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# Hardman Johnston International Equity

## 2026 First Quarter Report

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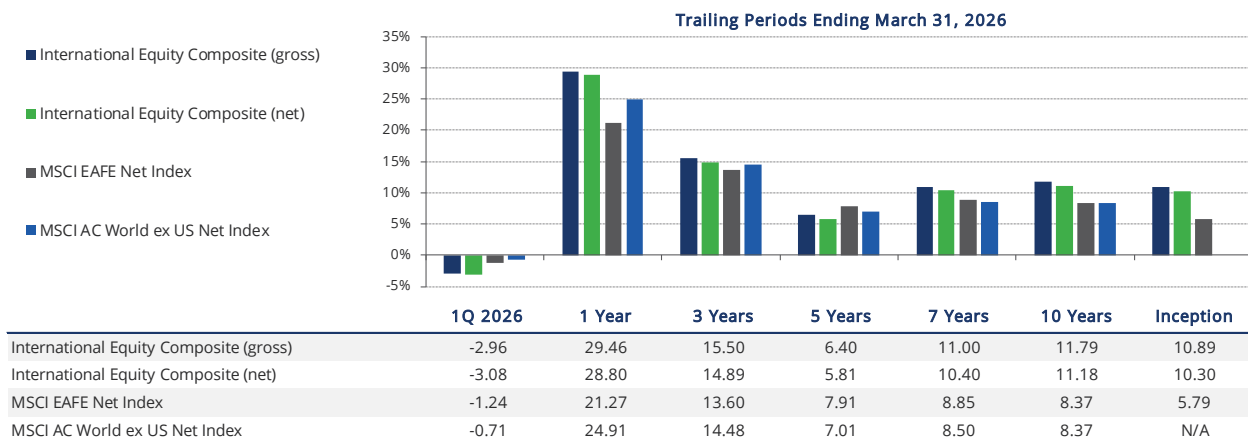


## General Information<sup>1</sup>

Firm Assets	\$8,370.5 million
Strategy Assets	\$6,691.9 million
Benchmark	MSCI EAFE Net
Active Share (%)	92.7
Composite Inception Date	Sep-1993

(1) International Equity strategy assets include all derivations of the international and international ADR accounts managed by the firm. In the event the portfolio holds multiple share classes of a company, the total number of positions reflects the multiple share classes as a single position. Active share is calculated in FactSet and reflects a 10-year average.

## Performance



Performance is through March 31, 2026. Periods greater than one year are annualized. **Past performance does not guarantee future results.** Net performance reflects the deduction of advisory fees and reinvestment of income (if applicable). The MSCI AC World ex US Net Index is shown as supplemental information. The MSCI AC World ex US Index inception date is 1/1/2001. Composite inception date: September 30, 1993.

## Key Takeaways

- Following a strong 2025, the portfolio modestly underperformed its benchmarks during the quarter as value stocks drove index performance
- Information Technology and Healthcare were the leading sector contributors, while Consumer Discretionary and Financials detracted from relative performance
- From a regional perspective, Europe was the largest contributor, while Japan was the largest detractor
- Overall, the Hardman Johnston International Equity Strategy modestly underperformed both the MSCI EAFE Net Index and MSCI AC World ex US Net Index while outperforming the growth versions of both benchmarks in a quarter led by value

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## Portfolio Commentary

The portfolio modestly underperformed its benchmarks, primarily driven by stock selection within Consumer Discretionary and Financials. The Hardman Johnston International Equity Composite returned -3.08%, net of fees, compared to -1.24% for the MSCI EAFE Net Index and -0.71% for the MSCI AC World ex US Net Index.

From a sector perspective, Information Technology and Healthcare supported performance. Within Information Technology, **ASML Holding NV** and **Taiwan Semiconductor Manufacturing Co., Ltd.** were the strongest contributors, while **Sandoz Group Ltd.** and **UCB S.A.** also contributed positively within Healthcare.

