Emerging Markets Equity

Quarterly Report | Second Quarter 2022

HARDING LOEVNER

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Emerging Markets (EMs) suffered in a broad global sell-off fueled by rising inflation fears and the risk of a global economic slowdown. China was the only EM to post positive returns for the quarter.

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Composite Performance

Total Return (%) — Periods Ended June 30, 2022[1]

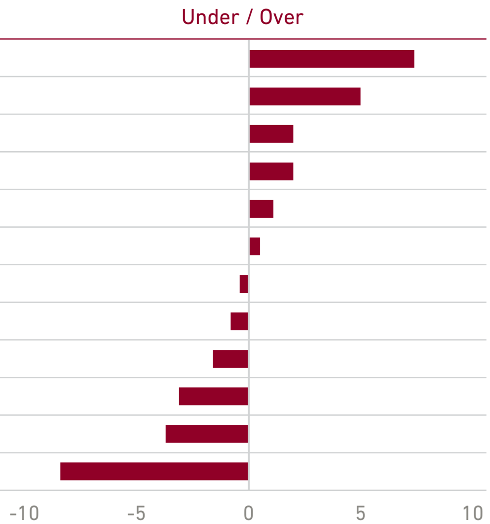
	3 Months	YTD	1 Year	3 Years[2]	5 Years[2]	10 Years[2]	Since Inception[2,3]
HL Emerging Markets Equity (Gross of Fees)	-11.42	-26.31	-32.92	-3.20	-0.08	3.81	10.41
HL Emerging Markets Equity (Net of Fees)	-11.62	-26.63	-33.49	-4.07	-0.97	2.89	9.51
MSCI Emerging Markets Index[4,5]	-11.34	-17.47	-25.00	0.92	2.55	3.43	7.98

[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1998; [4]The benchmark index; [5]Gross of withholding taxes.

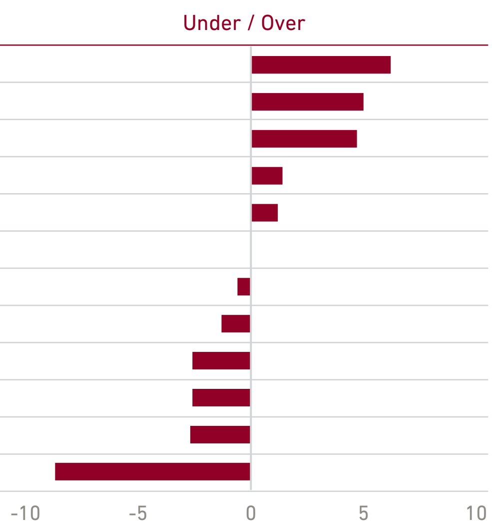
Past Performance does not guarantee future results. Invested capital is at risk of loss. Please read the above performance in conjunction with the footnotes on the last page of this report. All performance and data shown are in US dollar terms, unless otherwise noted.

Portfolio Positioning (% Weight)

Sector	HL EM	MSCI EM
Industrials	13.0	5.6
Cash	5.0	–
Financials	23.2	21.2
Info Technology	21.2	19.2
Cons Staples	7.2	6.1
Cons Discretionary	15.4	14.9
Health Care	3.6	4.0
Utilities	2.1	2.9
Real Estate	0.5	2.1
Comm Services	7.5	10.6
Energy	1.3	5.0
Materials	0.0	8.4



Geography	HL EM	MSCI EM
Dev. Market Listed[6]	6.2	–
Cash	5.0	–
Mexico	6.8	2.1
Frontier Markets[7]	1.4	–
Brazil	6.1	4.9
Russia[8]	0.0	–
China + Hong Kong[9]	34.8	35.4
South Africa	2.2	3.5
India	10.1	12.7
Taiwan	11.9	14.5
South Korea	8.5	11.2
Small EMs[10]	7.0	15.7



[6]Emerging markets or frontier markets companies listed in developed markets. [7]Includes countries with less-developed markets outside the Index. [8]Since March 7, we have valued our Russian holdings at effectively zero due to an inability to trade their shares and no observable market prices to use as proxies. At the close of trading on March 9, MSCI removed Russia from its indexes at a price that was effectively zero. [9]The Harding Loevner Emerging Markets Model Portfolio's end weight in China is 29.2% and Hong Kong is 5.6%. The Benchmark does not include Hong Kong. [10]Includes the remaining emerging markets, which individually, comprise less than 5% of the Index.

Sector and geographic allocations are supplemental information only and complement the fully compliant Emerging Markets Composite GIPS Presentation. Source: Harding Loevner Emerging Markets Model; MSCI Inc. and S&P. 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.

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Market Review

Emerging Markets (EMs) declined 11.3% during the second quarter amid a broad sell-off in global markets in reaction to rising inflation, the US Federal Reserve's hawkish response, and the heightened risk of a global economic slowdown. It was EMs' worst quarterly decline since the beginning of the COVID-19 pandemic in the first quarter of 2020. Developed markets fared worse, however, with the MSCI World Index falling 16.1%.

The US Federal Reserve's 75 basis point hike in its benchmark rate during its June meeting was the largest single increase since 1994, and the Fed signaled similar-sized hikes would follow to combat worse-than-expected inflation. Most central banks in EM countries in Latin America and Europe have been ahead of the Fed in resisting inflation, and many continued to raise rates following the Fed's June hike. Meanwhile central banks in Asia, including China and Indonesia, have been relatively dovish this year as inflationary pressures have remained subdued in their countries.

