
Hardman Johnston

Large Cap Equity

2025 Fourth Quarter Report





Performance



Performance is through December 31, 2025. 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

- Markets are strong, but not irrational
- The US economic backdrop is solid and improving
- AI remains an important driver, but we have not lost focus on other areas of the market

Market Review & Outlook

After a year of strong returns in global equity markets, driven primarily by the information technology industry and other artificial intelligence themes, we are increasingly hearing the word “bubble”. That’s good! Simply talking about whether an asset or entire class of assets is overpriced, having the debate, arguing both sides is a healthy way for markets to get back to equilibrium. We like to think that happens daily at Hardman Johnston, and suspect, and hope, that our competitors do as well. We do not feel that there is a bubble in most areas of the market, particularly in those where we participate. More likely, especially given the volatile policy environment, there are probably more opportunities than pricing bubbles. Markets often exhibit a “shoot first, ask questions later” behavior, which does not mean that someone is wrong, only that they have a different investment horizon. We, thanks to our clients, have the luxury of a long investment horizon, which allows a more measured approach.



Open and fair markets of all kinds always have tension. There are buyers and sellers, each trying to get the best price, but with divergent concepts of what that is. It is smart to expect both buyers and sellers to be well informed and educated about their goals. It is dangerous to assume that one has an advantage over the other and that an asset is somehow mispriced. Those opportunities arise rarely and are usually hard to identify. There are, however, differences in the investment horizon. A situation that appears risky in the short term might be less risky in the long term. We prefer those opportunities.

The portfolios have certainly benefited from the surge in AI spending thanks to investments we made years ago, but other areas of the economy and the companies that serve them have promise as well. The time may or may not be ripe to take advantage of them, but the long-term opportunity remains. As such, recent additions to the portfolio have been in areas like transportation technology or consumer products. Longer term we see a structural shortage in the US housing market but need to see more supportive underlying fundamentals to increase our exposure there. Healthcare and life sciences remain areas of focus thanks to innovation and demographic trends, but the tension there comes from a societal imperative to keep healthcare spending growth under control. This is likely an area where the application of AI can help to achieve both innovation and efficiency.

The economic outlook in most regions, but particularly in the United States, remains favorable. Yes, the political climate is volatile, but the policy supports for growth investment are strong. They are also broad based and will help consumers and businesses alike. As alluded to above, there is more work to be done in housing and healthcare, but we are generally optimistic about both the economy and prospects for of our holdings.

Portfolio Commentary

The Large Cap Equity composite had a fourth quarter return of 4.27% net of fees. The S&P 500 had a return of 2.66% for the same period. Significant contributors to performance in the quarter included **Albemarle Corp.**, **Illumina, Inc.**, and **Advanced Energy Industries, Inc.**.

Albemarle is benefiting from a surge in lithium prices thanks to near-term production disruptions at some competitors, an improving outlook for global EV penetration, and investment in batteries as energy storage platforms for alternative energy supplies.

Illumina, with almost 70% market share in gene sequencing, has weathered a storm of life science funding cuts and competitive entries. While the coast is not completely clear, they remain well positioned to benefit from any acceleration in both clinical and research spending in the life-sciences.

Advanced Energy is helping its customers meet an insatiable demand for reliable computing capacity with its power management products for the data center. Other segments are also generally performing well.



Significant detractors include **Uber Technologies Inc.**, **FMC Corp.**, and **Universal Display Corp.**

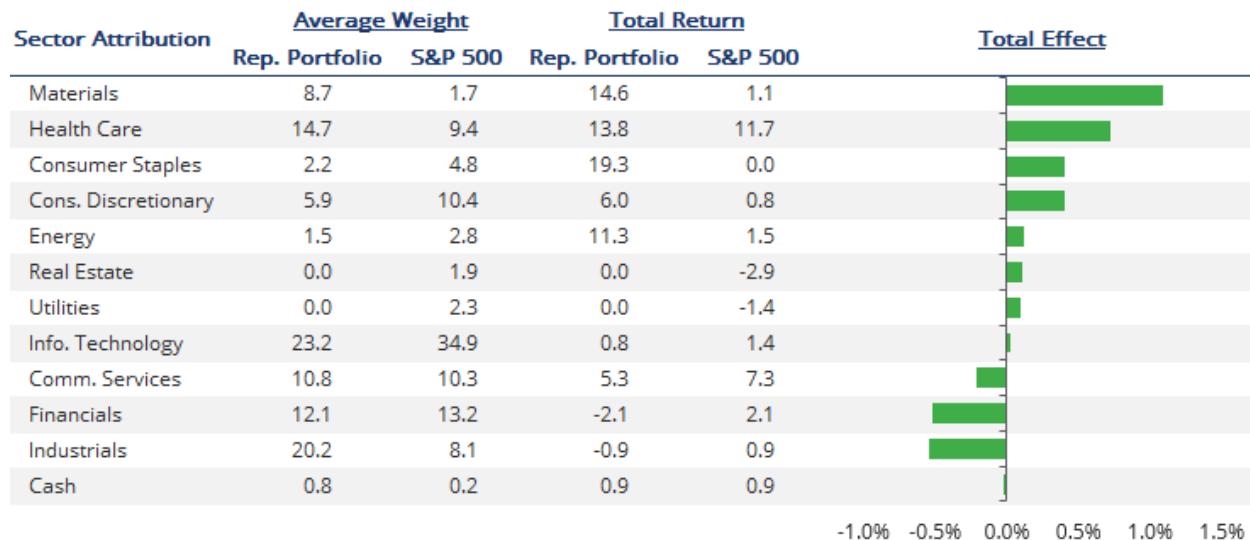
Uber must prove to the market that the self-driving taxi market is an opportunity and not a threat to their dominant ride-hailing platform. The stock is languishing while that debate goes on.

