Hardman Johnston Global Equity

2021 FIRST QUARTER REPORT

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COMPOSITE PERFORMANCE (%) (period ending March 31, 2021)	1st QTR	1 Year	3 Years	5 Years	10 Years	Inception
Global Equity (gross of fees)	2.35	62.73	20.83	22.91	14.51	12.58
Global Equity (net of fees)	2.19	61.73	20.02	22.08	13.73	11.82
MSCI AC World Net Index	4.57	54.60	12.06	13.21	9.14	7.38
MSCI World Index	4.92	54.03	12.80	13.35	9.87	7.54

Performance is preliminary through March 31, 2021. Periods greater than one year are annualized. **Past performance does not guarantee future results**. Net performance reflects the deduction of advisory fees. The MSCI AC World Net is the benchmark index. 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 performance for the MSCI World Net Index ("World") is shown as a supplemental index. The inception date of the composite is December 31, 2005.

KEY TAKEAWAYS

- Markets make gains on stimulus, economic improvement and hopes of a return to normal
- Vaccination programs gather pace in the US, UK and China, while the EU lags and reimposes new restrictions
- Improving outlook and rising interest rates feed growth-to-value rotation in the first quarter
- Global Equity Composite returned 2.19%, net, underperforming the MSCI ACWI return of 4.57% and the MSCI World return of 4.92%

MARKET REVIEW

Markets advanced in the first quarter as stimulus measures, accelerating vaccination programs and strengthening economic performance combined to drive equities higher. The MSCI ACWI returned 4.57% while the MSCI EAFE gained 3.48%.

Those drivers of improving sentiment and market returns contributed to a rotation from growth to value. Cyclical sectors reliant on economic recovery and more normalized conditions, including energy and financials, outperformed, while sectors that have made strong gains by being relatively impervious to the pandemic tread water.

The shift out of long duration assets started in late February as the $1.9 trillion stimulus package from newly inaugurated President Joe Biden took shape and led to an increase in inflation expectations and market interest rates. In contrast to the wrangling that accompanied stimulus measures in the second half of 2020, the new program of checks and support for workers and businesses passed with relative ease, largely due to Senate run-offs in January that secured Democrat control across both houses.

By the end of the quarter, the Biden administration was also preparing a new $2.3 trillion infrastructure package, to be funded by an increase in the corporation tax rate to 28% and the proposed implementation of a minimum tax on global corporate earnings. As the recovery strengthened, the Federal Reserve upped its US GDP growth projection for 2021 but sought to soothe concerns about the increase in long-term market borrowing rates and maintained its accommodative stance on interest rate setting.

The impact of the US infusion of capital was felt globally. Market interest rates moved up sharply in Europe and were met by a step-up in bond purchases from the European Central Bank to limit the rise in borrowing costs. The Bank of England signaled that it too would tolerate short-term inflation spikes. After reaching new highs in February, stocks in China pulled back as investors reacted to rising US bond yields and braced for the potential removal of domestic stimulus.

While stimulus was a major factor in the first quarter, it was not the only one. Vaccination programs gathered pace in the US, the UK and China, where the authorities expect to have inoculated 40% of the population by mid-June, representing some 10 million doses per day. However, the European Union trailed due to issues with supply and hesitancy from the general public. Countries including France and Germany placed temporary restrictions on the use of AstraZeneca's vaccine, although the World Health Organization and the European Medicines Agency subsequently declared that the vaccine's benefits outweighed the potential negatives.

Success or lack thereof in tackling COVID-19 played into countries' recovery stories. China pulled away economically as one of the few economies to record GDP growth in 2020, with expansion of 2.3%. Progress continued as exports rebounded by 61% in the first two months of 2021, beating expectations, while domestic activity improved as retail sales rose.

