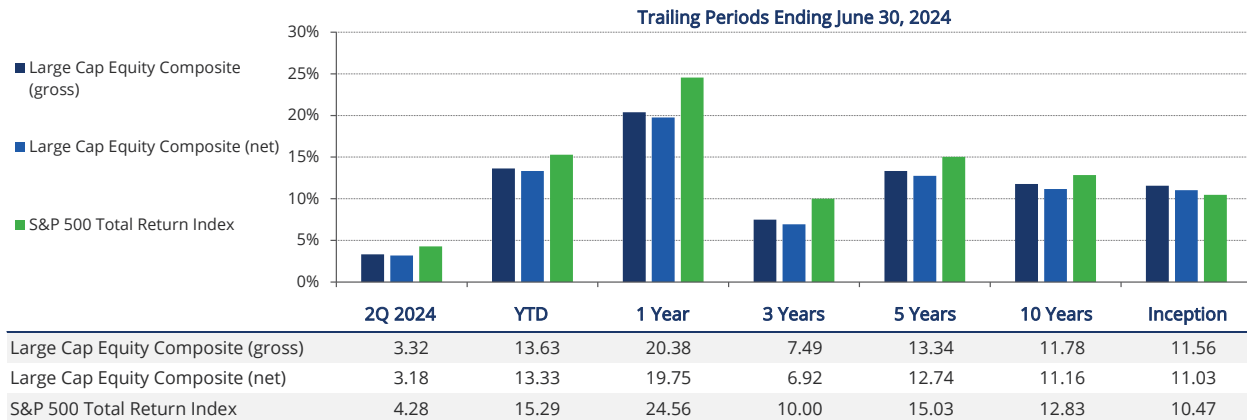

Hardman Johnston

Large Cap Equity

2024 Second Quarter Report



Performance



Performance is through June 30, 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). Composite inception date: December 31, 1989.

Key Takeaways

- While much is going wrong currently, the outlook is improving
- The improved outlook is helping equity prices
- The wide disparity in stock prices is not uncommon and is driven by differences in outlooks
- Innovation remains the key to future growth. Solving problems is the key to innovation

Market Review & Outlook

There is a lot that is going wrong in the world. There are two major wars, deteriorating consumer confidence, sluggish business spending, and a divisive political environment, just for starters. Yet, US equity markets are up in the mid-teens halfway through the year. What gives? How can stocks be up when so much is going wrong?

We must remember that stock prices are predicting the future, not reflecting current events. Yes, things could get worse, but it is more likely that conditions improve. For example, interest rates are likely to start falling before year end. Eventually, this will spur business investment, help the housing market, and improve the fiscal health of the government. Worker productivity, after being stagnant for several years, should start improving again with the advent of AI driven tools. Labor costs are moderating, after spiking in the inflationary period of the last few years. Finally, we may avoid a recession, although we do expect a slowdown. All these factors and others bode well for improving corporate profitability and therefore equity prices.

But the market is being driven by a handful of stocks, you say. What about the rest of the economy? That is not unusual. There are always under and out-performers. For example, after Russia invaded Ukraine energy companies surged while the rest of the market languished. Many areas are catching their breath after a huge pandemic surge. It does not necessarily point to something wrong, but rather reflects the unusually volatile nature of the economy for the last four years. It is likely that smoother roads are ahead.

We remain optimistic. In the midst of sensationalist headlines and handwringing, innovation continues to solve the world's problems. It is possible, for example, that global CO2 emissions have peaked. Cancer treatments are voiding the death sentences that used to come with so many diagnoses. Obesity drugs may change the course of another global pandemic, diabetes. Information technology continues to help us become more efficient in almost every area of life. All this is thanks to the imagination and hard work of millions, many for whom work for the companies we have the privilege of investing in.

Portfolio Commentary

In the second quarter the Large Cap Equity composite returned 3.18%, net of fees, compared to 4.28% for the S&P 500. Key contributors in the quarter were Universal Display Corp., a company that is getting traction with its energy saving organic LED materials, Howmet Aerospace Inc., whose metallurgical expertise is facilitating more efficient and reliable air travel and transportation, and Vertex Pharmaceuticals Inc., whose promising pain drug candidate may prove to be a viable substitute for opioids and drive the company's growth when its cystic fibrosis franchise finally slows.

Detractors were led by IQVIA Holdings Inc., as concerns about near term drug development spending persist. Dentsply Sirona, Inc. continues to be plagued by lower dental care volumes, perhaps an echo from the pandemic catch-up, but we are paying close attention to the new management team's execution. Finally, a slowdown in demand for electric vehicles has caused Albemarle Corp. to contend with lower lithium prices and lower short-term revenue growth.