MSCI EM Index Performance (USD %)

Sector	2Q 2022	Trailing 12 Months
Communication Services	-10.4	-32.9
Consumer Discretionary	6.3	-37.4
Consumer Staples	-4.5	-17.4
Energy	-5.6	-21.3
Financials	-14.0	-8.3
Health Care	-8.8	-41.1
Industrials	-9.2	-16.1
Information Technology	-20.6	-28.5
Materials	-20.5	-23.8
Real Estate	-6.0	-28.8
Utilities	-4.3	3.9
Geography	**2Q 2022**	**Trailing 12 Months**
Africa	-22.8	-12.8
South Africa	-22.9	-12.5
Asia	-9.2	-25.6
China	3.5	-31.7
India	-13.5	-4.4
South Korea	-20.8	-38.2
Taiwan	-19.6	-19.8
Europe	-20.6	-77.0
Russia	0.0	-100.0
Latin America	-21.7	-15.7
Brazil	-24.3	-23.1
Mexico	-15.1	-0.4
Middle East	-13.0	13.0
MSCI EM Index	-11.3	-25.0

Source: FactSet (as of June 30, 2022). MSCI Inc. and S&P.

Markets in commodity-exporting countries Brazil, Colombia, and Peru were among the worst performers in US dollar terms due to currency weakness and fears that these countries may face softening economic growth. One danger sign for these economies was the decline in prices of industrial metals like copper and aluminum, reflecting the recessionary fears in the US and weak demand in China due to pandemic-related lockdowns.

China was the only EM to post positive returns this quarter, after three consecutive declines. Earlier this year the country suffered its worst COVID-19 outbreak since the start of the pandemic, which, in accordance with government's zero-COVID policy, led to stringent travel restrictions as well as stay-at-home orders in major cities like Shanghai and Beijing, all of which severely disrupted businesses. The phased reopening of Shanghai and Beijing this quarter, along with the relaxation of mobility restrictions in several other Chinese cities, triggered a sharp rebound in Chinese equities. While the central government continued to affirm its zero-COVID policy, major cities tried adopting less disruptive containment measures rather than large-scale lockdowns, such as conducting rolling tests every 48 to 72 hours. China's manufacturing Purchasing Manager's Index climbed to 50.2% in June, signaling the first expansion in manufacturing activity since February.

Share prices were also buoyed by the Chinese government's increasingly supportive economic policies. In May, the State Council, China's highest executive body, held an unusual national video teleconference with more than 100,000 local and provincial officials to call for measures to stabilize the economy. The Council also announced stimulus measures including forms of tax relief, infrastructure spending support, and loan relief programs for small businesses. Furthermore, regulatory pressures on Chinese online businesses seemed to be easing. In April, China's Politburo announced it will support the "healthy" development of digital platform companies, and officials lifted the nearly eight-month suspension of approvals for new online games.

> China was the only EM to post positive returns this quarter, after three consecutive declines. The phased reopening of Shanghai and Beijing, along with the relaxation of mobility restrictions in several other Chinese cities, triggered a sharp rebound in Chinese equities.

The worst-performing sector was Information Technology (IT), which suffered from expectations of weaker global demand for consumer electronics. Taiwanese semiconductor companies **TSMC** and **Silergy**, as well as South Korean technology companies like **Samsung Electronics**, were among the weak performers. Materials stocks also fell significantly, reflecting the decline in commodity prices.

Companies held in the portfolio at the end of the quarter 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 June 30, 2022 is available on page 9 of this report.

Consumer Discretionary was the only sector with positive returns last quarter, led by shares of Chinese auto and e-commerce companies. The auto industry is expected to see higher sales due to several policy changes in China including a 50% cut in the purchase tax for passenger cars priced below RMB 300,000 (US$45,000). The Chinese government is also rolling out promotional campaigns in rural areas to boost sales of new electric vehicles (EVs).

Stocks of companies in the highest quintile of quality in our proprietary rankings underperformed those in the lowest quintile by 1,300 basis points during the quarter, with returns to the latter boosted by the strength in Chinese auto and internet stocks. The weakness in IT also weighed on returns in the high-quality segment of the market.

Performance and Attribution

The Emerging Markets Composite fell 11.4% (gross of fees) in the second quarter, close to the 11.3% decline of the MSCI EM Index.

Relative returns were helped by good stocks in Industrials and IT and our zero weight in Materials. Within Industrials, **Sanhua Intelligent Controls**, a leading Chinese manufacturer of thermal management components for appliances and automobiles, has enjoyed significant growth in orders from its appliance customers. Moreover, demand for its automotive products should get a boost from the Chinese government's promotional campaign. A key contributor in IT was **EPAM**, the Eastern European software engineering company. The Russian invasion of Ukraine caused EPAM's shares to fall sharply in the first quarter because nearly 60% of its staff were based in Russia, Ukraine, and Belarus. However, management has made remarkable progress in relocating its engineers to new locations and accelerating recruitment in other regions. Customer demand for EPAM's digital transformation projects has not waned despite the company's perceived adjacency to the conflict and rising interest rates and high inflation in the US and Europe.

Our investments in the consumer sectors detracted from performance. In Consumer Staples, South Korean cosmetics and household products company **LG Household & Health Care** was hurt by China's pandemic-related shutdowns, which caused a sharp decline in cosmetics sales within China and in the number of Chinese travelers making shopping trips to purchase the company's products overseas. Consumer Discretionary company **Magazine Luiza**, a major Brazilian retailer, underperformed despite posting an acceleration of sales growth, both in-store and online, in the first quarter. Further hikes in interest rates will increase expenses, and signs of a slowing economy in Brazil raised fears that sales growth could falter once again.

