Hardman Johnston Global Equity

2024 Fourth Quarter Report

Hardman Johnston Global Advisors

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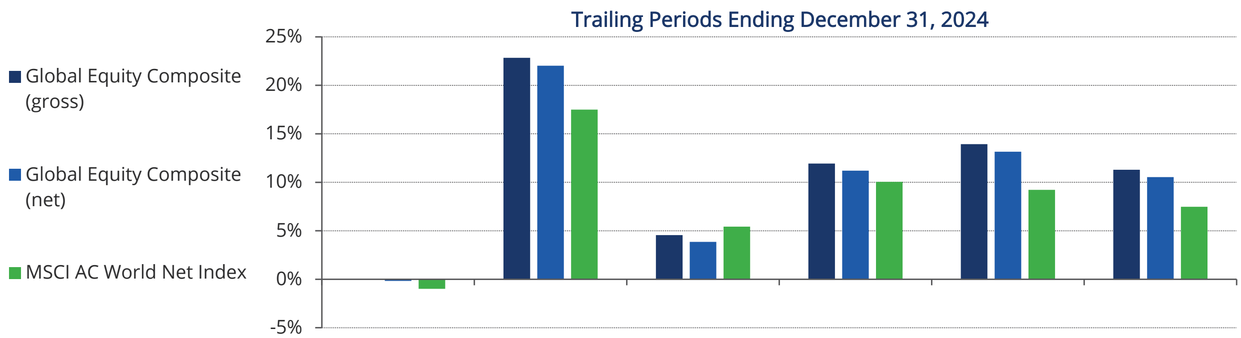
Performance



	4Q 2024	1 Year	3 Years	5 Years	10 Years	Inception
Global Equity Composite (gross)	0.00	22.84	4.55	11.93	13.93	11.29
Global Equity Composite (net)	-0.17	22.02	3.86	11.20	13.16	10.54
MSCI AC World Net Index	-0.99	17.49	5.43	10.05	9.22	7.48

Performance is through December 31, 2024. 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). Effective April 1, 2015, the Company changed the primary benchmark for its Global Equity strategy to the MSCI All Country World Net Index ("ACWI"). The inception date of the composite is December 31, 2005.

Key Takeaways

- The portfolio slightly outperformed the MSCI AC World Index during the fourth quarter, adding to strong relative performance for full year of 2024
- Industrials and Materials were the top sector contributors, while Health Care and Consumer Discretionary were the top detractors
- The United KIngdom was the top contributing region, while North America was the top detractor

Portfolio Commentary

The fourth quarter capped off a strong year for the portfolio relative to its benchmark index. During the quarter, the Hardman Johnston Global Equity Composite returned -0.17%, net of fees, compared to -0.99% for the MSCI AC World Net Index. This lifted the portfolio's outperformance relative to the index to 453 bps for the full year of 2024.

From a sector standpoint, the main drivers of the portfolio's outperformance during the fourth quarter were Industrials and Materials. Within Industrials, Howmet Aerospace, Inc. and Vertiv Holdings Co. were the largest contributors to outperformance. Howmet reported an earnings beat during the quarter with broad-based strength spanning across all key segments. In particular, the company's Engine Products and Fasteners segment performed well. During the earnings call, management spent significant time describing the emerging new growth driver of industrial gas turbines, which are used in gas power plants, which have become a focus for investors due to accelerating demand from AI data centers. Howmet is the leading supplier to the three major producers of these engines and will benefit from both initial purposes and the long-term maintenance demand.

Vertiv has been a stellar performer for the past year and beyond. The global leader in data center thermal and electrical equipment continued to execute on its record backlog, with strong order flow largely related to AI-driven data center demand. Data center operators and hyperscalers are partnering with the company to develop next generation designs to optimize power and thermal efficiency. Vertiv's global service network is uniquely positioned to help clients design and maintain these important data centers.

The outperformance in the Materials sector was related to the sole holding within the sector, Corteva, Inc. Corteva is a leading global seed and agricultural chemicals leader. During the company's investor day in November, management highlighted the company's longer-term growth opportunity, boosting the share price of the stock. We believe that even with the positive stock reaction, guidance incorporated conservative assumptions, namely that the current downturn in agricultural chemicals in Latin America would not improve much. Any improvement in that outlook, which is likely given that we are near the end of the commodity destocking cycle, would provide additional runway for outperformance going forward.

