

# Hardman Johnston Global Advisors LLC

## Part 2A of Form ADV

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This brochure provides information about the qualifications and business practices of Hardman Johnston Global Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (203) 324-4722. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Hardman Johnston Global Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Hardman Johnston Global Advisors LLC is registered with the SEC as an investment adviser. Registration does not imply a certain level of skill or training.

## **Item 2: Material Changes**

There have been no material changes since the last Amendment dated March 24, 2022.

## Item 3: Table of Contents

Item 2:	Material Changes	2
Item 3:	Table of Contents	3
Item 4:	Advisory Business	4
Item 5:	Fees and Compensation	7
Item 6:	Performance Based Fees and Side-by-Side Management	12
Item 7:	Types of Clients	12
Item 8:	Methods of Analysis, Investment Strategy and Risk of Loss	13
Item 9:	Disciplinary Information	20
Item 10:	Other Financial Industry Activities and Affiliations	20
Item 11:	Code of Ethics, Participation or Interest in Client Transactions And Personal Trading	21
Item 12:	Brokerage Practices	22
Item 13:	Review of Accounts	26
Item 14:	Client Referrals and Other Compensation	26
Item 15:	Custody	26
Item 16:	Investment Discretion	27
Item 17:	Voting Client Securities	28
Item 18:	Financial Information	28
Item 19:	Requirements for State Registered Advisers	29

## Item 4: Advisory Business

### *Overview*

Hardman Johnston Global Advisors LLC (“Hardman Johnston” or the “Firm”) is an independent, global equity boutique investing in high quality growth companies at value prices. We follow a clear investment philosophy and disciplined process that results in high conviction portfolios designed to deliver consistent, long term performance in excess of benchmarks. Our firm has been built around our approach. We are 100% employee owned, and Cassandra A. Harman is the principal owner. We are global in our coverage to maximize the opportunity set. We are disciplined in our stock selection, and we are focused on in-depth fundamental research. Our investment approach has been consistently applied for over three decades, and our clients have benefitted from the long-term results. As of December 31, 2022, the Firm managed \$6,993,595,384 on a discretionary basis for both tax exempt and taxable clients. Clients include pension plans, endowments, foundations, state governmental agencies, Taft-Hartley plans, families, and individuals. Hardman Johnston is a Connecticut Limited Liability Company that is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”).

### *Types of Advisory Services*

Hardman Johnston provides investment advisory services on a discretionary basis in accordance with the methods described in the *Methods of Analysis, Investment Strategies and Risk of Loss* section of this brochure.

Hardman Johnston provides discretionary investment advisory services to separately managed accounts, private funds, and a mutual fund (as sub-adviser) as described in the *Types of Clients* section of this brochure.

The Firm is general partner to four private funds (Hardman Johnston International Equity Fund I, L.P., Hardman Johnston International Equity Fund II, L.P., Hardman Johnston Emerging Markets Equity Fund, L.P., and the Hardman Johnston Capital Partners Fund I, L.P.), and investment manager to two group trusts (Hardman Johnston International Equity Group Trust, and the Hardman Johnston Global Equity Group Trust) (collectively, the “Private Funds”). The Firm also is general partner to one internal private fund that is not currently offered to external clients (the “Proprietary Fund”). In addition, the firm is a sub-adviser to a mutual fund (Hardman Johnston International Growth Fund).

## *Investment Philosophy & Strategies*

The Firm follows the same investment philosophy for all strategies. Our investment philosophy is built on two key tenets:

- Earnings growth drives stock performance over time; and
- There are short term inefficiencies in the market that create attractive entry points.

Hardman Johnston offers discretionary investment advisory services to external clients across five different investment strategies: (1) International Equity; (2) Global Equity; (3) Emerging Markets Equity; (4) Select Equity; and (5) Large Cap Equity.

### *International Equity*

The Hardman Johnston International Equity utilizes a concentrated approach to investing in non-US equities. It operates under a clear definition of growth, while employing value discipline and quality criteria in our selection process. The result is a portfolio of 20 to 30 mid- to large-capitalization growth companies diversified by industry and country across developed and emerging markets.

The International Equity strategy is available in separately managed accounts, private funds for accredited investors (Hardman Johnston International Equity Fund I, L.P.), qualified purchasers (Hardman Johnston International Equity Fund II, L.P.), and for qualified participants (Hardman Johnston International Equity Group Trust), and a mutual fund (Hardman Johnston International Growth Fund).

For clients who require it, we offer this product in separately managed accounts that invest only in ADRs or equities of non-United States companies traded on United States exchanges.

### *Global Equity*

The Hardman Johnston Global Equity strategy utilizes a concentrated approach to investing in developed and emerging market equities. It operates under a clear definition of growth, while employing value discipline and quality criteria in our selection process. The result is a portfolio of 25 to 35 mid- to large-capitalization growth companies diversified by industry and country across developed and emerging markets.

The Global Equity strategy is offered in separately managed accounts and a private fund for qualified participants (Hardman Johnston Global Equity Group Trust).

### ***Emerging Markets Equity***

The Hardman Johnston Emerging Markets Equity strategy utilizes a concentrated approach to investing in equities primarily within the MSCI Emerging Markets Net Index. It operates under a clear definition of growth, while employing value discipline and quality criteria in our selection process. The result is a portfolio of 20 to 45 mid- to large-capitalization growth companies diversified by industry and country.

The Emerging Markets strategy is offered in separately managed accounts and a private fund for qualified purchasers (Hardman Johnston Emerging Markets Equity Fund, L.P.).

