
Hardman Johnston

Select Equity

2026 Third Quarter Report

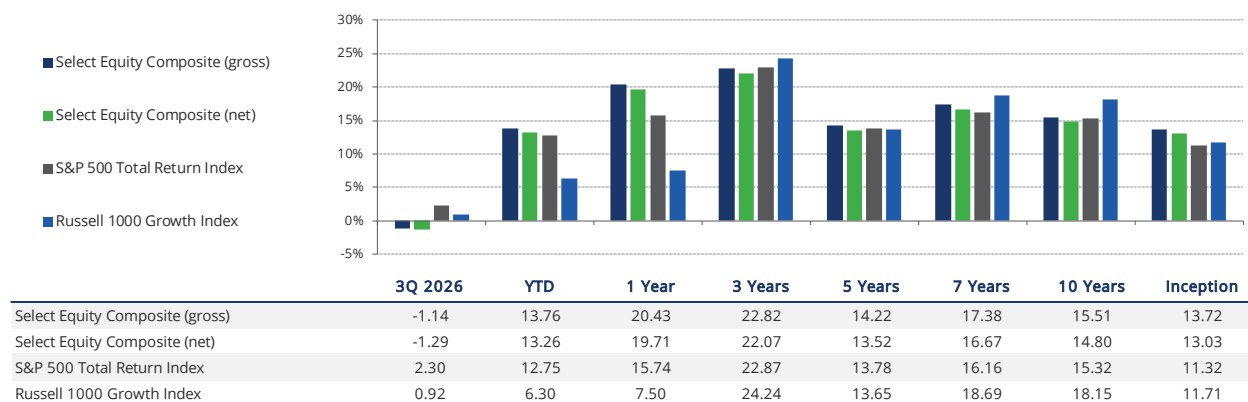


General Information¹

Firm Assets	\$10,767.3 million
Strategy Assets	\$597.5 million
Benchmark	S&P 500 TR
Active Share (%)	78.7
Composite Inception Date	Dec-1990

(1) Select Equity strategy assets include all derivations of the select equity 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 time period ending September 30, 2026.

Performance



Performance is through September 30, 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). Composite inception date: December 31, 1990.

Key Takeaways

- Geo-political events and other forces are creating economic cross-currents.
- Yet, the US business environment remains surprisingly robust.
- AI investment remains a major driver of US economic growth, while other areas of the economy are strengthening.

Market Review & Outlook

There are too many forces at play in the US and global economies to list in this brief overview of what is driving financial markets and individual stock prices, but they can be summarized as: Oil prices are up because of war. Inflation remains stubbornly high, in part because of higher energy prices. Overall hiring in the US is tepid (but so is firing). Interest rates are moving higher due to both policy and market forces, with yields at levels not seen in decades. An election cycle in the US is leading to a lack of budget discipline at the Federal level, which in turn is adding to the national debt.

However: Spending on the artificial intelligence (AI) build out remains strong. Other areas of the economy are showing signs of life, including reshoring investments away from AI. Reported economic growth for the first half of the year has been significantly revised upwards, helping to explain the stability in labor markets. After a shaky start to the year, US equity markets have notched two quarters of advances and remained up over 13 percent for the year. Home prices continue to rise, which, while bad for affordability, is adding to a wealth effect that is keeping consumer spending buoyant. Finally, while higher interest rates may quell corporate investment and the housing market somewhat, they do add to the income generated by savings.

The most prevalent questions from clients over the last six months are about the AI boom. Is it a bubble? How much longer can it go on? These are questions we ask ourselves every day and we look to get to the answer through our tried-and-true research and zero tolerance for complacency about our holdings. We continue to see more demand than supply for AI services. We see healthy backlogs for the inputs to the infrastructure required to meet this demand. We still think we are in the early innings of this phenomenon.