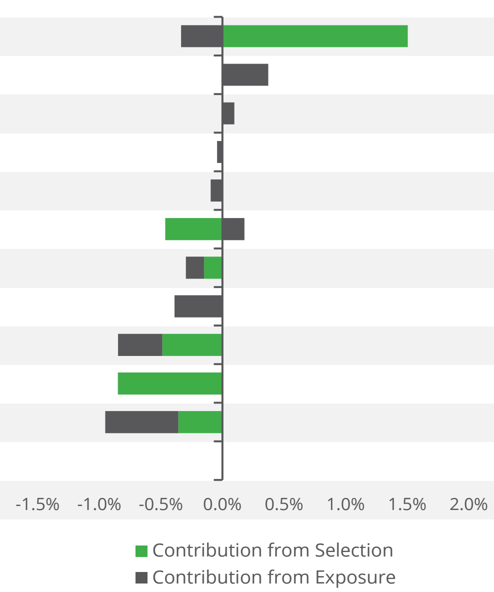
The US also benefited from improving indicators with companies projecting higher earnings. A record number of S&P 500 companies issued positive earnings guidance for the first quarter, the highest proportion of which were in the IT sector, according to FactSet. Rising vaccination levels also prompted an easing of restrictions and increased optimism as states reopened. Across the Atlantic, however, a spike in new cases in Europe and the slow vaccination roll-out brought a tightening of measures and expectations of a slower return to normal. While the International Monetary Fund put most developed economies on track to recover their pre-pandemic levels by the end of 2021, the EU is not expected to recover lost ground before next year.

The quarter had its fair share of geopolitical drama, not to mention extraneous events. China and the new administration in Washington clashed with tetchy exchanges between diplomats at a summit in Alaska, while the UK challenged China over non-compliance with its historic agreement regarding the governance of Hong Kong. Tensions also flared between the recently divorced EU and UK over Northern Ireland border controls following Brexit, as well as vaccine distribution.

In March, the grounding of a cargo ship in the Suez Canal shone a light on the potential fragility of supply chains and threatened to disrupt global trade to the tune of $10 billion a day. Around the same time, the implosion of family office Archegos led to large block trades that weighed on specific stocks while highlighting the risks of leveraged derivatives bets that led to heavy losses for banks including Credit Suisse and Nomura. But while generating headlines and prompting reaction from companies and scrutiny from regulators, neither event made a meaningful dent in overall market progress.

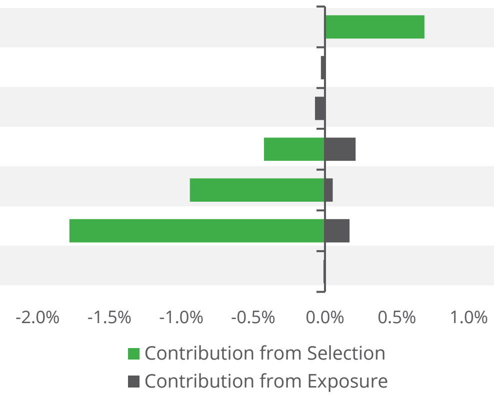
PERFORMANCE ATTRIBUTION

	Average Weight		Total Return		Contribution to
	Rep. Portfolio	ACWI	Rep. Portfolio	ACWI	Relative Return
By Sector					
Info. Technology	34.7	20.6	6.1	2.0	
Consumer Staples	0.0	7.0	0.0	-0.8	
Utilities	0.0	2.9	0.0	0.6	
Real Estate	0.0	2.5	0.0	6.0	
Materials	0.0	5.0	0.0	6.4	
Comm. Services	17.9	9.4	4.1	6.6	
Industrials	4.1	9.7	5.6	7.4	
Energy	0.0	3.3	0.0	17.7	
Health Care	21.5	11.6	-1.4	0.4	
Cons. Discretionary	16.4	13.0	-1.2	2.3	
Financials	3.9	15.0	-0.1	10.4	
Cash	1.4	0.0	-0.1	0.0	



Preliminary data as of the quarter ending March 31, 2021. 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.

	Average Weight		Total Return		Contribution to
	Rep. Portfolio	ACWI	Rep. Portfolio	ACWI	Relative Return
By Region					
Europe	10.5	13.3	10.1	3.6	
Pacific ex Japan	3.5	3.2	7.3	4.6	
United Kingdom	0.0	3.8	0.0	6.2	
Emerging Markets	10.2	13.6	-3.7	2.1	
Japan	4.2	6.7	-18.9	1.6	
North America	70.2	59.2	2.8	5.6	
Cash	1.4	0.0	-0.1	0.0	



