Quarterly Update
Quarter 4, 2022

Mondrian
INVESTMENT PARTNERS

Mondrian Emerging Markets Equity

Emerging Markets at a Glance

- Total Emerging Markets Assets: USD 5.2 billion
- Total Product Assets: USD 4.9 billion
- Product Inception: August 1996
- Active value-oriented defensive strategy
- Consistent application of income oriented valuation approach
- Portfolios contain circa 40-60 securities
- Annual turnover is generally 30-50%

Our Organisation

- Founded in 1990, with over 30 years of stable, consistent leadership
- Emerging strategy started in 1996
- Over USD 45 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 59 investment professionals in London
- Dedicated Emerging team of eight

Philosophy

Mondrian adopts a high conviction, long term, defensive investment approach with a clear valuation discipline.

We emphasise companies with sustainable free cash flow generation, strong balance sheets, and value accretive capital allocation. The strategy is driven by in depth proprietary research with regular company meetings.

Benefits of Our Approach

Mondrian uses a consistent long-term valuation discipline ensuring we avoid the irrationality that can exist in a volatile space such as Emerging Markets.

In a more challenging market environment, particularly when markets are falling, Mondrian would expect to protect portfolios better given the resilience and strength of our companies, while not sacrificing long-term upside capture.

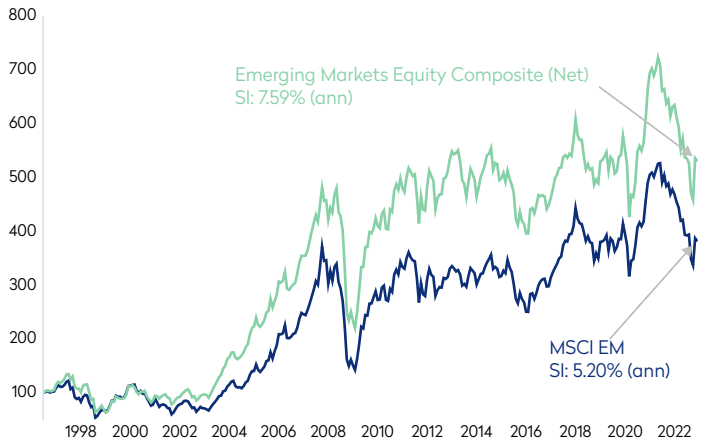
Investment Process

- 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

Performance Summary (USD)

Composite	Composite Gross (%)	Composite Net (%)	MSCI EM Index (%)	MSCI EM Value Index (%)
Cumulative				
Q422	12.83	12.55	9.70	9.77
Annualized				
1 Year	-15.10	-15.94	-20.09	-15.83
3 Years	-1.82	-2.79	-2.69	-2.62
5 Years	-0.42	-1.40	-1.40	-1.59
10 Years	0.93	-0.07	1.44	0.06
SI (Aug 1, 1996)	**7.59**	**6.52**	**5.20**	**N/A**

Cumulative Returns (USD) August 1996 = 100



See Important Notes & Disclosures on page 3.

Return Summary

	Composite Gross Return	Composite Net Return	MSCI EM	MSCI EM Value
Quarter 4, 2022	12.83	12.55	9.70	9.77

Market Background

The MSCI EM Index gained 9.7% in Q4, the first positive quarterly return since Q2 2021. Indications of a faster than expected shift in its zero-Covid policies drove China's outperformance (+13.5%). Elsewhere in Asia, Korea rallied 18.1% while prior outperformers India (+2.0%) and Indonesia (-3.6%) lagged. Market returns across EMEA varied greatly, with Turkey (+62.9%) and South Africa (+18.3%) outperforming Qatar (-15.3%) and Saudi Arabia (-7.4%). Latin America (+5.7%) was held back by Brazil (+2.4%) following the presidential election result.

Both top-down allocation and positive stock selection contributed to relative outperformance. Underweight the Middle East and India plus overweight China were the key top-down drivers. Stock selection was led by India, supported by Korea and Indonesia. Stock selection in financials and materials were the largest contributors to relative returns at the sector level.

Characteristics

	Mondrian	MSCI EM Index
Weighted Average P/E (Trailing 12 Months)*	10.2x	12.2x
Weighted Average P/B	1.6x	1.6x
Weighted Average P/CF	6.9x	8.3x
Weighted Average Dividend Yield	4.3%	3.6%
Number of Holdings	51	1,377
Weighted Average Market Cap	$91.0 billion	$85.8 billion
Median Market Cap	$30.3 billion	$3.9 billion

*The portfolio P/E does not account for a position with a negative P/E and distorts the overall number.

Sector Allocation

	Mondrian (%)	MSCI EM Index (%)
Communication Services	8.2	9.9
Consumer Discretionary	9.2	14.1
Consumer Staples	8.7	6.4
Energy	3.1	4.9
Financials	27.3	22.1
Health Care	2.9	4.1
Industrials	–	6.1
Information Technology	25.1	18.6
Materials	12.4	8.9
Real Estate	–	1.9
Utilities	1.0	3.0
Cash	2.0	—
Total	**100.0**	**100.0**

Country Allocation

	Mondrian (%)	MSCI EM Index (%)
Asia	**79.3**	**78.3**
China	35.9	32.3
Hong Kong	1.7	–
India	10.3	14.4
Indonesia	2.9	1.9
South Korea	14.0	11.3
Taiwan	14.5	13.8
Europe, Middle East & Africa	**4.0**	**13.2**
Russia	–	–
United Kingdom	4.0	–
Latin America	**12.3**	**8.5**
Brazil	8.1	5.3
Mexico	1.7	2.3
Peru	2.5	0.3
North America	**2.4**	**–**
Canada	2.4	0.0
Cash	2.0	—
Total	**100.0**	**100.0**

Portfolio Managers

Andrew Miller
Chief Investment Officer
Emerging Markets Equities
Managing Partner

Ginny Chong
Head of Chinese Equities,
Senior Portfolio Manager
Partner

Gregory Halton
Senior Portfolio Manager
Partner

Boris Veselinovich
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See Important Notes & Disclosures on page 3.

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 Emerging Markets Equity Composite includes US dollar based discretionary fee paying portfolios, measured against the MSCI EM Index net of US withholding taxes. The portfolios are invested in non-US based equities with the allowance for hedging. The MSCI EM 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.
2. This Quarterly Update contains supplemental information which complements the Mondrian Emerging Markets 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 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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