
Hardman Johnston

Large Cap Equity

2021 SECOND QUARTER REPORT



**Hardman
Johnston**
Global Advisors

COMPOSITE PERFORMANCE (%) (period ending June 30, 2021)

	2nd QTR	YTD	1 Year	3 Years	5 Years	10 Years	Inception
Large Cap Equity (gross of fees)	10.07	12.05	39.87	17.82	17.06	13.74	11.95
Large Cap Equity (net of fees)	9.92	11.76	39.13	17.18	16.42	13.10	11.43
S&P 500 Total Return Index	8.55	15.25	40.79	18.65	17.64	14.79	10.52

Performance is preliminary through June 30, 2021. Periods greater than one year are annualized. **Past performance does not guarantee future results.** Net performance reflects the deduction of advisory fees. Composite inception date: December 31, 1989.

KEY TAKEAWAYS

- Domestic financial markets reacted to the strong economic recovery in the second quarter
- Labor markets are strong, with demand greater than supply in the near term, but should normalize quickly
- An American manufacturing renaissance will help the recovery last longer
- As stimulus measures begin to withdraw, we continue to monitor effect of policy risks on portfolio holdings; we remain confident in management teams of our holdings as new challenges create solutions and push innovation

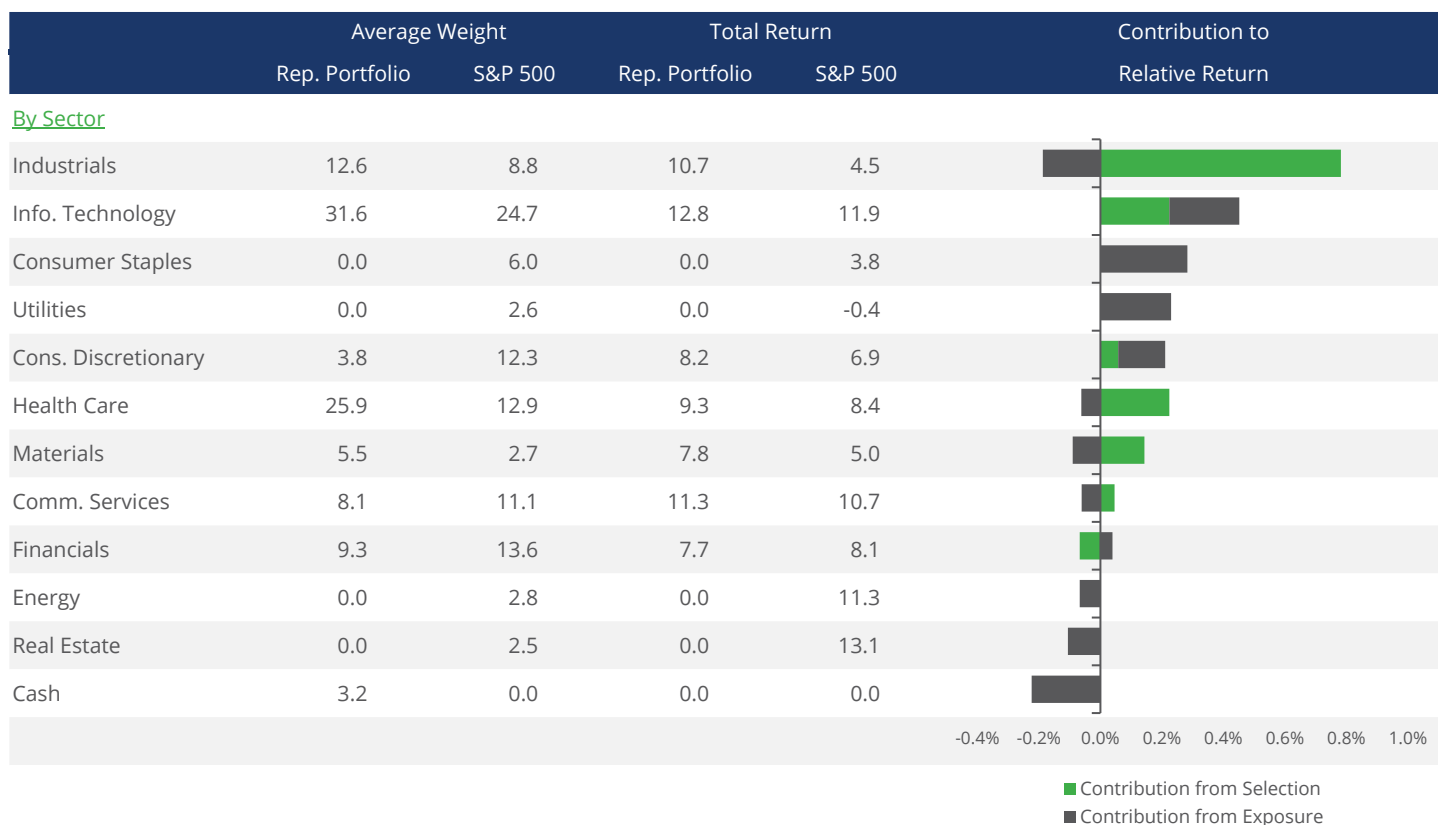
MARKET REVIEW AND OUTLOOK

While the COVID-19 pandemic disrupted economic activity and irreparably damaged millions of lives, it has not disrupted the way markets respond to news. Increasingly, the economic news has been good, and markets have reflected that with double digit equity market returns in the second quarter. In the United States, the economy continues to surge as we emerge from severe restrictions on mobility, and interactions. Prospectively, there are some questions about the durability of the recovery, but on the whole, we think domestic economic growth will remain strong and that profit growth for the portfolio holdings will continue to drive returns.