The top sector detractors from relative performance during the quarter were Health Care and Consumer Discretionary. Within Health Care, the top detracting holdings were IQVIA Holdings Inc. and Elanco Animal Health, Inc. IQVIA is a contract research organization (CRO) serving biopharma industry. The company lowered its 2024 guidance due to disruptions on the clinical side of the business, with one large cancellation and two trial starts pushed into 2025. Short-term disruptions in this segment should get resolved during the first half of 2025. However, the Technology and Analytical Solutions side of the business had a positive quarter, returning to growth, with outlook for continued growth in 2025.

Elanco is a global leader in animal health pharmaceutical products. The stock has struggled due to concerns about the launch of the company's Zenrelia drug, which is a JAK inhibitor for dogs with various forms of dermatitis. The drug has to include a black box warning due to usage around the timing of vaccinations. Despite that, the label is better than initially feared, and feedback from experts is positive. Aside from this, Elanco's investment thesis remains attractive, with five product launches in the next year helping both top and bottom-line growth.

From a regional standpoint, the UK was the portfolio's strongest contributor, with Standard Chartered being the best performer within the region. The UK-domiciled bank, Standard Chartered, beat earnings estimates in the third quarter and increased return targets over the next two years. In addition, the company increased its share buyback program, which continues to materially reduce share count and drive EPS higher. Despite the recent strong performance, valuation continues to be cheap, allowing for additional multiple expansion as the bank delivers on its profit goals.

North America was the largest detractor, with IQVIA being the largest driver of the underperformance.

The top individual contributors to relative performance during the quarter were Atlassian Corp., Standard Chartered, and Howmet Aerospace. Shares of Atlassian recovered sharply in the fourth quarter, driven by strong outperformance in Cloud and Data Center revenue growth and operating margins exceeding guidance by 360 bps. Paid seat expansion and cloud migrations led the earnings beat at the collaborative software maker, as management indicated that the macroeconomic environment has remained stable sequentially. Atlassian demonstrated a strong pace of innovation in the quarter, rolling out three new Premium versions of existing products, including Guard, Product Discovery, and Compass, plus two new out-of-the-box AI agents in Autodev and Autoreview to enhance engineering workflow efficiency. Additionally, Atlassian appointed its new CRO, Brian Duffy, whose background in the cloud division at SAP serves as a potential catalyst to scaling Atlassian's enterprise go-to-market sales approach.

The top individual detractors from relative performance were MercadoLibre, Inc., IQVIA, and Universal Display Corp. MercadoLibre struggled due to a combination of fundamentals and an increasingly challenging macroeconomic environment in its primary regions, predominately Brazil. The issue within fundamentals was related to a shortfall in operating margins, as the company significantly invested across its platforms, with the addition of six new fulfillment centers aimed at regionalizing its distribution network to better serve and retain its commerce customer base and expand its credit card offering. While these investments caused a negative reaction in the stock's share price, the company has consistently demonstrated effective capital allocation in support of its medium and long-term growth. Outside of the company's control, the outlook for inflation in Brazil deteriorated throughout the year, weighing on equities across the region. We continue to monitor the region's macroeconomic backdrop as a key investment risk for MercadoLibre, but we view the company as a best-in-class operator that will emerge in a better position on the other side of a macro recovery.

Shares of Universal Display have been under pressure since the company delayed its target for reaching commercial specifications of its blue emitter material and later reduced its 2024 revenue guidance due to demand weakness in consumer electronics like TVs, iPads, and smartphones. The company had expected a larger ramp with the first adoption of OLED display in the iPad, but a weaker-than-expected recovery in consumer electronics has driven a modestly weaker outlook for OLED materials. Universal Display remains well positioned as a monopoly supplier of phosphorescent OLED materials in the ongoing adoption of OLED display across consumer devices, and we remain confident that when the company reaches commercial specifications for its blue material, the content and pricing lift will drive substantial positive revisions to its earnings expectations. Additionally, we believe that tablet and notebook adoption of OLED display will accelerate substantially as panel makers like Samsung, LGD, and BOE ramp meaningful capacity to target the large panel market.

