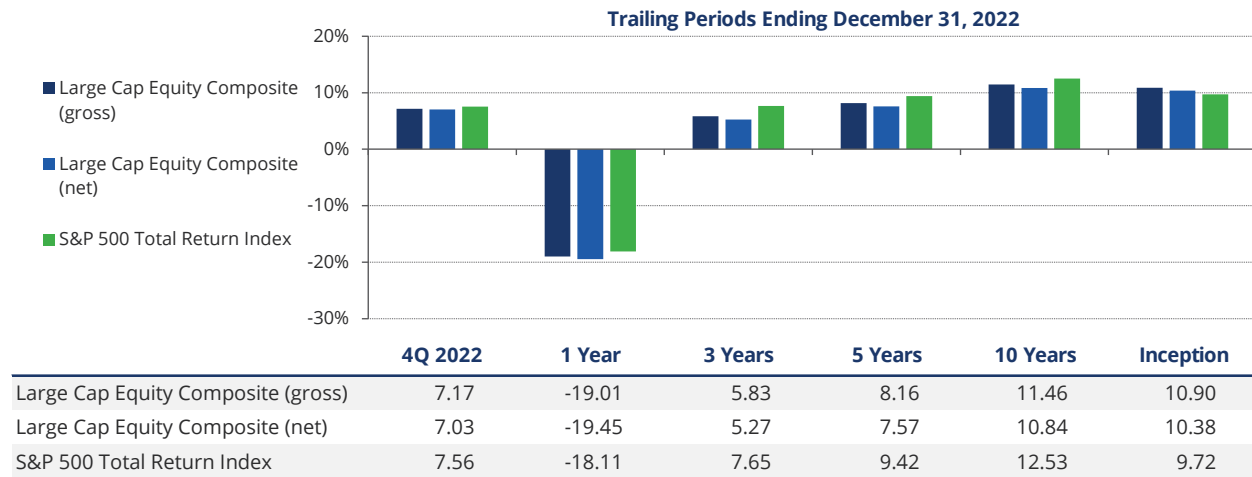

Hardman Johnston

Large Cap Equity

2022 Fourth Quarter Report



Performance



Performance is through December 31, 2022. 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, 1989.

Key Takeaways

- The fight against inflation continues to weigh on stocks. A shallow recession in the US may be in the cards for 2023
- Global growth is challenging, but some bright spots are appearing, and elsewhere strong medicine is being administered
- Valuations are improved, and we expect earnings growth to remain the driver of appreciation

Market Review & Outlook

Equity markets rallied in the fourth quarter of 2022, even though December was a soft month. The Federal Reserve Bank has started to slow their interest rate increases, but we have no illusions that they will stop increasing in the near term. The small but important change to the pace of tightening is consistent with inflation beginning to slow, and with a softening labor market as well. American consumers are starting to restrain their spending, and more and more companies are either slowing hiring or laying off workers. Once more, good news is bad news and apparently bad news is good news. While the US yield curve points to a recession, perhaps the Fed can use recovering service industries and strengthening domestic capacity investments to engineer a soft landing and avoid a contraction.

Outside the US, the ongoing global tightening cycle will dampen economic growth during 2023. Inflation may decelerate slowly, causing central banks to remain restrictive for longer, despite the economic slowdown. Advanced economies, led by Europe and the UK, are more likely to contract, driven by the lagged impact of rapid rate hikes, higher energy costs, and tighter financial conditions. The Bank of Japan's easy monetary policy in support of small and medium-sized businesses will likely result in positive real GDP growth in 2023. China's economy will gradually recover after Beijing's pivot on its zero-COVID strategy. China's citizens are likely to remain cautious during the winter months but will eventually resume a more normal life, as the rest of the world already has. China's recovery will in turn provide some support for global growth.

After a draw down in market values over the last year in the face of a deteriorating economic backdrop, we expect economic conditions to normalize in the US this year. Avoiding a US recession will be difficult, but still quite possible. Any recession is likely to be shallow in the absence of further shocks. The Federal Reserve has made clear their resolve to stop inflation in its tracks, so we do not expect support for growth from monetary policy, and a divided government makes fiscal support unlikely. Since stock valuations have contracted and profit forecasts are decreasing at slower rates, we are looking for a bottom in the markets. We are back at a point where appreciation can be driven by growth, which, as you know, is expected from all our holdings.