The recovery is entering a phase in which strong government support for the economy is being withdrawn and the private sector is re-taking the lead in driving the economy forward. In particular, unemployment benefits are either being withdrawn or will soon sunset, pushing many sidelined workers back into the workforce. However, demand for labor surged with increased demands for goods and, particularly, services, and most know that we have had an imbalance that has forced employers to increase wages. That increase, combined with higher prices for raw materials and intermediate goods due to supply disruptions, has created some concern about runaway inflation. We expect the imbalances to correct themselves over the next six to twelve months as the labor pool swells and supply chains normalize. In the near term, growth will be supported by low inventory levels, the re-opening of the travel and leisure industries and high savings rates among consumers. We remain encouraged by the steady stream of announcements by companies planning to manufacture more of their products in the US, a choice they can make thanks to improved productivity. It is a profound trend that has been gathering steam for several years.

We continue to see policy risks as both the federal government and the Federal Reserve Bank navigate the withdrawal of stimulus, a process that will take years, and the aforementioned inflation scare. Cybercrime is picking up, and increasingly sophisticated perpetrators have the potential to disrupt economic activity. The biggest risk of all, of course, remains the global pandemic. While we feel the worst is behind us here, many regions continue to suffer greatly. We monitor those outbreaks and the effects they have on portfolio holdings daily. Our conversations with the management teams of our holdings acknowledge all these risks, but tilt towards optimism as they continue to innovate and look for solutions to their customers problems in both the near and long term.

PERFORMANCE ATTRIBUTION



Preliminary data as of the quarter ending June 30, 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 Large Cap Equity strategy and is for informational purposes only. Exposure refers to the contribution of the active segment weights to the total relative return. 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.