During the quarter, we initiated three new positions in Lennar Corporation, Bank of America Corp., and Uber Technologies, Inc. Lennar is the second largest homebuilder in the country and is focused on building affordable homes to address the structural shortage of housing. Despite high interest rates, interest in home ownership remains high, and the low unemployment rate has led to resilient pricing. With the Fed likely to cut rates in 2025, reduced mortgage rates could spur demand. The company is also spinning out its capital intensive land business, in order to lower balance sheet risk and improve returns.

Bank of America Corp. is the second largest bank in the developed world and operates the third largest branch network in the US. With 86% of revenues coming from the US, the bank is a clear beneficiary of the lower regulatory environment expected from the incoming administration. The company's business is highly diversified across retail, commercial, wealth management, and investment banking, with significant scale across all verticals. Management believes there is a big opportunity going forward in growing and monetizing its mass retail client base. Wealth is another huge opportunity, with the Merrill Lynch platform enabling customers to make more transactions and purchase additional products. Lastly, Bank of America has an opportunity to increase efficiency through cost reduction and online banking. Our expectation is for the bank's ROE to move significantly higher, driving EPS growth and higher multiples.

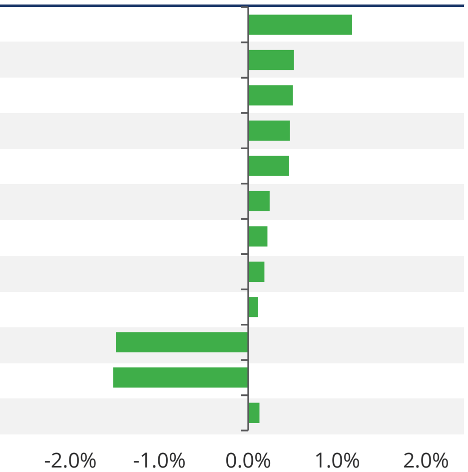
Uber is a leading platform company that facilitates ride-hailing, food delivery, and freight booking services, which each represent large and underpenetrated markets. Uber is active in more than 10,000 cities and approximately 70 countries globally, and Uber is a market leader with more than 65% market share in nearly all ride-sharing regions in which it operates. Uber should continue to benefit from secular tailwinds, product innovation, expansion, and network effects. The cross-selling of the Uber One membership program should drive both loyalty and engagement. International markets represent half the business and continue to be an important growth driver. Overall, we see sustained healthy topline growth for the company over the next three years with some insulation to global economic trends.

During the quarter, we liquidated one position in Charles Schwab Corp. The company faced reduced earnings estimates driven by a number of factors. Worse than expected execution of the Ameritrade acquisition led to customer attrition. Management began to shrink the size of Schwab Bank to reduce the size of the balance sheet and therefore cyclicality, but this also led to reduced EPS. Competition also increased sweep deposit rates, causing Schwab to do the same, impacting margins. All of these issues caused us to reevaluate the stock's risk-reward profile and liquidate the holding.

Quarterly Attribution

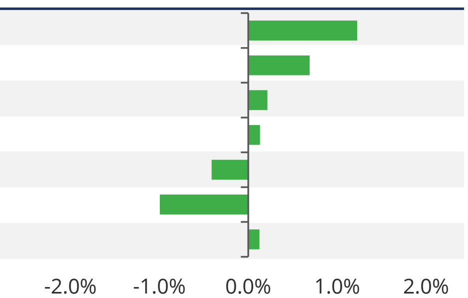
Sector Attribution	Average Weight		Total Return	
	Rep. Portfolio	ACWI	Rep. Portfolio	ACWI
Industrials	13.1	10.5	5.1	-4.9
Materials	3.7	3.8	-2.8	-15.1
Financials	9.3	16.6	11.6	2.7
Info. Technology	19.5	25.3	8.7	4.3
Energy	2.5	4.0	10.5	-4.3
Comm. Services	10.5	7.9	6.4	4.8
Utilities	0.0	2.6	0.0	-8.7
Real Estate	0.0	2.1	0.0	-9.0
Consumer Staples	0.9	6.1	-25.9	-7.1
Cons. Discretionary	12.1	10.8	-7.0	5.5
Health Care	23.7	10.2	-11.8	-11.4
Cash	4.8	0.0	1.1	0.0