We remain confident in the fundamentals of our portfolio holdings over the coming three- to five-year time frame. The near-term may prove challenging from an earnings perspective for many companies, but the portfolio has a strong risk-reward balance, and we are continually researching new opportunities.

Portfolio Commentary

In the fourth quarter the Large Cap Equity composite delivered a return of 7.0% net of fees, compared to 7.6% for the S&P 500. Aerospace holdings contributed to returns, and were led by Howmet, a manufacture of critical components for commercial aircraft, including engine parts, structures, and fasteners. Air travel continues to climb back and so does demand for aircraft. Vertiv, a supplier of data center infrastructure, also enjoyed a strong performance as they recapture business lost to supply chain disruptions over the last few years. Mastercard rounded out the top three. Travel, and particularly international travel, is accelerating and electronic payments companies like Mastercard should see healthy growth as a result.

Drags on performance included Wolfspeed, Albemarle, and Edwards LifeSciences. Wolfspeed fell sharply in October after announcing plans to expand capacity for its silicon carbide products. While this bodes well for the long-term growth of the company, it will affect profit margins in the near term and will require additional capital. Albemarle has sold off in sympathy with electric vehicle stocks after a strong run of performance in the 3rd quarter. They maintain their leadership in supplying battery grade lithium to fuel the world's growing demand for EVs. Finally, Edwards Lifesciences, one of our best long-term performers, had a hiccup after revealing that heart valve procedures, and therefore demand for their replacement valves, remained sluggish due to staffing shortages in hospitals.

Portfolio turnover was relatively high in the quarter. We took advantage of the drawdown in the market to initiate positions in Illumina, PayPal, Technip FMC, and Raytheon Technologies. Illumina is the vendor of choice for research scientists, pharmaceutical manufacturers and any other field looking to extract high quality, consistent genetic information from any number of samples. Their new product series continues to drive down the cost of genetic sequencing and will help create cures for more and more diseases. PayPal continues to help merchants provide a seamless and convenient experience for their online customers and continues to invest in newer areas of e-commerce such as digital wallets. Technip FMC applies technology to help energy producers not only extract oil and gas from their reserves more efficiently but also to help build out the infrastructure necessary for the next wave of carbon free energy sources. Finally, we expect Raytheon's growth to be driven by commercial aviation recovery and growing global demand for advanced armaments. We exited our position in Puma due to slowing growth expectations.

Quarterly Attribution* & Portfolio Activity

Sector Attribution	Average Weight		Total Return		Total Effect
	Rep. Portfolio	S&P 500	Rep. Portfolio	S&P 500	
Cons. Discretionary	3.5	10.6	26.4	-10.2	
Industrials	12.5	8.4	23.3	19.2	
Comm. Services	6.2	7.5	2.8	-1.4	
Real Estate	0.0	2.6	0.0	3.6	
Financials	10.1	13.2	16.8	14.5	
Utilities	0.0	3.0	0.0	8.2	
Consumer Staples	0.0	7.0	0.0	12.7	
Energy	0.2	5.2	-0.7	23.1	
Info. Technology	25.5	24.2	0.5	3.7	
Materials	10.5	2.6	1.1	15.2	
Health Care	28.6	15.3	6.4	12.8	
Cash	2.9	0.3	1.0	1.0	

-2.0% 0.0% 2.0% 4.0%

Contributors & Detractors

Fourth Quarter	Average Weight (%)	Total Effect (%)	Last Twelve Months	Average Weight (%)	Total Effect (%)
Largest Contributors			Largest Contributors		
Howmet Aerospace, Inc.	3.95	0.72	Vertex Pharmaceuticals Inc.	4.13	1.36
Vertiv Holdings Co.	1.72	0.45	Howmet Aerospace, Inc.	3.59	1.14
Mastercard Inc.	3.95	0.43	FMC Corp.	3.35	0.77
Largest Detractors			Largest Detractors		
Wolfspeed, Inc.	2.34	-1.19	Stanley Black & Decker Inc.	1.67	-0.93
Albemarle Corp.	3.41	-0.90	Edwards Lifesciences Corp.	3.14	-0.83
Edwards Lifesciences Corp.	2.66	-0.49	NVIDIA Corp.	2.99	-0.73