### ***Select Equity***

The Hardman Johnston Select Equity strategy utilizes a concentrated approach to investing in US based companies and select foreign domiciled companies via ADRs. We operate under a clear definition of growth, while employing value discipline and quality criteria in our selection process. The result is a portfolio of 30 to 35 mid- to large-capitalization growth companies diversified by industry.

The Select Equity strategy is available in separately managed accounts and in a private fund for accredited investors (Hardman Johnston Capital Partners Fund I, L.P.).

### ***Large Cap Equity***

The Hardman Johnston Large Cap Equity strategy invests in US based companies and select foreign domiciled companies via ADRs. It operates under a clear definition of growth, while employing value discipline and quality criteria in our selection process. The result is a portfolio of 45 to 55 mid- to large-capitalization growth companies diversified across within sectors.

The Firm does not have any wrap clients and does not participate in any wrap fee business.

## Item 5: Fees and Compensation

### *Separately Managed Account Fees*

For most of our separately managed accounts, Hardman Johnston charges fees quarterly in arrears based on the account value at the end of the prior quarter. For some separately managed accounts, Hardman Johnston charges fees quarterly in arrears based on a three-month average account value. Some clients authorize Hardman Johnston to deduct fees automatically from their custodial accounts, but clients may request that Hardman Johnston send quarterly invoices to be paid by check or bank wire. Hardman Johnston reserves the right to waive or negotiate fees for separately managed accounts or reduce its minimum account size requirement at its discretion.

If the client terminates the investment management agreement with Hardman Johnston in the middle of a billing period, we will invoice the client pro-rata based on termination date. If a client contributes or withdraws more than 10% of the account value during a quarter, Hardman Johnston will prorate the fees on the contribution or withdrawal. Contributions of less than 10% of client assets are not prorated and will be reflected in Hardman Johnston's fee calculation for the entire quarter. If a withdrawal is less than 10%, the value of the account is based on the ending value after the withdrawal.

Hardman Johnston's standard fee schedules for separately managed accounts are as follows:

#### *International Equity*

Market value of assets	Annual rate
First \$10 Million	0.85%
Next \$15 Million	0.75%
Next \$25 Million	0.65%
Above \$50 million	0.60%

#### *Global Equity*

Market value of assets	Annual rate
First \$10 Million	0.85%
Next \$15 Million	0.75%
Next \$25 Million	0.65%
Above \$50 million	0.60%

### ***Emerging Markets Equity***

Market value of assets	Annual rate
First \$10 Million	0.85%
Next \$15 Million	0.75%
Next \$25 Million	0.65%
Above \$50 million	0.60%

### ***Large Cap Equity, Institutional Accounts***

Market value of assets	Annual rate
First \$10 Million	0.75%
Next \$15 Million	0.65%
Above \$25 Million	0.50%

### ***Large Cap Equity, High Net Worth Accounts***

- 1% per annum

### ***Select Equity, Institutional Accounts***

Market value of assets	Annual rate
First \$10 Million	0.80%
Next \$15 Million	0.75%
Above \$25 Million	0.55%

### ***Select Equity, High Net Worth Accounts***

- 1% per annum

### ***Private Fund Fees***

Hardman Johnston International Equity Fund I, L.P., Hardman Johnston International Equity Fund II, L.P., Hardman Johnston International Equity Group Trust, and the Hardman Johnston Global Equity Group Trust bill in arrears based on the average of the starting and ending market values on a quarterly basis. Hardman Johnston Capital Partners Fund I, L.P. and the Hardman Johnston Emerging Markets Fund, L.P. bill in arrears based on the ending quarterly market value. Hardman Johnston has waived fees for its employees and their immediate family members invested in our private funds. The Proprietary Fund is not offered to external clients and bear no fees. Hardman Johnston reserves the right to waive



or negotiate fees for the Private Funds or reduce its minimum account size requirement at its discretion.

Hardman Johnston's standard fee schedules for the Private Funds are as follows:

***International Equity, Hardman Johnston International Equity Fund I, L.P.***

- 1% per annum

***International Equity, Hardman Johnston International Equity Fund II, L.P.***

- 1% per annum

***International Equity, Hardman Johnston International Equity Group Trust***

Market value of assets	Annual rate
First \$10 Million	0.90%
Next \$15 Million	0.80%
Next \$25 Million	0.70%
Above \$50 million	0.65%

***Global Equity, Hardman Johnston Global Equity Group Trust***

Market value of assets	Annual rate
First \$10 Million	0.90%
Next \$15 Million	0.80%
Next \$25 Million	0.70%
Above \$50 million	0.65%

***Emerging Markets Equity, Hardman Johnston Emerging Markets Equity Fund, L.P.***

Market value of assets	Annual rate
First \$10 Million	0.85%
Next \$15 Million	0.75%
Next \$25 Million	0.65%
Above \$50 million	0.60%

***Select Equity, Hardman Johnston Capital Partners I, L.P.***

Market value of assets	Annual rate
First \$1 Million	1.25%
Above \$1 million	1.00%

### ***Mutual Fund Fees***

Hardman Johnston serves as a sub-adviser to the Hardman Johnston International Growth Fund. For information concerning the advisory fees charged for that fund, refer to its Prospectus and Statement of Additional Information, both of which can be found at [www.hardmanjohnstonfunds.com](http://www.hardmanjohnstonfunds.com).