Total Effect



Regional Attribution	Average Weight		Total Return	
	Rep. Portfolio	ACWI	Rep. Portfolio	ACWI
United Kingdom	6.9	3.1	14.3	-6.8
Emerging Markets	8.1	10.2	-2.1	-8.1
Pacific ex Japan	0.0	2.5	0.0	-9.2
Japan	0.0	4.8	0.0	-3.6
Europe	12.6	11.1	-12.0	-10.1
North America	67.7	68.3	1.2	2.6
Cash	4.8	0.0	1.1	0.0

Total Effect



Contributors & Detractors

Fourth Quarter	Average Weight (%)	Total Effect (%)
Largest Contributors		
Atlassian Corp.	4.03	1.69
Standard Chartered PLC	4.37	0.70
Howmet Aerospace, Inc.	5.31	0.51
Largest Detractors		
MercadoLibre, Inc.	3.79	-0.67
IQVIA Holdings Inc.	2.91	-0.60
Universal Display Corp.	1.67	-0.59

Last Twelve Months	Average Weight (%)	Total Effect (%)
Largest Contributors		
Vertiv Holdings Co.	4.50	3.25
Howmet Aerospace, Inc.	4.85	3.21
Taiwan Semiconductor Mfg. Co., Ltd.	4.01	2.00
Largest Detractors		
Elanco Animal Health, Inc.	1.74	-1.80
Grifols, S.A.	1.79	-1.73
Coty Inc.	1.77	-1.51

Portfolio Activity

Quarterly Initiations	Quarterly Liquidations
Lennar Corporation	Charles Schwab Corp.
Bank of America Corp.	
Uber Technologies, Inc.	

Data for the quarter ending December 31, 2024. 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 Global 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.

Market Outlook

Even before taking office, Donald Trump's re-election has sent shockwaves through global politics and markets. As active, bottom-up investors, our focus is not on making top-down predictions about the resulting macroeconomic outlook, but we do have to take the macroenvironment into account when investing. However, it is fair to presume that unpredictability will be a hallmark of 2025 and, as such, we must be prepared for a range of scenarios, evaluating both risks and opportunities as they arrive.

After a volatile final quarter, markets still appear to be digesting the implications of the election and policy expectations. It is too soon to get a read, but our inclination is that the incoming administration may temper some of its more aggressive policy proposals, thereby enabling monetary policymakers to keep the economy on a path toward a soft landing. That said, despite some bullishness among investors about the potential for US economic outperformance under Trump, most scenarios point to decelerating GDP growth in the US, as well as China, and only tepid growth in Europe and Japan.

On the upside, deregulation and tax cuts should be meaningful tailwinds for growth, and not only in the US. For instance, deregulation under the previous Trump administration was positive for financials globally. Furthermore, deregulation is likely to bring about a less stringent antitrust regime, which could spur consolidation and take-overs, particularly in the still-fragmented US banking industry and in Technology, but across other industries as well. While these could be welcome positives, the most important consideration for us is that the fundamentals, competitive dynamics and structural trends underpinning our holdings remain intact.

On the downside, tariffs and tighter US immigration are potential headwinds to economic growth that risk stoking inflation and keeping interest rates elevated. How far tariffs will go is unknown, as is the reaction of their intended targets, most notably China. However, the consequence will be higher costs for businesses, higher prices to consumers, and, as a result, higher inflation. Also, immigration crackdowns are potentially inflationary, and disruptive to business. US industry is finding it hard enough to hire new workers, so deportations and greater restrictions on immigration are likely to renew pressure on the still-tight labor market.

The broader geopolitical stance of the Trump administration will have positive and negative consequences. US restrictions on the sale of advanced technology and AI to China (echoed by a protectionist approach in Europe) are unlikely to be rolled back, which will create uncertainty around semiconductor manufacturers and the designers of technology to produce the most advanced chips. Nonetheless, we see AI as a long-term play that creates opportunities throughout its value chain globally.

More energy will be needed to fuel the industry's growing electricity demand, which in turn feeds into the green energy trend. Despite concern about a watering down of climate-related objectives, consumers and businesses want to use cleaner sources of power. The future of the energy industry has yet to fully emerge and will likely include more renewables and other technologies, such as nuclear, that are still being developed. In the meantime, gas will be a cleaner interim step, and we continue to see promising opportunities that can help meet power needs in a transitioning economy.