Given **FMC**'s aging product portfolio, a sloppy agriculture backdrop, and recent market turmoil we have exited this position. We remain constructive on the need for innovation in agriculture.

Universal Display has the right products for the right customers, but we are waiting for demand for its organic LED materials to pick up. Their strong market position for these products is assured by what we believe to be outstanding intellectual property.



Quarterly Attribution* & Portfolio Activity



Contributors & Detractors

Fourth Quarter	Average Weight	Total Effect (%)	Last Twelve Months	Average Weight	Total Effect (%)
Largest Contributors					
Albemarle Corp.	2.14	1.18	Howmet Aerospace, Inc.	4.61	2.56
Illumina, Inc.	2.08	0.61	Curtiss-Wright Corporation	4.31	1.51
Advanced Energy Industries	3.36	0.59	Advanced Energy Industries	2.53	1.35
Largest Detractors					
Uber Technologies, Inc.	2.74	-0.52	PayPal Holdings, Inc.	2.41	-1.41
FMC Corp.	0.37	-0.47	Marvell Technology, Inc.	1.80	-1.21
Universal Display Corp.	1.84	-0.44	FMC Corp.	0.86	-1.05

Quarterly Initiations

Broadcom Inc.	FMC Corporation
Cameco Corporation	ICICI Bank Limited
HDFC Bank Limited	Marvell Technology, Inc.

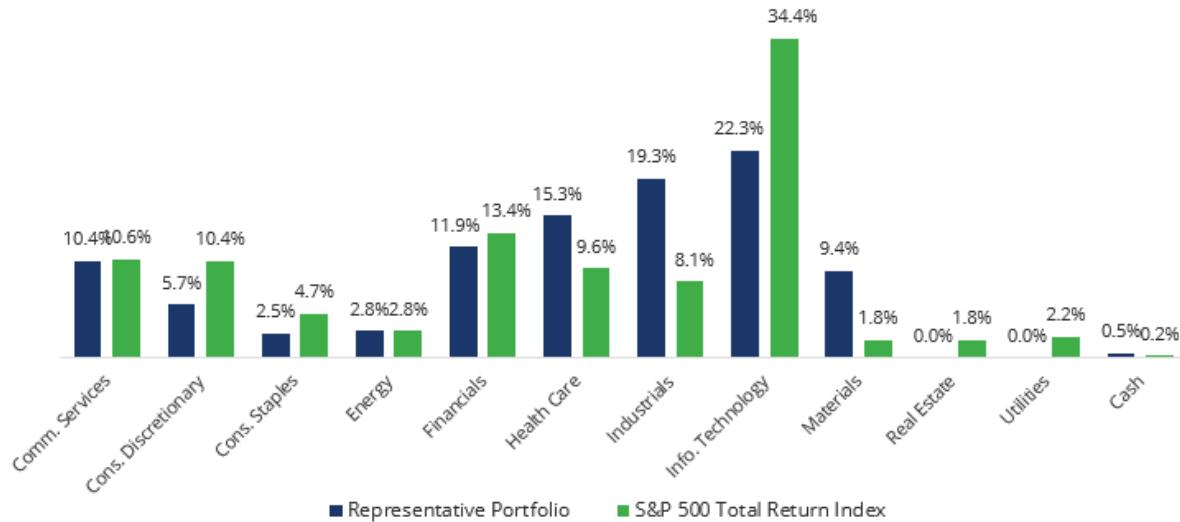
Quarterly Liquidations

Data for the quarter ending December 31, 2025. 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 Large Cap 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