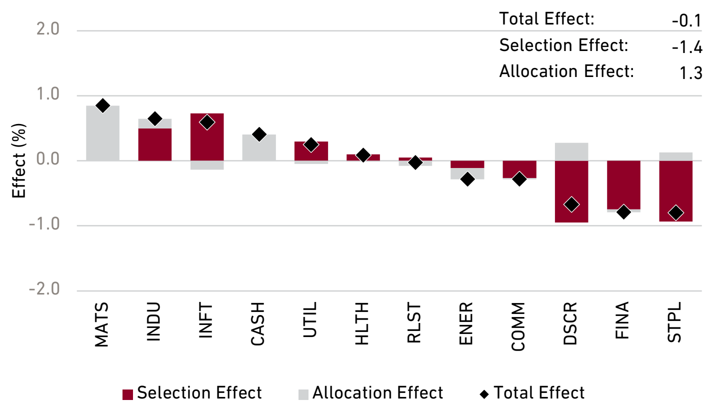
By region, relative returns were helped by positive contributions from Taiwan and India. Taiwan-listed **AirTAC**, a producer of pneumatic components used in industrial automation, saw strong growth in Chinese orders despite the pandemic lockdowns. The company has been successful in developing new applications such as in EV battery manufacturing and has been gaining share thanks to its cheaper pricing relative to SMC, its Japanese competitor. In India, auto maker **Maruti Suzuki** outperformed as the semiconductor shortage that had constrained production eased. The company is repositioning itself in the fast-growing SUV segment through new product launches.

Weak returns in Brazil, and our overweights in Brazil and Mexico, were detractors. Performance was hurt by Financials holdings **XP** and **B3** of Brazil and **GF Banorte** of Mexico, all of whose shares were dampened by concerns over expected slowdowns in their respective economies.

Second Quarter 2022 Performance Attribution

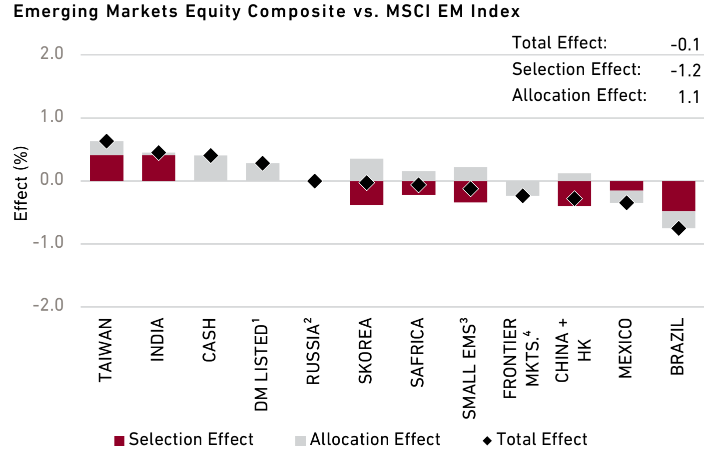
Sector

Emerging Markets Equity Composite vs. MSCI EM Index



Geography

Emerging Markets Equity Composite vs. MSCI EM Index



[1]Emerging markets or frontier markets companies listed in developed markets. [2]At the close of trading on March 9, MSCI removed Russia from its indexes at a price that was effectively zero. [3]Includes the remaining emerging markets, which individually, comprise less than 5% of the Index. [4]Includes countries with less-developed markets outside the Index. Source: FactSet; Harding Loevner Emerging Markets Equity Composite; MSCI Inc. and S&P. 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.

Perspective and Outlook

Times of elevated macroeconomic uncertainty and financial market stress can stoke fear in the minds of investors, but our resolute quality discipline allows us to maintain a more rational and balanced view of the long-term prospects for the companies in which we invest. Businesses that consistently generate high returns on capital and have the security of sound balance sheets need not quake when, amid tightening global liquidity, the price of money rises and supply of risk capital contracts. Businesses that generate healthy cash flow even in difficult circumstances can continue investing to sustain their growth without fear that a cyclical downturn will jeopardize their financial viability. Such resilience in the face of adversity supports sustained growth and economic value creation that compounds through time to produce long-term shareholder returns.

> Thirty-three years ago, when Harding Loevner placed quality alongside growth at the center of our investment process, we did not have the benefit of historical research on a "quality" factor. We thought investing in well-managed, financially strong companies made common sense.

Thirty-three years ago, when Harding Loevner placed quality alongside growth at the center of our investment process, we did not have the benefit of historical research on a "quality" factor. We thought investing in well-managed, financially strong companies made common sense. And as it happens, the MSCI EM Quality Index has outperformed the broad MSCI EM Index by approximately 170 basis points per year since the Quality Index's inception in June 1994 through June 2022. Our own analysis of return spreads between high and low quality—utilizing our propriety quality ranking that incorporates the strength and durability of returns on capital and cash flows as well as balance sheet strength—also shows evidence of this return premium.

Like any attribute purported to affect a security's return, quality will not boost returns over every period, as demonstrated this quarter and during multiple periods in the past two years. In the last seven quarters the lowest tercile of quality (measured by our internal rankings) has outperformed the top tercile on six occasions.

