Chinese Equity

Quarterly Report | Year End 2024

HARDING LOEVNER

What's Inside

What Happened →
The MSCI China All Shares Index declined 6.9% in the quarter as persistent weakness in consumer spending and retail sales continued to dampen sentiment.

How We Did →
The Harding Loevner Chinese Equity composite fell 9.1% gross of fees in the fourth quarter, trailing the 6.9% fall of the MSCI China All Shares Index.

What's On Our Minds →
The portfolio's underperformance has been the result of a challenging market environment compounded by negative stock selection effects. Nevertheless, some high-quality Chinese firms still possess attributes conducive to long-term growth, including robust market positions, scalable operations, and the ability to capitalize on evolving industry dynamics. We remain focused on companies that possess these characteristics, confident that their share prices, over time, will reflect the quality of their businesses.

Portfolio Holdings →
Information about the companies held in the portfolio.

Portfolio Facts →
Contributors, detractors, characteristics, and completed transactions.

Get More Online

Insights →
View other reports.

Composite Performance

Total Return (%) — Periods Ended December 31, 2024

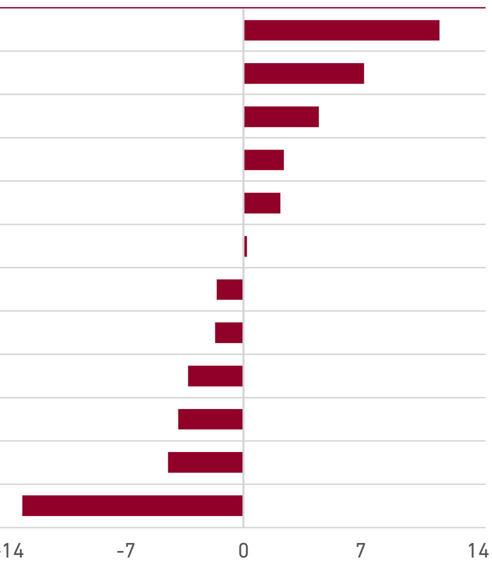
	3 Months	1 Year	3 Years	Since Inception
HL Chinese Equity (Gross)	-9.06	5.81	-13.67	-13.90
HL Chinese Equity (Net)	-9.27	4.88	-14.47	-14.71
MSCI China All Shares Index	-6.94	16.67	-7.49	-8.85

The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Chinese Equity composite inception date: December 31, 2020. MSCI China All Shares Index, the benchmark index, is shown gross of withholding taxes.

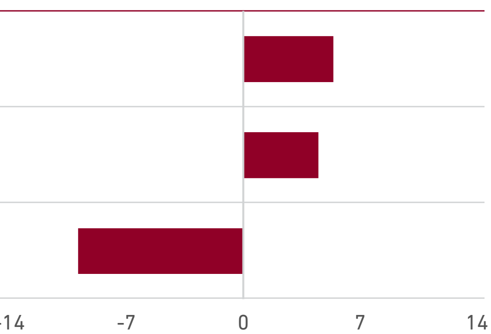
Past performance does not guarantee future results. Invested capital is at risk of loss. Please read the above performance in conjunction with the footnotes on the last page of this report. All performance and data shown are in US dollar terms, unless otherwise noted.

Portfolio Positioning (% Weight)

Sector	HL	Index	Under / Over
Industrials	20.7	9.0	
Cons Discretionary	28.5	21.3	
Cash	4.5	–	
Cons Staples	9.3	6.9	
Comm Services	16.0	13.8	
Health Care	4.7	4.5	
Real Estate	0.0	1.6	
Utilities	1.6	3.3	
Energy	0.0	3.3	
Materials	1.2	5.1	
Info Technology	6.3	10.8	
Financials	7.2	20.4	



Market	HL	Index	Under / Over
Other Emerging Markets	5.4	–	
Cash	4.5	–	
Mainland China + Hong Kong	90.1	100.0	



"HL": Chinese Equity model portfolio. "Index": MSCI China All Shares Index.

Sector and geographic allocations are supplemental information only and complement the fully compliant Chinese Equity composite GIPS Presentation. Source: Harding Loevner Chinese Equity model, FactSet, MSCI Inc. MSCI Inc. and S&P do not make any express or implied warranties or representations and shall have no liability whatsoever with respect to any GICS data contained herein.

