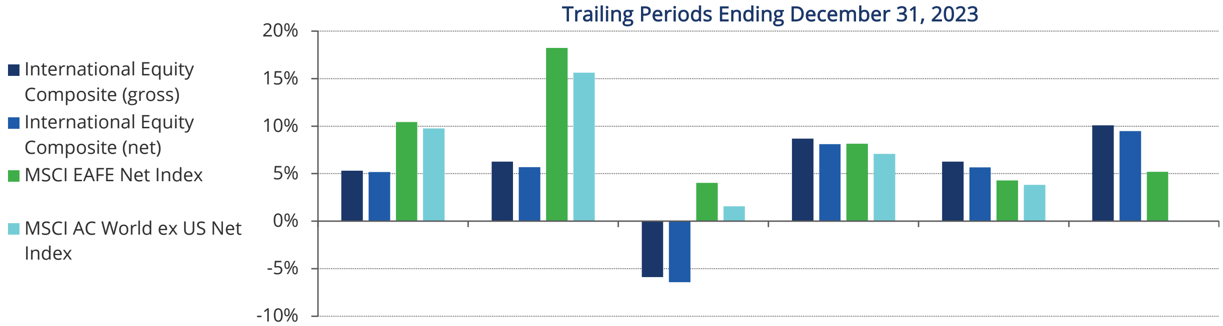
Hardman Johnston International Equity

2023 Fourth Quarter Report

Hardman Johnston Global Advisors

Performance



	4Q 2023	1 Year	3 Years	5 Years	10 Years	Inception
International Equity Composite (gross)	5.32	6.26	-5.90	8.69	6.27	10.08
International Equity Composite (net)	5.17	5.69	-6.43	8.10	5.65	9.48
MSCI EAFE Net Index	10.42	18.24	4.02	8.16	4.28	5.19
MSCI AC World ex US Net Index	9.75	15.62	1.55	7.08	3.83	N/A

Performance is through December 31, 2023. 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). The MSCI AC World ex US Net Index is shown as supplemental information. The MSCI AC World ex US Index inception date is 1/1/2001. Composite inception date: September 30, 1993.

Key Takeaways

- The fourth quarter's performance was challenged, in large part by consumer-oriented stocks with exposure to China
- Within the strategy, Industrials and Communication Services were the top active sector contributors, while Consumer Discretionary and Financials were the top detractors
- Due to the redomiciling of Atlassian Corp. from Australia to North America, North America was the top contributing region, while the Emerging Markets was the top detractor
- The Hardman Johnston International Equity Strategy underperformed both the MSCI EAFE Net Index and the MSCI AC World ex US Net Index during the quarter

Portfolio Commentary

A challenging fourth quarter wrapped up a difficult year for the strategy. Many of the drivers of underperformance for the fourth quarter and full year of 2023 were similar. At a high level, our consumer-oriented holdings hurt us, especially those with large economic exposure to China, given the challenging economic environment and geopolitical tensions in the country. This led to quarterly returns for the Hardman Johnston International Equity Composite of 5.17%, net of fees, compared to 10.42% for the MSCI EAFE Net Index and 9.75% for the MSCI AC World ex U.S. Net Index.

Delving deeper into attribution, the portfolio's top active sector contributors for the quarter were Industrials and Communication Services. Consumer Staples also contributed positively to relative returns due to our lack of weight in the sector. Within Industrials, the German defense company Rheinmetall AG, was our top performer, after releasing solid earnings results and providing guidance above consensus as conflicts in Eastern Europe and the Middle East raise prospects for increased defense spending. Within Communication Services, our sole holding, Deutsche Telekom AG, has been benefitting from its large stake in T-Mobile and an improving German and European regulatory environment.