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PORTFOLIO COMMENTARY

- Global Equity underperformed the MSCI ACWI by 238 bps on a net basis during the first quarter
- Security selection in Information Technology and lack of exposure to Consumer Staples were the largest contributors during the quarter while security selection and underweight exposure in Financials and security selection in Consumer Discretionary were the largest detractors
- Security selection in Europe was the only contributor to relative performance from a regional perspective while security selection in North America and Japan were the largest detractors from relative results during the quarter

LARGEST CONTRIBUTORS

ASML Holding NV (+0.9% total effect) is a key beneficiary from the increased demand for semiconductor content across key end markets like smartphones, consumer electronics, data centers and autos. ASML is the monopoly-supplier of extreme ultraviolet (EUV) lithography equipment, which is the critical tool in the manufacturing of semiconductors on nodes at 7nm and smaller. Several major semiconductor manufacturers have increased capex plans for leading-edge equipment given the extremely tight supply situation in semiconductors, alongside robust demand driven by secular growth themes like 5G and the electrification of the vehicle. Shares of ASML benefitted from announcements from key customers like TSMC, who increased capex plans to roughly $28bn for 2021, Intel, who announced increased capex plans of $20bn as well as the reentry into the foundry business, and Samsung and SK hynix who are leading the charge in the use of EUV for memory chips. ASML remains a high conviction, long-term holding as demand remains very strong for their leading-edge equipment.

Micron Technology, Inc. (+0.5% total effect) is a top pure-play manufacturer in memory semiconductors and has been a notable beneficiary of a recovery in the semiconductor memory cycle. Demand for memory chips remains robust as all key end markets are growing, notably smartphones, PCs, and the upcoming upgrade cycle in servers and data centers. Supply is also very tight in memory chips as consolidation in the market over the past few cycles has led to more disciplined capacity expansion by the key manufacturers. This discipline is supportive of prices, evidenced by the sharp acceleration in DRAM spot prices so far in 2021. We believe this acceleration should lead to positive price negotiations for Micron later in the year. Shares of Micron have been very strong since the middle of 3Q20, so we continue to monitor the supply and demand dynamics for signs of a cyclical peak.

Advanced Energy Industries, Inc. (+0.3% total effect) benefitted from the severe supply constraints in the semiconductor industry and the corresponding demand for semiconductor equipment. The company produces components used in advanced energy conversion, targeting key end markets like semiconductors, data centers and telecom. The company posted strong results in the fourth quarter and guided to a positive outlook, bolstered by a rebound in data center in the second half of 2021. The company also reaffirmed its 3-year growth target of $1.65bn in revenue and $7.50 in EPS. During the fourth quarter earnings release, the company also announced the retirement of CEO, Yuval Wasserman, effective March 1, 2021. We believe the company's long-term targets remain achievable in light of new management, but we are actively evaluating the position in the context of the management transition.

LARGEST DETRACTORS

Shares of **Keyence Corp. (-1.0% total effect)** were lower during Q1 as the market generally shunned growth and quality companies in favor of more cyclical stocks. This share price performance was in contrast to the underlying fundamental data which highlight an ongoing recovery as demonstrated by Keyence's solid Q3 (ends December) result. The company's earnings announcement beat expectations, with management emphasizing that customer sentiment has clearly inflected positively across most regions and end markets. Keyence is poised to leverage its extensive know-how to provide unique and value-added solutions to its widening customer base with recent investments in growing its high-powered salesforce outside of Japan. With both cyclical and structural tailwinds, Keyence's drivers remain intact, including the ongoing trend of automation to enhance manufacturing efficiency, quality and reliability, which is particularly important in a post-COVID environment.

Alibaba Health Information Technology Ltd. (-0.5% total effect) retreated off recent highs with pressure on the technology sector, Chinese internet companies and China ADRs. The company experienced no incremental fundamental negatives.

Edwards Lifesciences Corporation (-0.5% total effect) fell modestly post year-end 2020 highs. Most of this was due to lingering concerns on the pandemic's impact to valve volumes and conservative management guidance for 2021. Recent expert feedback indicates that valve procedures will remain prioritized and there is additional data indicating the high mortality risk (>50% boost to relative risk of death on even a few month delay) in delaying symptomatic aortic valve replacements. Edwards and other cardiovascular companies will need to weather the re-establishment of referral pathways, but generally the outlook for their business segments is stable to positive.

PORTFOLIO ACTIVITY

- During the first quarter, we initiated positions in Alibaba Health Information Technology Ltd. and Royal Caribbean Group and liquidated our positions in Alibaba Group Holding Ltd. and Facebook, Inc.