### ***Brokerage and Other Costs***

All portfolios incur brokerage and other transaction costs. Please refer to the *Brokerage Practices* section of this brochure for more information. For separately managed accounts, clients engage and pay for the services of the custodian directly. For its Private Funds and Proprietary Fund, Hardman Johnston absorbs the custodial costs and trust fees.

Neither Hardman Johnston nor any of its supervised persons accepts compensation for the sale of securities.

#### ***Hardman Johnston International Equity Fund I, L.P.***

As the general partner of the fund, Hardman Johnston bears ongoing expenses of the fund's offering and operation, such as administration, accounting, auditing, legal, blue sky and regulatory filing fees. The fund bears its own portfolio trading expenses, such as brokerage commissions, and taxes imposed on the fund or its income.

#### ***Hardman Johnston International Equity Fund II, L.P.***

As the general partner of the fund, Hardman Johnston bears ongoing expenses of the fund's offering and operation, such as administration, accounting, auditing, legal, blue sky, and regulatory filing fees. The fund bears its own portfolio trading expenses, such as brokerage commissions, and taxes imposed on the fund or its income.

#### ***Hardman Johnston International Equity Group Trust***

Fund documents provide for the fund to bear all reasonable expenses incurred by Hardman Johnston and the fund's trustee in connection with the performance of their duties under the fund's trust agreement (including fees for legal and auditing services rendered to the fund), the expense of brokerage fees and commission paid in connection with the purchase and sale of the fund's assets, extraordinary expenses (including litigation expenses), and all taxes levied or assessed in respect

of the fund or its income. As the investment manager, Hardman Johnston has covered the fees for auditing services to date.

***Hardman Johnston Global Equity Group Trust***

Fund documents provide for the fund to bear all reasonable expenses incurred by Hardman Johnston and the fund's trustee in connection with the performance of their duties under the fund's trust agreement (including fees for legal and auditing services rendered to the fund), the expense of brokerage fees and commission paid in connection with the purchase and sale of the fund's assets, extraordinary expenses (including litigation expenses), and all taxes levied or assessed in respect of the fund or its income. As the investment manager, Hardman Johnston has covered the fees for auditing services to date.

***Hardman Johnston Emerging Markets Equity Fund, L.P.***

As the general partner of the fund, Hardman Johnston bears the portion of the Partnership's Covered Expenses for each calendar quarter that is in excess of 0.05% of the Average Net Worth for such quarter (or partial quarter) (the "Expense Cap"). For purposes of the foregoing: (i) "Covered Expenses" means the Partnership's Operating Expenses, but excluding taxes imposed on the Partnership (as determined by the General Partner), expenses incurred in connection with the winding-up and liquidation of the Partnership and all extraordinary expenses (such as the cost of litigation or indemnification payments, if any). For the avoidance of doubt, "Covered Expenses" shall not include the Class A Management Fees. (ii) "Average Net Worth," in respect of any quarter (or partial quarter) means (x) the sum of the Partnership's Net Worth as of the beginning of each month during such quarter (or partial quarter), divided by (y) 3 (or, in the case of a partial quarter, the number of months during such partial quarter). The fund bears its own portfolio trading expenses, such as brokerage commissions, and taxes imposed on the fund or its income.

***Hardman Johnston Capital Partners Fund I, L.P.***

As the general partner of the fund, Hardman Johnston bears all expenses related to the administration of the fund (the "Administrative Expenses" including the legal, blue sky, and regulatory filing) except for compensation to professionals for performing auditing services for the fund. The fund bears its own taxes and such other expenses that Hardman Johnston as the general partner reasonably determines should not properly be considered Administrative Expenses of the fund.

### *Hardman Johnston International Growth Fund*

For information about the costs and expenses associated with the Hardman Johnston International Growth Fund, please refer to the Fund's Prospectus and Statement of Additional Information, both which can be found at [www.hardmanjohnstonfunds.com](http://www.hardmanjohnstonfunds.com).

## **Item 6: Performance Based Fees and Side by Side Management**

Hardman Johnston does not charge any performance-based fees (i.e., fees based on a share of capital gains on, or capital appreciation of, the assets of a client).

## **Item 7: Types of Clients**

As described in *Types of Advisory Services* section of this Brochure, Hardman Johnston provides discretionary advisory services to a variety of clients, including institutions, such as pension and profit-sharing plans, foundations, endowments, and high net worth individuals and their associated trusts, estates, and other legal entities.

### *Account Minimums*

Separately managed account clients have a stated minimum account size which varies by strategy, ranging from \$2,000,000 to \$10,000,000. Each of our private funds that are limited partnerships have a minimum subscription amount: Hardman Johnston International Equity Fund I, L.P. (\$250,000); Hardman Johnston International Equity Fund II, L.P. (\$1,000,000); Hardman Johnston Emerging Markets Equity Fund, L.P. (\$5,000,000); and the Hardman Johnston Capital Partners Fund I, L.P. (\$200,000). The minimum initial investment amount for each group trust is \$5,000,000. Hardman Johnston has the discretion to waive or reduce its minimum account requirements for both its separately managed accounts and its Private Funds. For information about the stated minimum initial investment for the Hardman Johnston International Growth Fund, please refer to the fund's Prospectus, which can be found at [www.hardmanjohnstonfunds.com](http://www.hardmanjohnstonfunds.com).