There is also an expectation that Trump's return could hasten the end of war in Ukraine. After a protracted conflict, this would have an inevitable human benefit and would lift an element of negative sentiment that has weighed on Europe more broadly, although political uncertainty in France and Germany have become a new drag on confidence and performance. From an investor standpoint, a peace settlement would challenge defense-related industrials in the short-term, but ultimately, the long-term structural drivers remain. Many countries have historically been massively underinvested in defense and now accept that it is a priority that cannot be ignored.

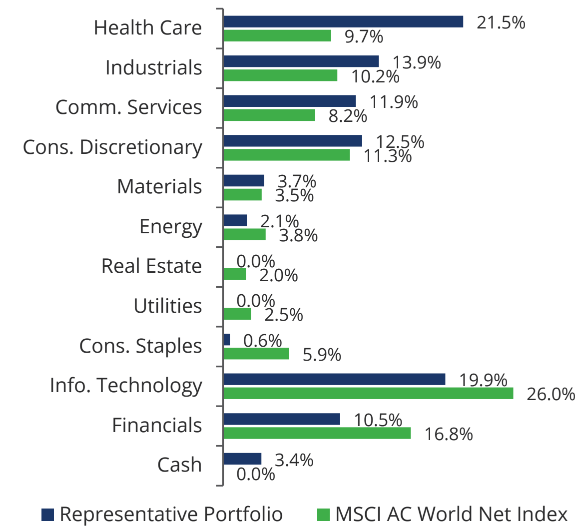
Despite the Trump election dominating the global agenda, other economies have the potential to write their own stories. China's leadership has pivoted towards revitalizing growth via various stimulus measures. While it will likely hold back on further steps until the extent and impact of tariffs becomes clearer, it is unlikely to be passive in the face of a more aggressive White House. China has significant capacity for fiscal stimulus to cushion the impacts of tariffs and lift consumer spending, which could be positive for domestic stocks as well as those international companies that have exposure to Chinese consumers.

India's GDP modest slowdown may extend into 2025, yet its forthcoming budget is likely to prioritize reigniting growth and measures to boost citizens' incomes and spending power. Valuations can be frothy in certain sectors, yet we remain optimistic about the long-term trends. We are confident that favorable demographics and the inexorable rise of India's middle classes will continue to provide investment opportunities.

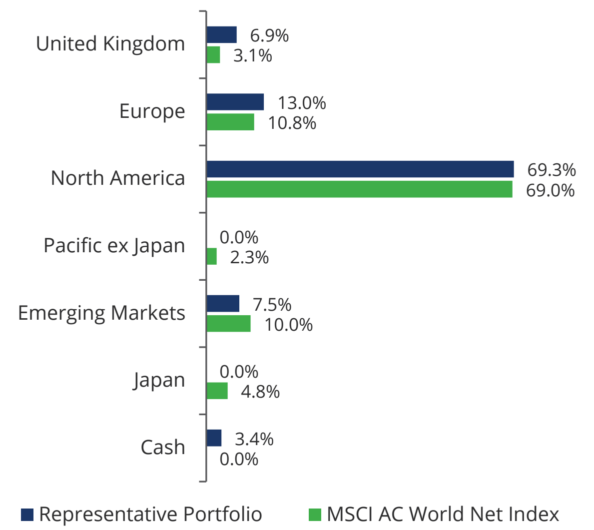
While we are positive about the outlook for our companies, stock prices can be punished for anything that can be interpreted as bad news. Valuations are full and therefore less forgiving. Interest rates are also high and likely to stay higher than previously forecast. All of these factors make it important to get the fundamentals right. We believe our portfolio will be resilient in most scenarios. Furthermore, heightened volatility should present us with new opportunities and the potential to add to existing holdings at attractive entry points.