Quarterly Attribution* & Portfolio Activity

Sector Attribution	Average Weight		Total Return		Total Effect
	Rep. Portfolio	S&P 500	Rep. Portfolio	S&P 500	
Industrials	20.9	8.6	4.7	-3.0	
Cons. Discretionary	2.6	10.1	1.6	0.6	
Consumer Staples	0.0	6.0	0.0	1.4	
Real Estate	0.0	2.2	0.0	-1.9	
Energy	1.7	3.8	-8.4	-2.5	
Utilities	0.0	2.3	0.0	4.2	
Info. Technology	23.4	30.4	16.7	13.8	
Comm. Services	7.3	9.3	10.4	9.4	
Financials	13.0	12.8	-2.3	-2.0	
Materials	4.9	2.3	-12.8	-4.5	
Health Care	22.3	12.0	-5.1	-1.0	
Cash	4.0	0.2	1.3	1.3	

-2.0% -1.0% 0.0% 1.0%

Contributors & Detractors

Second Quarter	Average Weight (%)	Total Effect (%)	Last Twelve Months	Average Weight (%)	Total Effect (%)
<u>Largest Contributors</u>			<u>Largest Contributors</u>		
Universal Display Corp.	2.84	0.58	Vertiv Holdings Co.	4.58	5.97
Howmet Aerospace, Inc.	4.45	0.43	Howmet Aerospace, Inc.	4.56	1.39
Vertex Pharmaceuticals Inc.	4.28	0.31	Leidos Holdings Inc.	2.33	0.86
<u>Largest Detractors</u>			<u>Largest Detractors</u>		
IQVIA Holdings Inc.	3.04	-0.68	Albemarle Corp.	1.54	-2.03
Dentsply Sirona, Inc.	1.97	-0.64	FMC Corp.	1.68	-1.86
Albemarle Corp.	1.28	-0.49	Dentsply Sirona, Inc.	2.26	-1.77

Quarterly Initiations

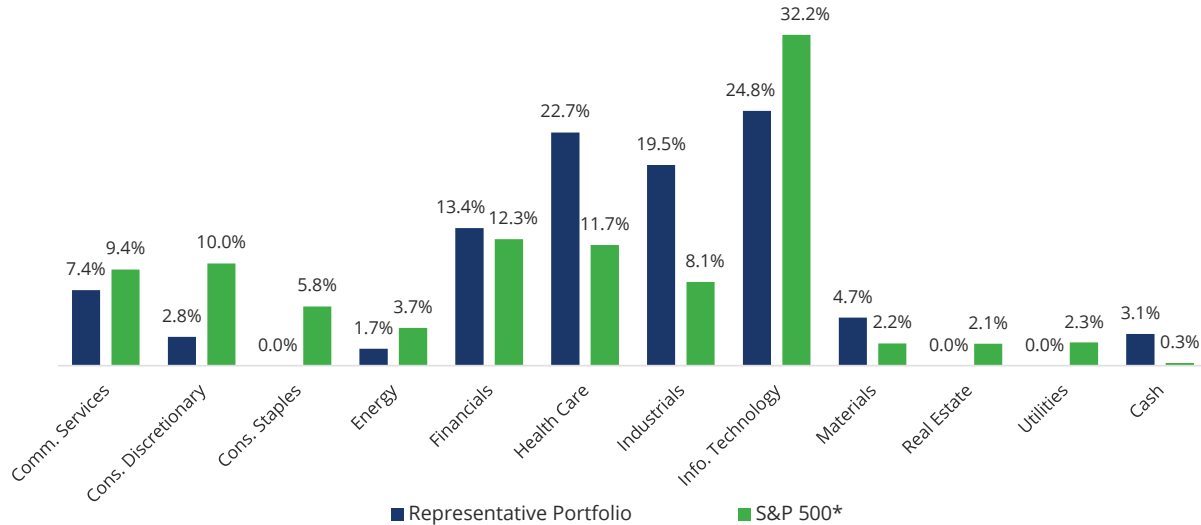
Elanco Animal Health, Inc.	Melco Resorts & Entertainment Ltd.
	Daifuku Co., Ltd.
	Grail Inc.**

**Grail Inc. is a spinoff from Illumina, Inc. We liquidated the position shortly after receiving the shares.

Data for the quarter ending June 30, 2024. Source: FactSet, Hardman Johnston Global Advisors LLC®. **Past performance does not guarantee future results.** *Information for S&P 500 attribution, exposures, and characteristics are derived from the iShares S&P 500 ETF. The data shown is of a representative portfolio for the Hardman Johnston Large Cap 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.

Exposures & Characteristics*

Exposure by Sector



	Representative Portfolio		S&P 500*	
	2Q 2024	5 Year Average	2Q 2024	5 Year Average
Capitalization				
Weighted Average Market Cap (\$B)	653.6	372.8	1013.2	542.7
Median Market Cap (\$B)	61.1	57.1	34.8	29.1
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%) ¹	14.1	14.4	12.4	11.9
Revenue Growth: 3 to 5 year forecast (%) ¹	8.7	9.2	7.7	7.6
Value Fundamentals				
P/E Ratio: 12 Months - forward ¹	24.6	24.5	25.4	23.6
P/E Ratio: 12 Months - trailing ¹	29.4	28.4	30.6	26.0
PEG Ratio: forward ²	1.7	1.7	2.1	2.0
Dividend Yield (%) ³	0.9	0.9	1.3	1.6
Price/Book ⁴	4.6	5.1	4.7	3.8
Quality Fundamentals				
Return on Equity: 5 Year (%) - trailing ¹	20.8	19.7	25.2	23.3
Return on Invested Capital: 5 Year (%) - trailing	16.5	14.7	18.4	15.1
Long-Term Debt / Equity (%) ¹	79.1	76.2	76.4	88.2
Other				
Number of Positions	51	52	502	504
Beta: 3 year portfolio ⁵	0.9	0.9	1.0	1.0
Tracking Error: 5 Year - trailing (%)	3.6	--	--	--
Turnover: 12 Months - trailing (%)	14.7	14.1	--	--