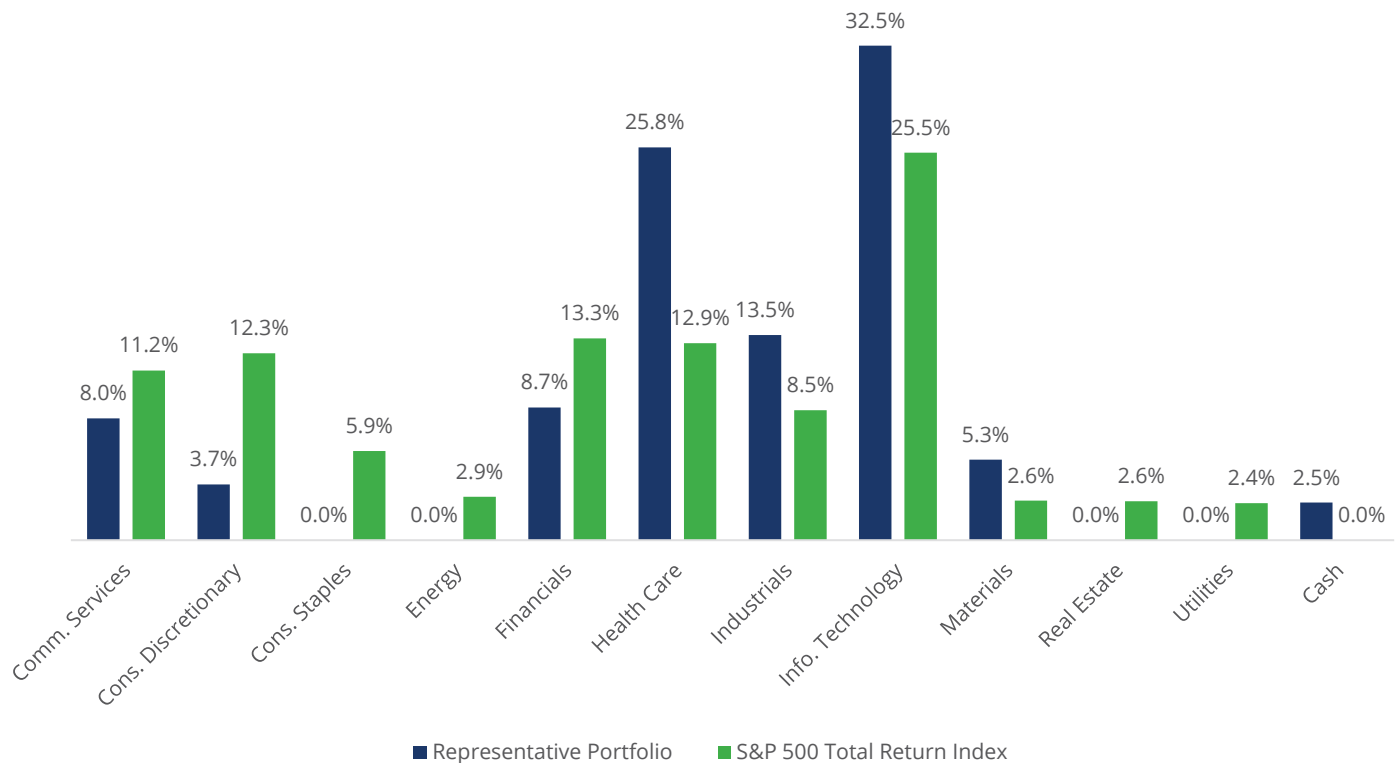
PORTFOLIO COMMENTARY

The Large Cap Equity composite delivered 9.92% returns, net of fees, in the second quarter, compared to 8.55% for the S&P 500. The strong performance was led by semiconductor company NVIDIA Corporation, whose capabilities in higher sophistication computing (artificial intelligence, for example) are increasingly sought by the largest providers of cloud computing services. Vertiv Holdings also made a strong contribution as their products allow those same cloud computing companies to reliably build out their data centers. Finally, IQVIA Holdings, a provider of clinical research services to the biotech and life sciences industries, saw a strong rebound in demand for their services after a pandemic induced pause.

Detractors include Universal Display and CREE, as the market for their stocks trends water ahead of a strong growth phase for their products, and Vertex Pharmaceuticals, where a pipeline failure has taken a little of the sheen off of a very strong performance from their life-saving cystic fibrosis drugs.