Shares of ASML, the sole supplier of EUV lithography equipment, benefited from market recognition of the need to expand leading edge semiconductor manufacturing capacity to meet the unprecedented build of AI infrastructure. Record revenue and bookings in its 4Q earnings release supported a sharp change in tone from management, as visibility improved dramatically over the last few quarters and the company is now providing guidance for solid double-digit growth for 2026. AI is increasing lithography intensity across Logic and DRAM due to demand for performance and power efficiency and the corresponding need for advanced technology nodes, strengthening visibility into EUV demand through 2027 and beyond. TSMC, Samsung, and Hynix capacity plans reinforce a sustained WFE upcycle, while High-NA adoption remains an incremental upside lever. Even after the move, we continue to view ASML as the monopoly provider in advanced lithography with improving multi-year visibility.

TSMC outperformed as it is increasingly recognized as the key bottleneck governing AI compute capacity growth. Blowout results and capex guidance reinforced exceptional demand, with AI growth expectations revised from mid-40s to mid-to-high-50s percent CAGR through 2029. 3nm remains extraordinarily tight driving pricing higher, and 2nm/A16 capacity expansion supports the long-duration growth profile. TSMC continues to demonstrate incredible pricing power and productivity, driving both earnings upside and stronger confidence in margin durability. Despite the rerating, valuation remains compelling for the one of the most important enablers in the AI semiconductor value chain.

Sandoz delivered a strong 2025, and its initial 2026 guidance was above consensus. Biosimilar growth remains strong and now represents ~30% of total net sales and a higher percentage of profits due to much higher margins. The mix shift towards biosimilars will continue to support margin expansion and earnings growth. All biosimilar launches in 2025 performed in line with or above investor expectations, supporting confidence in the company's launch cadence and commercial execution. HHS released streamlined guidance for biosimilar regulatory requirements, moving the U.S. framework closer to the EU regulatory model and reducing complexity for developers. This regulatory shift is expected to lower development costs, enabling Sandoz to reinvest savings into pipeline expansion and accelerate future biosimilar programs.

UCB's share price rose following strong 2025 results driven by Bimzelx (an immunology drug with \$5 billion peak sales potential currently but could be substantially higher with new indications), and that momentum is expected to continue into 2026. Management is still expanding both indications and patient access, supporting a longer growth runway for the asset. Bimzelx remains well positioned in hidradenitis suppurativa (HS), an area with significant unmet need, reinforcing its leadership in an attractive market. The positive BE BOLD trial of Bimzelx vs. Skyrizi should further strengthen Bimzelx's

competitive position across both dermatology and rheumatology. UCB also benefited from encouraging pipeline progress, with galvokimig advancing in Phase IIb for atopic dermatitis, adding another potential growth driver.

Consumer Discretionary and Financials weighed on relative performance. Within Consumer Discretionary, **LVMH Moët Hennessy Louis Vuitton SE** and **Prosus N.V.** were the largest detractors, while **Commerzbank AG** and **Standard Chartered PLC** detracted within Financials.

LVMH's performance during the first quarter reflected only a gradual return to growth in its key F&LG group. While both China and the US markets are improving, the improvement is gradual. LVMH is less exposed to the stronger vertical in luxury – jewelry, and that too was reflected in its first-quarter performance. LVMH has the same exposure to luxury verticals in the Middle East (both direct sales and Middle East travelers) as other groups – around 5-6% - but the region was the most thriving hub of luxury sales prior to the war. The war's impact hits that business directly, as well as posing risks to consumer confidence and willingness to spend.

Prosus underperformed in the quarter due to heightened competition in Brazil and a sector-wide de-rating among global peers in ecommerce and fast-food delivery. In addition, Tencent is significantly stepping up AI investments and is expected to reduce its level of share buybacks. These factors together will likely constrain Prosus' own share buybacks and cash return to shareholders. Though Prosus' balance sheet remains robust and under no strain, we decided to exit Prosus at this time given increased headwinds and reduced visibility.

