

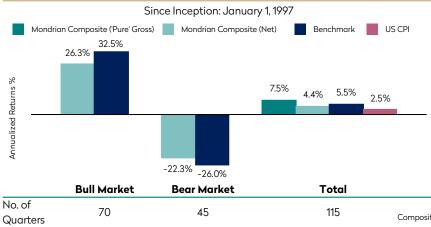
# **Our Organization**

- Founded in 1990, with over 30 years of stable, consistent leadership
- Over USD 50 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 52 investment professionals in London

## Strategy at a Glance

- Strategy Inception: January 1997
- Investment Team Size of 10
- Portfolio contains 30 50 developed market issuers
- Annual turnover is generally 10 20%
- Formerly known as Delaware/Mondrian International Equity ADR (SMA)

## **Defensive Characteristics**



# **Investment 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

#### Investment Process

- Value-oriented dividend discount model
- Purchasing power parity currency analysis
- Risk control
- Underpinned by worldwide long-term qualitative and quantitative fundamental analysis

## Benefits to our Approach

- An approach that seeks to produce meaningful alpha and high real returns
- Client portfolios that aim to preserve capital during protracted global market declines
- Portfolio performance that has been less volatile than the relevant benchmark and most peers in the universe

### **Performance Summary**

	Composite ('Pure' Gross)	Composite (Net)	Benchmark	Secondary Benchmark
Quarter 3, 2025	3.6%	2.9%	4.8%	7.4%
Year to Date	28.0%	25.2%	25.1%	31.9%
1 Year	17.6%	14.1%	15.0%	22.5%
3 Years (Annualized)	24.9%	21.3%	21.7%	25.7%
5 Years (Annualized)	14.4%	11.1%	11.2%	15.7%
10 Years (Annualized)	8.7%	5.5%	8.2%	8.2%
Since Inception (Annualized) January 1, 1997	7.5%	4.4%	5.5%	5.9%

Composite: International Equity Value ADR (SMA). Composite Performance for the most recent 3 months is preliminary and subject to change. Benchmark: MSCI EAFE Index; Secondary Benchmark: MSCI EAFE Value Index

Source: Mondrian Investment Partners and MSCI

All information is dated as at the end of the Quarter, unless otherwise stated. Refer to Important Notes and Disclosures. For financial professional use only. Not for further distribution.

# **Quarterly Headlines**

International equity markets continued to rally in the third quarter as clarity on US fiscal, monetary, and trade policy saw cyclicals outperform. The Federal Reserve cut rates in September and signaled two additional cuts in 2025, balancing softening consumer confidence and labor market trends against persistent inflation pressures. Financials led returns amid continued strength in earnings, capital generation and shareholder returns. Japan outperformed on supportive tariff developments, robust economic data, and strong corporate results. The Danish equity market and the health care sector both lagged as Novo Nordisk lowered growth expectations for their obesity drugs as competition intensified.

In a strong guarter for equity markets, the portfolio delivered attractive absolute returns. though underperformed the benchmark. Year-to-date returns remain firmly ahead of the market, supported by robust stock selection in the financials sector.

Relative returns were held back by overweight positions in the defensive consumer staples and utilities sectors and the underweight position in financials. Stock selection in communication services also held back relative returns as WPP, the UK advertising agency, was weak on the back of a profit warning driven by weak net new business momentum and sluggish client spending. This was partially offset by strong stock selection in the consumer discretionary sector as Kering, the French luxury goods company, outperformed on an improvement in luxury demand and optimism around the new CEO's strategy.

### Senior Investment Professionals



Aileen Gan, CFA CIO Global and International Equities Years with MIP: 19 Industry Experience: 24



**Nigel Bliss** Senior Portfolio Manager Years with MIP: 29 Industry Experience: 31



Elizabeth Desmond, CFA Executive Chairman Years with MIP: 33 Industry Experience: 37



Zsolt Mester, CFA Senior Portfolio Manager Years with MIP: 10 Industry Experience: 13



Kawal Chawla, CFA Portfolio Manag Years with MIP: 6 Industry Experience: 11

### **Attribution**

Positives Positives	Negatives
Stock selection in consumer discretionary	Stock selection in industrials
Exposure to health care	Stock selection in Japan
No exposure to Denmark	Underweight Netherlands
Overweight Hong Kong dollar	Overweight British pound

## Top 3 Stocks

Name	Country	Portfolio Return	Relative Attribution
Banco Santander	Spain	25.8%	+0.59%
Kering	France	52.7%	+0.54%
British American Tobacco	United Kingdom	12.1%	+0.29%

### **Bottom 3 Stocks**

Name	Country	Portfolio Return	Relative Attribution
WPP	United Kingdom	-28.2%	-0.53%
SSE	United Kingdom	-6.7%	-0.38%
KDDI	Japan	-7.4%	-0.32%

All returns in: USD Benchmark: MSCI EAFE Index Source: Mondrian Investment Partners and MSCI All information is dated as at the end of the Quarter, unless otherwise stated. Refer to Important Notes and Disclosures.

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# **Investment Strategy**

The portfolio is overweight the utilities sector where we see strong renewables businesses and attractive risk-adjusted returns in regulated and integrated utilities in Europe and the UK.

The portfolio is overweight the consumer staples sector where we see companies with resilient growth profiles trading at relatively depressed valuations.

The portfolio is overweight Japan where we see undemanding valuations, strong corporate balance sheets and improving corporate governance that support the skew of outcomes.