To understand the indifferent recent relative performance of quality, keep these two interconnected features of the economic landscape in mind:

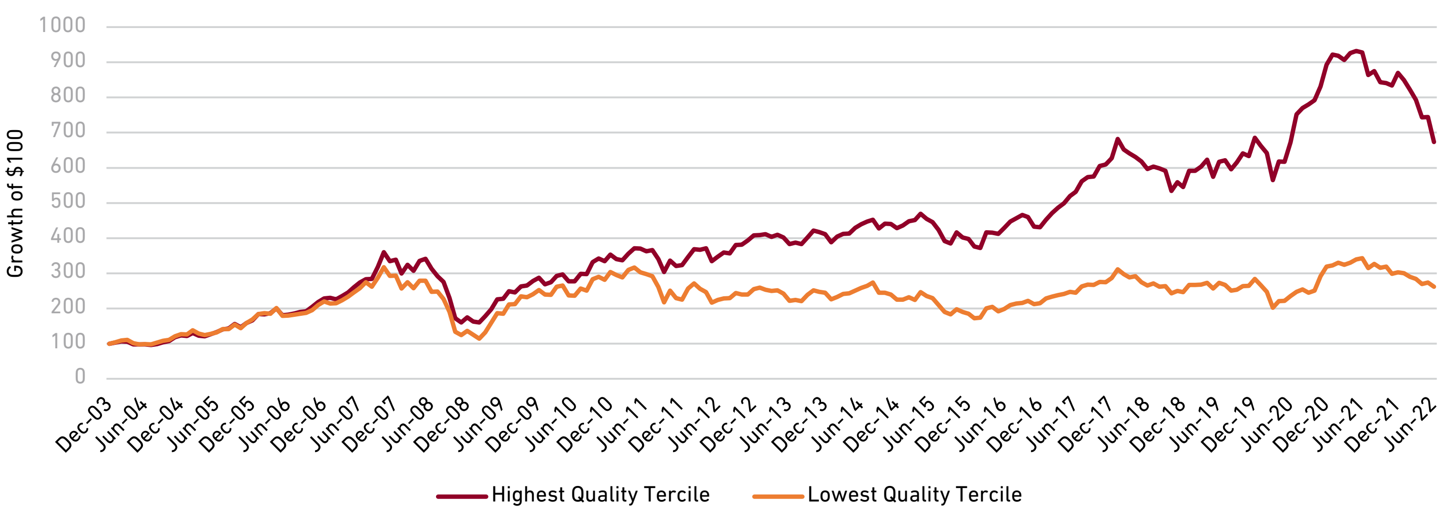
Consumption and capital investment was pulled forward because of COVID-19.

Steps taken by governments to fight the pandemic, such as lockdowns, led to notable changes in consumer behavior and business-to-consumer relationships. Consumer demand for online services for both essential living (such as e-commerce and food delivery) and discretionary entertainment (such as gaming and streaming services) accelerated. Effective digital engagement with their customers became an absolute priority for businesses. Investment in technology and digitalization projects skyrocketed. Along with growth trajectories, shares of internet-retail, interactive-media, entertainment, and technology-equipment companies soared.

The supply of risk capital has been superabundant.

For much of the past decade companies enjoyed easy access to capital, with global interest rates on a downward trend and central banks further supporting global liquidity through asset-purchasing programs. The pandemic accelerated this phenomenon by spurring governments to provide money to help combat the economic consequences of mass social distancing. With the economy awash with liquidity, investors were seemingly willing to finance most any growth project articulated with a modicum of sincerity. There was less value accorded to the financial wherewithal provided by the stable cash flows and unlevered balance sheets of mature growth companies. In many industries, established leaders were

Cumulative Performance of Top and Bottom Quality Terciles in MSCI EM



Source: HOLT, FactSet

challenged by heavily-funded new entrants with new twists to attract customers. In Chinese e-commerce, for instance, Pinduoduo's new group-purchasing model introduced a fun gaming element to e-commerce, specifically targeting the lower-income demographic, to compete headlong with **Alibaba** and **JD.com**. Sea Limited, a Southeast Asian business, raised and invested billions of dollars to attract customers to its entertainment, e-commerce, and financial services platform. Pinduoduo and Sea are fast-growing businesses that were able to attract enormous lines of capital to fund investments. Companies without a track record of profitability in other hyper-growth industries such as EVs have also benefited from cheap capital to fund ambitious growth plans.

So, how were these factors reflected in the relative performance of high-quality stocks? In the first nine months of 2020, high-quality companies crushed the broader index, powered by the concentration—55%—of digitally driven companies in the highest-quality tercile. At the end of 2020 and into 2021, investors flocked toward lower-quality, but faster-growing, competitors; the market value of those low-quality companies soared, leading to a sharp rotation toward low-quality outperformance.

Low-quality outperformance was further fueled by the economic re-opening enabled by the arrival of COVID-19 vaccines in late 2020. Expectations of a V-shaped recovery stoked a resurgence in commodity prices and a more typical reflationary market led by cyclical industries such as metals and mining, petrochemicals, steel, and transportation—industries whose constituents skew toward low quality. Stocks that were notable beneficiaries from COVID-19 faced a reversal in fortunes, some due to a deceleration in pandemic-induced consumption trends, some due to a growing realization that the cost of money was set to rise.

We would have thought that by the time we reached the midpoint of 2022, when businesses are required to digest an unappetizing menu of global economic, geopolitical, and financial challenges, including a significant rise in the cost of capital, investors would be inspired to return to the relative security of high-quality companies. But this has not (yet) been the case. With global inflationary pressures proving less transitory than first anticipated, the yields of long-term bonds have risen further, causing an acute decline in expensively priced growth stocks. High-quality stocks, which remain (rightly) over-represented in the more expensive cohort of stocks, have suffered the consequence of the market's rejection of expensive stocks. The global sell-off in technology stocks amid concerns about recession risk has also hurt shares of quality companies, including semiconductors manufacturer TSMC and Indian IT Services stocks such as **Tata Consultancy Services** and Infosys.