Commerzbank underperformed along with many bank stocks, as a result of macro factors that negatively impacted net interest income (NII) growth, driven by an economic slowdown following the energy price shock. Germany, in particular, has been in a weak economic position over the past few years but is now in the midst of a recovery, supported by stimulus following the release of the fiscal debt brake. This was expected to have a meaningful positive impact on Commerzbank's SMB segment—the so-called “Mittelstand”—which represents its largest deposit base. While we still expect this to happen, the war and rising oil prices have created uncertainty. In addition, Commerzbank is engaged in a takeover battle with UniCredit, which is attempting to acquire the company. While this puts a floor under the stock price, the initial bid was only at a modest premium.

Standard Chartered underperformed in Q1 largely due to a reset in elevated expectations following a strong prior rally, rather than any material deterioration in the underlying business. Earnings modestly missed consensus—primarily due to softer trading income—while concerns around net interest income and a measured 2026 outlook weighed on sentiment. Higher costs also tempered confidence in near-term operating leverage. That said, the core franchise remains solid, management continues to guide conservatively, and ongoing capital returns position the bank well for potential upside as execution progresses.

Regionally, Europe was the largest contributor to performance, supported by strength in **ASML Holding NV**, while Japan detracted, driven primarily by **Suzuki Motor Corp.**

Shares of Suzuki Motor Corp. underperformed during the quarter, primarily due to higher oil prices, which weighed on Consumer Discretionary sectors, particularly autos. In addition, India—one of

Suzuki's key markets—faces greater exposure to potential energy disruptions from a Hormuz Strait closure given their enormous dependence on imported oil, which could place upward pressure on fuel prices despite existing price controls and, more broadly, weigh on economic growth. Recent sales data, however, remains supportive, and we have not yet observed any meaningful impact on demand. Over the longer term, Suzuki remains well positioned given its strong market share in India and other emerging economies, competitive positioning in small vehicles, and continued exposure to structural growth in emerging markets.

The top individual contributors to relative performance during the quarter were **ASML Holding NV**, **Taiwan Semiconductor Manufacturing Co., Ltd.**, and **STMicroelectronics NV**.

Shares of STMicro outperformed as the analog semiconductor recovery gradually improved, while the company has solidified an idiosyncratic driver in the investment thesis with its opportunity in AI data centers. STMicro announced an agreement with AWS that validates the company as a strategic supplier across silicon photonics, MCUs, and power semis within the AI landscape. The deal pulls forward the AI data center revenue opportunity and should improve fab utilization. That idiosyncratic AI strength offsets Auto and Industrial fundamentals, which remain near a trough, but downside risk appears limited and upside potential high when demand recovers in auto and industrials. We continue to like the setup for top-line recovery and sharp gross margin leverage as cyclical and structural drivers converge.

The top individual detractors from relative performance were **LVMH Moet Hennessy Louis Vuitton SE**, **Prosus N.V.**, and **Suzuki Motor Corp.**

During the quarter, we initiated two new positions - **Cameco Corporation** and **TechnipFMC plc**. We initiated a position in Cameco, a vertically integrated leader in nuclear energy with operations spanning upstream Tier 1 assets in Western jurisdictions, nuclear fuel services, and nuclear technology. The company is the world's second-largest uranium producer behind Russia, with key reserves located in Canada and the United States. As Western markets continue to shift away from Russian-sourced nuclear fuel, Cameco is well positioned to benefit, particularly given that nuclear power represents approximately 20% of the U.S. energy mix and is moving higher and remains heavily reliant on imports. In addition, Cameco's downstream fuel services business commands roughly 20% of global uranium conversion capacity within a highly concentrated and regulated market. The company also owns a 49% stake in Westinghouse, a leading nuclear technology provider with significant intellectual property in reactor design. As part of the ongoing nuclear renaissance, Cameco and Westinghouse have been identified as key partners in supporting new nuclear buildouts in the United States. More recently, heightened geopolitical tensions have further reinforced the importance of energy security, providing an additional tailwind for nuclear power demand.

