, Nomex and Tyvek. This segment should benefit from a renewed focus on infrastructure investment and higher environmental standards within construction. Overall, the fundamentals of the business are strong, and the company pays out a significant portion of its free cash flow, resulting in an attractive dividend yield. The recent share price weakness has provided an opportunity for us to initiate a position at an attractive valuation.A full transaction report is included in the portfolio valuation.

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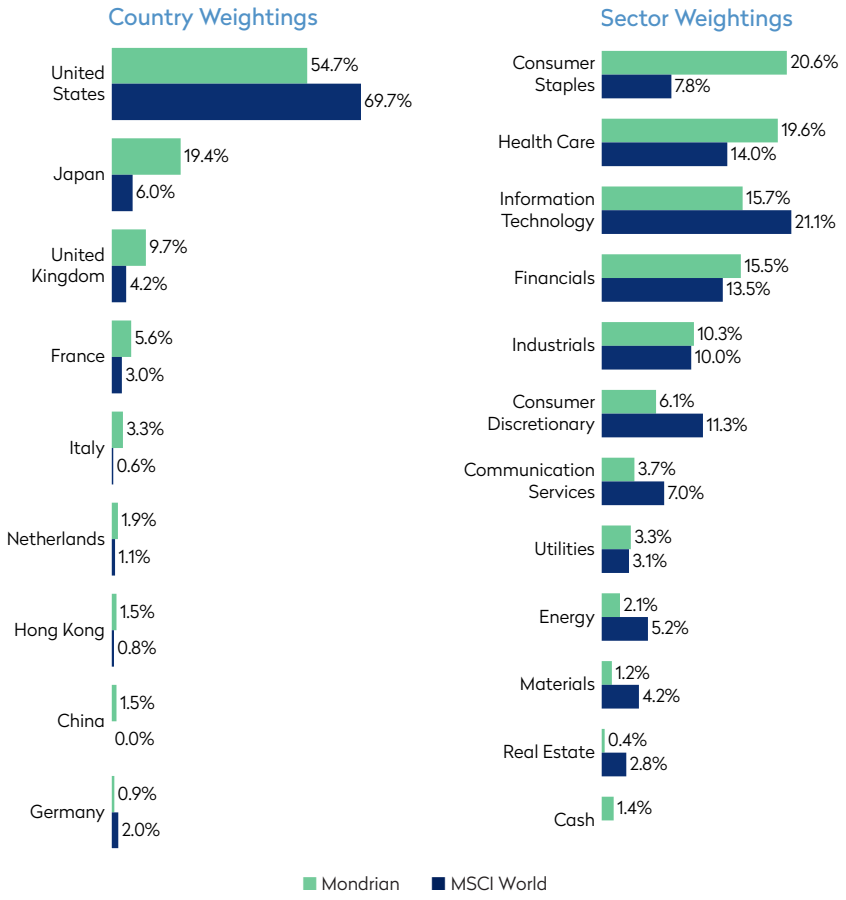
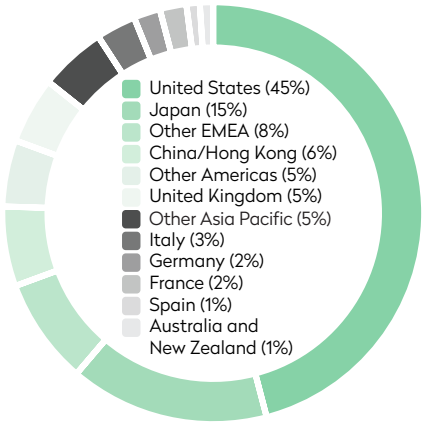
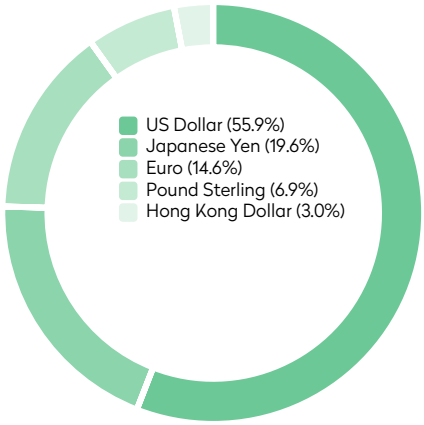
Portfolio Composition



Portfolio Revenue by Geographical Exposure



Currency Exposure



Characteristics

	Mondrian	MSCI World
Weighted Average P/E (trailing 12 months)	14.4x	16.3x
Weighted Average P/B	1.8x	2.6x
Weighted Average Dividend Yield	2.5%	2.3%
Number of Holdings	48	1,513
Weighted Average Market Cap	$161.6 billion	$314.6 billion
Median Market Cap	$31.4 billion	$14.4 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.
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