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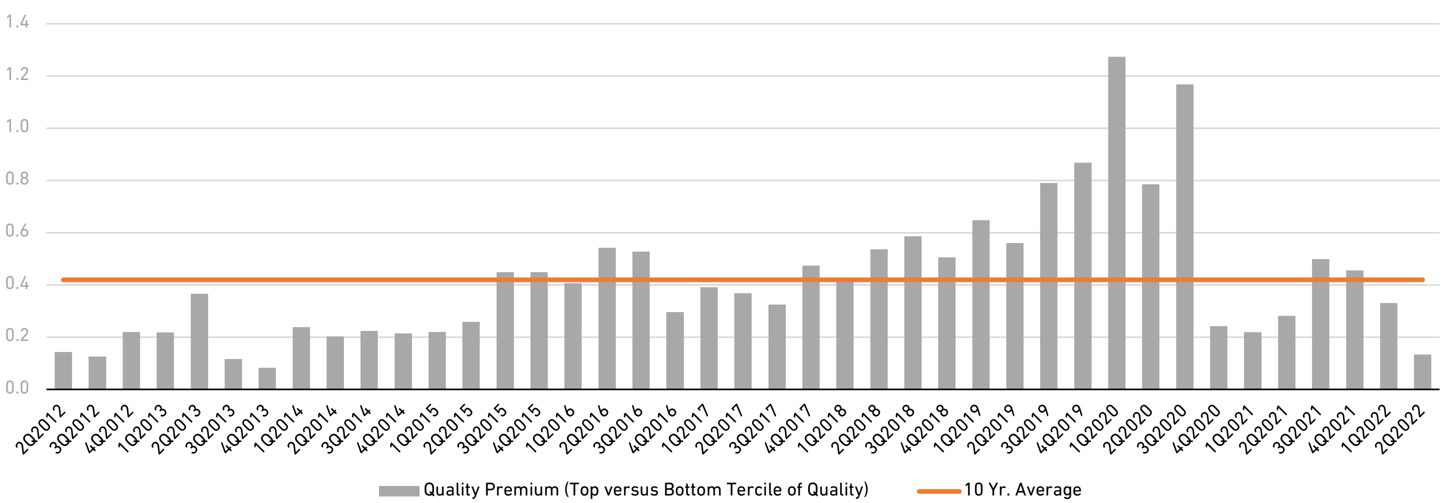
The underperformance of quality is a global phenomenon, but it was more pronounced in EMs than developed markets during the second quarter. One reason for this is the highly uneven distribution of high-quality companies across sectors. For instance, technology and digital entertainment stocks comprise nearly two-thirds of the top tercile of quality in EM. That high industry concentration meant that as IT and other digitally driven companies have suffered amid recession fears, it dragged down the performance of the quality cohort.

Valuation Premium of Quality (Top versus Bottom Tercile of Quality)
PE (Fwd 24M)



Source: HOLT, FactSet

Another reason is that while many of the world's central banks are cooling their economies, the government of the largest EM has been doing the opposite. The People's Bank of China has been incrementally easing monetary policy, and the Chinese government has been relaxing regulation on internet companies and offering new incentives to encourage consumers to purchase large-ticket items such as cars. These policies have led to a sharp rally in the shares of internet media and services companies and automobile companies, industries with a preponderance of lower-quality companies.

As shown in the chart on the previous page, the valuation premium accorded to high-quality EM companies has fallen to levels well below the historic average. Meanwhile, the economic environment presents severe challenges to many businesses, with constipated (yet recovering) supply chains and acute input cost pressures threatening profit margins, and customers' ability to absorb higher prices becoming questionable. Lower-quality companies are typically more vulnerable in economic downturns. Does this mean that shares of high-quality companies will shine again? We think so, although we cannot predict when.

Portfolio Highlights

The portfolio reflects our focus on quality. Over half of the portfolio is invested in companies that reside in the top tercile of Harding Loevner's quality rankings, while just a fifth is in the lowest tercile. And many of the holdings in the lowest tercile are financial companies, which tend to score more poorly under our universal quality criteria due to financials' inherently lower return on assets.

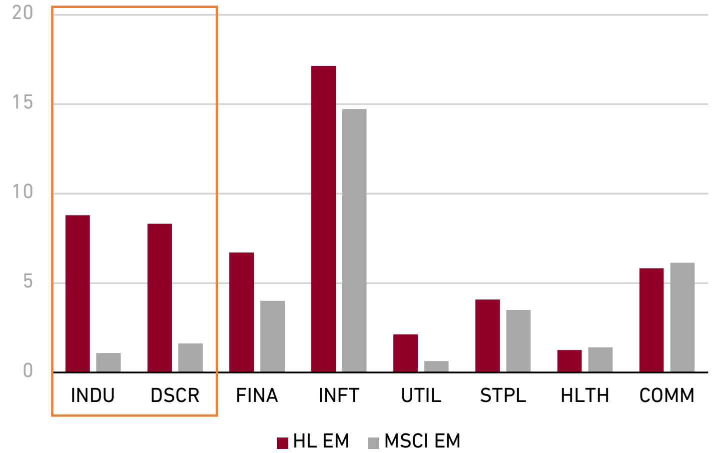
The portfolio's weight to high-quality stocks in IT and Communication Services resembles the benchmark's weight to quality in these sectors. What is distinctive about the portfolio is its heavy overweight to quality in Industrials (9% versus 1% for the Index) and Consumer Discretionary (8% versus 2%). Businesses in these economically sensitive sectors can exhibit unstable profit margins and returns on investment, but we have chosen steadier companies that benefit from concentrated industry structures and durable growth opportunities.