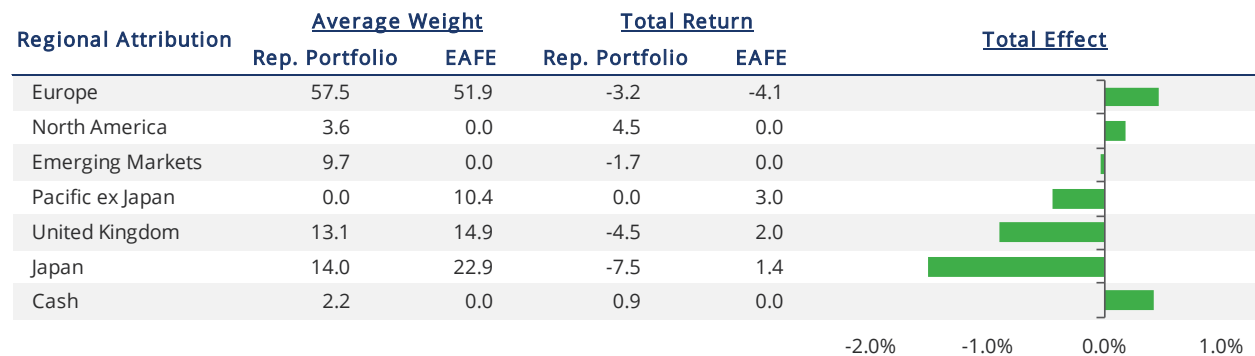
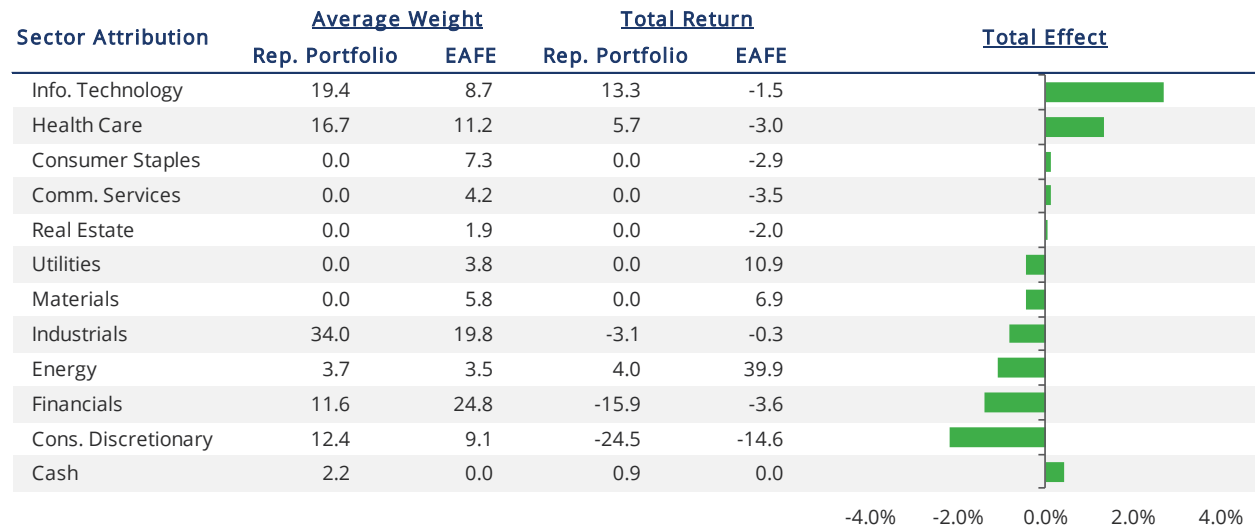
We also initiated a position in TechnipFMC, a global leader in offshore subsea equipment, systems, and services. Formed through the merger of FMC Technologies and Technip in 2017, the company is uniquely positioned as a fully integrated provider in the offshore energy market. Industry consolidation following the last oil downturn has improved the competitive landscape, while breakeven prices for offshore projects have declined to approximately \$40 per barrel, supporting increased activity levels. TechnipFMC benefits from strong visibility, supported by a \$16 billion multi-year backlog. The company's Subsea 2.0 platform and iEPCI model enable greater integration across

project design and execution, enhancing efficiency and expanding margin opportunities. In addition, recent geopolitical tensions, including the Iran conflict, are expected to reinforce a structural shift away from Middle East oil, positioning TechnipFMC as a key beneficiary given that many of the world's major offshore basins are located outside the region.