What Happened

The MSCI China All Shares Index declined 6.9% in the quarter as persistent weakness in consumer spending and retail sales continued to dampen investor sentiment. Donald Trump's election in November led to increased uncertainty regarding US-China trade, particularly due to threats to raise tariffs on Chinese imports. For the full year, the Chinese market rose 16.7% after three years of declines as the government continued to boost policy support.

During the quarter, the government announced a US$1.4 trillion program to use central government finances to shore up the ailing balance sheets of local governments. Then, at the Politburo meeting in December, the Central Bank's stance shifted from "prudent" to "moderately loose" policy, a phrase last used in 2009–2010 after the global financial crisis. In its subsequent monetary policy meeting, the Central Bank signaled further cuts to the reserve requirement ratio (RRR) and other measures to accelerate credit extension. And in an attempt to boost consumer spending, the National Development and Reform Commission, a ministerial-level department of China's State Council, announced in 2025 that the government's trade-in program for home appliances and cars will be expanded to include items such as smartphones, computer tablets, and smart watches.

Most sectors declined in the fourth quarter. Real Estate performed the worst, falling nearly 18% as the shares of China's ailing property developers continued to drop. However, after weakness in the two prior quarters, residential property sales for new homes appear to have stabilized, suggesting that the policy measures announced during the third quarter of 2024 (a cut in existing mortgage rates and lower mortgage rates for second-home buyers) may be having an effect. Materials also fell, led by mining stocks, as weak economic conditions dampened demand for raw materials. Information Technology (IT) performed the best, buoyed by shares of smartphone manufacturers such as Xiaomi, which benefited from rising demand for its products and expectations of further growth due to subsidies for smartphone and tablet purchases in 2025.

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From a style perspective, the fastest-growing quintile of stocks underperformed the slowest-growing quintile by nearly 11% during the quarter, as weak demand conditions hurt the returns of fast-growing firms such as **Tencent**, **JD.com** and **Meituan**. Moreover, the cheapest quintile of stocks continued to outperform more-expensive stocks, reflecting the ongoing outperformance of high dividend-yielding state-owned companies amid falling growth expectations and record-low interest rates. For the full year, the cheapest quintile outperformed the most expensive by 4,000 basis points (bps).

How We Did

The Harding Loevner Chinese Equity composite fell 9.1% gross of fees in the fourth quarter, trailing the 6.9% fall of the MSCI China All Shares Index.

Financials detracted the most due to the portfolio's avoidance of banks, which were among the best performers in the market. **Ping An Insurance** reported strong third quarter earnings results but the share price was dampened by renewed fears of deflation, which could hinder the company's growth. Shares of our other insurance provider **AIA Group** also lagged.

Negative stocks in Industrials also weighed on relative returns this quarter. Shares of **ZTO Express**, China's leading express parcel delivery company, dropped after management suggested that a 3% decline in market share this year to 20% would spur a goal to accelerate volume growth via greater pricing flexibility next year. Weakness in our capital goods holdings was broad-based due to the weak operating cycle in the wake of potential tariffs. Injection moldings machine maker **Haitian International** lagged due to concerns about slowdown in demand in its domestic market, which accounts for approximately 60% of the company's total revenue. Shares of hydraulic components manufacturer **Hengli Hydraulic** fell as the company reported higher startup personnel expenses for new businesses. As well, the company has continued to miss out on growth in cylinders for manufacturers of small excavators due to vertical integration of those buyers.

MSCI China All Shares Index Performance (USD %)

Sector	4Q 2024	Trailing 12 Months
Communication Services	-7.9	26.2
Consumer Discretionary	-14.4	13.3
Consumer Staples	-13.8	-9.2
Energy	-8.9	19.0
Financials	2.6	41.9
Health Care	-13.9	-16.9
Industrials	-5.5	21.4
Information Technology	9.3	23.7
Materials	-14.4	1.9
Real Estate	-17.8	-6.4
Utilities	-6.9	19.2

