

---

# Hardman Johnston

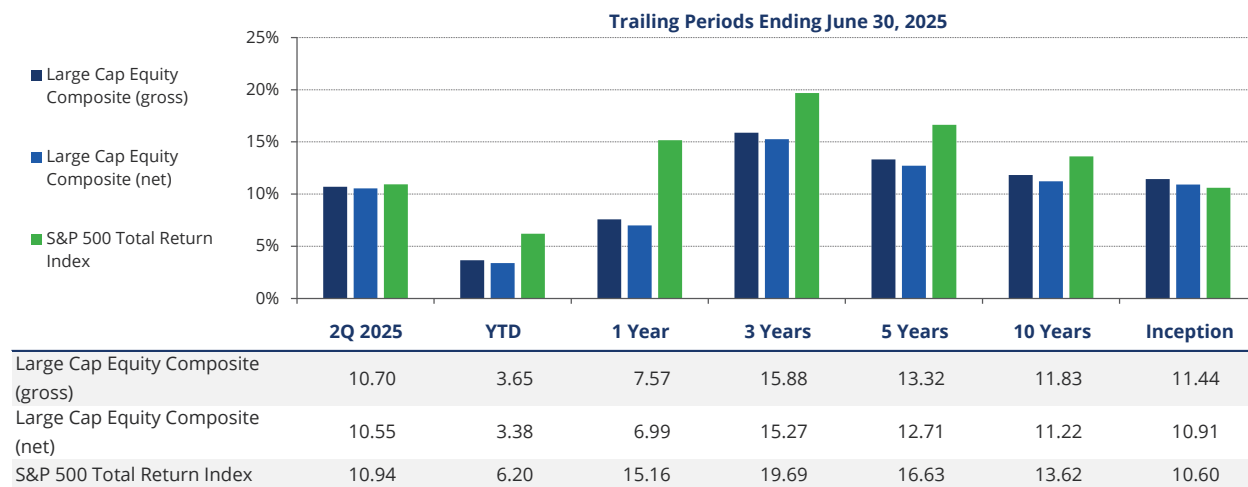
## Large Cap Equity

### 2025 Second Quarter Report

---



## Performance



Performance is through June 30, 2025. 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

- Policy uncertainty prompted a dramatic sell-off, but markets have recovered as trade deals come into view.
- Interest rates remain elevated given the uncertainty, constraining some parts of the economy.
- Employment and consumers are reasonably stable.
- The long-term outlook remains encouraging for our holdings.

---

## Market Review & Outlook

Well, this was an eventful quarter. The Trump administration's unconventional approach to trade negotiations left investors uncertain about the future. That prompted a rapid double-digit percentage sell off in U.S. equity markets AND a rise in interest rates, indicating that bonds sold off as well. In other words, the flight to safety was difficult to achieve, at least domestically. Adding to the complexity, while many had hoped that the Fed would be able to start lowering interest rates, the uncertain impact of the threatened tariffs on inflation constrained the FOMC, postponing the continuation of an easing cycle that started last year. Remarkably, throughout the turmoil, the U.S. consumer remained relatively sanguine, continuing to spend at a healthy clip. This was likely due to a labor market that remained strong as employers, having been caught with labor shortages coming out of the pandemic, were more measured about layoffs. Corporate investment remained solid, offsetting a projected decline in government spending.

Later in the quarter, it became clear that the trade threats were largely posturing to get trading partners to address the issues. While uncomfortable, this allowed the markets to look through the noise and start to perceive a somewhat improved economic outlook. The stock market recovered and reached new all-time highs, as have the portfolios. Predictions of a recession have faded, and earnings reports from portfolio holdings were generally solid. In other words, business is good (but not great) for most of the economy. There remain pockets of weakness. Housing remains moribund with high mortgage rates weighing on sales. Energy markets, even in the face of wars in the Middle East, remain tepid. Healthcare in particular has been struggling. Are we getting healthier? Maybe, but the more likely explanation is pricing pressure from the industry's largest customer, the U.S. government.

We remain constructive on the longer-term outlook for the US economy. We may sound like a broken record, but our clients have empowered us to have a long investment horizon. This compels us to keep a close eye on the near term while allowing us to focus on longer term trends, including demographics, productivity, and the need for more efficient energy production.

---

## Portfolio Commentary

The Large Cap Equity Composite delivered a return of 10.6% in the second quarter, net of fees, compared to 10.9% for the S&P 500. Contributors to performance included Curtiss-Wright Corp., whose shares performed well, as the market expects demand for their nuclear power components to improve over the coming years. Additionally, Howmet Aerospace Inc. outperformed. The company's prospects continue to brighten as a key supplier to the commercial aircraft market. As Boeing and Airbus normalize their production schedules, Howmet's engine components will be in greater demand. Finally, Vertiv Holdings Co. rebounded after an AI scare surrounding Deepseek in the first quarter. Vertiv is the trusted supplier of data center infrastructure required to sustain the AI build out.

