Hardman Johnston Global Equity

2023 Third Quarter Report

Hardman Johnston Global Advisors

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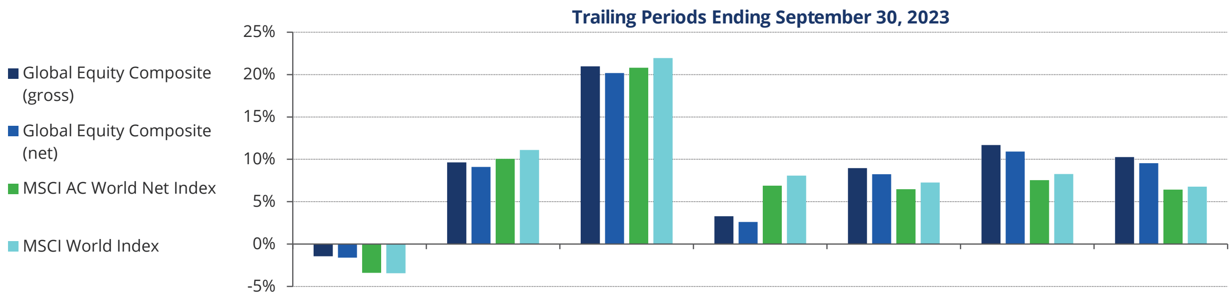
2023 THIRD QUARTER REPORT

Performance



	3Q 2023	YTD	1 Year	3 Years	5 Years	10 Years	Inception
Global Equity Composite (gross)	-1.45	9.63	20.97	3.28	8.95	11.68	10.27
Global Equity Composite (net)	-1.61	9.10	20.19	2.61	8.23	10.91	9.53
MSCI AC World Net Index	-3.40	10.06	20.80	6.89	6.46	7.55	6.42
MSCI World Index	-3.46	11.10	21.95	8.08	7.25	8.26	6.77

Performance is through September 30, 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). 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 faced a mix of both concerning and encouraging events during the third quarter
- Within the strategy, Industrials and Energy were the top sector contributors, while Financials and Consumer Discretionary were the top detractors
- North America was the top contributing region, while Japan was the top detractor
- The Hardman Johnston Global Equity Strategy outperformed both the MSCI ACWI Index and the MSCI World Index during the quarter

Portfolio Commentary

In the third quarter, markets experienced a mixed bag of events causing both concern and optimism among investors. Developments such as the Fitch downgrade of the US government debt rating, the UAW strike on car companies, and the spike in oil prices due to OPEC+ production cuts caused jitters across equities. However, in the ongoing debate about a soft or hard economic landing, investors generally expressed an optimistic view on avoiding a hard recession. This fueled bond yields in the US and Europe to rise to the highest levels within this cycle. Japanese bond yields ticked upward as well with the government's move to a flexible yield curve control policy, albeit less drastically than in other developed markets. In the Emerging Markets, weakness in the Chinese economy prompted the government to take further stimulative measures to prop up key business sectors.

These macro headlines do not provide a clear explanation for the portfolio's relative performance for the past quarter. As will often be the case due to our concentrated, bottom-up process, the portfolio's quarterly attribution is a function of stock-specific developments that affected our holdings. Overall, the Hardman Johnston Global Equity Composite returned -1.61%, net of fees, in the quarter, compared to the MSCI ACWI Index return of -3.40% and the MSCI World Index return of -3.46%.

The portfolio's top sector contributors for the quarter were Industrials and Energy. The top contributor to outperformance within Industrials was Vertiv Holdings Co. Vertiv is a leading power and services provider in thermal management, with expertise in the burgeoning data center market. Vertiv's stock has had a tremendous year as part of the artificial intelligence ("AI") trend, given the much higher electrical and thermal requirements of AI-enabled data centers. Shares continued to rally after the company reported a significant beat and raise in its second quarter earnings results.

Within Energy, TechnipFMC was the main driver of outperformance. TechnipFMC shares surged on the back of a strong rebound in oil prices given resilient demand amidst production cuts from OPEC and Russia and new contract wins. During the quarter, the oilfield services company's CEO outlined a positive long-term order outlook, largely from national oil companies committing to multi-year investment programs given past underinvestment. He also highlighted TechnipFMC's opportunity to leverage a stronger top-line to surpass prior margin peaks.