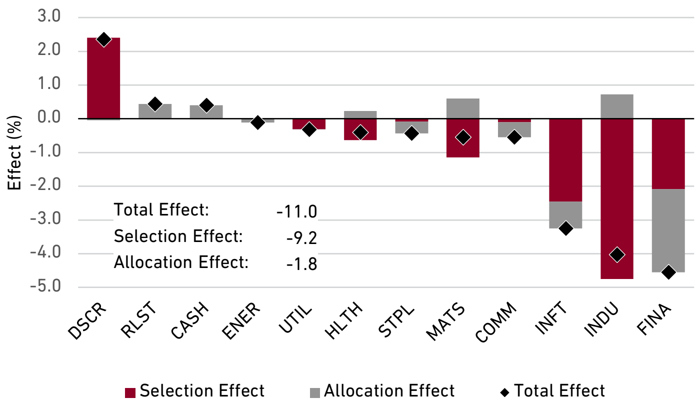
Source: FactSet, MSCI Inc. Data as of December 31, 2024.

Companies held in the portfolio at the end of the year appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner. A complete list of holdings at Deember 31, 2024 is available on page 6 of this report.

Trailing 12 Months Performance Attribution

Sector

Chinese Equity Composite vs. MSCI China All Shares Index



Source: Harding Loevner Chinese Equity composite, FactSet, MSCI Inc. Data as of December 31, 2024. The total effect shown here may differ from the variance of the composite performance and benchmark performance shown on the first page of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the composite GIPS Presentation.

Our Consumer Discretionary holdings outperformed. **Trip.com Group**, a provider of online travel services, reported strong earnings as the rebound in overseas travel led to higher growth and margins, a trend the company expects to continue in 2025. Consumer appliances maker **Midea Group** also reported good results. Overseas sales of washing machines and refrigerators rose on seasonally higher sales following Amazon Prime day, the company's partnership with Home Depot, and perhaps also some sales being frontloaded in anticipation of potential tariffs. Meanwhile, domestic sales were aided by the government-supported trade in policy for home appliances.

For the full year, the composite rose 5.8% gross of fees, trailing the 16.7% increase of the index. Style factors were a significant headwind: shares of the highest-quality companies underperformed the lowest-quality firms by nearly 1,550 bps We underperformed in Industrials, primarily due to pneumatic equipment manufacturer **AirTAC**, optical machine maker **Meyer Optoelectronic**, and **Sanhua Intelligent Controls**, which makes HVAC and automobile parts. We also lagged in IT. Shares of semiconductor manufacturer StarPower fell due to a downcycle in power semiconductors and oversupply in some of its markets. Semiconductor equipment manufacturer **ASM Pacific Technology** posted weak performance due to the slow recovery in the company's legacy packaging business, despite anticipation of higher orders in advanced packaging equipment from the boom in artificial intelligence chip manufacturing. On a positive note, we outperformed in Consumer Discretionary. Key contributors included Trip.com and automotive glass maker **Fuyao Glass**, whose earnings were supported by further penetration of electric vehicles globally, which resulted in higher average selling prices, volume, and margins.

What's On Our Minds

Since the start of 2021, our portfolio has endured an annualized relative performance shortfall of 5.3 percentage points, well below our expected performance level for our clients. This underperformance has been the result of a challenging market environment, where companies with above-average quality and growth metrics have been systematically out of favor, compounded by negative stock selection effects.

The growth outlook in China has diminished significantly in the past several years. In 2021, the Chinese economy grew at a robust 8.5%, but since then the rate fluctuated between 3% and 5%. The IMF projects a growth rate of 4.5% for 2025. The country's attempt to transition from rapid, investment-led expansion to more moderate, consumption-driven growth has been complicated by escalating trade tensions between China and the US. These factors have increased equity risk premia and placed downward pressure on stock prices, disproportionately affecting firms with stronger long-term growth prospects. This divergence from historical patterns—where such companies traditionally attract capital in periods of market uncertainty—underscores the unique challenges of the current environment.

Meanwhile, lower-quality firms, which often outperform during positive economic inflection points, have shown surprising resilience in China. This could stem from the limited growth expectations previously factored into their valuations, making them less vulnerable to shifts in market sentiment.