Nonetheless, it is both interesting and gratifying to note that the largest contributors to portfolio performance in the latest quarter were not AI companies, but rather players in healthcare and the consumer products sector. To us that validates our discipline that some diversification across economic sectors is not only prudent but additive to returns.

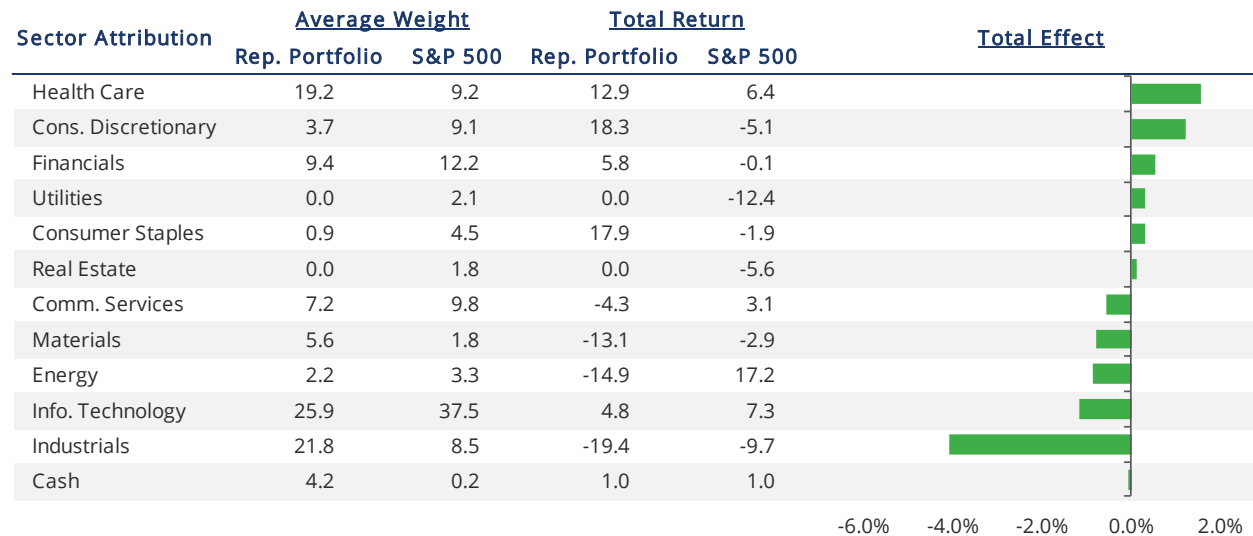
Portfolio Commentary

The Select Equity composite was off 1.29% in the quarter, net of fees, compared to a positive return of 2.30% for the S&P 500. Top contributors to performance included Illumina, Inc., IQVIA Holdings Inc., and SharkNinja, Inc. Illumina benefited from continued uptake for its DNA sequencing technology as well as a positive outlook for diagnostics from Grail, a company it was compelled to spin out but where they retain a significant equity stake. IQVIA reported good revenue growth, but more importantly a solid backlog and outlook as its pharmaceutical industry clients ramp up their research and development. Finally, SharkNinja, a serial innovator of time saving home products, continues to benefit from consumer enthusiasm for its affordable and useful offerings.

Detractors included Vertiv Holdings, Curtiss-Wright Corp., and Howmet Aerospace Inc. In one way or another, all suffered from some luster coming off the AI trade. Vertiv Holdings is directly tied into data center construction while Curtiss-Wright and Howmet are more derivative plays on power

generation, and with significant exposure to commercial aerospace, which has been bumpy recently with Boeing and Airbus's travails. Additionally, Howmet suffered from fears of new competition, but our research indicates that the threat would take many years, if ever, to materialize.