During the quarter, we exited our position in **HDFC Bank Limited**. HDFC Bank reported disappointing earnings during the quarter, along with an elevated liquidity coverage ratio and an elevated loan-to-deposit ratio. These two factors likely limit the bank's ability to expand lending until they normalize, effectively pressuring a key driver of EPS growth. HDFC Bank has had a difficult time achieving its stated synergies since acquiring HDFC Ltd. two years ago, and this quarter was another demonstration of that. In addition, macro factors from rising oil prices due to the energy price shock have pressured the Indian economy more than others, given that virtually all of its energy is imported. This can depress loan demand and credit card spending, which are key drivers of EPS growth. We exited the small position during the quarter due to these factors, prior to the CEO's resignation, which was an additional negative signal.

Overall, portfolio activity during the quarter reflected our continued focus on high-quality businesses with durable competitive advantages, supported by strong earnings visibility and attractive long-term risk-adjusted return potential.

## Quarterly Attribution



## Contributors & Detractors

First Quarter	Average Weight	Total Effect (%)	Last Twelve Months	Average Weight	Total Effect (%)
<b>Largest Contributors</b>			<b>Largest Contributors</b>		
ASML Holding N.V.	5.42	0.79	Taiwan Semiconductor Mfg. Co., Ltd.	5.38	3.73
Taiwan Semiconductor Mfg. Co., Ltd.	5.57	0.71	Sandoz Group Ltd.	5.60	2.95
STMicroelectronics NV	3.09	0.67	UCB S.A.	4.90	2.40
<b>Largest Detractors</b>			<b>Largest Detractors</b>		
LVMH	3.63	-1.07	LVMH	3.24	-1.41
Prosus NV	2.63	-0.95	Deutsche Telekom AG	2.58	-1.29
Suzuki Motor Corp.	4.23	-0.85	ICICI Bank Ltd.	2.39	-1.06

Data for the quarter ending March 31, 2026. Source: FactSet, Hardman Johnston Global Advisors LLC®. **Past performance does not guarantee future results.** The data shown is of a representative portfolio for the Hardman Johnston International Equity strategy and is for informational purposes only. Results are not indicative of future portfolio characteristics/returns. Actual results may vary for each client due to specific client guidelines and other factors. Portfolio holdings and/or allocations shown above are as of the date indicated and may not be representative of future investments. Future investments may or may not be profitable.

## Portfolio Activity

### Quarterly Initiations

Cameco Corporation  
TechnipFMC plc

### Quarterly Liquidations

HDFC Bank Limited

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## Market Outlook

After a period like the last quarter, many investors get stuck trying to predict what comes next. We have always steadfastly avoided speculating on macro scenarios or market movements. Instead, we turn our attention to closely analyzing our companies, our portfolio risks, and our opportunities. We interrogate the fundamentals of our holdings and how they should hold up in challenging conditions, including intense oil and commodity price shocks.

Our assessment is that our portfolio remains resilient and capable of earnings growth in most economic scenarios. Nevertheless, there may be specific and broader risks given the ongoing geopolitical environment which is why we continue to monitor performance very closely. In addition, the volatility we are experiencing creates opportunities in mispriced stocks, overestimated negative impacts, and underestimated potential upsides for companies over the long-term.