Quarterly Initiations

PayPal Holdings, Inc.	Illumina, Inc.	TechnipFMC plc	Raytheon Technologies Corp.
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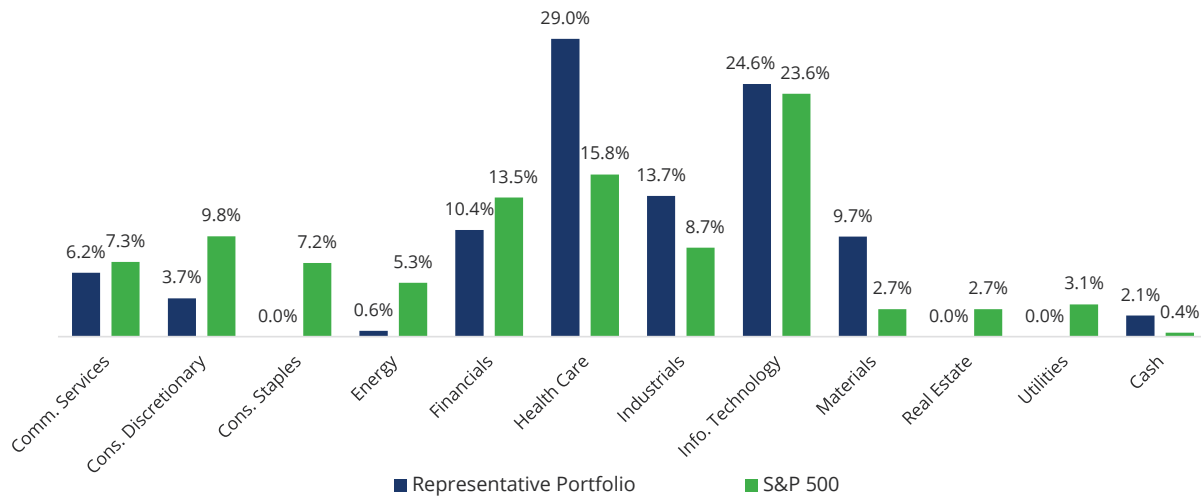
Quarterly Liquidations

Puma SE

Data for the quarter ending December 31, 2022. 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 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.

Exposures & Characteristics*

Exposure by Sector



Portfolio Characteristics	Representative Portfolio		S&P 500	
	4Q 2022	5 Year Average	4Q 2022	5 Year Average
Capitalization				
Weighted Average Market Cap (\$B)	305.9	275.2	418.0	387.6
Median Market Cap (\$B)	49.7	56.7	29.6	25.9
Growth Fundamentals				
EPS Growth: 3 to 5 Year Forecast (%) ¹	12.0	14.1	10.8	11.8
Revenue Growth: 3 to 5 Year Forecast (%) ¹	8.5	9.4	6.4	7.4
Value Fundamentals				
P/E Ratio: 12 Months - Forward ¹	20.3	23.8	20.3	21.9
P/E Ratio: 12 Months - Trailing ¹	23.0	27.6	20.9	24.1
PEG Ratio: 12 Months - Forward ¹	1.8	1.8	2.0	2.1
Quality Fundamentals				
Return on Equity: 5 Year (%) ¹	40.0	20.7	45.4	22.2
Return on Invested Capital: 5 Year (%) ¹	22.4	14.5	23.7	14.8
Long-Term Debt / Equity (%)	84.5	68.8	98.0	88.4
Other				
Number of Positions	54	51	501	505
Beta: 3 year portfolio ²	1.0	0.9	1.0	1.0
Turnover: 12 Months - Trailing (%) ³	9.7	11.8	--	--