Market returns segmented by quintiles of our proprietary quality, growth, and value metrics reveal striking dislocations. Since 2021, stocks in the lowest-growth quintile have outperformed those in the highest-growth quintile by an annualized 1,400 bps. Our portfolio's strategic emphasis on higher-growth companies resulted in only 10% exposure to the slowest-growing quintile, amplifying the adverse impact.

> This divergence from historical patterns—where long-duration growth companies traditionally attract capital in periods of market uncertainty—underscores the unique challenges of the current environment.

A similar dislocation is evident when looking at valuation. Over the same period, the cheapest quintile of stocks outperformed the most expensive by a staggering 3,000 bps per year. With just 3% of our portfolio allocated to the cheapest quintile, our long-term preference for high-quality, growth-oriented businesses—which often command premium valuations—has been a notable headwind.

One key factor contributing to this valuation disparity has been the Chinese government's "value up" program that has buoyed returns for stocks of lower-quality and state-owned enterprises (SOEs). It comprises a push by regulators to improve governance standards as well as shareholder returns through payment of higher dividends and share buybacks. These initiatives have fostered investor confidence in a cohort of businesses we typically prefer to avoid, due to their low returns on capital and governance issues. While the reforms' intent and initial success are commendable, most of these businesses continue to generate low cash flow returns on investment (CFROI) and do not meet the quality and management standards we look for in our portfolio companies. Another reason for the valuation disparity is international active investors' withdrawal from Chinese equities amid regulatory and geopolitical uncertainties has exacerbated the selloff in higher-quality growth stocks, which suffer outflows disproportionately due to their large index weights.

Certainly, outflows have been exacerbated by volatility related to regulatory announcements, which has further challenged portfolio performance over the past four years. External factors, such as US tariff and sanction announcements, have negatively affected market sentiment, triggering sharp declines in stocks such as WuXi AppTec and WuXi Biologics, which the portfolio once held. Domestically, regulatory interventions in the internet sector have had a negative effect on shares of companies such as Alibaba, JD.com, and Tencent, while efforts to manage the real estate bubble have weighed on consumer sentiment and the economy at large. The struggling real estate sector has yet to recover from declines in home prices and new home sales, which has generally weighed on consumption.

All of this is not to suggest that selection effects have not contributed to portfolio underperformance—they certainly have. Nearly one-third of the underperformance the portfolio experienced since 2021 can be attributed to the Financials sector. While we do own various insurers and an exchange, we have intentionally chosen not to invest in banks, reflecting our concerns over financial transparency and asset quality, particularly regarding their loans to the struggling Real Estate sector. Unfortunately, those banks have been a rare bright spot in the sector, gaining 9% on an annualized basis, compared to the market's overall annualized decline of 8.8%.

> One key factor contributing to this valuation disparity has been the Chinese government's "value up" program that has buoyed returns for stocks of lower-quality and SOEs.

The negative selection effects extended beyond Financials and were rather widespread. The most significant losses occurred in consumer-oriented industries, where the pronounced negative wealth effect caused by the property crisis dampened consumption for companies operating in textiles retail & luxury goods, specialty retail, as well as in spirits and beverages. The economic slowdown has also reduced demand for the products and services of companies in the Industrials sector, where we are overweight.

Despite the portfolio's recent underperformance, we remain resolute in our commitment to our investment philosophy. We prioritize identifying businesses capable of sustainable profit and cash flow growth, irrespective of macroeconomic conditions. Specifically, we seek companies operating in expanding industries with large addressable markets, enduring competitive advantages, and a disciplined approach to reinvestment.

China continues to offer compelling opportunities, with several companies demonstrating global leadership in innovation and commercial execution. These firms possess attributes conducive to long-term growth, including robust market positions, scalable operations, and the ability to capitalize on evolving industry dynamics. We remain focused on companies that possess these characteristics, confident that their share prices, over time, will reflect the quality of their businesses.

> China continues to offer compelling opportunities, with several companies demonstrating global leadership in innovation and commercial execution.

One such company is Meituan, the developer of one of the most frequently used "super-apps"[1] in China. Despite a challenging operating environment and reduced consumer spending, the company managed to improve its financial performance in 2024. Meituan operates across two distinct segments: food delivery and local services such as travel, bookings, movie tickets, ride-hailing. While the company has a super-app offering its services on one platform, delivery and local services were managed by separate teams until this year, and the company had not fully capitalized on opportunities to integrate operations, share resources, and create seamless cross-service synergies that could enhance efficiency and unlock greater sales potential. Accordingly, many users relying on Meituan's offerings still used separate apps rather than its consolidated app.