Quarterly Attribution* & Portfolio Activity



Contributors & Detractors

Third Quarter	Average Weight	Total Effect (%)	Last Twelve Months	Average Weight	Total Effect (%)
Largest Contributors			Largest Contributors		
Illumina, Inc.	3.55	1.60	Vertiv Holdings Co.	6.71	4.00
IQVIA Holdings Inc.	2.30	0.66	Illumina, Inc.	2.56	3.26
SharkNinja, Inc.	3.71	0.54	ASML Holding N.V.	4.11	2.33
Largest Detractors			Largest Detractors		
Vertiv Holdings Co.	5.66	-2.03	Universal Display Corp.	1.58	-1.47
Curtiss-Wright Corporation	5.05	-1.77	Cameco Corporation	1.45	-1.18
Howmet Aerospace, Inc.	7.02	-1.27	PayPal Holdings, Inc.	0.73	-1.09

Quarterly Initiations

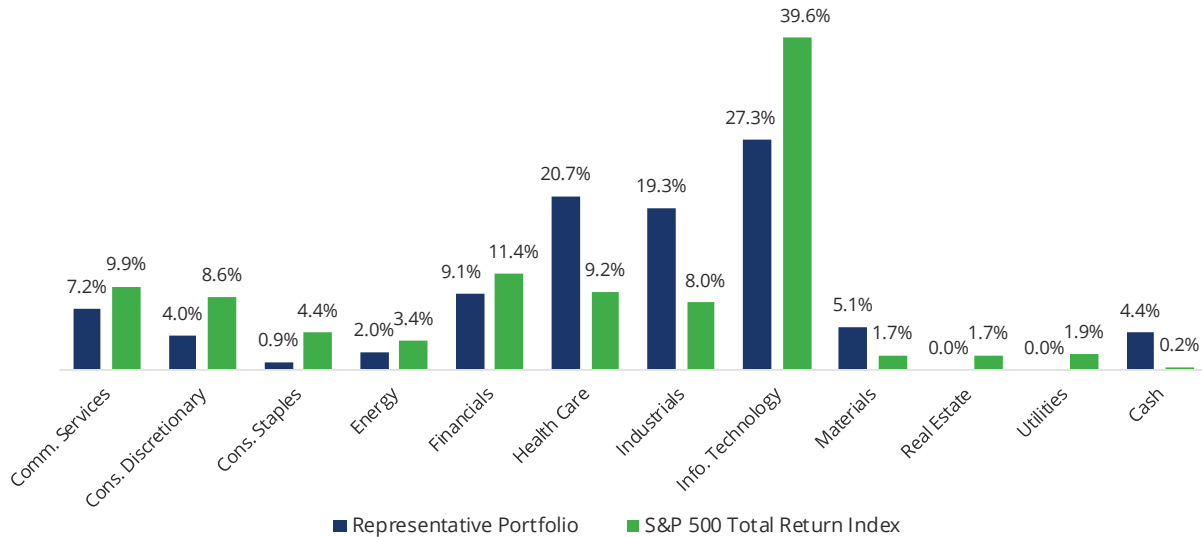
No activity

Quarterly Liquidations

Data for the quarter ending September 30, 2026. 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 Select 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



	<u>Representative Portfolio</u>		<u>S&P 500 Total Return Index</u>	
	3Q 2026	5 Year Average	3Q 2026	5 Year Average
Capitalization				
Weighted Average Market Cap (\$B)	1258.2	694.4	1682.8	920.7
Median Market Cap (\$B)	77.2	89.5	43.7	35.3
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%) ¹	18.0	15.4	15.1	13.0
Revenue Growth: 3 to 5 year forecast (%) ¹	13.0	9.5	11.6	8.1
Value Fundamentals				
P/E Ratio: 12 Months - forward ¹	25.4	24.8	21.6	23.5
P/E Ratio: 12 Months - trailing ¹	29.9	29.0	25.3	26.5
PEG Ratio: forward ²	1.4	1.6	1.4	1.8
Dividend Yield (%) ³	0.6	0.8	1.1	1.4
Price/Book ⁴	6.3	5.5	5.3	4.4
Quality Fundamentals				
Return on Equity: 12 Months - forward (%) ¹	32.8	28.9	32.8	27.7
Return on Equity: 5 Year (%) - trailing ¹	25.2	23.4	29.9	26.1
Return on Invested Capital: 12 Months - forward (%) ¹	22.8	20.5	21.2	19.0
Return on Invested Capital: 5 Year (%) - trailing ¹	15.8	17.1	16.5	16.7
Long-Term Debt / Equity (%) ¹	59.4	76.2	63.8	79.4
Other				
Number of Positions	33	32	504	504
Beta: 3 year portfolio ⁵	1.0	1.0	1.0	1.0
Tracking Error: 5 Year - trailing (%)	4.9	3.6	--	--
Turnover: 12 Months - trailing (%) ⁶	6.2	6.3	--	--