INITIATIONS

Alibaba Health Information Technology Ltd. is China's healthcare internet leader. They have a strong ecosystem to meet current demands and the ability to change with this expanding market. China has high unmet needs for improved healthcare delivery, creating a durable, high growth opportunity. Imbalances in age, facility utilization, online-to-offline and other system inefficiencies present a need and a long duration market that the firm is well-positioned to capitalize on.

Royal Caribbean Group is the second largest cruise operator in the world, in an industry where the top three players control 90% of the market. While the past year has been extraordinarily difficult, Royal Caribbean is now in the early stages of a recovery and is poised to be one of the biggest beneficiaries of a resumption in leisure spending, given its high operating leverage business model. While the CDC has yet to issue definitive guidelines on a restart to revenue-generating cruises, all the datapoints confirm that there is an enormous backlog of significant pent-up demand as seen in both forward bookings and pricing trends, which have consistently surpassed expectations as the vaccination rollout progresses. In addition to being proactive about its balance sheet during the crisis to ensure months of a liquidity cushion, management has also been at the forefront of capitalizing on pockets of opportunity, such as creating itineraries that stay within a home market to avoid international regulations, which has further bolstered management's reputation for solid execution. After this initial post-COVID recovery period, we expect the company will resume its structural growth path, which was driven by several factors including, a core loyal customer base who enjoyed convenient vacations at affordable prices, a growing but underpenetrated addressable market from a younger demographic, and opportunities to expand into international markets such as Asia.

LIQUIDATIONS

Alibaba Group Holding Ltd. shares have been under pressure since late last year as they were the focus of Chinese antitrust regulators after the cancellation of the blockbuster, Ant Group, IPO in December. Authorities are broadly examining markets across China Internet, especially e-commerce. While we do not expect near-term business trends for Alibaba to be significantly affected, we see a risk for Alibaba to be less dominant in the future. Additionally, we foresee an increasing need to invest in growing new markets, especially in lower tier cities. Lastly, we also see more compelling opportunities elsewhere during this period of growth uncertainty and margin pressure. We first trimmed Alibaba earlier in the year and then took advantage of a rebound in February to exit the remainder of the position.

Facebook, Inc. may face a potential disruption to advertising growth due to privacy changes in which Apple will require each iPhone app to get user permission for advertisers to track their Internet browsing. We expect most users to decline tracking for most apps, resulting in a reduction in visibility of advertising effectiveness on a per-individual basis. While the industry is learning to adjust to Apple's changes, as well as upcoming analogous changes in Google Chrome, we are reducing exposure to this risk in favor of other compelling opportunities.

MARKET OUTLOOK

The global economy should rebound strongly as 2021 progresses, countries reopen more widely and activity gradually returns to normal. The US is likely to be the first developed economy to recover pre-pandemic output levels, thanks in large part to good progress on vaccinating its citizens and sizable stimulus and spending programs. The trend to onshoring is expected to continue. Almost two-thirds of industrial companies questioned for the Thomas Industrial Survey last year stated they would likely increase manufacturing in the US, in part driven by the uncertainty caused by COVID-19. That shift is likely to coincide with a further boost for employment, while also underpinning capex spending on areas like automation.

After its outperformance in 2020, China will continue to rebound, likely beating its modest growth target of 6% for 2021. As one of the first economies to emerge from the pandemic, it is also one of the first to begin withdrawing stimulus. Nonetheless, investment will continue to flow. Following the National People's Congress in March, China plans to increase spending on R&D by 7% a year through 2025 as it looks to drive innovation, boost productivity and reduce reliance on markets like the US for technology.

The international picture will be more mixed, reflecting the very different pace of recovery across markets, as well as the availability of tools to counter the economic impact of the pandemic. Major emerging economies, such as Brazil and India, will struggle with rising COVID-19 cases and the slow roll-out of vaccines for their large populations. Many emerging markets also have less scope for fiscal measures to drive recovery, such as increased spending and lower taxes.

Following the US on the path to recovery, Japan should continue to rebound this year thanks to the improvement in global growth. But while the Olympic and Paralympic Games are scheduled to go ahead this summer, the exclusion of international visitors will be a drag on the country's third-quarter performance.