> We sold Ambev, Brazil's dominant brewer with strong franchises across South and Central America, which we owned since 2003. Its profit margins have declined in recent years, and management's strategy is to entice Brazilians to trade up to premium brands. We think this will be unsuccessful.

For example, **Eclat Textile**, a manufacturer of specialized sportswear fabrics, is a high-quality holding in the Consumer Discretionary sector. Based in Taiwan, Eclat has been diversifying its production geographically, investing in Vietnam in 2005 and then in

Sector Weights within the Top Quality Tercile

HL EM versus the MSCI EM Index



Source: HOLT, FactSet. Data as of June 30, 2022.

Cambodia and Indonesia. Eclat's competitive advantages include its high degree of vertical integration—from yarn production to weaving high-performance fabrics to finished garment production. It also uses contract manufacturers that can meet the demanding product specifications and delivery timelines of Eclat's global customers, including Nike and Lululemon. The combination has helped Eclat achieve higher profit margins and more stable profitability than peers in an industry that is exposed to consumer cycles.

In Industrials, Sanhua Intelligent Controls scores highly on objective measures of quality despite supplying parts for highly cyclical goods such as autos and home appliances. For instance, Sanhua is benefiting from the increase in EV sales, as those autos require more heat-management components than traditional internal combustion engine vehicles. Sanhua's scale and dominance in key components allows it to achieve attractive profit margins.

This quarter, individual stock selection decisions led to a reduction in our overweight to Consumer Staples. We sold **Ambev**, Brazil's dominant brewer with strong franchises across South and Central America, which we owned since 2003. Its profit margins have declined in recent years, and management's strategy to restore them is to entice Brazilians (whose beer consumption is already high) to trade up to premium brands. Despite our high regard for Ambev's management, we think this strategy will be unsuccessful so long as the Brazilian consumer is under financial pressure from inflation and high unemployment. Ambev is still a high-quality, growing company, but we think there are more appealing opportunities in Brazil and beyond.

We also reduced our overweight in Financials, trimming Latin American holdings GF Banorte and B3 after strong price appreciation. Banorte is mulling a potential bid for Banamex, Citigroup's Mexican banking franchise, which would create the largest financial institution in the country. Integrating complex financial companies is often fraught with unforeseen complications, however, and there is a risk that Banorte will overpay for this opportunity.

We modestly increased our overweight to IT by adding to several stocks that have suffered declines that we considered excessive given the growth prospects of the businesses, including semiconductor companies TSMC and Silergy of Taiwan and Network International, a UAE-based digital payments company. Fintech stocks have been hit hard by the turn away from high-priced growth companies, and Network was not spared despite having seen a resurgence in payments activity in its home market. Skeptics have questioned the resilience of Network's competitive position there and the extent of its growth opportunities in Saudi Arabia and Africa. However, we continue to refer to the scale of Network's operations in its Middle Eastern and African markets and the increasing breadth of payments services it offers to its customers.

> We welcomed back a previous holding, Naver, South Korea's leading internet company, which we sold in 2018. Naver is the dominant search portal in South Korea and a top player in the rapidly expanding e-commerce industry there.

Lastly, we welcomed back a previous holding, **Naver**, South Korea's leading internet company, which we sold in 2018. Naver is the dominant search portal in South Korea and a top player in the rapidly expanding e-commerce industry there, as well as a leader in offline and digital payments through Naver Pay. We sold in 2018 due to concerns about the company's spending on product development and international expansion. As we expected, some peripheral ventures were unsuccessful. However, Naver's core businesses have continued to grow, and a new management team is taking a more focused approach to developing international opportunities and monetizing of key assets. For example, Naver's e-commerce platform is gradually increasing take rates, particularly from high-value merchants. The company is also taking advantage of opportunities to further monetize its e-commerce software and search capabilities in Japan and to grow its Japanese and Korean cloud services businesses. South Korea is already highly penetrated, but there is still room for Naver to register mid-double-digit growth rates over the next five years as we expect. On this basis we found the shares attractively priced after pulling back in prior months.

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.

Portfolio Management Team Update

As previously announced, Pradipta Chakrabortty became a co-lead portfolio manager of the Emerging Markets Equity strategy on July 1, 2022, replacing Craig Shaw, CFA. Scott Crawshaw will continue as the strategy's other co-lead portfolio manager, and Rick Schmidt, CFA, will continue in his supporting role managing a model, or "paper" portfolio. Pradipta has been integral to our emerging markets strategies for more than a decade, both as a portfolio manager and an analyst of EM companies. Pradipta has managed a paper portfolio for the EM Equity strategy since 2015. He has also been the co-lead PM of our Frontier EM Equity strategy since 2012 and is the co-lead PM on our Chinese Equity strategy, which we launched in 2020.