The top sector detractors during the quarter were Financials and Consumer Discretionary. Within Financials, the largest detracting stock was the Hong Kong-based life insurer, AIA Group Ltd. Although AIA is a well-managed company with a strong insurance franchise across several fast-growing Asian markets, the stock has been hurt by concerns about growth in China recently. The company's 1H23 earnings report exhibited disappointing growth in the Chinese market, despite strong overall results. Investor sentiment across the industry has also been weak given concerns about the Chinese economy. AIA's disappointing results in China, combined with the broad negative sentiment of the industry, led to a decline in AIA's stock price. Given this, we decided to liquidate the position to deploy the proceeds to other opportunities with stronger visibility over the coming year.

Part of Consumer Discretionary's detraction was related to our overweight exposure to the sector. Additionally, within the sector, we were not exposed to some of the higher performing industry sub-groups, such as Japanese automobiles. From a stock selection standpoint, Melco Resorts &

Entertainment was the sector's top detractor. Melco runs casino and entertainment venues, with its largest locations in Macau. Sentiment across the Macau landscape has been weak recently given macroeconomic weakness in China. However, visitation and gross gaming revenue figures are rising from COVID troughs, and all incremental reports about Golden Week, visitation, gaming, and non-gaming activity are turning out to be positive and approaching pre-COVID levels.

From a regional perspective, the top contributor was North America, in large part due to Vertiv. The top detractor was Japan, primarily because of Keyence Corp. Lack of exposure to Japanese financials and autos also hurt relative performance during the quarter. Keyence was hurt by broad trends in the automation industry given ongoing macroeconomic weakness in China. Labor-related costs from an enlarged workforce hurt company margins as well. The stock also suffered from a shift away from growth stocks by Japanese investors in favor of value-oriented stocks as interest rates rose. Longer-term, Keyence should retain its leadership position in 3-D automation and sensor-based automation solutions given secular tailwinds, while recent labor cost increases should be viewed as a growth investment given the company's salesforce-driven, direct sales business model.

The top individual contributors to relative performance were Vertiv Holdings Co., TechnipFMC plc, and Atlassian Corp. Atlassian was one of the best performing software companies in the third quarter after posting robust results, beating expectations for Cloud revenue growth and substantially surpassing margin targets, with management indicating that prior macro headwinds are seemingly abating.

The top individual detractors from relative performance were Wolfspeed, Inc., Keyence Corp., and IQVIA Holdings Inc. Wolfspeed shares declined on a change in reporting that hurt its non-GAAP gross margin outlook. The reporting decision did not change any actual fundamentals of the company, but it caused concern among investors about management communication, especially following a few quarters of missteps associated with the ramp of the company's new Mohawk Valley devices fab. Wolfspeed's stock was also hurt by rising interest rates given the company's long duration profile. Despite these headwinds, we remain confident that Wolfspeed's differentiated vertical integration in the silicon carbide substrate and devices industry is a strong long-term opportunity.

IQVIA is a contract research organization for the pharmaceutical and biotech industry. The company's stock struggled as biotech funding continues to be a concern, despite global funding levels moving off trough conditions. However, companies have indicated continued outsourcing to contract research organizations, and IQVIA's backlog remains healthy.

During the quarter, we initiated positions in two stocks and liquidated four positions as well. We initiated a position in Standard Chartered PLC. Standard Chartered is a unique bank franchise headquartered in the UK and leveraged to emerging economies in Asia, Africa, and the Middle East. The bank has a global footprint and caters to companies doing business internationally by facilitating cash management across geographies. In addition, the bank has a strong wealth management business in emerging economies that are advantaged by young and upwardly mobile demographics. The company's management has achieved a steady improvement in non-performing loans and write-offs, with room for continued progress. This paves a path for strong EPS growth and multiple expansion from the stock's current cheap valuation.