Amid economic challenges, Meituan consolidated its two segments—food delivery and local services—and launched a premium membership offering discounts on dining, beauty, fitness, travel, and entertainment, as well as initiatives to attract cost-conscious users. These bigger discounts have caused users to shift to using the new memberhsip and expanded Meituan's popularity particularly in lower-tier cities and for younger Chinese, who are price-sensitive and hunting for bargains. As users continue to use the app more frequently to unlock discounts and save, there is a positive knock-on effect—they become further entrenched into Meituan's ecosystem. The larger user base is also leading business owners and merchants to prioritize their presence on and willingness to work with Meituan's platform to increase store traffic and their online discoverability, a must-have in difficult economic times when stores cannot wait for word

1. A super-app is an application that combines multiple core features and services into one location. In China, examples include WeChat, Alipay, and Meituan.

of mouth to catch on. Thus far, the consolidation has boosted Meituan's results. The company reported a 23.6% sales increase and a 260% rise in operating profits in the first three quarters of 2024. Transacting users and active merchants hit new highs, with purchase frequency increasing for the 15th consecutive quarter.

Meituan's rebound in profitability in 2024 has also been helped by two other factors—easing competitive pressures in local services from Douyin (China's TikTok) as well as in community group purchasing, and improving capital discipline, evidenced by the company's decision to cut back on aggressive investments in non-core business lines. Overall, our view is that the company's willingness to spend less on unprofitable new initiatives and focus more on optimizing its primary businesses will extend its competitive lead, especially as more users unlock better pricing and discounts on the app and eventually avail themselves of more of the company's offerings. If the economy weakens further, Meituan's leadership might even expand, as customer companies would then rely even more on Meituan's online marketing solutions to maintain strong connections with their customers.

Harding Loevner's Quality, Growth, and Value rankings are proprietary measures determined using objective data. Quality rankings are based on the stability, trend, and level of profitability, as well as balance sheet strength. Growth rankings are based on historical growth of earnings, sales, and assets, as well as expected changes in earnings and profitability. Value rankings are based on several valuation measures, including price ratios.

Chinese Equity Holdings (as of December 31, 2024)

Communication Services	Market	End Wt. (%)
Baidu (Internet products and services)	Mainland China	0.9
China Tower (Telecom infrastructure provider)	Mainland China	1.6
NetEase (Gaming and internet services)	Mainland China	2.2
Tencent (Internet and IT services)	Mainland China	11.3
Consumer Discretionary		
Alibaba (E-commerce retailer)	Mainland China	3.6
ANTA Sports (Athletic footwear and apparel retailer)	Mainland China	1.8
Fuyao Glass (Automotive glass mfr.)	Mainland China	2.3
Haier Smart Home (Consumer appliances mfr.)	Mainland China	0.7
JD.com (E-commerce retailer)	Mainland China	1.1
Li-Ning (Athletic footwear and apparel retailer)	Mainland China	1.6
Meituan (Online local services provider)	Mainland China	2.5
Midea Group (Consumer appliances mfr.)	Mainland China	1.7
Shenzhou International (Textile mfr.)	Mainland China	2.0
Shuanghuan Driveline (Mechanical equipment mfr.)	Mainland China	1.8
TravelSky (Aviation IT services)	Mainland China	3.3
Trip.com Group (Online travel services)	Mainland China	6.0
Consumer Staples		
Budweiser APAC (Alcoholic beverages mfr.)	Hong Kong	0.9
Foshan Haitian (Condiments mfr.)	Mainland China	0.8
Moutai (Alcoholic beverages mfr.)	Mainland China	1.9
Proya (Cosmetics mfr.)	Mainland China	2.0
Wuliangye Yibin (Alcoholic beverages mfr.)	Mainland China	0.7
Yili (Dairy products mfr.)	Mainland China	3.0
Energy		
No Holdings		
Financials		
AIA Group (Insurance provider)	Hong Kong	3.0
Hong Kong Exchanges (Clearing house and exchange)	Hong Kong	1.5
Ping An Insurance (Insurance provider)	Mainland China	2.7