¹Interquartile weighted mean, ²PEG Ratio is calculated as "P/E Ratio: 12 Months - forward" divided by "EPS Growth: 3 to 5 year forecast", ³Weighted mean, ⁴Weighted harmonic mean ⁵MPT beta (daily). ⁶Based on aggregate purchases and sales over prior 12 months. Data as of September 30, 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 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 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.

Portfolio Holdings

	Country	Weight (%)	Industry
Communication Services		7.2	
Alphabet Inc.	United States	6.5	Interactive Media & Services
Comcast Corp.	United States	0.6	Diversified Telecommunication Services
Versant Media Group, Inc.	United States	0.0	Media
Consumer Discretionary		4.0	
SharkNinja, Inc.	United States	4.0	Household Durables
Consumer Staples		0.9	
Estee Lauder Companies Inc.	United States	0.9	Personal Care Products
Energy		2.0	
Cameco Corporation	Canada	2.0	Oil, Gas & Consumable Fuels
Financials		9.1	
Charles Schwab Corp	United States	2.8	Capital Markets
Marsh & McLennan Cos. Inc.	United States	2.6	Insurance
Mastercard Inc.	United States	3.7	Financial Services
Health Care		20.7	
AstraZeneca plc	United Kingdom	2.6	Pharmaceuticals
Becton, Dickinson & Co.	United States	1.4	Health Care Equipment & Supplies
Edwards Lifesciences Corp.	United States	2.6	Health Care Equipment & Supplies
Illumina, Inc.	United States	4.7	Life Sciences Tools & Services
IQVIA Holdings Inc.	United States	2.6	Life Sciences Tools & Services
Medtronic plc	United States	1.5	Health Care Equipment & Supplies
UnitedHealth Group Inc.	United States	1.2	Health Care Providers & Services
Vertex Pharmaceuticals Inc.	United States	3.3	Biotechnology
Waters Corporation	United States	0.7	Life Sciences Tools & Services
Industrials		19.3	
Automatic Data Processing, Inc.	United States	1.7	Professional Services
Curtiss-Wright Corporation	United States	4.2	Aerospace & Defense
Howmet Aerospace, Inc.	United States	6.1	Aerospace & Defense
Stanley Black & Decker Inc.	United States	2.3	Machinery
Vertiv Holdings Co.	United States	5.1	Electrical Equipment
Information Technology		27.3	
Adobe Inc.	United States	1.0	Software
Advanced Energy Industries	United States	3.3	Electronic Equipment, Instruments & Components
Apple Inc.	United States	5.9	Technology Hardware, Storage & Peripherals
ASML Holding N.V.	Netherlands	4.9	Semiconductors & Semiconductor Equipment
Microsoft Corp.	United States	4.2	Software
NVIDIA Corp.	United States	7.0	Semiconductors & Semiconductor Equipment
Universal Display Corp.	United States	1.1	Semiconductors & Semiconductor Equipment
Materials		5.1	
Albemarle Corp.	United States	0.8	Chemicals
Corteva, Inc.	United States	2.6	Chemicals
Hexcel Corporation	United States	1.6	Chemicals
Cash & Cash Equivalents		4.4	

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