Laggards include UnitedHealth Group Inc., where questions about their billing to the Medicaid system and a weak medical loss ratio prompted a dramatic selloff. Also included is Marsh & McLennan Cos. Inc., where reported growth came in slightly worse than expectations, and Vertex Pharmaceuticals Inc., whose growth in its core cystic fibrosis drugs was a little lighter than expected. They have other promising products in pain and elsewhere that will pick up the slack.

## Quarterly Attribution\* & Portfolio Activity

Sector Attribution	Average Weight		Total Return		Total Effect
	Rep. Portfolio	S&P 500	Rep. Portfolio	S&P 500	
Industrials	18.0	8.6	35.8	13.0	
Consumer Staples	0.0	6.0	0.0	1.1	
Energy	0.9	3.2	-18.4	-8.6	
Real Estate	0.0	2.2	0.0	-0.1	
Utilities	0.0	2.5	0.0	4.3	
Cons. Discretionary	6.1	10.5	13.3	11.5	
Materials	7.2	2.0	8.6	3.1	
Financials	15.5	14.3	3.9	5.6	
Comm. Services	11.4	9.5	8.4	18.5	
Info. Technology	22.4	31.1	19.8	23.7	
Health Care	14.2	10.1	-12.1	-7.2	
Cash	4.3	0.3	1.0	1.1	

-4.0% -2.0% 0.0% 2.0% 4.0% 6.0%

### Contributors & Detractors

Second Quarter	Average Weight (%)	Total Effect (%)	Last Twelve Months	Average Weight (%)	Total Effect (%)
Largest Contributors			Largest Contributors		
Curtiss-Wright Corporation	4.41	1.63	Howmet Aerospace, Inc.	4.67	3.85
Howmet Aerospace, Inc.	4.76	1.33	Curtiss-Wright Corporation	3.89	2.06
Vertiv Holdings Co.	2.56	1.31	Vertiv Holdings Co.	3.39	1.30
Largest Detractors			Largest Detractors		
UnitedHealth Group Inc.	1.40	-1.17	Universal Display Corp.	2.69	-1.42
Marsh & McLennan Cos. Inc.	4.05	-0.88	Adobe Inc.	2.37	-1.20
Vertex Pharmaceuticals Inc.	3.61	-0.68	UnitedHealth Group Inc.	2.55	-1.14

### Quarterly Initiations

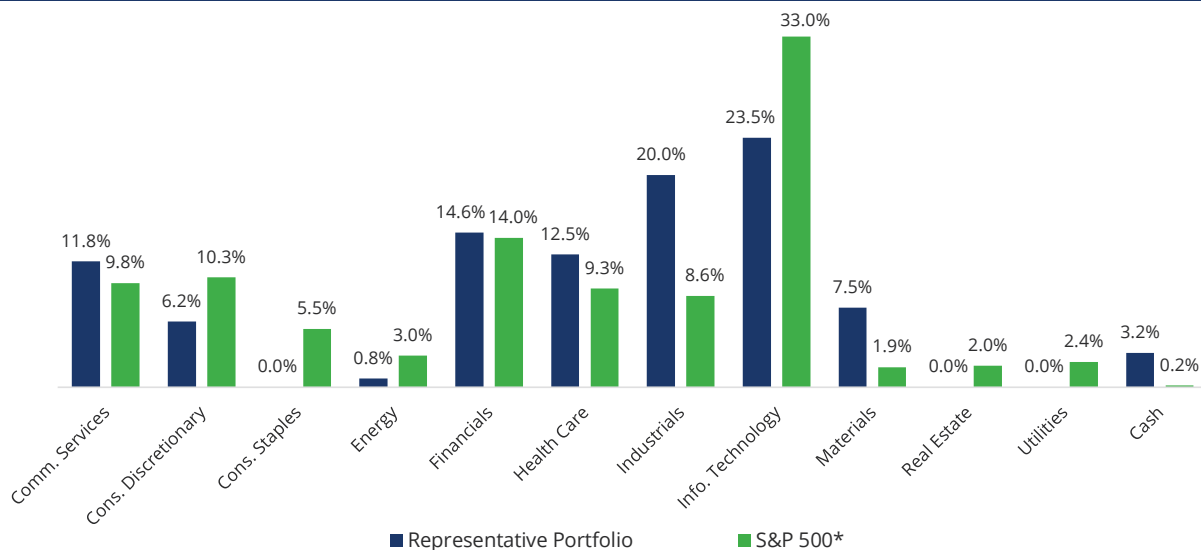
Uber Technologies, Inc.	Elanco Animal Health, Inc.
	Standard Chartered PLC
	UnitedHealth Group Inc.