The top sector detractors during the quarter were Consumer Discretionary and Financials. Much of our exposure within Consumer Discretionary was to stocks in the Broadline Retail and Hotel, Restaurants, and Leisure industries, which performed poorly and contributed to underperformance. Additionally, several of these holdings are either domiciled in China or had significant economic exposure to the country. We were hopeful that targeted stimulus would gradually unlock consumer spending in China, but consumers have remained cautious and intensely focused on value-oriented goods which negatively impacted our holdings. Additionally, geopolitical issues between China and the West that had seemed to be lessening have lingered and continued to pressure stocks. These issues led to a material detraction within the sector.

A large portion of the underperformance within Financials was attributed to a dip in stock prices of some of our newer holdings, such as the UK-based bank franchise, Standard Chartered PLC, and the Japanese life insurers, T&D Holdings, Inc. and Dai-ichi Life Holdings, Inc. While timing an exact entry point can be difficult, we do believe that these stocks are trading at very attractive valuations for the level of growth they can deliver.

The collaborative software developer Atlassian Corp., who redomiciled to the US from Australia in 2022 and still has its world headquarters in Australia, posted solid results in its cloud segment and beat operating margin expectations. This drove North America to be the top regional contributor in the fourth quarter. The stock also benefitted from multiple expansion in the quarter as the Fed pivot on interest rates led to a share price rally in long-duration, high-multiple stock profiles.

Emerging Markets was the largest regional detractor during the quarter. Most of this underperformance came from China for the reasons described above.

The top individual contributors to relative performance were MercadoLibre, Inc., Grifols, S.A., and Rheinmetall AG. MercadoLibre is Latin America's leading ecommerce platform. The company posted exceptional earnings results during the quarter with both its commerce and fintech platforms demonstrating leadership. The company also indicated continued strength into the coming quarter. Grifols is a leader in the manufacturing and supply of plasma-derived products. The company benefitted from plasma collections continuing to improve back to pre-COVID levels as well as collection costs coming down. Grifols also announced a partial sale of a large asset, which allows it to pay down debt and hit its leverage target of 4.0x by the end of 2024.

The top individual detractors from relative performance were Meituan, WuXi Biologics Inc., and Genmab AS. Meituan's shares were weak due to a lowered outlook. Their food delivery business seemed immune to broader economic pressures in China, but now some effects of consumer trade-down are creeping into moderating order growth. Additionally, management has been increasing investment in its in-store marketing segment to defend its leadership position, which will affect profit margins for the next few quarters.

WuXi Biologics is a top global player in biologic contract development and manufacturing. WuXi had been a beneficiary of increased biologic drug demand in China and globally, especially from COVID projects. In its recent earnings report, the company cut guidance more than anticipated due to lower revenue from commercial projects and a slower recovery in biotechnology funding than expected. Additionally, management credibility was damaged due to poor communication with investors, in part due to the timing of a recent spinoff. With these factors in mind, we exited the stock during the quarter.

The antibody engineering company, Genmab, struggled this quarter as expenses rose due to the commercial launch of Epkinly for the treatment of diffuse large B-cell lymphoma. There were also concerns around contract negotiations with Johnson & Johnson regarding Genmab's blockbuster multiple myeloma drug, Darzalex. Despite these concerns, Darzalex sales continue to grow, fueling Genmab's pipeline with its cash generation. Additionally, we view the company's higher expenses in the context of a transitional year as it launches its next commercial product and advances its pipeline.

During the quarter, we initiated positions in three new stocks, Suzuki Motor Corp., HDFC Bank Ltd., and Novo Nordisk A/S.

Suzuki is a Japanese automobile manufacturer with unique regional exposures. The company has a dominant share in India and a strong position in key African markets. These markets are growing quickly and are underpenetrated from an auto perspective. Furthermore, the company is largely insulated from the global macro slowdown due to its previous exits from the US, Europe, and China. Suzuki also has a lighter investment burden than many other auto manufacturers because it shares a technology agreement with Toyota and operates in markets that tend to consume ICE vehicles more than electric. The company's Indian subsidiary, Maruti, has historically traded at a higher valuation than Suzuki. Management is prioritizing closing that valuation gap, which should be beneficial for the stock price.