Emerging Markets Holdings (as of June 30, 2022)

Communication Services	Market	End Wt. (%)
Baidu (Internet products and services)	China	1.0
CD Projekt (Video game developer)	Poland	0.3
Naver (Internet services)	South Korea	1.1
NCSOFT (Video game developer)	South Korea	0.4
Safaricom (Mobile network operator)	Kenya	0.9
Tencent (Internet and IT services)	China	3.8
Yandex (Internet products and services)	Russia	0.0*
Consumer Discretionary		
Alibaba (E-commerce retailer)	China	3.2
Astra International (Auto business operator)	Indonesia	1.0
China Tourism Group Duty Free (Duty free services)	China	1.1
Coway (Consumer appliances manufacturer)	South Korea	0.7
Eclat Textile (Technology-based textile manufacturer)	Taiwan	1.5
Fuyao Glass (Automotive glass manufacturer)	China	1.2
JD.com (E-commerce retailer)	China	0.1
Li-Ning (Athletic footwear and apparel retailer)	China	1.0
Lojas Renner (Department stores operator)	Brazil	0.7
Magazine Luiza (Consumer products retailer)	Brazil	0.4
Maruti Suzuki (Automobile manufacturer)	India	1.8
Midea Group (Consumer appliances manufacturer)	China	1.8
Shenzhou International (Textile manufacturer)	China	1.0
Consumer Staples		
Coca-Cola HBC (Coca-Cola bottler)	UK	1.8
FEMSA (Beverages manufacturer and retail operator)	Mexico	1.5
LG Household & Health Care (Cons. products mfr.)	South Korea	1.6
Walmart de México (Foods & cons. products retailer)	Mexico	2.2
Energy		
Lukoil (Oil and gas producer)	Russia	0.0*
Novatek (Natural gas producer)	Russia	0.0*
Tenaris (Steel-pipe manufacturer)	Italy	1.3
Financials		
AIA Group (Insurance provider)	Hong Kong	3.0
B3 (Clearing house and exchange)	Brazil	0.7
Banco Bradesco (Commercial bank)	Brazil	0.5
Bancolombia (Commercial bank)	Colombia	0.8
Bank Central Asia (Commercial bank)	Indonesia	1.0
Bank of Georgia (Commercial bank)	UK	0.2
Bank Rakyat (Commercial bank)	Indonesia	1.6
Commercial International Bank (Commercial bank)	Egypt	0.4
Discovery Holdings (Insurance provider)	South Africa	1.1
GF Banorte (Commercial bank)	Mexico	1.7
HDFC Bank (Commercial bank)	India	1.2
HDFC Corp. (Mortgage lender)	India	2.6

Financials	Market	End Wt. (%)
Itaú Unibanco (Commercial bank)	Brazil	1.1
Komerční Banka (Commercial bank)	Czech Republic	0.8
Kotak Mahindra Bank (Commercial bank)	India	1.6
Ping An Insurance (Insurance provider)	China	1.9
Sberbank (Commercial bank)	Russia	0.0*
SCB X (Commercial bank)	Thailand	1.2
Standard Bank (Commercial bank)	South Africa	1.1
XP (Broker dealer and financial services)	Brazil	0.7
Health Care		
CSPC Pharmaceutical Group (Pharma manufacturer)	China	1.3
WuXi AppTec (Biopharma manufacturer)	China	1.0
WuXi Biologics (Biopharma manufacturer)	China	1.4
Industrials		
AirTAC (Pneumatic-equipment manufacturer)	Taiwan	2.1
ASUR (Airport operator)	Mexico	1.4
CATL (Battery systems manufacturer)	China	1.1
Copa Holdings (Airline operator)	Panama	0.5
Localiza (Automobile rental services)	Brazil	1.2
Meyer Optoelectronic (Optical machine manufacturer)	China	0.7
Sanhua Intelligent Controls (HVAC&R parts mfr.)	China	2.1
Techtronic Industries (Power tools manufacturer)	Hong Kong	1.8
WEG (Industrial equipment manufacturer)	Brazil	0.8
ZTO Express (Express delivery services)	China	1.3
Information Technology		
ASM Pacific Technology (Semiconductor eqpt. mfr.)	Hong Kong	0.8
EPAM (IT consultant)	US	2.3
Hon Hai Precision (Electronics manufacturer)	Taiwan	1.9
Network International (Electronic payment services)	UK	0.5
Samsung Electronics (Electronics manufacturer)	South Korea	4.7
Sangfor (IT security services)	China	0.2
Silergy (Electronics chips manufacturer)	Taiwan	1.4
Sunny Optical (Optical components manufacturer)	China	1.4
Tata Consultancy Services (IT consultant)	India	2.9
TSMC (Semiconductor manufacturer)	Taiwan	5.0
Materials		
No Holdings		
Real Estate		
Country Garden Services (Residential property mgr.)	China	0.5
Utilities		
ENN Energy (Gas pipeline operator)	China	2.1
Cash		5.0

*Since March 7, we have valued our Russian holdings at effectively zero due to an inability to trade their shares and no observable market prices to use as proxies.

Model Portfolio holdings are supplemental information only and complement the fully compliant Emerging Markets 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.

2Q22 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL EM	Avg. Weight MSCI EM	Effect
Sanhua Intelligent Controls	INDU	1.4	<0.1	0.85
ENN Energy	UTIL	2.0	0.2	0.39
Fuyao Glass	DSCR	1.2	<0.1	0.37
AIA Group	FINA	2.3	–	0.34
China Tourism Group Duty Free	DSCR	0.7	<0.1	0.25

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL EM	Avg. Weight MSCI EM	Effect
Sanhua Intelligent Controls	INDU	1.0	<0.1	0.50
Walmart de México	STPL	2.0	0.2	0.43
ASUR	INDU	1.3	0.1	0.34
Gazprom*	ENER	–	0.4	0.34
Tata Consultancy Services	INFT	2.8	0.6	0.32

2Q22 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL EM	Avg. Weight MSCI EM	Effect
Techtronic Industries	INDU	1.8	–	-0.49
Meituan*	DSCR	–	1.3	-0.39
Discovery Holdings	FINA	1.3	0.1	-0.37
Silergy	INFT	1.6	0.1	-0.34
LG Household & Health Care	STPL	1.9	0.1	-0.30

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL EM	Avg. Weight MSCI EM	Effect
Sberbank	FINA	1.6	0.4	-1.35
Lukoil	ENER	1.6	0.3	-1.27
Novatek	ENER	1.6	0.2	-1.25
Yandex	COMM	1.2	0.2	-1.19
LG Household & Health Care	STPL	2.0	0.1	-1.10

*Company was not held in the portfolio; its absence had an impact on the portfolio's return relative to the Index.