### Quarterly Liquidations

Data for the quarter ending June 30, 2025. 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 2025	5 Year Average	2Q 2025	5 Year Average
<b>Capitalization</b>				
Weighted Average Market Cap (\$B)	801.0	468.3	1145.0	689.6
Median Market Cap (\$B)	75.2	61.7	36.4	32.1
<b>Growth Fundamentals</b>				
EPS Growth: 3 to 5 year forecast (%) <sup>1</sup>	12.5	14.6	11.5	12.2
Revenue Growth: 3 to 5 year forecast (%) <sup>1</sup>	8.8	9.3	7.9	7.9
<b>Value Fundamentals</b>				
P/E Ratio: 12 Months - forward <sup>1</sup>	25.7	24.8	25.7	24.4
P/E Ratio: 12 Months - trailing <sup>1</sup>	30.4	28.9	29.3	27.2
PEG Ratio: forward <sup>2</sup>	2.1	1.7	2.2	2.0
Dividend Yield (%) <sup>3</sup>	0.8	0.9	1.2	1.5
Price/Book <sup>4</sup>	5.0	5.1	4.9	4.1
<b>Quality Fundamentals</b>				
Return on Equity: 5 Year (%) - trailing <sup>1</sup>	21.1	20.3	27.3	24.4
Return on Invested Capital: 5 Year (%) - trailing <sup>1</sup>	15.9	15.2	17.6	16.0
Long-Term Debt / Equity (%) <sup>1</sup>	71.3	78.6	74.4	86.1
<b>Other</b>				
Number of Positions	41	51	505	504
Beta: 3 year portfolio <sup>5</sup>	1.0	1.0	1.0	1.0
Tracking Error: 5 Year - trailing (%)	3.8	--	--	--

<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>Weighted mean, <sup>4</sup>Weighted harmonic mean, <sup>5</sup>MPT beta (daily). Data as of June 30, 2025. **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
<b>Communication Services</b>			
Alphabet Inc.	United States	4.2	Interactive Media & Services
Comcast Corp.	United States	1.8	Media
Meta Platforms, Inc.	United States	3.4	Interactive Media & Services
T-Mobile US, Inc.	United States	2.3	Wireless Telecommunication Services
<b>Consumer Discretionary</b>			
Amazon.com, Inc.	United States	2.9	Broadline Retail
SharkNinja, Inc.	United States	2.3	Household Durables
Suzuki Motor Corp.	Japan	1.0	Automobiles
<b>Energy</b>			
Schlumberger NV	United States	0.8	Energy Equipment & Services
<b>Financials</b>			
Charles Schwab Corp.	United States	3.5	Capital Markets
ICICI Bank Ltd.	India	0.5	Banks
Marsh & McLennan Cos. Inc.	United States	3.6	Insurance
Mastercard Inc.	United States	4.4	Financial Services
PayPal Holdings, Inc.	United States	2.5	Financial Services
<b>Health Care</b>			
AstraZeneca plc	United Kingdom	0.7	Pharmaceuticals
Becton, Dickinson & Co.	United States	1.3	Health Care Equipment & Supplies
Edwards Lifesciences Corp.	United States	2.7	Health Care Equipment & Supplies
Illumina, Inc.	United States	1.8	Life Sciences Tools & Services
IQVIA Holdings Inc.	United States	1.9	Life Sciences Tools & Services
Medtronic plc	United States	1.3	Health Care Equipment & Supplies
Vertex Pharmaceuticals Inc.	United States	2.7	Biotechnology
<b>Industrials</b>			
Automatic Data Processing, Inc.	United States	2.8	Professional Services
Curtiss-Wright Corporation	United States	4.7	Aerospace & Defense
Howmet Aerospace, Inc.	United States	4.7	Aerospace & Defense
Prysmian S.p.A.	Italy	1.2	Electrical Equipment
Safran S.A.	France	0.6	Aerospace & Defense
Stanley Black & Decker Inc.	United States	1.0	Machinery
Uber Technologies, Inc.	United States	2.0	Ground Transportation
Vertiv Holdings Co.	United States	3.2	Electrical Equipment
<b>Information Technology</b>			
Adobe Inc.	United States	1.8	Software
Advanced Energy Industries	United States	2.4	Electronic Equipment, Instruments & Components
Apple Inc.	United States	3.7	Technology Hardware, Storage & Peripherals
ASML Holding N.V.	Netherlands	1.1	Semiconductors & Semiconductor Equipment
Atlassian Corp.	United States	0.7	Software
Marvell Technology, Inc.	United States	1.8	Semiconductors & Semiconductor Equipment
Microsoft Corp.	United States	4.7	Software
NVIDIA Corp.	United States	5.0	Semiconductors & Semiconductor Equipment
Universal Display Corp.	United States	2.4	Semiconductors & Semiconductor Equipment
<b>Materials</b>			
Albemarle Corp.	United States	0.6	Chemicals
Corteva, Inc.	United States	3.9	Chemicals
FMC Corp.	United States	1.0	Chemicals
Hexcel Corp.	United States	2.0	Chemicals
<b>Cash &amp; Equivalents</b>			
Cash		3.2	

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

Data as of June 30, 2025. 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. Future investments may or may not be profitable.