Consumer stocks have held up well but do face pressure in negative macro environments. Energy cost spikes will reduce consumer spending power, while the potential for interest rate rises will add to the squeeze. For a company like Mercado Libre, the macro environment can mean pressure on its lower-income customer segment, potentially impacting sales growth, which has come from a focus on smaller-ticket items. There can also be challenges for the likes of Suzuki, the market-leading automaker in India, as constrained spending runs into rising gas prices in a region particularly reliant on oil from the Gulf. We do not take snap decisions but will make timely calls based on fundamentals and facts. Indeed, we still see opportunities in the consumer discretionary sector and will invest and hold positions where we identify companies that meet our three-to-five-year growth objectives.

Looking across the portfolio, our direct exposure to oil price volatility is relatively low. However, there are indirect effects, such as the fallout for airlines and aerospace, which could influence the aftermarket sales and services trajectory of suppliers like Safran. The extent and duration of that cyclical impact is unknowable. But the longer-term secular shift is still very positive for aviation and the move to technologically advanced, lighter, more efficient aircraft will continue.

What could be characterized as a “new normal” of higher oil prices and risk premia could also be viewed as an acceleration of existing trends. Energy security and sovereignty have been growing themes, particularly since the outbreak of war in Ukraine, and the current conflict in Iran adds a further impetus to the shift for many countries and regions. Our holding Cameco is one of the largest global providers of uranium fuel for nuclear energy; Mitsubishi Heavy is at the forefront of developing

the next generation of nuclear reactors, and Hitachi is providing protection, control, and automation solutions to secure power grids. In a diversifying energy mix, and diversified geographic supply scenario, they are well positioned to benefit from investments that are many years in the planning, developing, and commissioning.

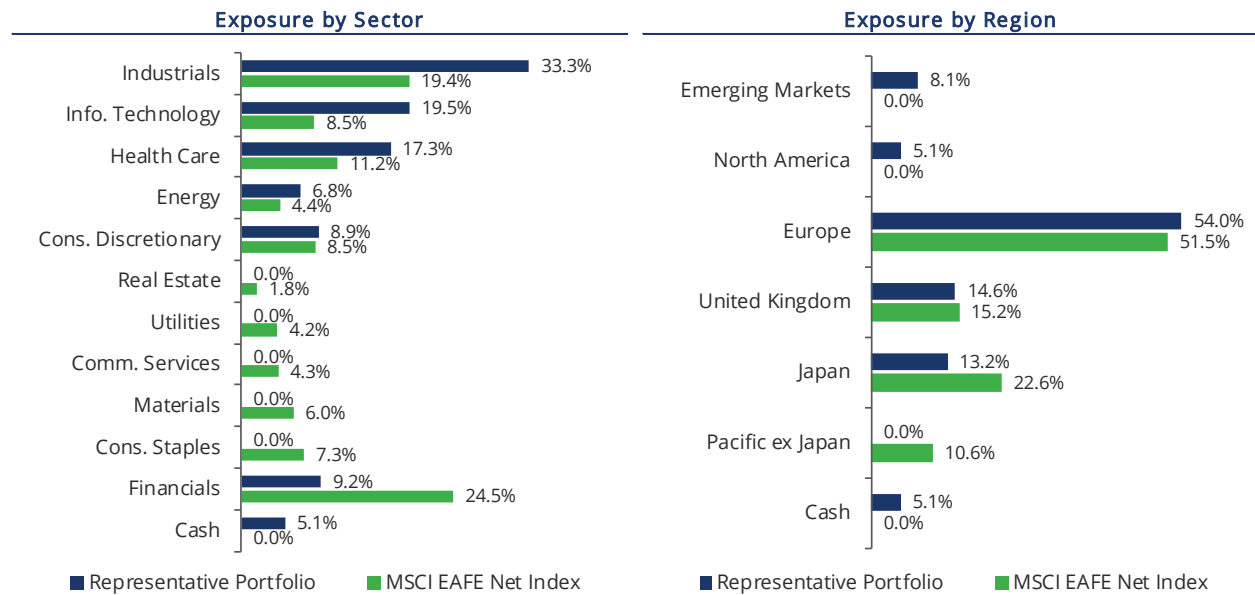
There are also opportunities in the oil and gas industry as it shifts some focus away from the Middle East. For instance, TechnipFMC – a stock we know well – is a specialist in services for deepwater drilling. It is likely to see tailwinds from the current environment, while continuing to adapt and build its offerings for offshore renewables. It is an example of our focus on backing the “picks and shovels” that will benefit from industry-wide growth, rather than attempting to pick the winners in a specific sector like energy.