¹Interquartile weighted mean, ²MPT beta (daily), ³Based on aggregate purchases and sales over prior 12 months. Data as of December 31, 2022. **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. 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. 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
Communication Services			
Alphabet Inc.	United States	3.5	Interactive Media & Services
Comcast Corp.	United States	2.0	Media
Deutsche Telekom AG	Germany	0.7	Diversified Telecommunication Services
Consumer Discretionary			
Aptiv plc	Ireland	0.6	Auto Components
JD.com, Inc.	China	0.3	Internet & Direct Marketing Retail
LVMH	France	0.8	Textiles, Apparel & Luxury Goods
Meituan	China	0.6	Internet & Direct Marketing Retail
Melco Resorts & Entertainment Ltd.	Hong Kong	0.5	Hotels, Restaurants & Leisure
Prosus NV	Netherlands	1.0	Internet & Direct Marketing Retail
Energy			
TechnipFMC plc	United Kingdom	0.6	Energy Equipment & Services
Financials			
AIA Group Ltd.	Hong Kong	0.9	Insurance
ICICI Bank Ltd.	India	0.6	Banks
Marsh & McLennan Cos. Inc.	United States	4.7	Insurance
Mastercard Inc.	United States	4.2	Consumer Finance
Health Care			
Alkermes plc	Ireland	0.4	Biotechnology
AstraZeneca plc	United Kingdom	1.1	Pharmaceuticals
Becton, Dickinson & Co.	United States	2.9	Health Care Equipment & Supplies
Dentsply Sirona, Inc.	United States	1.6	Health Care Equipment & Supplies
Edwards Lifesciences Corp.	United States	2.6	Health Care Equipment & Supplies
Genmab AS	Denmark	0.8	Biotechnology
Grifols, S.A.	Spain	0.3	Biotechnology
Illumina, Inc.	United States	1.9	Life Sciences Tools & Services
IQVIA Holdings Inc.	United States	3.7	Life Sciences Tools & Services
Johnson & Johnson	United States	3.1	Pharmaceuticals
Medtronic plc	United States	1.7	Health Care Equipment & Supplies
UnitedHealth Group Inc.	United States	4.2	Health Care Providers & Services
Vertex Pharmaceuticals Inc.	United States	4.4	Biotechnology
WuXi Biologics Inc.	China	0.6	Life Sciences Tools & Services
Industrials			
Airbus SE	France	0.7	Aerospace & Defense
Daifuku Co., Ltd.	Japan	0.4	Machinery
Howmet Aerospace, Inc.	United States	4.3	Aerospace & Defense
Leidos Holdings Inc.	United States	2.8	Professional Services
Nidec Corp.	Japan	0.4	Electrical Equipment
Prysmian S.p.A.	Italy	0.4	Electrical Equipment
Raytheon Technologies Corp.	United States	1.0	Aerospace & Defense
Safran S.A.	France	0.8	Aerospace & Defense
Stanley Black & Decker Inc.	United States	1.2	Machinery
Vertiv Holdings Co.	United States	1.8	Electrical Equipment
Information Technology			
Adobe Inc.	United States	2.8	Software
Advanced Energy Industries	United States	1.2	Electronic Equipment, Instruments & Components
Apple Inc.	United States	4.0	Technology Hardware, Storage & Peripherals
ASML Holding N.V.	Netherlands	0.7	Semiconductors & Semiconductor Equipment
Atlassian Corp.	United States	0.6	Software
Automatic Data Processing, Inc.	United States	3.8	IT Services
Microsoft Corp.	United States	4.0	Software
Nordic Semiconductor ASA	Norway	0.3	Semiconductors & Semiconductor Equipment
NVIDIA Corp.	United States	2.5	Semiconductors & Semiconductor Equipment
PayPal Holdings, Inc.	United States	0.9	IT Services
Taiwan Semiconductor Mfg. Co., Ltd.	Taiwan	0.6	Semiconductors & Semiconductor Equipment
Universal Display Corp.	United States	1.4	Semiconductors & Semiconductor Equipment
Wolfspeed, Inc.	United States	1.8	Semiconductors & Semiconductor Equipment
Materials			
Albemarle Corp.	United States	2.8	Chemicals
Corteva, Inc.	United States	3.0	Chemicals
FMC Corp.	United States	3.9	Chemicals
Cash & Equivalents			
Cash		2.1	

Green text indicates the security has been in the portfolio for greater than five years.

Data as of December 31, 2022. 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. Future investments may or may not be profitable.