HDFC Bank is the largest private bank in India. The bank recently merged with its parent company, HDFC Ltd., creating potential synergies that can drive growth for the combined entity. This is particularly true in the mortgage segment, which HDFC Ltd. had focused on and which HDFC Bank had only been selling in about a quarter of its branches. HDFC is driving growth by aggressively expanding into new markets in India. Its rate of branch expansion is higher than peers, especially in underpenetrated rural and semi-urban markets. A strong Indian economy also provides a favorable backdrop for the stock.

Novo Nordisk is a pharmaceutical company that is the leading player in diabetes and obesity. Its drugs, Ozempic and Wegovy, have been transformative in the field of weight loss and are showing many additional ancillary benefits such as cardiovascular risk reduction. These drugs have enormous addressable markets with a lot of room for increased penetration. Key clinical trials are also demonstrating the benefits of these drugs beyond weight loss, incentivizing insurers to pay for the drugs to make them more accessible to a broader consumer base.

We liquidated the Japanese automation equipment maker, Keyence Corp., along with two Chinese holdings during the quarter, Alibaba Group Holding Ltd., and WuXi Biologics Inc. These liquidations, along with other trading activity during the quarter, materially brought down our exposure to China by the end of the fourth quarter. We also received a small position in Mural Oncology during the quarter as a spinoff from Alkermes. We liquidated this position shortly after receiving it.

Keyence is the world's leading supplier of sensors and vision solutions for factory automation. While we continue to find their business to be attractive, current valuations were deemed too high to maintain our position, so we reallocated capital into other areas of the portfolio.

Alibaba is a Chinese internet company with business units ranging from ecommerce to cloud computing, payments, and marketing services. The company had planned to divide its business into distinct units to IPO, which we had believed would unlock meaningful shareholder value. During the quarter, Alibaba pulled plans for IPOs of its largest two business units. The company also faces increased competitive pressure in the ecommerce space within China. For these reasons, we decided to liquidate the position.

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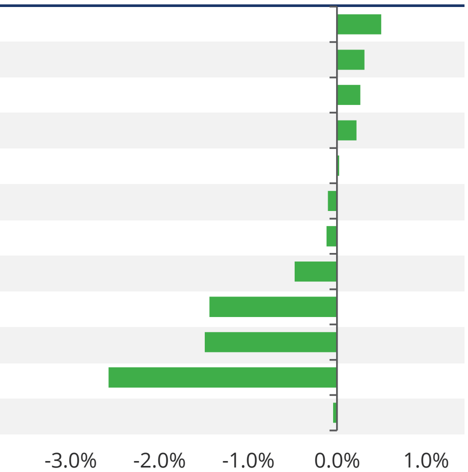
2023 FOURTH QUARTER REPORT

Quarterly Attribution

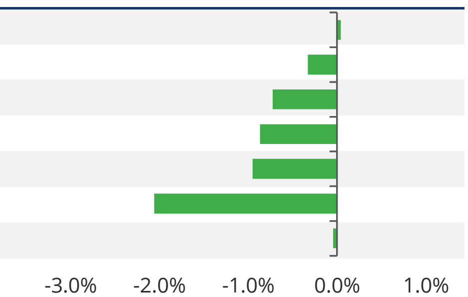
Sector Attribution	Average Weight		Total Return	
	Rep. Portfolio	EAFE	Rep. Portfolio	EAFE
Consumer Staples	0.0	9.7	0.0	5.2
Industrials	21.6	16.0	14.9	14.3
Comm. Services	5.5	4.1	14.2	8.9
Info. Technology	11.2	8.2	19.2	21.3
Energy	4.7	4.6	-0.7	0.3
Real Estate	0.0	2.4	0.0	14.9
Utilities	0.0	3.4	0.0	14.0
Materials	0.0	7.5	0.0	17.1
Health Care	16.7	13.1	-1.9	4.9
Financials	13.7	19.0	0.3	9.9
Cons. Discretionary	23.2	12.0	-1.4	8.0
Cash	3.3	0.0	1.3	0.0