## **Strategy Characteristics**

	Portfolio	Benchmark
Weighted Average P/E (trailing 12 months)	13.5x	17.1x
Weighted Average P/B	1.6x	2.1x
Weighted Average Dividend Yield	3.7%	2.9%
Number of Holdings	39	693
Weighted Average Market Cap (USD, billion)	82.9	98.8
Median Market Cap (USD, billion)	48.9	18.7

### **Country Allocation**

Country	Portfolio Weight	F	Relative Weight
United Kingdom		24.5%	+9.8%
Japan		24.0%	+1.7%
France	14.3%		+3.4%
Italy	7.7%		+4.5%
Germany	6.8%		-3.1%
Switzerland	6.0%		-3.2%
Spain	4.2%		+0.5%
Hong Kong	4.1%		+2.1%
Singapore	3.0%		+1.2%
Netherlands	2.8%		-2.1%
Finland	1.4%		+0.3%
Australia	0.0%		-6.8%
Other Asia Pacific	0.0%		-0.2%
Other EMEA	0.0%		-9.1%

### **Sector Allocation**

Sector	Portfolio Weight		Relative Weight
Industrials		19.8%	+0.4%
Financials		17.0%	-7.7%
Consumer Staples	12.2%	6	+4.7%
Health Care	11.2%		+0.4%
Utilities	11.0%		+7.6%
Info. Technology	8.6%		+0.2%
Cons. Discretionary	7.9%		-2.4%
Energy	5.0%		+1.9%
Comm. Services	3.9%		-1.0%
Materials	2.3%		-3.3%
Real Estate	0.0%		-1.9%
Cash	1.1%		-

## **Market Returns Commentary**

- Easing financial conditions, resilient growth, and fiscal support drove equity markets higher
- Japan outperformed amid supportive tariff developments and strong earnings
- Germany underperformed as investors took profits following strong year-to-date performance

### Sector Returns Commentary

- Cyclical sectors generally outperformed defensives in a risk-on environment
- The energy sector outperformed on heightened geopolitical tensions
- The health care sector lagged on concerns about the impact of US government policy on the sector

All returns in: USD Benchmark: MSCI EAFE Index Source: Mondrian Investment Partners and MSCI

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### **Selected Transactions**

Buy			
Stock	Country	Sector	Activity
Capgemini	France	Information Technology	Add
Nestle	Switzerland	Consumer Staples	Add
UPM-Kymmene	Finland	Materials	Add
Associated British Foods	United Kingdom	Consumer Staples	Add
Roche	Switzerland	Health Care	Add

Jeli			
Stock	Country	Sector	Activity
Singapore Telecom	Singapore	Communication Services	Eliminate
British American Tobacco	United Kingdom	Consumer Staples	Reduce
Imperial Brands	United Kingdom	Consumer Staples	Reduce
Banco Santander	Spain	Financials	Reduce
SSE	United Kingdom	Utilities	Reduce
Fujitsu	Japan	Information Technology	Reduce

# **Transaction Commentary**

We continued to build the new positions in Capgemini, the French IT services company, and Associated British Food, the UK food processing and retailing company. We also added to Roche, the Swiss pharmaceuticals and diagnostics company, and Nestlé, the Swiss food and beverage company, on recent share price weakness.

Sell

To fund these additions, we exited the position in Singapore Telecom, the Singaporean telecommunications services provider. We also trimmed positions in selected securities which had performed well such as British American Tobacco, the UK-based tobacco company, and Banco Santander, the Spanish bank.

# Important Notes and Disclosures

Mondrian has served as a sub-adviser to Macquarie Asset Management (formerly known as Delaware Investments) on the Delaware/Mondrian International Equity ADR (SMA) strategy from inception (December 31, 1996) to December 2023. As the sole sub-adviser, Mondrian has made all investment decisions on the strategy. When Mondrian became independent of Macquarie in 2004, Macguarie remained responsible for the distribution and administration of the strategy. In July 2023, Macquarie and Mondrian announced the amicable decision for Macquarie to no longer distribute the strategy. Mondrian has ensured that it meets all the relevant GIPS portability requirements and, in doing so, can present the historical composite track record as its own. Ernst and Young have conducted an independent Agreed Upon Procedure review of this work to confirm its validity and completeness. Further information on the services Mondrian provides to its International Equity ADR (SMA) Product can be found in Mondrian's Form ADV Part 2A Brochure under the headings of Managed Account Programs: SMA & Model Delivery. Mondrian Investment Partners Limited ("Mondrian") claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A GIPS Report and a complete list and description of composites and/or a presentation that adheres to the GIPS standards is available on request from mondrian.website@mondrian.com. 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 International Equity Value ADR (SMA) 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.

Pure' gross returns for all time periods presented do not reflect the deduction of the SMA (wrap) fee and are gross of transactions costs but net of witholding taxes. Net returns are calculated by subtracting the highest applicable SMA (wrap) fee (currently 3.00% annually, or 0.25% monthly) on a monthly basis from the gross composite monthly return. The performance quoted represents past performance and does not predict future returns. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged, and one cannot invest directly in an index. The benchmark is a Performance Comparator, and the Strategy may bear little resemblance to its benchmark. Inception date for the Delaware International Equity ADR composite was January 1, 1997.

All portfolio data is based on the Mondrian Representative Account for the strategy.

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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.

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