We also initiated a position in Schlumberger NV (SLB), after having liquidated the stock earlier in the quarter. It is not typical for us to liquidate and re-initiate a stock in such a short timeframe. Given a tight cash position, we had originally sold our partial position in SLB to fund the purchase of TechnipFMC because, with their focused business model and the positive meetings we had with company management, we felt it provided a better opportunity. However, as oil supply and demand balances tightened due to ongoing production cuts by OPEC+, we re-purchased our partial SLB position. We believe the company will be ideally positioned to benefit, as the largest global oilfield services provider with a unique data library. In particular, SLB has the largest exposure to the longer-cycle international and offshore markets, where its services are priced at a premium due to higher technological complexity.

In addition to SLB, we had liquidated positions in AIA Group Ltd., PayPal Holdings, Inc., and Kering S.A. during the quarter. AIA was liquidated for the reasons described above. PayPal has been a difficult stock since the strength it demonstrated during the pandemic, and we ultimately decided that increasing competition from both processors and digital wallet providers, as well as a persistent concern around the state of consumer spending, left PayPal more exposed to near-term downside risk. We do believe that PayPal has the ability to grow earnings given its cost savings initiative that began last year, but in the near-term, the risks associated with a compressing take rate and macro concerns on the consumer outweigh our original investment thesis that PayPal's position in digital payments and participation in growing ecommerce adoption can sustainably grow earnings in the medium-term.

We had initially bought into Kering believing the stock provided a favorable risk-reward profile, with a number of their brands performing strongly and a new Gucci brand designer highlighting a path to return to growth. However, the company's most recent earnings results showed sales growth in all brands slowing to low single digits. Additionally, Kering had a number of management changes and made some acquisitions that we felt were overvalued and were a questionable strategic fit. Furthermore, the debut of the new Gucci designer line-up may take time to gain traction. Given these dynamics, we chose to exit the partial position.

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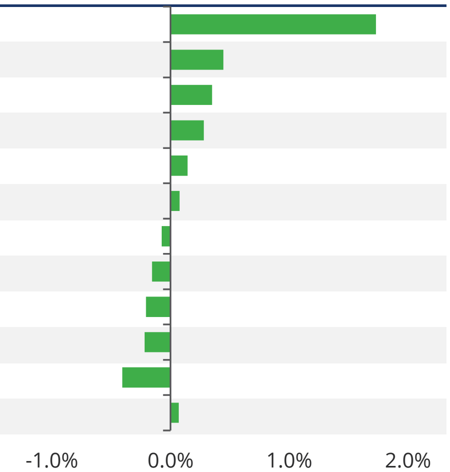
Quarterly Attribution

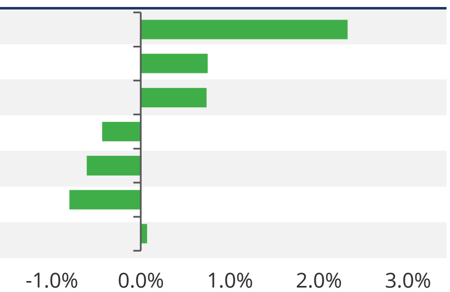
Sector Attribution	Average Weight		Total Return	
	Rep. Portfolio	ACWI	Rep. Portfolio	ACWI
Industrials	9.3	10.5	14.7	-5.1
Energy	4.5	4.9	24.9	10.7
Health Care	24.2	11.8	-1.6	-2.7
Comm. Services	7.4	7.4	4.2	0.5
Utilities	0.0	2.7	0.0	-8.6
Real Estate	0.0	2.3	0.0	-6.6
Consumer Staples	3.1	7.2	-10.7	-6.2
Materials	2.3	4.5	-10.4	-3.9
Info. Technology	22.1	21.8	-6.7	-6.2
Cons. Discretionary	18.8	11.3	-5.2	-4.8
Financials	6.1	15.6	-3.3	-0.9
Cash	2.1	0.0	1.6	0.0

Total Effect



Regional Attribution	Average Weight		Total Return	
	Rep. Portfolio	ACWI	Rep. Portfolio	ACWI
North America	64.3	64.7	0.5	-3.2
United Kingdom	4.3	3.6	18.8	-1.6
Emerging Markets	10.2	10.7	4.9	-2.8
Pacific ex Japan	2.1	2.8	-24.1	-4.8
Europe	13.4	12.7	-9.9	-5.6
Japan	3.6	5.5	-20.6	-1.6
Cash	2.1	0.0	1.6	0.0

