

Emerging Markets Equity



Monthly Update | February 2024

Composite Performance (% Total Return)

| Periods ended February 29, 2024 | 1 Month | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|------------------------------------|---------|-------|--------|---------|---------|----------|-----------------|
| HL Emerging Markets Equity (Gross) | 4.10 | -3.37 | 1.52 | -9.85 | -0.49 | 2.48 | 9.86 |
| HL Emerging Markets Equity (Net) | 4.04 | -3.52 | 0.61 | -10.64 | -1.37 | 1.58 | 8.96 |
| MSCI Emerging Markets Index | 4.77 | -0.08 | 9.18 | -5.93 | 2.27 | 3.39 | 7.72 |

The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Emerging Markets Equity composite inception date: November 30, 1998. MSCI Emerging Markets Index, the benchmark index, is shown gross of withholding taxes. Please read the above performance in conjunction with the disclosures on the last page of this report.

Portfolio Positioning (% Weight)

| Sector | HL | Index | Under / Over |
|--------------------|------|-------|--------------|
| Industrials | 13.2 | 6.9 | |
| Cash | 4.5 | — | |
| Cons Discretionary | 15.2 | 12.7 | |
| Financials | 24.5 | 22.8 | |
| Info Technology | 24.1 | 22.6 | |
| Cons Staples | 6.1 | 5.8 | |
| Real Estate | 1.1 | 1.6 | |
| Health Care | 1.7 | 3.6 | |
| Utilities | 0.7 | 2.8 | |
| Comm Services | 5.9 | 8.6 | |
| Energy | 2.2 | 5.5 | |
| Materials | 0.8 | 7.1 | |

| Geography | HL | Index | Under / Over |
|--------------------|------|-------|--------------|
| Dev. Market Listed | 7.4 | — | |
| Latin America | 14.4 | 9.0 | |
| Cash | 4.5 | — | |
| Frontier Markets | 2.7 | — | |
| China + Hong Kong | 25.5 | 25.8 | |
| Europe | 2.3 | 2.6 | |
| Africa | 2.3 | 2.9 | |
| Rest of Asia | 4.5 | 5.6 | |
| Taiwan | 13.5 | 16.7 | |
| India | 13.4 | 17.6 | |
| Middle East | 2.3 | 7.3 | |
| South Korea | 7.2 | 12.5 | |

"HL": Emerging Markets model portfolio. "Index": MSCI Emerging Markets Index.

"China + Hong Kong": The Harding Loevner Emerging Markets model portfolio's end weight in China is 21.8% and Hong Kong is 3.7%. The benchmark does not include Hong Kong. "Dev. Market Listed": Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong. "Frontier Markets": Includes countries with less-developed markets outside the index.

Investment Perspectives

Market

Emerging Markets outperformed developed markets for the first time in five months. China led the pack, rallying 8% due to strong tourism revenues during lunar new year and continued monetary easing by policymakers amid the economic downcycle. South Korea gained 7% as its financial regulator began a major push for better corporate governance. Taiwan, home to **TSMC** and other companies in the semiconductor supply chain, rose after major customer NVIDIA's quarterly results confirmed strong demand for its artificial intelligence-enabling processors. All sectors rose, particularly Consumer Discretionary, Industrials, and Information Technology, which rebounded on better prospects of growth in China and in AI-related semiconductors.

Portfolio

South Korea's newly released Corporate Value-up Program—which encourages companies to deliver better shareholder returns and to narrow the longstanding valuation gap between Korean companies and their global peers—has led to a broad rally in companies trading below their book value, especially Financials and conglomerate holding companies. The campaign has emboldened activist investors to "name and shame" companies, pushing many to increase dividends, buy back shares, and improve the quality of their boards. We wish them well, as our own engagement efforts over time have been aligned with many of these priorities. This rally was, nevertheless, detrimental to our relative returns in Korea, as we have long avoided the low-quality companies that stand to benefit most from these improvements.