We adopt a similar approach toward our analysis of AI – a segment of the market that appears to bounce between views of unbounded optimism and deep pessimism. A recent report from Citrini Research presented one of the gloomiest scenarios about AI’s potential impact across industries, the labor force, and the broader economy. It led directly to selloffs for a number of stocks in a market that was already feeling fragile about AI.

Our belief is that there will be opportunity as well as disruption. There will be significant impact on labor markets, yet that should be weighed against benefits that can sweep through a whole range of industries. AI can boost productivity and also improve delivery of essential services. Aging populations around the world will need more healthcare, and potentially more remote healthcare, which can benefit from AI to help deliver health tracking, diagnosis, and personalized care. More specifically, companies like Cameco and Mitsubishi Heavy, already mentioned above as positively exposed to changing energy mixes, are equally finding drivers in increasing energy demand driven by AI data centers. Again, these are the “picks and shovels” of a trend in which we want to find as much upside as possible, while avoiding the traps that may catch the less wary.

In volatile markets and uncertain global macro conditions, investors may be drawn to take money off the table and seek safe havens. We are cautious about the outlook. However, as long-term, active equity investors, we are also committed to global equity markets. We hold true to our proprietary and proven investment processes. We firmly believe that our high-conviction approach focused on growth companies can navigate through challenging conditions to deliver outperformance over the long term.

## Exposures & Characteristics



	Representative Portfolio		MSCI EAFE Net Index	
	1Q 2026	5 Year Average	1Q 2026	5 Year Average
<b>Capitalization</b>				
Weighted Average Market Cap (\$B)	179.9	127.8	106.4	89.1
Median Market Cap (\$B)	56.9	55.4	19.7	14.7
<b>Growth Fundamentals</b>				
EPS Growth: 3 to 5 year forecast (%) <sup>1</sup>	15.8	18.6	9.4	9.6
Revenue Growth: 3 to 5 year forecast (%) <sup>1</sup>	7.3	11.4	4.4	5.3
<b>Value Fundamentals</b>				
P/E Ratio: 12 Months - forward <sup>1</sup>	21.7	23.1	17.4	17.9
P/E Ratio: 12 Months - trailing <sup>1</sup>	27.6	28.4	20.0	19.9
PEG Ratio: forward <sup>2</sup>	1.4	1.2	1.9	1.9
Dividend Yield (%) <sup>3</sup>	1.1	1.0	2.8	2.9
Price/Book <sup>4</sup>	3.2	3.5	2.1	1.8
<b>Quality Fundamentals</b>				
Return on Equity: 12 Months - forward (%) <sup>1</sup>	19.3	17.1	17.9	16.5
Return on Equity: 5 Year (%) - trailing <sup>1</sup>	14.5	14.4	14.6	14.1
Return on Invested Capital: 12 Months - forward (%) <sup>1</sup>	12.5	10.8	10.4	10.2
Return on Invested Capital: 5 Year (%) - trailing <sup>1</sup>	9.9	9.7	9.2	9.4
Long-Term Debt / Equity (%) <sup>1</sup>	46.3	58.4	75.9	71.1
<b>Other</b>				
Number of Positions	24	26	690	767
Beta: 3 year portfolio <sup>5</sup>	1.1	1.0	1.0	1.0
Tracking Error: 5 Year - trailing (%)	7.9	8.7	--	--
Turnover: 12 Months - trailing (%)	42.5	37.5	--	--