Total Effect



Regional Attribution	Average Weight		Total Return	
	Rep. Portfolio	EAFE	Rep. Portfolio	EAFE
North America	2.3	0.0	18.0	0.0
Japan	8.4	22.8	1.4	8.2
Europe	49.2	51.0	10.8	12.3
Pacific ex Japan	5.4	11.2	-2.8	11.4
United Kingdom	12.1	15.1	-1.6	6.9
Emerging Markets	19.4	0.0	-0.2	0.0
Cash	3.3	0.0	1.3	0.0

Total Effect



Contributors & Detractors

Fourth Quarter	Average Weight (%)	Total Effect (%)
Largest Contributors		
MercadoLibre, Inc.	5.28	0.64
Grifols, S.A.	2.89	0.59
Rheinmetall AG	5.24	0.58
Largest Detractors		
Meituan	2.92	-1.24
WuXi Biologics Inc.	1.92	-1.06
Genmab AS	4.18	-0.95

Last Twelve Months	Average Weight (%)	Total Effect (%)
Largest Contributors		
TechnipFMC plc	4.90	2.41
Safran S.A.	5.59	1.14
Atlassian Corp.	2.31	1.07
Largest Detractors		
Meituan	3.39	-3.29
Genmab AS	4.56	-2.25
WuXi Biologics Inc.	2.29	-2.03

Portfolio Activity

Quarterly Initiations	Quarterly Liquidations
Suzuki Motor Corp.	Keyence Corp.
HDFC Bank Ltd.	Alibaba Group Holding Ltd.
Novo Nordisk A/S	WuXi Biologics Inc.
	Mural Oncology plc

Data for the quarter ending December 31, 2023. 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 International 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.

Market Outlook

A strong end to 2023 might raise hopes of an ongoing recovery and buoyant markets in 2024, but there's still much uncertainty ahead and plenty of reason to remain cautious. We are optimistic about the trajectories for inflation and interest rates, and positive about the potential for many markets and companies. We recognize though that there may be volatility in the short term.

Following the fall in inflation and the marked change in tone from the Federal Reserve in December, markets turned bullish on the prospect of interest rate cuts in 2024. While this appears entirely possible, the timing and extent of any loosening is uncertain. Further, the lagged effect of monetary policy means that it will still take time for last year's rate hikes to work through the system. Many investors appear to have become enamored with the prospect of an economic soft landing, however, the slowdown may have further to run.

Against a backdrop of economic uncertainty, company earnings are likely to weaken, putting employment under increased pressure. Businesses have been warehousing staff since COVID, but as pricing power fades and margins fall, keeping staff will be less feasible. If there is to be recession in the US, rather than a soft(ish) landing, a cooling labor market is likely to be the driving factor. There are already signs in Europe of a cycle of weaker company earnings, and an uptick in unemployment. Additionally, there has been deteriorating GDP performance, most notably in the continent's largest economy Germany, even if the broader EU bloc has held up better than many expected.

In the shift to looser policy, Japan will remain something of an outlier. With interest rates expected to turn across many markets, Japan has signaled the potential end of negative interest rates in 2024, in turn leading to a sharp appreciation in the yen. While there are fears that a stronger currency will weigh on exports, a return to more conventional policy is welcome, as is the push to make the stock market more investible for domestic and international investors alike.

Contrary to other markets globally, China remains weak and has been a drag on the benchmark and our portfolio. Consumers remain cautious following the country's rapid pivot away from its zero-COVID policy a year ago, while the fallout of the country's real estate crisis still weighs on confidence.

The forward-looking geopolitical situation is volatile and uncertain. Tensions between the US and China refuse to fade, while new fronts have opened in the Middle East and Venezuela, adding to ongoing conflict in Ukraine. People, economies, and markets do adapt to such challenges, but with elections in the US and India in 2024, not to mention Russian, Taiwan, and Ukraine, the geopolitical impact of electoral choices could be profound.