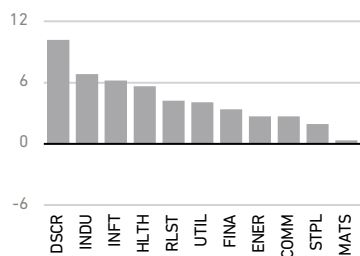
Ten Largest Holdings

| Company | Market | Sector |
|---------------------------|-------------|--------------------|
| TSMC | Taiwan | Info Technology |
| Samsung Electronics | South Korea | Info Technology |
| HDFC Bank | India | Financials |
| Tata Consultancy Services | India | Info Technology |
| Tencent | China | Comm Services |
| Maruti Suzuki | India | Cons Discretionary |
| FEMSA | Mexico | Cons Staples |
| GF Banorte | Mexico | Financials |
| AirTAC | Taiwan | Industrials |
| Tenaris | Italy | Energy |

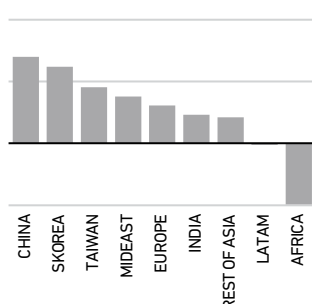
Ten Largest Holdings are the top ten holdings by weight. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | Feb.

Total Return by Sector (%)

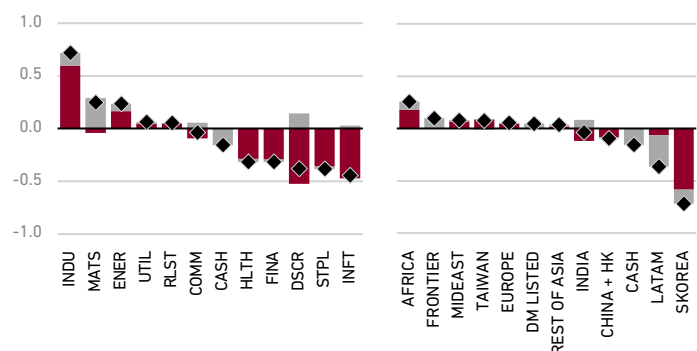


Total Return by Geography (%)



Performance Attribution | Feb.

| Effect (%) | Selection | Allocation | Total |
|------------|-----------|------------|-------|
| Sector | -1.2 | 0.5 | -0.7 |
| Geography | -0.4 | -0.3 | -0.7 |



"DM LISTED": Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong. "FRONTIER": Includes countries with less-developed markets outside the index.

- In Mexico, **FEMSA** fell despite resilient underlying quarterly results after its publicized plans for increased shareholder returns fell short of expectations and after it announced the departure of two members of the management team.
- In India, **HDFC Bank** continued to underperform after its quarterly results showed slower deposit growth and branch openings than expected following its merger with HDFC Limited.
- AirTAC**, based in Taiwan, rallied after strong quarterly results and guidance for its industrial automation products, despite an ongoing economic downcycle in mainland China, its main market.
- In China, **Trip.com Group** rose after quarterly earnings and guidance exceeded expectations, suggesting strong travel demand so far this year despite weak consumer spending in its home market.

Top Five Contributors/Detractors (%) | Feb.

to Relative Returns

| Contributors | Market | Sector | Index Weight | Effect |
|-----------------------------|-----------|--------|--------------|--------|
| AirTAC | Taiwan | INDU | 0.1 | 0.41 |
| Trip.com Group | China | DSCR | 0.3 | 0.32 |
| Maruti Suzuki | India | DSCR | 0.3 | 0.14 |
| Sanhua Intelligent Controls | China | INDU | <0.1 | 0.14 |
| ASM Pacific Technology | Hong Kong | INFT | – | 0.13 |

Detractors

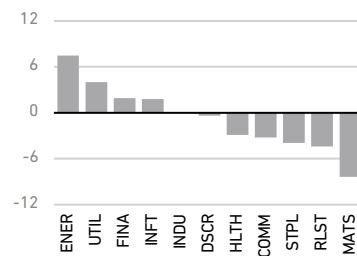
| | | | | |
|------------------------|--------|------|-----|-------|
| HDFC Bank | India | FINA | 0.7 | -0.34 |
| FEMSA | Mexico | STPL | 0.4 | -0.32 |
| Aspeed | Taiwan | INFT | – | -0.27 |
| Globant | US | INFT | – | -0.21 |
| Shenzhou International | China | DSCR | 0.1 | -0.16 |

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

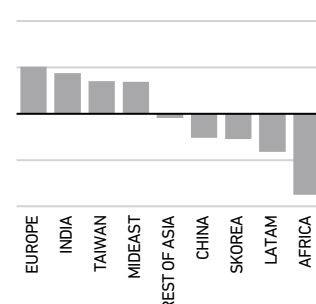
Index weight is the average weight of the security in the index over the MTD and YTD periods. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | YTD

Total Return by Sector (%)