<sup>1</sup>Interquartile weighted mean, <sup>2</sup>PEG Ratio is calculated as "P/E Ratio: 12 Months - forward" divided by "EPS Growth: 3 to 5 year forecast", <sup>3</sup>MPT beta (daily). <sup>4</sup>Based on aggregate purchases and sales over prior 12 months. Data as of March 31, 2026. **Past performance does not guarantee future results.** Source: FactSet, Hardman Johnston Global Advisors LLC®. The data shown is of a representative portfolio for the Hardman Johnston International Equity strategy and is for informational purposes only and is not indicative of future portfolio characteristics/returns. Actual results may vary for each client due to specific client guidelines and other factors. The representative portfolio was chosen as most representative of the International Equity strategy. Portfolio holdings and/or allocations shown above are as of the date indicated and may not be representative of future investments. Future investments may or may not be profitable. In the event the portfolio holds multiple share classes of a company, the total number of positions reflects the multiple share classes as a single position. Hardman Johnston Global Advisors generally uses Global Industry Classification Standard ("GICS") to determine sector classification. Hardman Johnston may reclassify a company into a more suitable sector if it believes that the GICS classification for a specific company does not accurately classify the company from our perspective.

## Portfolio Holdings

	Country	Weight (%)	Industry	Initiation Date
<b>Consumer Discretionary</b>		<b>8.9</b>		
LVMH	France	2.4	Textiles, Apparel & Luxury Goods	Jul. 2022
MercadoLibre, Inc.	Brazil	1.8	Broadline Retail	Jan. 2023
Prosus NV	Netherlands	0.8	Broadline Retail	Oct. 2021
Suzuki Motor Corp.	Japan	3.9	Automobiles	Nov. 2023
<b>Energy</b>		<b>6.8</b>		
Cameco Corporation	Canada	5.1	Oil, Gas & Consumable Fuels	Jan. 2026
TechnipFMC plc	United Kingdom	1.7	Energy Equipment & Services	Mar. 2026
<b>Financials</b>		<b>9.2</b>		
Commerzbank AG	Germany	3.5	Banks	Apr. 2025
ICICI Bank Ltd.	India	1.1	Banks	Aug. 2018
Standard Chartered PLC	United Kingdom	4.6	Banks	Aug. 2023
<b>Health Care</b>		<b>17.3</b>		
AstraZeneca plc	United Kingdom	5.8	Pharmaceuticals	Oct. 2017
Sandoz Group Ltd.	Switzerland	6.1	Pharmaceuticals	Nov. 2024
UCB S.A.	Belgium	5.3	Pharmaceuticals	Apr. 2024
<b>Industrials</b>		<b>33.3</b>		
Airbus SE	France	4.1	Aerospace & Defense	Jan. 2019
Hitachi, Ltd.	Japan	4.4	Industrial Conglomerates	Apr. 2025
Leonardo SpA	Italy	3.1	Aerospace & Defense	Apr. 2025
Mitsubishi Heavy Industries, Ltd.	Japan	5.0	Machinery	Apr. 2024
Prysmian S.p.A.	Italy	5.6	Electrical Equipment	Sept. 2025
Rheinmetall AG	Germany	4.1	Aerospace & Defense	Feb. 2023
Safran S.A.	France	4.6	Aerospace & Defense	Jun. 2017
Weir Group PLC	United Kingdom	2.5	Machinery	Oct. 2025
<b>Information Technology</b>		<b>19.5</b>		
ASML Holding N.V.	Netherlands	5.2	Semiconductors & Semiconductor Equipment	Jun. 2003
Infineon Technologies AG	Germany	5.2	Semiconductors & Semiconductor Equipment	Mar. 2025
STMicroelectronics NV	France	3.9	Semiconductors & Semiconductor Equipment	Jul. 2025
Taiwan Semiconductor Mfg. Co., Ltd.	Taiwan	5.1	Semiconductors & Semiconductor Equipment	Jan. 2021
<b>Cash &amp; Cash Equivalents</b>		<b>5.1</b>		

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