Total Effect



Contributors & Detractors

Third Quarter	Average Weight (%)	Total Effect (%)
Largest Contributors		
Vertiv Holdings Co.	3.81	1.63
TechnipFMC plc	3.51	0.81
Atlassian Corp.	3.14	0.59
Largest Detractors		
Wolfspeed, Inc.	2.49	-0.75
Keyence Corp.	3.62	-0.67
IQVIA Holdings Inc.	3.80	-0.37

Last Twelve Months	Average Weight (%)	Total Effect (%)
Largest Contributors		
Vertiv Holdings Co.	3.34	5.28
NVIDIA Corp.	2.59	1.71
TechnipFMC plc	1.05	1.19
Largest Detractors		
Wolfspeed, Inc.	2.36	-3.45
Meituan	2.93	-1.98
JD.com, Inc.	1.57	-1.64

Portfolio Activity

Quarterly Initiations	Quarterly Liquidations
Standard Chartered PLC	Schlumberger NV
Schlumberger NV	AIA Group Ltd.
	PayPal Holdings, Inc.
	Kering S.A.

Data for the quarter ending September 30, 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 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.

Market Outlook

Markets appear to have caught up with the tone emanating from central banks. In most countries, monetary policymakers are winning the battle against inflation, meaning that interest rates are at, or very close to, their expected peak. However, the Federal Reserve's message of "higher for longer" has dampened sentiment that had held up remarkably well through the first half of the year.

Although shares have traded off, particularly for longer duration stocks, it is likely that there will be increased volatility as the implications of a new interest rate paradigm play out. Inflation is down, not out, so how long rates remain elevated is uncertain. Economic analysts continue to oscillate between expectations of a "soft landing" and a recession. With the economy on a knife's edge, few can deny that monetary policy error is a sizable risk. As Fed Chair Jerome Powell said in his Jackson Hole speech, "As is often the case, we are navigating by the stars under cloudy skies."

We may not be in the same boat, but we are looking for the same points of light. To a certain degree, discussions around technical recession are academic. We expect the US and major developed markets to experience a slowdown, and something that certainly feels like recession. The data shows that Europe is already well on its way there. Having emerged from a shallow recession in the second quarter, Germany's Bundesbank is indicating that GDP was negative again in the third quarter, while the broader Eurozone is also on the cusp of a downturn.

Higher interest rates will make it more expensive for companies to fund investment and many will become more conservative about spending. With little let up in margin pressure, businesses will be less likely to hold onto low-productivity workers, which could result in higher unemployment. Public sentiment has clearly weakened with more consumers expecting recession, according to The Conference Board's consumer confidence index. Credit card and auto loan delinquency is on the rise, while higher-income workers that saved through COVID may have exhausted reserves and appetite to spend. Add volatile oil prices into the mix, up more than 25% over the period, but down sharply since quarter end, and there are many places to look for the next shoe to drop. Analysts are forecasting a 12.2% year-over-year increase in S&P 500 earnings in 2024 which, in light of the growing pressures, appears optimistic.

The macro outlook may sound gloomy, but volatile markets create opportunities for active investors. There are a growing number of solid businesses with double-digit earnings growth that are trading at single-digit multiples. Our role is not only to identify companies with strong fundamentals and long-term growth prospects, but also to determine attractive entry points that can make a meaningful difference to performance and returns.

It is also important to remember that not all markets are in same the place. While some may be disappointed that China is not deploying expansive stimulus to fire up its recovery, the country's targeted measures are nonetheless out of sync with much of the rest of the world. There is positive momentum in manufacturing and the consumer is recovering steadily, yet China is also on a somewhat different path now with a focus on higher-quality growth and greater self-sufficiency.