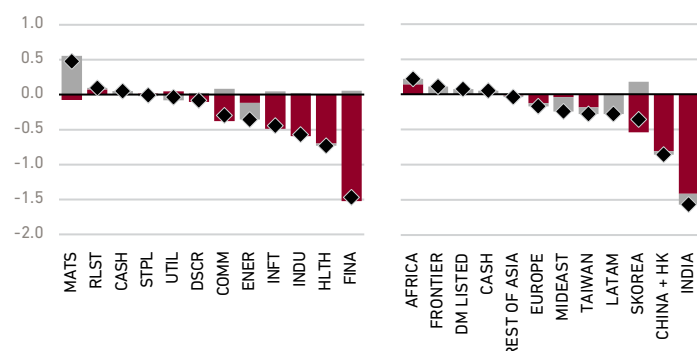


Total Return by Geography (%)



Performance Attribution | YTD

| Effect (%) | Selection | Allocation | Total |
|------------|-----------|------------|-------|
| Sector | -3.8 | 0.5 | -3.3 |
| Geography | -3.0 | -0.3 | -3.3 |



- Year-to-date underperformance has been concentrated in India and China. In India, our underweight to the strongly performing market, combined with weakness from **HDFC Bank**, has muted otherwise strong results from **Tata Consultancy Services** and **Maruti Suzuki**.
- In China, **WuXi AppTec**, the world's largest contract drug developer and manufacturer, fell after a US House select committee introduced a bill that would restrict federally funded medical providers in the US from using the services of certain biotech companies alleged to have links to China's military. **WuXi AppTec**, one of several companies named in the bill, has denied any military links, and corresponding legislation in the Senate has apparently been delayed. We have since sold our shares of the company.

Top Five Contributors/Detractors (%) | YTD

to Relative Returns

| Contributors | Market | Sector | Index Weight | Effect |
|---------------------------|--------|--------|--------------|--------|
| Trip.com Group | China | DSCR | 0.3 | 0.37 |
| AirTAC | Taiwan | INDU | 0.1 | 0.29 |
| Tata Consultancy Services | India | INFT | 0.6 | 0.24 |
| Maruti Suzuki | India | DSCR | 0.2 | 0.22 |
| PDD Holdings* | China | DSCR | 1.2 | 0.18 |

Detractors

| | | | | |
|------------------------|--------|------|-----|-------|
| HDFC Bank | India | FINA | 0.7 | -0.74 |
| WuXi AppTec | China | HLTH | 0.1 | -0.53 |
| Shenzhou International | China | DSCR | 0.1 | -0.28 |
| Localiza | Brazil | INDU | 0.2 | -0.28 |
| Aspeed | Taiwan | INFT | – | -0.24 |

Sources

Benchmark Performance: FactSet, MSCI Inc.

Sector/Geographic Attribution: Harding Loevner Emerging Markets Equity composite, FactSet, MSCI Inc.

Sector/Geographic Positioning and Ten Largest Holdings: Harding Loevner Emerging Markets Equity model, FactSet, MSCI Inc.

Disclosures

Past performance does not guarantee future results. Invested capital is at risk of loss. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients.

For comparison purposes the composite return is measured against the MSCI Emerging Markets Total Return Index (Gross). Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner has been independently verified for the period November 1, 1989 through September 30, 2023. 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 composite has had a performance examination for the periods December 1, 1998 through September 30, 2023. The verification and performance examination reports are available upon request. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the Emerging Markets composite, please contact Harding Loevner at (908) 218-7900 or invest@hlmnet.com. The firm maintains a complete list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds, which 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.

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.

Companies held in the portfolio at the end of the month appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings may not be current. They should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the securities identified has been or will be profitable. The portfolio holdings identified above do not represent all of the securities held in the portfolio. To request a complete list of holdings for the past year, please contact Harding Loevner. The following information is available upon request: (1) information describing the methodology of the contribution data and (2) a list showing the weight and relative contribution to return of all holdings during the month.

Portfolio holdings, portfolio attribution, contributors and detractors, and sector/geographic portfolio positioning are supplemental information only and complement a fully compliant Emerging Markets Equity composite GIPS Presentation, which is available upon request. Performance of contributors and detractors is net of fees, which is calculated by taking the difference between net and gross composite performance for the Emerging Markets Equity strategy prorated by asset weight in the portfolio and subtracted from each security's return. The composite and attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is obtained from Harding Loevner's accounting system and attribution returns are obtained from the FactSet portfolio analysis system. Please note returns from FactSet are not audited for GIPS compliance and are for reference only.

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