Europe will be a notable exception to the recovery of developed markets. The slow roll-out of the EU's vaccination program and the reimplementation of restrictions in many countries is likely to lead to another economic contraction. Any downturn that drags into the important summer season will be all the more damaging, although will be met with more government support measures. The UK will grind higher as its successful vaccine roll-out allows for gradual reopening of the economy. However, any benefits are likely to be curtailed by disruption to trade caused by Brexit.

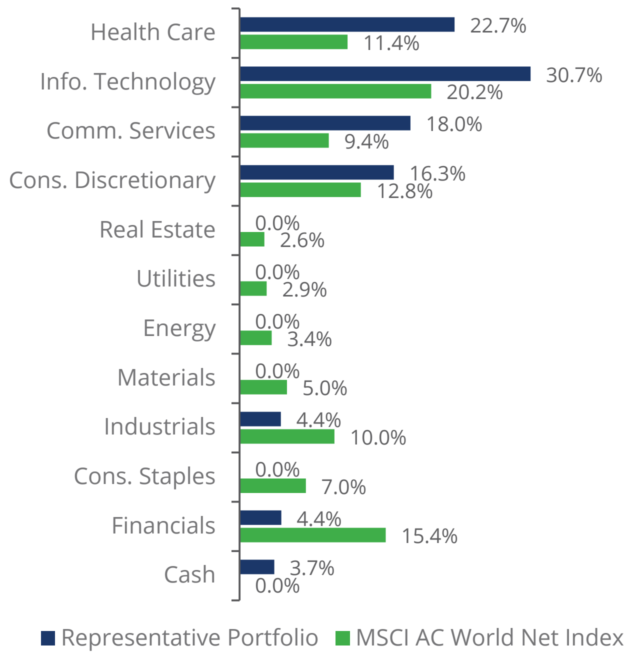
In the face of ongoing economic pressure, central banks have broadly indicated that they will overlook short-term inflationary pressures and remain focused on longer-term recovery. Low, and even negative, policy rates are likely to persist and will be accompanied by even more balance sheet expansion. For instance, US national debt exceeded GDP in the first quarter and could ultimately pass levels recorded at the end of the Second World War.

Fiscal and monetary stimulus acts as rocket fuel. It gives economic recovery a much-needed jolt but can also cause markets to overshoot. In our opinion, that is what happened in the first quarter. The rotation from growth to value is a classic reaction to the improving outlook and hopes of a return to normal. However, it does not alter our long-term view. On the other side of the pandemic, the world should return to its low-to-moderate growth trend. We think that high-quality companies that are largely uncorrelated to GDP will be the ones to own.

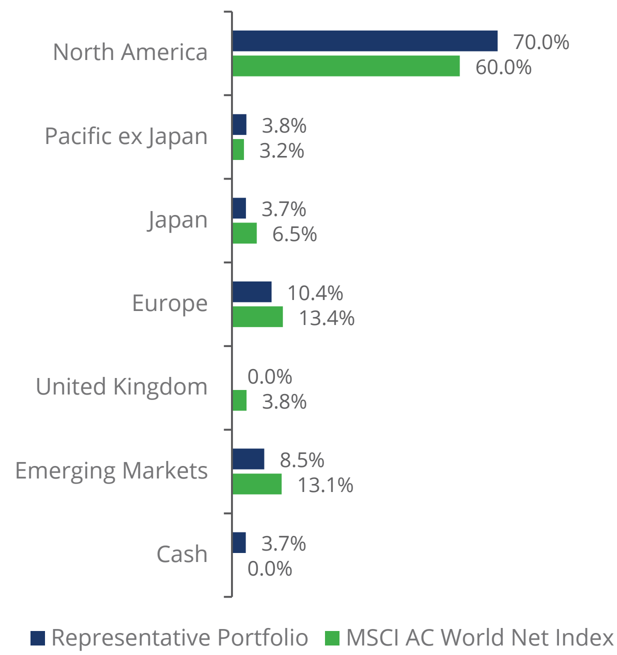
There is little doubt that equity market valuations are high in aggregate. However, it is still possible to acquire growth at reasonable valuations. The pullback in certain sectors is leading to opportunities to invest at attractive entry points. Companies that are innovators, have strong intellectual property, and possess brands and services with pricing power, have the scope to grow and drive margins in the long run. We continue to target companies that benefit from long-term secular trends and demonstrate good growth progression and visible earnings.