¹Interquartile weighted mean, ²PEG Ratio is calculated as "P/E Ratio: 12 Months - forward" divided by "EPS Growth: 3 to 5 year forecast", ³MPT beta (daily). ⁴Based on aggregate purchases and sales over prior 12 months. Data as of June 30, 2024. **Past performance does not guarantee future results.** *Information for S&P 500 attribution, exposures, and characteristics are derived from the iShares S&P 500 ETF. Source: FactSet, Hardman Johnston Global Advisors LLC©. The data shown is of a representative portfolio for the Hardman Johnston Large Cap 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 Large Cap 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
Communication Services			
Alphabet Inc.	United States	4.7	Interactive Media & Services
Comcast Corp.	United States	1.9	Media
Deutsche Telekom AG	Germany	0.7	Diversified Telecommunication Services
Consumer Discretionary			
LVMH	France	0.6	Textiles, Apparel & Luxury Goods
MercadoLibre, Inc.	Brazil	0.5	Broadline Retail
Prosus NV	Netherlands	0.8	Broadline Retail
Suzuki Motor Corp.	Japan	0.9	Automobiles
Energy			
Schlumberger NV	United States	1.2	Energy Equipment & Services
TechnipFMC plc	United Kingdom	0.5	Energy Equipment & Services
Financials			
Charles Schwab Corp.	United States	3.0	Capital Markets
ICICI Bank Ltd.	India	0.5	Banks
Marsh & McLennan Cos. Inc.	United States	4.1	Insurance
Mastercard Inc.	United States	3.7	Financial Services
PayPal Holdings, Inc.	United States	1.3	Financial Services
Standard Chartered PLC	United Kingdom	0.5	Banks
T&D Holdings, Inc.	Japan	0.3	Insurance
Health Care			
AstraZeneca plc	United Kingdom	0.9	Pharmaceuticals
Becton, Dickinson & Co.	United States	1.9	Health Care Equipment & Supplies
Dentsply Sirona, Inc.	United States	1.9	Health Care Equipment & Supplies
Edwards Lifesciences Corp.	United States	2.3	Health Care Equipment & Supplies
Elanco Animal Health, Inc.	United States	0.8	Pharmaceuticals
Grifols, S.A.	Spain	0.2	Biotechnology
Illumina, Inc.	United States	0.9	Life Sciences Tools & Services
IQVIA Holdings Inc.	United States	2.8	Life Sciences Tools & Services
Johnson & Johnson	United States	1.6	Pharmaceuticals
Medtronic plc	United States	1.2	Health Care Equipment & Supplies
Novo Nordisk A/S	Denmark	0.8	Pharmaceuticals
UnitedHealth Group Inc.	United States	2.9	Health Care Providers & Services
Vertex Pharmaceuticals Inc.	United States	4.5	Biotechnology
Industrials			
Automatic Data Processing, Inc.	United States	2.3	Professional Services
Curtiss-Wright Corporation	United States	3.2	Aerospace & Defense
Howmet Aerospace, Inc.	United States	4.3	Aerospace & Defense
Leidos Holdings Inc.	United States	2.3	Professional Services
Prismian S.p.A.	Italy	0.7	Electrical Equipment
Rheinmetall AG	Germany	0.7	Aerospace & Defense
Safran S.A.	France	0.6	Aerospace & Defense
Stanley Black & Decker Inc.	United States	1.3	Machinery
Vertiv Holdings Co.	United States	4.0	Electrical Equipment
Information Technology			
Adobe Inc.	United States	3.3	Software
Advanced Energy Industries	United States	1.1	Electronic Equipment, Instruments & Components
Apple Inc.	United States	4.6	Technology Hardware, Storage & Peripherals
ASML Holding N.V.	Netherlands	1.2	Semiconductors & Semiconductor Equipment
Atlassian Corp.	United States	0.7	Software
Microsoft Corp.	United States	4.6	Software
NVIDIA Corp.	United States	4.2	Semiconductors & Semiconductor Equipment
Taiwan Semiconductor Mfg. Co., Ltd.	Taiwan	1.0	Semiconductors & Semiconductor Equipment
Universal Display Corp.	United States	3.4	Semiconductors & Semiconductor Equipment
Wolfspeed, Inc.	United States	0.8	Semiconductors & Semiconductor Equipment
Materials			
Albemarle Corp.	United States	1.1	Chemicals
Corteva, Inc.	United States	2.2	Chemicals
FMC Corp.	United States	1.4	Chemicals
Cash & Equivalents			
Cash		3.1	

Green text indicates the security has been in the portfolio for greater than five years.

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