## Item 8: Methods of Analysis, Investment Strategy and Risk of Loss

### *Investment Philosophy and Investment Process*

Hardman Johnston employs a disciplined, bottom-up approach, based on fundamental research. We operate as growth investors when researching companies, but value investors when buying them. Our investment process is comprised of four steps. The first step is idea generation where we efficiently narrow and rank the investment universe. The second step is fundamental research where we perform detailed analysis on potential portfolio candidates. The third step is portfolio construction where we assemble a concentrated portfolio of best ideas subject to exposure constraints for risk control. The fourth step is portfolio management which includes the ongoing evaluation of portfolio holdings, position sizing and implementation of our sell discipline.

### *Idea Generation*

The idea generation step is designed to limit research to a very small group of new ideas that appear to have the growth, quality and value hurdles we demand. We begin with our proprietary screen and ranking system that distills the global/international equity universe into a pool of potential new investment ideas with sufficient liquidity. The screen is run monthly and eliminates companies with less than 10% earnings growth over the next 3 to 5 years and rank orders the remaining companies in quartiles based on a metric that incorporates medium-term valuation in the context of long-term growth potential. We focus research on new constituents in the first quartile.

In addition, ideas can be generated as a result of our fundamental research process, where we continually follow industry trends and leading companies. This gives us the ability to have greater insight, and in some cases an out-of-consensus view. In instances where ideas are sourced outside of the screen, the company is still required to rank in the first quartile of our estimates.

The result of this process is 8 to 15 stocks considered for in-depth fundamental research.

### *Fundamental Research*

The surviving stocks are allocated to the relevant research analyst based on sector expertise, and are then subjected to in-depth fundamental research focused on the following criteria:

- Sustainable Growth
  - Minimum of 10% EPS growth per annum over the next 3 to 5 years

- High barriers to entry and market leadership
  - Innovation/R&D
  - Sensible business plan
  - Secular tailwinds
- Quality
  - Strong management
  - Balance sheet strength
  - Brand loyalty across products and services
  - Strong and/or improving ESG factors
- Attractive Valuation
  - Relative to growth
  - Considering all relevant metrics: P/E, PEG, P/CF, EV/EBITDA and DCF

We utilize a number of sources when conducting research, including public filings, management meetings, researching competitors, customers and suppliers, industry journals and conferences, government data and information from regulatory agencies, sell-side research, and internal earnings models. We prioritize management meetings when we have unanswered questions about products, the competitive environment, a company's business plan or financials. Throughout the research process, team members play devil's advocate for one another, pointing out potential flaws or weak points in the ongoing analysis. This allows our analysts to benefit from the collective knowledge and experience of the group and allows the team to build deeper conviction in the investment case.

### ***Portfolio Construction***

The lead portfolio manager is responsible for the final determination on any new recommendations. If selected, the company enters a concentrated portfolio with a typical holding period of 3 to 5 years. Portfolio construction applies diversification constraints to manage concentration risk within industries, countries, and single securities. Positions typically are equal weighted at a full position and a maximum position size. There is flexibility for partial positions which are used most commonly as we scale into new investments.

### ***Portfolio Management***

The final step of our investment process is portfolio management. Holdings are regularly monitored to ensure the investment thesis remains intact, growth prospects are on track and valuation continues to be reasonable. We have a sell discipline whereby stocks will typically be sold under one of the following conditions:

- Earnings growth falls below 10%
- The stock falls to the fourth quartile of our screen and ranking system, indicating overvaluation, or

- Company fundamentals deteriorate or thesis is invalidated

Additionally, companies may be trimmed or topped up throughout their holding period. While we let our winners run, holdings are regularly trimmed back to a full position following periods of market appreciation to lock in gains and mitigate individual security risk. Similarly, if a stock weight falls because of price declines or portfolio activity, and the investment conviction has not changed, positions typically are topped up.

### ***Risk of Loss***

Hardman Johnston's investments could involve the risk of total loss of an investor's capital. The following risk factors describe some of the material risks associated with Hardman Johnston's strategies, but such risk factors are by no means comprehensive, and do not address all of the potential risks. The offering documents for the Private Funds and the Proprietary Fund, as well as the Prospectus and Statement of Additional Information for the Hardman Johnston International Growth Fund, include a more detailed summary of the material risks relating to structure, conflicts, and other matters, in addition to more detailed risks relating to investment strategies applicable to such funds, and should be read in conjunction with the risk factors identified below.

***Management Risk:*** There can be no assurance that Hardman Johnston's portfolios will achieve their respective investment objectives. Their successes are dependent on the expertise of Hardman Johnston. Hardman Johnston's past performance cannot be considered an indication of the future result of its portfolios.

***No Assurance of Investment Returns:*** Hardman Johnston cannot give investors assurance that its investments will generate returns or that returns will be commensurate with the risks of investing in the type of investments or assets that fall within such investors' individual investment objectives.

***General Economic Conditions:*** Various sectors of the global financial markets previously have experienced and could in the future experience adverse conditions. The financial services industry generally, and Hardman Johnston's investment activities in particular, are affected by general economic and market conditions, such as economic uncertainty, changes in tax, currency control and other applicable laws and regulations, and national and international political, environmental and socioeconomic circumstances. Market disruptions in a single country could cause a worsening of conditions on a regional and even global level. A worsening of general economic and

market conditions would likely affect the level and volatility of securities prices and the liquidity of Hardman Johnston's investments, which could impair profitability, result in losses and impact its investors' investment returns. A depression, recession or slowdown in the global economy or one or more regional markets (or any particular segment thereof) would have an impact on Hardman Johnston, its investors and portfolios and could adversely affect its ability to execute its business plans and make and realize investments successfully.