Despite ever-present risks, we continually seek out new investment opportunities. Healthcare is showing some attractive valuations, as well as some exciting innovations. For instance, Glucagon-like peptide 1-based therapies, aka GLP-1s, have the potential to be life-changing for those battling obesity and type 2 diabetes, a condition estimated to affect some 415 million people globally and which could rise by over 50% by 2040. Once again, we continue to take a disciplined approach to identify growth potential at compelling valuations, while avoiding companies at risk of being on the wrong side of the development.

We remain focused on decarbonization and the potential for companies in the space. Electric vehicles have been relatively out of favor among investors over the past six months, but little has changed our view that this will be a growth industry over the coming decades. This in turn will lead to increased demand for essential components, such as processors and batteries, regardless of which manufacturers dominate the market.

Notwithstanding the long-term growth potential in many areas, and the possible tailwinds of more accommodative policy, discipline has to be the watchword going into 2024. The end of year rally has stretched many company valuations. Costs for businesses may be receding but earnings and margins face pressure. As a result, we will consider our positions in stocks that have run up strongly, while continuing to look at opportunities that have more attractive entry points. That said, we remain confident in the fundamentals of our portfolio over the medium to long term, and believe we are well positioned to weather whatever 2024 brings.

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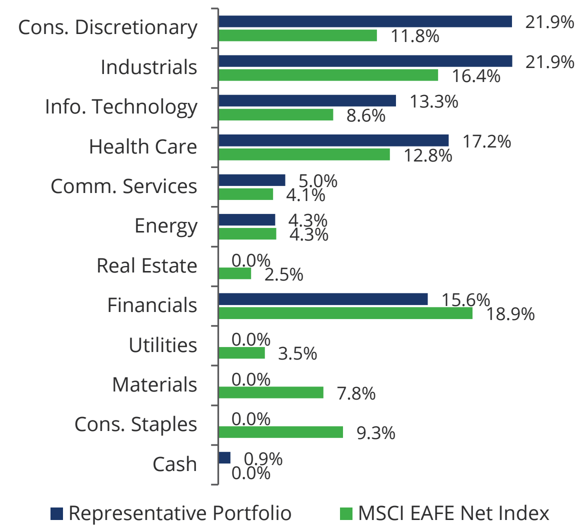
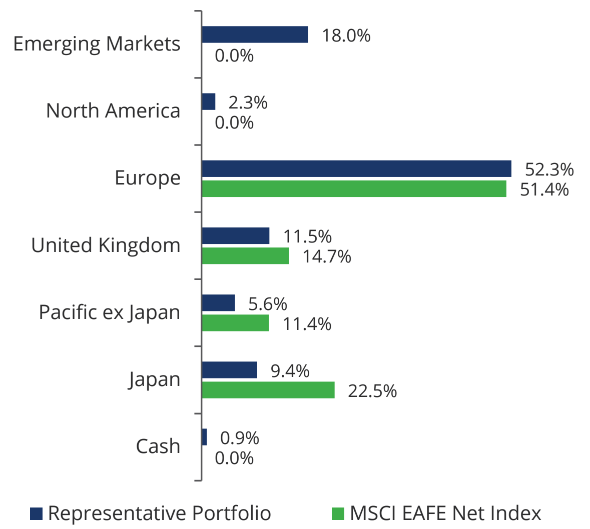
Exposures & Characteristics