Health Care	Market	End Wt. (%)
Haier Biomedical (Biomedical storage mfr.)	Mainland China	2.0
Mindray (Medical equipment mfr.)	Mainland China	1.9
Tigermed (Clinical development services)	Mainland China	0.8
Industrials		
AirTAC (Pneumatic-equipment mfr.)	Taiwan	2.2
CATL (Battery systems mfr.)	Mainland China	3.4
Haitian International (Injection-molding machines mfr.)	Mainland China	2.5
Hengli Hydraulic (Hydraulic components mfr.)	Mainland China	1.6
Hongfa (Power relay mfr.)	Mainland China	1.3
Inovance (Industrial controls mfr.)	Mainland China	1.8
Meyer Optoelectronic (Optical machine mfr.)	Mainland China	1.3
Sanhua Intelligent Controls (HVAC and R parts mfr.)	Mainland China	0.8
SF Holding (Delivery services)	Mainland China	1.1
Techtronic Industries (Power tools mfr.)	Hong Kong	2.0
ZTO Express (Express delivery services)	Mainland China	2.7
Information Technology		
ASM Pacific Technology (Semiconductor eqpt. mfr.)	Hong Kong	0.5
Bochu (Laser control system mfr.)	Mainland China	1.9
Delta Electronics (Power management products)	Taiwan	3.2
LONGi (Solar power equipment mfr.)	Mainland China	0.8
Materials		
Sinocera (Nanoceramics mfr.)	Mainland China	1.2
Real Estate		
No Holdings		
Utilities		
ENN Energy (Gas pipeline operator)	Mainland China	1.6
Cash		4.5

Model portfolio holdings are supplemental information only and complement the fully compliant Chinese Equity composite GIPS Presentation. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of portfolio holdings for the past year contact Harding Loevner.

4Q24 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Trip.com Group	DSCR	5.8	1.1	0.72
PDD Holdings*	DSCR	–	2.3	0.53
Delta Electronics	INFT	2.9	–	0.42
Alibaba	DSCR	3.8	5.3	0.27
Shuanghuan Driveline	DSCR	1.8	–	0.21

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Trip.com Group	DSCR	4.7	0.9	2.40
PDD Holdings*	DSCR	–	2.5	1.38
Fuyao Glass	DSCR	2.9	0.2	0.71
CATL	INDU	2.9	1.1	0.53
Li Auto*	DSCR	–	0.5	0.36

4Q24 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Xiaomi*	INFT	–	1.6	-0.72
Proya	STPL	2.1	–	-0.45
ZTO Express	INDU	2.9	0.3	-0.44
AIA Group	FINA	3.0	–	-0.41
China Construction Bank*	FINA	–	2.2	-0.35

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
TravelSky	DSCR	3.2	<0.1	-1.31
AirTAC	INDU	2.8	–	-1.17
Budweiser APAC	STPL	1.3	–	-1.12
AIA Group	FINA	3.1	–	-1.09
Sanhua Intelligent Controls	INDU	1.5	0.1	-1.07

*Company was not held in the portfolio; its absence had an impact on the portfolio's return relative to the index.
"HL": Chinese Equity composite. "Index": MSCI China All Shares Index.

Portfolio Characteristics

Quality and Growth	HL	Index
Profit Margin[1] (%)	17.0	13.6
Return on Assets[1] (%)	7.8	5.6
Return on Equity[1] (%)	15.0	11.5
Debt/Equity Ratio[1] (%)	36.3	38.3
Std. Dev. of 5 Year ROE[1] (%)	3.8	4.2
Sales Growth[1,2] (%)	12.7	12.7
Earnings Growth[1,2] (%)	9.1	6.4
Cash Flow Growth[1,2] (%)	13.6	12.9
Dividend Growth[1,2] (%)	19.8	16.0
Size and Turnover		
Wtd. Median Mkt. Cap. (US $B)	34.1	41.4
Wtd. Avg. Mkt. Cap. (US $B)	102.5	117.8
Turnover[3] (Annual %)	26.0	–