While Hardman Johnston expects that the current environment will yield attractive investment opportunities for its investors, it also expects that its portfolios will be sensitive to the performance of the overall economy. General fluctuations in the market prices of securities and interest rates could affect the value of investments or increase the risks associated with such investments. There can be no assurances that conditions in the global financial markets will not change to the detriment of Hardman Johnston's investments and investment strategies. Negative impacts on economic fundamentals and consumer and business confidence would likely further increase market volatility and reduce liquidity, both of which could adversely affect the overall performance of the portfolios and Hardman Johnston's ability to execute its investment strategies.

***Risk of Natural Disasters, Epidemics and Terrorist Attacks.*** Countries and regions in which Hardman Johnston's portfolios invest are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious contagious disease. The occurrence of a natural disaster or epidemic could adversely affect and severely depress consumer demand, reduce economic output and disrupt travel, business operations and financial markets in many countries (even beyond the site of the natural disaster or epidemic), all of which could adversely affect Hardman Johnston's portfolios, investment program and ability to do business. Other factors that could negatively affect Hardman Johnston's business, includes travel-related health events, such as the 2019 novel coronavirus ("COVID-19"), Ebola, H1N1, MERS-CoV SARs, avian flu, or similar outbreaks, which could have global impacts. The world-wide outbreak of COVID-19 adversely impacted global commercial activity and contributed to significant volatility in financial markets; such outbreak may occur again in the future.



In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially, and adversely affect certain industries, countries and regions in which Hardman Johnston's portfolios invest. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) and political turmoil could also have a material adverse impact on the financial condition of industries or countries in which Hardman Johnston's portfolios invest.

***Equity Investments:*** Hardman Johnston's portfolios make primarily equity investments, which involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Equity prices are directly affected by issuer specific events, as well as general market conditions. Equity investments are subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. In addition, in many countries, investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

***Large Capitalization Risk:*** Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies. If valuations of large capitalization companies appear to be greatly out of proportion to the valuations of medium or small capitalization companies, investors may migrate to the stocks of such medium and small sized companies.

***Medium and Small Capitalization Risk:*** Investing in medium and small capitalization companies may involve special risks because those companies may have narrower product lines, more limited financial resources, fewer experienced managers, dependence on a few key employees and a more limited trading market for their stocks, as compared with larger companies. In addition, securities of these companies are subject to the risk that, during certain periods, the liquidity of particular issuers or industries will shrink or disappear with little forewarning as a result of adverse economic or market conditions, or adverse investor perceptions, whether or not accurate. Securities of medium and smaller capitalization issuers may therefore be subject to greater price volatility and may decline more significantly in market downturns than securities of larger companies. Smaller and medium capitalization issuers may also require substantial additional capital to support their operations, to finance expansion

or to maintain their competitive position, and may have substantial borrowings or may otherwise have a weak financial condition and may be susceptible to bankruptcy. Transaction costs for these investments are often higher than those of larger capitalization companies. There is typically less publicly available information about medium and small capitalization companies.

***Material Nonpublic Information:*** Although it is unlikely, Hardman Johnston's employees may come into possession of information concerning a company in which it has invested, or proposes to invest, that could be material and non-public and the risk of possession of such information may limit its ability to buy or sell securities of such company.

***Diversification:*** Since Hardman Johnston's portfolios are likely to be relatively concentrated, their value may fluctuate more significantly than would be the case if the portfolios maintained a wide diversification among companies, industries and types of securities.

***Foreign Securities:*** Foreign securities investment presents special considerations not typically associated with investments in domestic securities. Foreign taxes may reduce income. Currency exchange rates and regulations may cause fluctuations in the value of foreign securities. Income from foreign issuers may be subject to non-US withholding taxes. Portfolios may also be subject to taxes on trading profits or on transfer of securities in some countries. The costs of buying and selling foreign securities, including brokerage, tax and custody costs are generally higher than those for domestic transactions. Foreign securities are subject to different regulatory environments than in the United States, and compared to the United States, there may be a lack of uniform accounting, auditing and financial reporting standards, less volume and liquidity and more volatility, less public information and less regulation of foreign issuers. Countries have been known to expropriate or nationalize assets and foreign investments may be subject to political, financial or social instability or adverse diplomatic developments. There may be difficulties in obtaining service of process on foreign issuers and difficulties in enforcing judgments with respect to claims under the United States securities laws against such issuers. Favorable or unfavorable differences between United States and foreign economies could affect foreign securities values. These risks may be greater when the investments are made in emerging market securities. The United States government has, in the past, discouraged certain foreign investments by United States investors through taxation or other restrictions and it is possible that such restrictions could be imposed again.

***Currency:*** Portfolios may invest in securities or other instruments denominated in non-US currencies. Such investments involve various currency risks, including

unfavorable currency exchange rate developments and political or governmental intervention in currency trading or valuation. These risks are higher in emerging markets. Portfolios may, but are not required to, hedge currency risk in the portfolio and there can be no assurance that if the portfolio does hedge, that such hedging will be effective.

***Emerging Markets Investing.*** Portfolios may invest in the securities of, or instruments providing exposure to, less developed countries or countries with new or developing capital markets ("Emerging Markets"). Emerging Market securities involve unique risks, such as exposure to economies less diverse and mature than that of U.S. or more established foreign markets and significant price volatility. The economies of most emerging market countries are in the infancy stage of capital market development. As a result, their economic systems are still evolving, and their political systems are typically less stable than those in developed economies. Economic or political instability may cause larger price changes in Emerging Market securities than in securities of issuers based in more developed foreign countries.