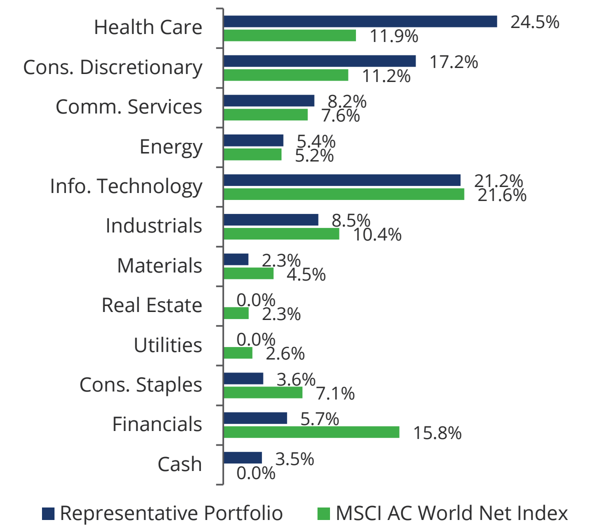
Diplomatic relations with the US remain uncomfortable and cast another cloud over the market. However, there are bright spots where companies can break through. Wuxi Biologics is a leading contract development and manufacturing organization that has a global footprint, including the US, which will continue to benefit from development and demand for vaccines. More broadly, Chinese stocks are trading at around 10x earnings, marking one of the widest discounts to the US in the last 20 years. There are undoubted challenges and potential risks, but we see good medium-term prospects and find it hard to argue against the positive risk-reward skew of many stocks with solid fundamentals.

China is not the only country charting a different course. Japan stands out in 2023 for its policy stance and market performance. In the face of rising inflation, the Bank of Japan has maintained negative interest rates, although recent adjustments to yield curve control measures may signal an end to ultra-accommodative policy, perhaps as early as next year. Dollar strength and further softness in the yen may accelerate its move. As an outward-looking economy, Japan's export-oriented companies face increased pressure in a slowing global economy, even if the yen can continue to be a tailwind. However, there are opportunities, including domestically focused spaces such as insurance, which should benefit from the rise in global bond yields and hence returns.

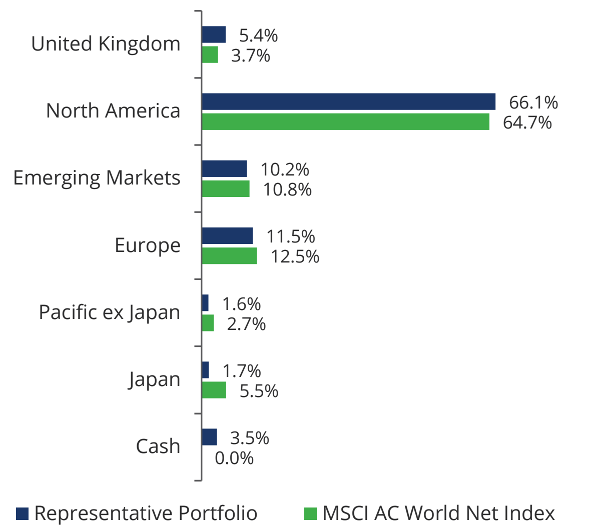
The bigger story around bond yields is not one that investors can easily ignore. After 15 years of ultra-low rates, the days of TINA, "there is no alternative," may be over. Yet equities cannot be written off. Growth will be highly sought after in a weakening economic environment. Near-term earnings might be challenging, but we are optimistic about the outlook for our holdings over the coming three-to-five years, as well as the opportunity to research and identify new additions to our portfolio.

Exposures & Characteristics

Exposure by Sector



Exposure by Region



	Representative Portfolio		MSCI AC World Net Index	
	3Q 2023	5 Year Average	3Q 2023	5 Year Average
Capitalization				
Weighted Average Market Cap ($B)	333.9	280.6	412.1	296.3
Median Market Cap ($B)	51.9	72.3	10.8	11.0
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%)[1]	21.5	19.2	11.7	12.3
Revenue Growth: 3 to 5 year forecast (%)[1]	11.9	13.7	6.0	8.1
Value Fundamentals				
P/E Ratio: 12 Months - forward[1]	24.2	27.7	20.0	21.0
P/E Ratio: 12 Months - trailing[1]	31.8	33.1	22.4	23.4
PEG Ratio: forward[1]	1.4	1.7	1.7	2.0
Dividend Yield (%)[2]	0.5	0.6	2.1	2.1
Price/Book[3]	4.0	5.2	2.6	2.5
Quality Fundamentals				
Return on Equity: 5 Year (%)[1]	12.7	16.8	18.2	17.3
Return on Invested Capital: 5 Year (%)[1]	8.7	12.4	13.9	12.2
Long-Term Debt / Equity (%)	92.3	66.3	69.3	75.4
Other				
Number of Positions	33	31	2,947	2,929
Beta: 3 year portfolio[4]	1.3	1.2	1.0	1.0
Tracking Error: 5 Year Trailing (%)	5.8	--	--	--
Turnover: 12 Months - Trailing (%)	47.7	32.3	--	--