	Representative Portfolio		S&P 500 Total Return Index	
	4Q 2025	5 Year Average	4Q 2025	5 Year Average
Capitalization				
Weighted Average Market Cap (\$B)	912.3	529.2	1434.4	782.6
Median Market Cap (\$B)	86.8	64.0	38.7	33.5
Growth Fundamentals				
EPS Growth: 3 to 5 year forecast (%) ¹	13.5	14.7	12.2	12.4
Revenue Growth: 3 to 5 year forecast (%) ¹	9.5	9.4	8.9	8.0
Value Fundamentals				
P/E Ratio: 12 Months - forward ¹	25.8	24.2	24.6	24.0
P/E Ratio: 12 Months - trailing ¹	30.1	28.3	28.9	27.1
PEG Ratio: forward ²	1.9	1.7	2.0	2.0
Dividend Yield (%) ³	0.8	0.9	1.1	1.4
Price/Book ⁴	5.0	4.9	5.1	4.3
Quality Fundamentals				
Return on Equity: 5 Year (%) - trailing ¹	20.6	20.6	28.9	25.0
Return on Invested Capital: 5 Year (%) - trailing ¹	13.5	15.4	15.8	16.3
Long-Term Debt / Equity (%) ¹	75.3	79.2	70.2	83.6
Other				
Number of Positions	40	50	503	504
Beta: 3 year portfolio ⁵	1.0	1.0	1.0	1.0
Tracking Error: 5 Year - trailing (%)	3.9	--	--	--
Turnover: 12 Months - trailing (%)	26.7	16.7	--	--

¹Interquartile weighted mean, ²PEG Ratio is calculated as "P/E Ratio: 12 Months - forward" divided by "EPS Growth: 3 to 5 year forecast", ³MPT beta (daily). ⁴Based on aggregate purchases and sales over prior 12 months. Data as of December 31, 2025. **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	4.4	Interactive Media & Services
Comcast Corp.	United States	1.4	Media
Meta Platforms Inc. Class A	United States	2.8	Interactive Media & Services
T-Mobile US, Inc.	United States	1.8	Wireless Telecommunication Services
Consumer Discretionary			
Amazon.com, Inc.	United States	2.8	Broadline Retail
SharkNinja, Inc.	United States	2.3	Household Durables
Suzuki Motor Corp.	Japan	0.6	Automobiles
Consumer Staples			
Estee Lauder Companies Inc.	United States	2.5	Personal Care Products
Energy			
Cameco Corporation	Canada	0.9	Oil, Gas & Consumable Fuels
SLB LTD	United States	1.9	Energy Equipment & Services
Financials			
Charles Schwab Corp	United States	3.5	Capital Markets
HDFC Bank Ltd.	India	0.4	Banks
Marsh & McLennan Cos. Inc.	United States	2.2	Insurance
Mastercard Inc.	United States	4.1	Financial Services
PayPal Holdings, Inc.	United States	1.8	Financial Services
Health Care			
AstraZeneca plc	United Kingdom	1.0	Pharmaceuticals
Becton, Dickinson & Co.	United States	1.3	Health Care Equipment & Supplies
Edwards Lifesciences Corp.	United States	2.9	Health Care Equipment & Supplies
Illumina, Inc.	United States	2.3	Life Sciences Tools & Services
IQVIA Holdings Inc.	United States	2.5	Life Sciences Tools & Services
Medtronic plc	United States	2.9	Health Care Equipment & Supplies
Vertex Pharmaceuticals Inc.	United States	2.5	Biotechnology
Industrials			
Automatic Data Processing, Inc.	United States	1.7	Professional Services
Curtiss-Wright Corporation	United States	4.2	Aerospace & Defense
Howmet Aerospace, Inc.	United States	4.7	Aerospace & Defense
Prysmian S.p.A.	Italy	0.9	Electrical Equipment
Stanley Black & Decker Inc.	United States	1.8	Machinery
Uber Technologies, Inc.	United States	2.4	Ground Transportation
Vertiv Holdings Co.	United States	3.6	Electrical Equipment
Information Technology			
Adobe Inc.	United States	1.5	Software
Advanced Energy Industries	United States	3.4	Electronic Equipment, Instruments & Components
Apple Inc.	United States	4.4	Technology Hardware, Storage & Peripherals
ASML Holding N.V.	Netherlands	0.9	Semiconductors & Semiconductor Equipment
Broadcom Inc.	United States	2.0	Semiconductors & Semiconductor Equipment
Microsoft Corp.	United States	4.1	Software
NVIDIA Corp.	United States	4.4	Semiconductors & Semiconductor Equipment
Universal Display Corp.	United States	1.6	Semiconductors & Semiconductor Equipment
Materials			
Albemarle Corp.	United States	3.0	Chemicals
Corteva, Inc.	United States	3.1	Chemicals
Hexcel Corporation	United States	3.2	Chemicals
Cash & Cash Equivalents		0.5	

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

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