***Forward Foreign Currency Exchange Contracts.*** Forward foreign currency exchange contracts are considered derivative investments because their value and performance depend, at least in part, on the value and performance of an underlying asset. To the extent that a fund enters into these contracts, its success will depend on the manager's ability to predict market movements, and their use may have the opposite effect of that intended. Forward contracts are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Risks include potential loss due to the imposition of controls by a government on the exchange of foreign currencies, delivery failure or default by the other party.

***Cybersecurity Risk:*** Hardman Johnston, its portfolios, the Private Funds, the Proprietary Fund and the Hardman Johnston International Growth Fund are each subject to risks associated with a cybersecurity breach. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from hacking by other computer users, other unauthorized access, and the resulting damage and disruption of hardware and software systems, loss or corruption of data, as well as misappropriation of confidential information. Cyber incidents may cause disruptions and impact Hardman Johnston's business operations, potentially resulting in the following: financial losses, interference with the ability to calculate net asset value, impediments to trading, the inability of shareholders to transact business, violations

of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs or additional compliance costs.

Similar adverse consequences could result from cyber incidents affecting issuers of securities in which Hardman Johnston's portfolios invest, counterparties with which it transacts, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for shareholders) and other parties. Substantial costs may be incurred in order to prevent any cyber incidents in the future. In addition, Hardman Johnston cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect its portfolios or investors. As a result, Hardman Johnston's portfolios and investors could be negatively impacted.

Additional risks and considerations are set forth in the offering documents for the Private Funds and the Proprietary Fund and the Prospectus and Statement of Additional Information for the Hardman Johnston International Growth Fund.

## **Item 9: Disciplinary Information**

Neither Hardman Johnston nor any of its employees has been involved in any legal or disciplinary event that is material to a client's or prospective client's evaluation of Hardman Johnston's advisory business or the integrity of its management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### ***Other Financial Industry Activities***

Neither Hardman Johnston, nor any of Hardman Johnston's management persons are registered, or have applied to register, as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### ***Affiliations***

As described in the *Types of Advisory Services* section of this brochure, Hardman Johnston serves as general partner of four private funds (Hardman Johnston International Equity Fund I, L.P., Hardman Johnston International Equity Fund II, L.P., and Hardman Johnston Capital Partners Fund I, L.P.), and investment manager to two group trusts (Hardman Johnston International Equity Group Trust I, and Hardman Johnston Global Equity Fund).

Hardman Johnston also serves as general partner to one Proprietary Fund not offered to external clients. In addition, Hardman Johnston serves as sub-adviser to a mutual fund (the Hardman Johnston International Growth Fund).

None of Hardman Johnston's management persons have a relationship or arrangement with any person or entity that creates a material conflict of interest with its clients.

Hardman Johnston does not recommend or select other investment advisers for its clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

### ***Code of Ethics and Personal Account Trading***

Hardman Johnston has adopted a written *Code of Ethics* (the "Code") pursuant to Rule 204A-1 of the Advisers Act. Among other things, the Code requires Hardman Johnston and its employees to act in its clients' best interests, abide by all applicable regulations, avoid even the appearance of impropriety and pre-clear and report on personal securities transactions. The Code also imposes blackout periods and minimum holding periods. Hardman Johnston's restrictions on personal securities trading apply to trading in accounts owned by employees, as well as employees' family members living in the same household and whose trading activity is controlled by the employee ("Covered Accounts").

Hardman Johnston and its personnel may effect limited transactions in Covered Accounts in the same or different securities than those purchased or sold for the accounts of Hardman Johnston's clients. This presents a potential conflict of interest between Hardman Johnston and its clients. Hardman Johnston employees could take advantage of investment opportunities that are appropriate for the Firm's clients prior to taking the opportunity for its clients. Hardman Johnston has implemented policies and procedures under its Code to avoid these conflicts in the management of its clients' accounts.

No transaction in a security can be made in a Covered Account without prior approval. Approval will not be granted where it would appear that an employee's trading could disadvantage Hardman Johnston's clients. The Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

The Code also requires Hardman Johnston employees to comply with ethical restraints relating to clients and their accounts, including restrictions on giving gifts or political contributions to, and receiving gifts from, clients in violation of the Firm's general standards of conduct, as well as pre-clearance requirements relating to private investments, outside

interests and outside business activities.

A copy of Hardman Johnston's Code is available to any client or prospective client upon request.

## **Item 12: Brokerage Practices**

### ***Broker-Dealer Selection***

Hardman Johnston chooses a broker to execute each trade order from a list of approved brokers. The Firm has established general criteria to determine which brokers are qualified to provide brokerage services to its clients, and considers, among others, the following relevant factors:

- The commission rates charged by the broker in comparison to the charges of other brokers for similar transactions;
- Direct access to the broker's trading desk and the familiarity of the contact person with the adviser's business and interests;
- The extensiveness of the broker's distribution network and its ability to fulfill more difficult orders (e.g. thinly traded or limited availability securities);
- The ability of the broker to maintain confidentiality while executing trades to prevent the disclosure of an adviser's investment strategy or the details of an order in a way that will adversely affect the market price;
- The broker's execution abilities, including the level of accuracy in executing orders, speed of execution, and ability to obtain best net price;
- The broker's communications and administrative abilities, including efficiency of reporting, settlement efficiency, and proper correction of trade errors;
- The broker's research capabilities and ability to provide market information;
- The extent to which the broker provides the adviser with access to companies through trade shows, conferences or other contacts;
- The quality and flexibility of any custodial services provided by the broker; and

- The financial stability of the broker.