PORTFOLIO EXPOSURE (period ending March 31, 2021)

Exposure by Sector



Exposure by Region



PORTFOLIO CHARACTERISTICS (period ending March 31, 2021)

	Representative Portfolio		MSCI AC World Net Index	
	Current	5 Year Average	Current	5 Year Average
Capitalization				
Weighted Average Market Cap ($B)	324.1	207.8	304.3	164.1
Median Market Cap ($B)	75.8	73.6	12.3	10.2
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%)[1]	21.3	17.5	13.8	11.1
EPS Growth: 5 year trailing (%)[1]	17.2	16.6	10.8	8.4
Value Fundamentals				
P/E Ratio: 12 Months - forward[1]	35.1	30.4	24.3	21.6
P/E Ratio: 12 Months - trailing[1]	43.6	37.8	26.9	21.7
PEG Ratio: forward[1]	1.6	1.8	1.8	2.0
Dividend Yield (%)[2]	0.3	0.8	1.7	2.3
Price/Book[3]	5.9	4.8	2.6	2.2
Quality Fundamentals				
Return on Equity: 5 Year (%)[1]	19.9	17.9	17.3	15.1
Return on Invested Capital: 5 Year (%)[1]	14.2	13.9	11.5	9.2
Other				
Number of Positions	30	30	2,978	2,737
Beta: 3 year portfolio[4]	1.2	1.0	1.0	1.0

[1]Interquartile weighted mean, [2]Weighted mean, [3]Weighted harmonic mean, [4]MPT beta (daily).

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PORTFOLIO HOLDINGS (period ending March 31, 2021)

	Country	Weight (%)	Industry
Communication Services			
Activision Blizzard Inc.	United States	3.1	Entertainment
Alphabet Inc.	United States	4.2	Interactive Media & Services
Pinterest, Inc.	United States	3.1	Interactive Media & Services
Tencent Holdings Ltd.	China	3.4	Interactive Media & Services
T-Mobile US, Inc.	United States	4.2	Wireless Telecommunication Services
Consumer Discretionary			
Amazon.com, Inc.	United States	3.4	Internet & Direct Marketing Retail
Kering S.A.	France	1.9	Textiles, Apparel & Luxury Goods
Melco Resorts & Entertainment Ltd.	Hong Kong	3.8	Hotels, Restaurants & Leisure
Puma SE	Germany	1.8	Textiles, Apparel & Luxury Goods
Royal Caribbean Group	United States	1.3	Hotels, Restaurants & Leisure
TJX Companies Inc.	United States	4.1	Specialty Retail
Financials			
Mastercard Inc.	United States	4.4	Consumer Finance
Health Care			
Alibaba Health Information Technology Ltd.	China	1.8	Health Care Technology
Boston Scientific Corp.	United States	4.3	Health Care Equipment & Supplies
Edwards Lifesciences Corp.	United States	3.6	Health Care Equipment & Supplies
IQVIA Holdings Inc.	United States	4.1	Life Sciences Tools & Services
UnitedHealth Group Inc.	United States	3.5	Health Care Providers & Services
Vertex Pharmaceuticals Inc.	United States	2.2	Biotechnology
WuXi Biologics Inc.	China	3.3	Life Sciences Tools & Services
Industrials			
Kratos Defense & Sec. Solutions	United States	1.7	Aerospace & Defense
Vertiv Holdings Co.	United States	2.7	Electrical Equipment
Information Technology			
Adobe Inc.	United States	2.1	Software
Advanced Energy Industries	United States	0.8	Semiconductors & Semiconductor Equipment
ASML Holding N.V.	Netherlands	4.5	Semiconductors & Semiconductor Equipment
Infineon Technologies AG	Germany	2.3	Semiconductors & Semiconductor Equipment
Keyence Corp.	Japan	3.7	Electronic Equipment, Instruments & Components
Micron Technology Inc.	United States	5.2	Semiconductors & Semiconductor Equipment
Microsoft Corp.	United States	4.1	Software
NVIDIA Corp.	United States	3.6	Semiconductors & Semiconductor Equipment
Universal Display Corp.	United States	4.5	Semiconductors & Semiconductor Equipment
Cash & Equivalents			
Cash		3.7	

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