We added Howmet Aerospace in the quarter. Their expertise in metallurgy allows them to build critical jet engine components as well as structural parts for mostly commercial aircraft manufacturers. The pandemic caused a slowdown in air travel and therefore aircraft orders, but we expect that entire industry to re-accelerate over the coming years. Howmet's products are critical building blocks to an industry that chooses its suppliers with great care. We also added Sea Ltd., a Singapore based provider of online entertainment and applications, serving a vast Asian market outside of China. Most recently we started a position in Nordic Semi, whose next generation Blue Tooth technology will enable wireless interconnection among myriad devices. We liquidated adidas as their growth has slowed recently.

PORTFOLIO EXPOSURE (period ending June 30, 2021)



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CONTRIBUTORS & DETRACTORS (period ending June 30, 2021)

Second Quarter	Average Weight (%)	Total Effect* (%)	Last Twelve Months	Average Weight (%)	Total Effect* (%)
Largest Contributors			Largest Contributors		
NVIDIA Corp.	4.22	1.08	Albemarle Corp.	3.05	1.77
Vertiv Holdings Co.	2.79	0.67	NVIDIA Corp.	4.11	1.60
IQVIA Holdings Inc.	3.85	0.53	WuXi Biologics Inc.	1.08	0.99
Largest Detractors			Largest Detractors		
Universal Display Corp.	2.64	-0.42	Vertex Pharmaceuticals Inc.	2.70	-2.22
Vertex Pharmaceuticals Inc.	2.24	-0.32	Becton, Dickinson & Co.	2.74	-0.92
Cree, Inc.	1.53	-0.29	Cisco Systems, Inc.	0.72	-0.73

Past performance does not guarantee future results. Securities reflect the period's three largest contributors and detractors of portfolio holdings to total effect. Total effect reflects a position's total contribution to excess performance relative to the stated benchmark. *Total effect includes only securities that were held in the Hardman Johnston representative account and excludes benchmark-only securities that may have contributed or detracted from relative results. A full list of securities held as of June 30, 2021, contribution to performance and the methodology to calculate is available upon request. 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. 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.

PURCHASES - SECOND QUARTER

Sea Ltd.
Howmet Aerospace, Inc.
Nordic Semiconductor ASA

LIQUIDATIONS - SECOND QUARTER

adidas AG

The holdings identified represent all new positions and liquidations in the Hardman Johnston Large Cap Equity strategy for the quarter-to-date period ending June 30, 2021. Portfolio holdings and/or allocations shown above are as of the date indicated and may not be representative of future investments. The holdings and/or allocations shown may not represent all of the portfolio's investments. Future investments may or may not be profitable.

PORTFOLIO CHARACTERISTICS (period ending June 30, 2021)

	Representative Portfolio		S&P 500 Total Return Index	
	Current	5 Year Average	Current	5 Year Average
Capitalization				
Weighted Average Market Cap (\$B)	355.4	194.7	542.7	276.2
Median Market Cap (\$B)	64.2	51.0	30.2	23.1
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%) ¹	17.5	13.1	15.1	10.8
EPS Growth: 5 year trailing (%) ¹	15.3	11.5	14.1	11.9
Value Fundamentals				
P/E Ratio: 12 Months - forward ¹	29.3	26.1	26.5	23.7
P/E Ratio: 12 Months - trailing ¹	42.0	33.6	29.8	26.2
PEG Ratio: forward ¹	1.7	2.0	1.8	2.2
Dividend Yield (%) ²	0.7	1.3	1.3	1.9
Price/Book ³	6.3	4.3	4.4	3.2
Quality Fundamentals				
Return on Equity: 5 Year (%) ¹	18.1	17.1	21.3	20.2
Return on Invested Capital: 5 Year (%) ¹	14.5	12.5	13.8	12.6
Other				
Number of Positions	51	52	506	506
Beta: 3 year portfolio ⁴	0.9	0.9	1.0	1.0

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

PORTFOLIO HOLDINGS (period ending June 30, 2021)