[1]Interquartile weighted mean, [2]MPT beta (daily). [3]Based on aggregate purchases and sales over prior 12 months. Data as of September 30, 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 Global 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 Global 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.

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Portfolio Holdings

	Country	Weight (%)	Industry	Initiation Date
Communication Services				
Alphabet Inc.	United States	4.0	Interactive Media & Services	Jan. 2011
T-Mobile US, Inc.	United States	4.1	Wireless Telecommunication Services	Jun. 2020
Consumer Discretionary				
Alibaba Group Holding Ltd.	China	1.6	Broadline Retail	Mar. 2023
Amazon.com, Inc.	United States	3.9	Broadline Retail	Mar. 2016
Meituan	China	2.7	Hotels, Restaurants & Leisure	Jun. 2022
Melco Resorts & Entertainment Ltd.	Hong Kong	1.6	Hotels, Restaurants & Leisure	Jan. 2023
MercadoLibre, Inc.	Brazil	4.0	Broadline Retail	Jan. 2023
Prosus NV	Netherlands	3.4	Broadline Retail	Feb. 2022
Consumer Staples				
Coty Inc.	United States	3.6	Personal Care Products	Jun. 2022
Energy				
Schlumberger NV	United States	1.3	Energy Equipment & Services	Sep. 2023
TechnipFMC plc	United Kingdom	4.1	Energy Equipment & Services	May 2023
Financials				
Mastercard Inc.	United States	4.3	Financial Services	May 2015
Standard Chartered PLC	United Kingdom	1.4	Banks	Aug. 2023
Health Care				
Alkermes plc	Ireland	1.7	Biotechnology	Aug. 2021
BioMarin Pharmaceutical, Inc.	United States	1.9	Biotechnology	Feb. 2023
Boston Scientific Corp.	United States	4.3	Health Care Equipment & Supplies	Jan. 2020
Genmab AS	Denmark	1.1	Biotechnology	Apr. 2023
Grifols, S.A.	Spain	2.2	Biotechnology	May 2022
IQVIA Holdings Inc.	United States	3.7	Life Sciences Tools & Services	May 2017
UnitedHealth Group Inc.	United States	3.6	Health Care Providers & Services	Oct. 2018
Vertex Pharmaceuticals Inc.	United States	4.2	Biotechnology	Feb. 2018
WuXi Biologics Inc.	China	1.9	Life Sciences Tools & Services	Apr. 2018
Industrials				
Howmet Aerospace, Inc.	United States	3.9	Aerospace & Defense	Nov. 2021
Safran S.A.	France	1.4	Aerospace & Defense	Feb. 2023
Vertiv Holdings Co.	United States	3.2	Electrical Equipment	Dec. 2020
Information Technology				
ASML Holding N.V.	Netherlands	1.8	Semiconductors & Semiconductor Equipment	Dec. 2005
Atlassian Corp.	United States	4.2	Software	May 2023
Keyence Corp.	Japan	1.7	Electronic Equipment, Instruments & Components	Mar. 2015
Microsoft Corp.	United States	4.0	Software	Nov. 2018
NVIDIA Corp.	United States	3.7	Semiconductors & Semiconductor Equipment	Jan. 2019
Universal Display Corp.	United States	4.1	Semiconductors & Semiconductor Equipment	Jun. 2020
Wolfspeed, Inc.	United States	1.9	Semiconductors & Semiconductor Equipment	Oct. 2021
Materials				
Corteva, Inc.	United States	2.3	Chemicals	Mar. 2022
Cash & Equivalents				
Cash		3.5		

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