Portfolio Characteristics

Quality and Growth	HL EM	MSCI EM
Profit Margin[1] (%)	14.7	15.2
Return on Assets[1] (%)	8.9	6.4
Return on Equity[1] (%)	16.6	14.3
Debt/Equity Ratio[1] (%)	35.3	43.6
Std. Dev. of 5 Year ROE[1] (%)	4.1	4.3
Sales Growth[1,2] (%)	11.3	11.1
Earnings Growth[1,2] (%)	12.3	12.3
Cash Flow Growth[1,2] (%)	10.4	11.7
Dividend Growth[1,2] (%)	10.2	10.2
Size and Turnover	**HL EM**	**MSCI EM**
Wtd. Median Mkt. Cap. (US $B)	30.3	30.8
Wtd. Avg. Mkt. Cap. (US $B)	95.5	109.0
Turnover[3] (Annual %)	15.5	–

Risk and Valuation	HL EM	MSCI EM
Alpha[2] (%)	-2.49	–
Beta[2]	1.08	–
R-Squared[2]	0.92	–
Active Share[3] (%)	69	–
Standard Deviation[2] (%)	19.08	16.95
Sharpe Ratio[2]	-0.06	0.09
Tracking Error[2] (%)	5.4	–
Information Ratio[2]	-0.48	–
Up/Down Capture[2]	104/111	–
Price/Earnings[4]	16.9	10.8
Price/Cash Flow[4]	12.9	7.8
Price/Book[4]	2.6	1.9
Dividend Yield[5] (%)	2.0	3.0

[1]Weighted median; [2]Trailing five years, annualized; [3]Five-year average; [4]Weighted harmonic mean; [5]Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner Emerging Markets Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: July 6, 2022, based on the latest available data in FactSet on this date.); Harding Loevner Emerging Markets Model, based on the underlying holdings; MSCI Inc.

Completed Portfolio Transactions

Positions Established	Market	Sector
Naver	South Korea	COMM

Positions Sold	Market	Sector
Ambev	Brazil	STPL
CBD	Brazil	STPL
East African Breweries	Kenya	STPL
Jiangsu Hengrui Medicine	China	HLTH
Largan Precision	Taiwan	INFT
SF Holding	China	INDU
Sino Biopharmaceutical	China	HLTH
Ultrapar	Brazil	ENER

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 and the last 12 months. 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. Contributors and detractors exclude cash and securities in the Composite not held in the Model Portfolio. Quarterly data is not annualized. Portfolio attribution and characteristics are supplemental information only and complement the fully compliant Emerging Markets Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

Emerging Markets Equity Composite Performance (as of June 30, 2022)

	HL EM Gross (%)	HL EM Net (%)	MSCI EM Index[1] (%)	HL EM 3-yr. Std. Deviation[2] (%)	MSCI EM Index 3-yr. Std. Deviation[2] (%)	Internal Dispersion[3] (%)	No. of Accounts	Composite Assets ($M)	Firm Assets ($M)
2022 YTD[4]	-26.31	-26.63	-17.47	20.82	17.93	N.A.[5]	10	8,711	50,423
2021	-2.34	-3.19	-2.22	20.48	18.35	1.1	13	15,537	75,084
2020	15.43	14.37	18.69	21.65	19.62	0.8	15	19,162	74,496
2019	26.90	25.78	18.88	14.64	14.17	0.4	17	19,045	64,306
2018	-17.29	-18.03	-14.25	13.94	14.62	0.4	21	15,114	49,892
2017	36.81	35.64	37.75	13.90	15.36	0.3	23	19,177	54,003
2016	14.84	13.85	11.60	15.00	16.07	0.4	22	13,629	38,996
2015	-12.85	-13.59	-14.60	13.61	14.04	1.2	20	9,670	33,296
2014	0.74	-0.11	-1.82	14.06	14.99	0.5	14	8,212	35,005
2013	5.74	4.80	-2.27	17.56	19.03	0.6	12	5,649	33,142
2012	23.92	22.79	18.63	20.15	21.49	0.4	10	3,772	22,658

[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 2022 YTD performance returns and assets shown are preliminary; [5]N.A.–Internal dispersion less than a 12-month period.

The Emerging Markets Equity Composite contains fully discretionary, fee-paying accounts investing in non-US equity and equity-equivalent securities of companies domiciled predominately in emerging markets and cash reserves, and is measured against the MSCI Emerging Markets 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 Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Index consists of 24 emerging market countries. 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 March 31, 2022.

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. The Emerging Markets Equity Composite has had a performance examination for the periods December 1, 1998 through March 31, 2022. The verification and performance examination reports are available upon request. 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 Emerging Markets 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; 0.55% above $200 million. The management fee schedule and total expense ratio for the Emerging Markets Equity Collective Investment Fund, which is included in the composite, are 0.90% on all assets and 1.00%, respectively. 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 Emerging Markets Equity Composite was created on November 30, 1998 and the performance inception date is December 1, 1998.

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