Risk and Valuation	HL	Index
Alpha[4] (%)	-5.94	–
Beta[4]	1.05	–
R-Squared[4]	0.97	–
Active Share[3] (%)	75	–
Standard Deviation[4] (%)	29.75	27.80
Sharpe Ratio[4]	-0.60	-0.42
Tracking Error[4] (%)	5.4	–
Information Ratio[4]	-1.16	–
Up/Down Capture[4]	100/111	–
Price/Earnings[5]	18.3	12.1
Price/Cash Flow[5]	13.2	9.9
Price/Book[5]	2.6	1.9
Dividend Yield[6] (%)	2.1	2.8

[1]Weighted median. [2]Trailing five years, annualized. [3]Three-year average. [4]Trailing three years, annualized. [5]Weighted harmonic mean. [6]Weighted mean. Source: (Risk characteristics): Harding Loevner Chinese Equity composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics): Harding Loevner Chinese Equity model based on the underlying holdings, FactSet (Run Date: January 6, 2025) based on the latest available data in FactSet on this date.), MSCI Inc.

Completed Portfolio Transactions

Positions Established	Market	Sector
There were no completed purchases this quarter.		

Positions Sold	Market	Sector
StarPower	Mainland China	INFT

The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. The following information is available upon request: (1) information describing the methodology of the contribution data in the tables above; and (2) a list showing the weight and relative contribution of all holdings during the quarter. Past performance does not guarantee future results. In the tables above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall relative performance over the period. Performance of contributors and detractors is net of fees, which is calculated by taking the difference between net and gross composite performance for the Chinese Equity strategy prorated by asset weight in the portfolio and subtracted from each security's return. Contributors and detractors exclude cash and securities in the composite not held in the model portfolio. Quarterly data is not annualized. Portfolio contributors and detractors and characteristics are supplemental information only and complement the fully compliant Chinese Equity composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

Chinese Equity Composite Performance (as of December 31, 2024)

	HL Chinese Equity Gross (%)	HL Chinese Equity Net (%)	MSCI China All Shares[1] (%)	HL Chinese Equity 3-yr. Std. Deviation[2] (%)	MSCI China All Shares 3-yr. Std. Deviation[2] (%)	Internal Dispersion[3] (%)	No. of Accounts	Composite Assets ($M)	Firm Assets ($M)
2024[4]	5.81	4.88	16.67	29.76	27.80	N.M.	1	3	35,471
2023	-18.72	-19.50	-11.35	25.11	23.98	N.M.	1	3	43,924
2022	-25.22	-25.93	-23.47	+	+	N.M.	1	3	47,607
2021	-14.59	-15.42	-12.80	+	+	N.M.	1	4	75,084

[1]Benchmark index. [2]Variability of the composite, gross of fees, and the index returns over the preceding 36-month period, annualized. [3]Asset-weighted standard deviation (gross of fees). [4]The 2024 performance returns and assets shown are preliminary. N.M.–Information is not statistically significant due to an insufficient number of portfolios in the composite for the entire year. +Less than 36 months of return data.

The Chinese Equity composite contains fully discretionary, fee-paying accounts investing in equity and equity-equivalent securities of companies domiciled predominately in China and Hong Kong and cash reserves and is measured against the MSCI China All Shares USD Total Return Index (Gross) for comparison purposes. Returns include the effect of foreign currency exchange rates. The exchange rate source of the benchmark is Reuters. The exchange rate source of the composite is Bloomberg. Additional information about the benchmark, including the percentage of composite assets invested in countries or regions not included in the benchmark, is available upon request.

The MSCI China All Shares Index is a free float-adjusted market capitalization index that is designed to measure large and mid-cap China share classes listed in Hong Kong, Shanghai, Shenzhen, and outside of China. You cannot invest directly in this index.

Harding Loevner LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Harding Loevner has been independently verified for the period November 1, 1989 through September 30, 2024. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Additional information is available upon request. Past performance does not guarantee future results. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate Chinese Equity accounts is 1.05% annually of the market value for the first $20 million; 0.75% for the next $80 million; 0.70% for the next $100 million; above $200 million upon request. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The Chinese Equity composite was created on December 31, 2020 and the performance inception date is January 1, 2021.