Exposure by Sector



Exposure by Region



	Representative Portfolio		MSCI EAFE Net Index	
	4Q 2023	5 Year Average	4Q 2023	5 Year Average
Capitalization				
Weighted Average Market Cap ($B)	107.1	103.6	90.7	74.9
Median Market Cap ($B)	31.7	47.2	13.7	12.1
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%)[1]	16.1	18.7	8.5	9.2
Revenue Growth: 3 to 5 year forecast (%)[1]	11.6	10.5	4.9	4.4
Value Fundamentals				
P/E Ratio: 12 Months - forward[1]	19.5	26.0	17.3	18.1
P/E Ratio: 12 Months - trailing[1]	23.5	32.0	18.8	20.3
PEG Ratio: forward[2]	1.2	1.4	2.0	2.0
Dividend Yield (%)[3]	1.1	1.0	3.1	3.1
Price/Book[4]	2.8	4.3	1.7	1.6
Quality Fundamentals				
Return on Equity: 5 Year (%)[1]	11.5	14.9	14.5	13.4
Return on Invested Capital: 5 Year (%)[1]	7.4	10.4	9.5	9.3
Long-Term Debt / Equity (%)	54.4	53.6	70.8	70.9
Other				
Number of Positions	29	26	783	853
Beta: 3 year portfolio[5]	1.0	1.1	1.0	1.0
Tracking Error: 5 Year Trailing (%)	9.1	--	--	--
Turnover: 12 Months - Trailing (%)	41.1	29.3	--	--

[1]Interquartile weighted mean, [2]PEG Ratio is calculated as "P/E Ratio: 12 Months - forward" divided by "EPS Growth: 3 to 5 year forecast", [3]MPT beta (daily). [4]Based on aggregate purchases and sales over prior 12 months. Data as of December 31, 2023. **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 International 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 International 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	Initiation Date
Communication Services				
Deutsche Telekom AG	Germany	5.0	Diversified Telecommunication Services	Apr. 2022
Consumer Discretionary				
Aptiv plc	Ireland	3.2	Auto Components	Oct. 2020
LVMH	France	2.3	Textiles, Apparel & Luxury Goods	Jul. 2022
Meituan	China	2.2	Hotels, Restaurants & Leisure	Oct. 2021
Melco Resorts & Entertainment Ltd.	Hong Kong	2.0	Hotels, Restaurants & Leisure	Oct. 2017
MercadoLibre, Inc.	Brazil	5.6	Broadline Retail	Jan. 2023
Prosus NV	Netherlands	4.5	Broadline Retail	Oct. 2021
Suzuki Motor Corp.	Japan	2.0	Automobiles	Nov. 2023
Energy				
TechnipFMC plc	United Kingdom	4.3	Energy Equipment & Services	Nov. 2022
Financials				
AIA Group Ltd.	Hong Kong	3.6	Insurance	Oct. 2014
Dai-ichi Life Holdings, Inc.	Japan	2.4	Insurance	Sep. 2023
HDFC Bank Ltd.	India	2.5	Banks	Dec. 2023
ICICI Bank Ltd.	India	2.6	Banks	Aug. 2018
Standard Chartered PLC	United Kingdom	2.3	Banks	Aug. 2023
T&D Holdings, Inc.	Japan	2.2	Insurance	Sep. 2023
Health Care				
Alkermes plc	Ireland	2.5	Biotechnology	Aug. 2021
AstraZeneca plc	United Kingdom	5.0	Pharmaceuticals	Oct. 2017
Genmab AS	Denmark	4.0	Biotechnology	May 2020
Grifols, S.A.	Spain	3.6	Biotechnology	Apr. 2022
Novo Nordisk A/S	Denmark	2.0	Pharmaceuticals	Dec. 2023
Industrials				
Airbus SE	France	5.1	Aerospace & Defense	Jan. 2019
Daifuku Co., Ltd.	Japan	2.8	Machinery	Feb. 2020
Prysmian S.p.A.	Italy	3.3	Electrical Equipment	Sep. 2016
Rheinmetall AG	Germany	5.0	Aerospace & Defense	Feb. 2023
Safran S.A.	France	5.9	Aerospace & Defense	Jun. 2017
Information Technology				
ASML Holding N.V.	Netherlands	3.7	Semiconductors & Semiconductor Equipment	Jun. 2003
Atlassian Corp.	United States	2.3	Software	Jun. 2020
Nordic Semiconductor ASA	Norway	2.2	Semiconductors & Semiconductor Equipment	Apr. 2021
Taiwan Semiconductor Mfg. Co., Ltd.	Taiwan	5.1	Semiconductors & Semiconductor Equipment	Jan. 2021
Cash & Equivalents				
Cash		0.9		

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