Exposures & Characteristics

Exposure by Sector



Exposure by Region



	Representative Portfolio		MSCI AC World Net Index	
	4Q 2024	5 Year Average	4Q 2024	5 Year Average
Capitalization				
Weighted Average Market Cap ($B)	668.9	397.2	757.2	410.1
Median Market Cap ($B)	103.8	80.9	13.7	11.7
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%)[1]	20.1	20.2	12.7	12.7
Revenue Growth: 3 to 5 year forecast (%)[1]	12.5	13.6	7.6	8.3
Value Fundamentals				
P/E Ratio: 12 Months - forward[1]	23.6	28.1	22.3	22.2
P/E Ratio: 12 Months - trailing[1]	29.6	34.1	26.5	25.1
PEG Ratio: forward[2]	1.2	1.4	1.8	1.7
Dividend Yield (%)[3]	0.7	0.6	1.7	2.0
Price/Book[4]	3.9	5.1	3.2	2.7
Quality Fundamentals				
Return on Equity: 5 Year (%) - trailing[1]	17.3	17.4	20.0	18.1
Return on Invested Capital: 5 Year (%) - trailing	12.3	12.3	13.6	12.7
Long-Term Debt / Equity (%)[1]	87.2	72.2	72.0	75.8
Other				
Number of Positions	31	31	2,647	2,908
Beta: 3 year portfolio[5]	1.2	1.2	1.0	1.0
Tracking Error: 5 Year - trailing (%)	5.5	--	--	--

[1]Interquartile weighted mean, [2]PEG Ratio is calculated as "P/E Ratio: 12 Months - forward" divided by "EPS Growth: 3 to 5 year forecast", [3]Weighted mean, [4]Weighted harmonic mean, [5]MPT beta (daily). Data as of December 31, 2024. **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 Global 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 Global 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
Communication Services				
Alphabet Inc.	United States	3.2	Interactive Media & Services	Jan. 2011
Meta Platforms, Inc.	United States	4.0	Interactive Media & Services	Sep. 2024
T-Mobile US, Inc.	United States	4.6	Wireless Telecommunication Services	Jun. 2020
Consumer Discretionary				
Amazon.com, Inc.	United States	4.4	Broadline Retail	Mar. 2016
Lennar Corporation	United States	1.1	Household Durables	Nov. 2024
MercadoLibre, Inc.	Brazil	3.0	Broadline Retail	Jan. 2023
Prosus NV	Netherlands	4.0	Broadline Retail	Feb. 2022
Consumer Staples				
Coty Inc.	United States	0.6	Personal Care Products	Jun. 2022
Energy				
TechnipFMC plc	United Kingdom	2.1	Energy Equipment & Services	May 2023
Financials				
Bank of America Corp.	United States	1.3	Banks	Nov. 2024
Mastercard Inc.	United States	4.5	Financial Services	May 2015
Standard Chartered PLC	United Kingdom	4.7	Banks	Aug. 2023
Health Care				
Boston Scientific Corp.	United States	4.5	Health Care Equipment & Supplies	Jan. 2020
Elanco Animal Health, Inc.	United States	2.5	Pharmaceuticals	May 2024
Eli Lilly and Company	United States	4.0	Pharmaceuticals	May 2024
Grifols, S.A.	Spain	1.8	Biotechnology	May 2022
IQVIA Holdings Inc.	United States	1.9	Life Sciences Tools & Services	May 2017
Novo Nordisk A/S	Denmark	1.1	Pharmaceuticals	Dec. 2023
UnitedHealth Group Inc.	United States	3.4	Health Care Providers & Services	Oct. 2018
Vertex Pharmaceuticals Inc.	United States	2.3	Biotechnology	Feb. 2018
Industrials				
Howmet Aerospace, Inc.	United States	5.0	Aerospace & Defense	Nov. 2021
Safran S.A.	France	4.0	Aerospace & Defense	Feb. 2023
Uber Technologies, Inc.	United States	0.7	Ground Transportation	Dec. 2024
Vertiv Holdings Co.	United States	4.2	Electrical Equipment	Dec. 2020
Information Technology				
ASML Holding N.V.	Netherlands	2.1	Semiconductors & Semiconductor Equipment	Dec. 2005
Atlassian Corp.	United States	4.1	Software	May 2023
Microsoft Corp.	United States	3.6	Software	Nov. 2018
NVIDIA Corp.	United States	4.2	Semiconductors & Semiconductor Equipment	Jan. 2019
Taiwan Semiconductor Mfg. Co., Ltd.	Taiwan	4.5	Semiconductors & Semiconductor Equipment	Jan. 2024
Universal Display Corp.	United States	1.4	Semiconductors & Semiconductor Equipment	Jun. 2020
Materials				
Corteva, Inc.	United States	3.7	Chemicals	Mar. 2022
Cash & Equivalents				
Cash		3.4		

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