The importance of any particular criterion will depend on the nature of the transaction, the market in which it will occur, and the number of brokers that are capable of executing the transaction.

### ***Research and Other Soft Dollar Benefits***

Hardman Johnston uses commissions to obtain investment research only under the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934. Pursuant to Section 28(e), Hardman Johnston has entered into soft dollar arrangements with third parties and broker-dealers for eligible "brokerage" and "research" products and services (as defined under Section 28(e)) used by Hardman Johnston in connection with its investment process.

Examples of research services that can be acquired by Hardman Johnston with the commissions paid by its clients include, but may not be limited to: financial newsletters; trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution and certain proxy services.

Examples of brokerage services that can be acquired by the adviser with the commissions paid by the adviser's clients include, but may not be limited to: connectivity services between Hardman Johnston and a broker-dealer or other relevant parties such as custodians; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post-trade matching trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirmations or trade affirmations.

When Hardman Johnston uses client brokerage commissions to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or services. Hardman Johnston has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. Hardman Johnston may cause its clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits. As a fiduciary, Hardman Johnston has an obligation to seek "best execution" of clients' transactions under the circumstances of the particular transaction. Notwithstanding the safe harbor provided

under Section 28(e), no allocation for soft dollar payments shall be made unless best execution of the transaction is reasonably expected to be obtained.

The research obtained through soft dollar benefits is used to service all clients.

### ***Brokerage for Client Referrals***

Hardman Johnston does not compensate any custodian or broker-dealer for referring client accounts.

### ***Directed Brokerage***

Certain clients may direct us to use a specific broker-dealer through which we must execute securities transactions for their account(s) and have negotiated their own commission rates. Where a client has directed the use of a particular broker-dealer, the client should consider the following information: (i) we may have limited or no ability to negotiate commissions for the client; (ii) we are unable to negotiate volume discounts; (iii) disparity in commission charges may exist among clients; (iv) conflicts of interest may arise from such non-brokerage referrals; (v) such brokerage referral trades are usually executed after non-brokerage referral trades and (vi) such client may not be able to obtain any of the benefits of block trades that we may enter into for clients who have not directed us to use a particular broker-dealer.

Certain orders may be traded separately from a block order. For example, transactions that are executed through a particular broker-dealer pursuant to a client's direction because that client's custodian provides bundled brokerage services and may charge "trade away" fees, may not be combined or batched for execution with orders for the same securities for other managed accounts, except to the extent that such broker-dealer is the executing broker-dealer for the block order. Where the above exception is not applicable and an order is traded separately from a block order, trades that are to be effected through a particular broker-dealer pursuant to a client direction usually are placed after block trading activity for a particular security. Accordingly, such trades may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the block order. The direction by a client of a particular broker-dealer to execute trades may result in higher commissions, greater spreads, or less favorable net prices than might be the case if we were empowered to negotiate commission rates or spreads freely or to select brokers or dealers based on best execution.

### ***Trade Aggregation and Allocation***

Hardman Johnston typically aggregates contemporaneous buy or sell orders for the same security in all non-directed client accounts in an effort to obtain favorable order execution



and to facilitate equitable allocation. Clients participating in a block order receive the same average price and incur the same trading costs. If an order is partially filled, clients will have their orders allocated by a pro rata percent of the total shares. Hardman Johnston will seek to complete any unfilled client orders as soon as practicable based on market conditions.

Certain Hardman Johnston client accounts are custodied at broker-dealers that provide bundled brokerage services and may charge “trade away” fees or are unable to trade away from their broker-dealer custodian. For those clients, we may trade after a block order. Clients that are removed from a block trade participate in a fair and equitable trade rotation. The Firm tracks the trade rotation to ensure that each client is treated appropriately over time. No single account is repeatedly executed first or last.

### ***Trade Errors***

Hardman Johnston has policies and procedures to help it assess and determine, consistent with applicable standards of care and client documentation, when Hardman Johnston is required to reimburse a client because Hardman Johnston has committed an error. Pursuant to Hardman Johnston’s policies, an error is generally compensable by Hardman Johnston to a client when it is a mistake (whether an action or inaction) in which Hardman Johnston has, in its reasonable view, deviated from the applicable standard of care in managing the client’s assets.

As a fiduciary, Hardman Johnston has the responsibility to effect orders correctly, promptly and in the best interests of its clients. In the event any error occurs in the handling of any client transactions, due to Hardman Johnston’s actions, or inaction, Hardman Johnston’s policy is to: (1) notify the client of such error, (2) ensure that the client is treated fairly when correcting such errors, and (3) correct the error as soon as practicable and in such a manner that the client will be in the same position they would have been if the error had not occurred.

It is Hardman Johnston’s policy to reimburse your account for the cost of our acts that failed to meet the applicable standard of care and result in a direct financial loss to a client, unless that would violate the client’s investment guidelines or legal restrictions. We will not be responsible for costs or for reimbursing your account for any loss resulting from any act of a third party, unless the third party is explicitly acting as our agent in providing services to you. Third parties who are not acting as our agent include, but are not limited to, your custodian, brokers, banks and intermediaries that execute securities trades or transact foreign exchange for your account, and, for wrap fee accounts, the wrap program sponsor. We will not be responsible for tax consequences or consequential damages resulting from a trade error.

## **Item 13: Review of Accounts**

Accounts under Hardman Johnston's management are monitored regularly by the investment team. Reviews of client accounts may also be triggered if a client changes his or her investment objectives, or if the market, political or economic environment changes materially.