	Country	Weight (%)	Industry
Communication Services			
Alphabet Inc.	United States	3.9	Interactive Media & Services
Comcast Corp.	United States	3.2	Media
Sea Ltd.	Singapore	0.4	Entertainment
Tencent Holdings Ltd.	China	0.5	Interactive Media & Services
Consumer Discretionary			
Aptiv plc	United Kingdom	1.0	Auto Components
LVMH	France	1.2	Textiles, Apparel & Luxury Goods
Melco Resorts & Entertainment Ltd.	Hong Kong	0.8	Hotels, Restaurants & Leisure
Puma SE	Germany	0.6	Textiles, Apparel & Luxury Goods
Financials			
AIA Group Ltd.	Hong Kong	0.5	Insurance
ICICI Bank Ltd.	India	1.0	Banks
Marsh & McLennan Cos. Inc.	United States	3.5	Insurance
Mastercard Inc.	United States	3.8	Consumer Finance
Health Care			
Alibaba Health Information Technology Ltd.	China	0.3	Health Care Technology
AstraZeneca plc	United Kingdom	1.0	Pharmaceuticals
Becton, Dickinson & Co.	United States	2.5	Health Care Equipment & Supplies
Cerner Corp.	United States	2.2	Health Care Technology
Dentsply Sirona Inc.	United States	2.5	Health Care Equipment & Supplies
Edwards Lifesciences Corp.	United States	3.1	Health Care Equipment & Supplies
Genmab AS	Denmark	0.9	Biotechnology
IQVIA Holdings Inc.	United States	3.9	Life Sciences Tools & Services
Johnson & Johnson	United States	2.2	Pharmaceuticals
Medtronic plc	Ireland	2.4	Health Care Equipment & Supplies
UnitedHealth Group Inc.	United States	1.3	Health Care Providers & Services
Vertex Pharmaceuticals Inc.	United States	2.1	Biotechnology
WuXi Biologics Inc.	China	1.4	Life Sciences Tools & Services
Industrials			
Airbus SE	France	1.0	Aerospace & Defense
Daifuku Co., Ltd.	Japan	0.7	Machinery
Howmet Aerospace, Inc.	United States	2.4	Aerospace & Defense
Leidos Holdings Inc.	United States	1.0	Professional Services
Nidec Corp.	Japan	0.8	Electrical Equipment
Prysmian S.p.A.	Italy	0.8	Electrical Equipment
Safran S.A.	France	1.0	Aerospace & Defense
Stanley Black & Decker Inc.	United States	2.8	Machinery
Vertiv Holdings Co.	United States	3.1	Electrical Equipment
Information Technology			
Adobe Inc.	United States	4.1	Software
Advanced Energy Industries	United States	3.2	Electronic Equipment, Instruments & Components
Afterpay Ltd.	Australia	0.9	IT Services
Apple Inc.	United States	3.8	Technology Hardware, Storage & Peripherals
ASML Holding N.V.	Netherlands	1.0	Semiconductors & Semiconductor Equipment
Atlassian Corp.	Australia	1.1	Software
Automatic Data Processing, Inc.	United States	3.5	IT Services
Cree, Inc.	United States	1.4	Semiconductors & Semiconductor Equipment
Microsoft Corp.	United States	3.8	Software
Murata Manufacturing Co., Ltd.	Japan	0.8	Electronic Equipment, Instruments & Components
Nordic Semiconductor ASA	Norway	0.1	Semiconductors & Semiconductor Equipment
NVIDIA Corp.	United States	4.9	Semiconductors & Semiconductor Equipment
OMRON Corp.	Japan	0.5	Electronic Equipment, Instruments & Components
Taiwan Semiconductor Mfg. Co., Ltd.	Taiwan, Province Of China	0.9	Semiconductors & Semiconductor Equipment
Universal Display Corp.	United States	2.6	Semiconductors & Semiconductor Equipment
Materials			
Albemarle Corp.	United States	3.1	Chemicals
FMC Corp.	United States	2.2	Chemicals
Cash & Equivalents			
Cash		2.5	

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