Hardman Johnston sends monthly or quarterly reports to client's invested in Separately Managed Accounts and Private Funds based on the client's direction. These reports provide holdings information including costs, market value and income. Many clients also receive reports providing gain and loss, transactions, income and expense and performance information.

## **Item 14: Client Referrals and Other Compensation**

Hardman Johnston has agreements with third-party marketing firms that provides referrals of (i) prospective investors and clients, each of whom is an accredited investor, and (ii) certain investment consultants to the Firm and its private funds. The Firm shares a portion of its management fees from referred investors and advisory fees from referred clients with the third-party marketing firms. These arrangements comply with the SEC marketing rule, Rule 206(4)-1 under the Advisers Act, adopted on December 22, 2020, pursuant to paid testimonials and endorsements are permitted as long as they satisfy applicable disclosure, adviser oversight, and disqualification provisions in the rule. The cost of any such paid testimonial or endorsement by a third-party marketing firm will be borne by the Firm and not by any client.

## **Item 15: Custody**

Hardman Johnston's client accounts are held in custody by unaffiliated qualified custodians. However, Hardman Johnston has the authority to deduct advisory fees from certain of its client's accounts. Clients should carefully review statements they receive from their custodian and are urged to compare these statements to account information provided to them by Hardman Johnston.

One or more of Hardman Johnston's employees may serve as trustee on a client's account in an individual capacity. These trusts are either familial trusts or those settled by close, personal friends. The employee is not asked to serve due to his/her position at Hardman Johnston and would continue to serve should the investment management responsibilities for the trust be moved from Hardman Johnston. The Chief Compliance Officer reviews each instance in which an employee of Hardman Johnston is asked to serve as trustee and confirms that it is a close personal or familial relationship. Hardman Johnston does not deem these trusteeships to trigger Rule 206(4)-2 under the Advisers Act.

Hardman Johnston is deemed to have custody of the assets of the four private funds and the one Proprietary Fund for which Hardman Johnston acts as the general partner and investment adviser. These funds are subject to an annual audit by an independent accounting firm registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board. Audited financial statements are prepared in accordance with generally accepted accounting principles. The audited financial statements are distributed to the limited partners of the private funds within 120 days after the end of each fund's fiscal year.

## **Item 16: Investment Discretion**

Hardman Johnston has investment discretion over all client accounts. When starting an investment management relationship with Hardman Johnston, clients are required to execute Hardman Johnston's advisory agreement, which includes a provision granting Hardman Johnston full investment discretion for clients' assets.

Clients can place reasonable restrictions on Hardman Johnston's management of their accounts. For example, some clients have asked Hardman Johnston not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis. Investors in the Private Funds, the Proprietary Fund, and the Hardman Johnston International Growth Fund are not able to place any restrictions on Hardman Johnston's management of the funds.

Limitations on discretion imposed by a client, such as socially conscious restrictions, are documented in the advisory agreement or an amendment thereto.

In order to ensure that Hardman Johnston is able to effectively exercise discretion over its clients' accounts and fulfill its fiduciary duty to those clients, Hardman Johnston will not accept transfers-in-kind of securities for accounts referred to it through a retail, or retail like, consultant. The cost incurred by Hardman Johnston to bring securities into its security master, solely for the purpose of selling those securities and replacing them with Hardman Johnston's holdings, can be considerable. Generally, this prohibition is not applied to institutional clients or direct relationship high net worth clients.

Institutional clients and those referred by consultants with an institutional client base may employ a transition manager to efficiently sell a client's holdings prior to the account being transferred to Hardman Johnston. The transition manager will request a list of anticipated holdings and not sell those should the client currently hold them. Those securities that are identical to those held in Hardman Johnston's composite will be accepted as transfers-in-kind.

High net worth clients that have a direct relationship with a member of Hardman Johnston are generally long-standing relationships and have very specific tax and investment needs. Hardman Johnston may accept transfers-in-kind from those high net worth clients who have long-term holdings and those with low tax bases in order to ensure a tax effective and efficient sell-down of the assets over time.

## Item 17: Voting Client Securities

### *Proxy Voting*

Hardman Johnston has and will accept authority to vote proxies on behalf of its clients. In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Hardman Johnston has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Hardman Johnston votes will be treated in accordance with these policies and procedures, unless otherwise directed by the client.

The Firm has engaged Glass, Lewis & Co. ("Glass Lewis") to assist the Firm with proxy voting. While we still vote every proxy we are in control of, we look at recommendations from Glass Lewis and evaluate whether or not we agree with their assessment. After making a decision, Hardman Johnston provides its voting instructions to Glass Lewis who will coordinate the vote of all shares through Hardman Johnston's clients' custodians.

Clients may obtain a copy of Hardman Johnston's proxy voting policies and procedures on the Firm's website which is located at [www.hardmanjohnston.com](http://www.hardmanjohnston.com). Clients may obtain specific information about how Hardman Johnston has voted proxies on their behalf upon written request.

### *Conflicts of Interest*

If a potential or actual conflict exists, Hardman Johnston will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the clients, including clients that are subject to ERISA. If Hardman Johnston determines that a material conflict exists and that voting in accordance with the voting guidelines and factors described above is not in the best interests of the clients, Hardman Johnston will make the appropriate disclosures to clients and either request that the clients vote the proxy(s) themselves or abstain from voting.

## Item 18: Financial Information

Hardman Johnston has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

## Item 19: Requirements for State Registered Advisers

Hardman Johnston is registered with the SEC and is not registered as an investment adviser with any state regulatory authority.