Emerging Markets Equity

Quarterly Report | First Quarter 2024

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Composite Performance

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

	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
HL Emerging Markets Equity (Gross)	-0.14	4.02	-8.69	-0.16	2.49	9.97
HL Emerging Markets Equity (Net)	-0.36	3.07	-9.49	-1.04	1.59	9.06
MSCI Emerging Markets Index	2.44	8.59	-4.67	2.61	3.33	7.80

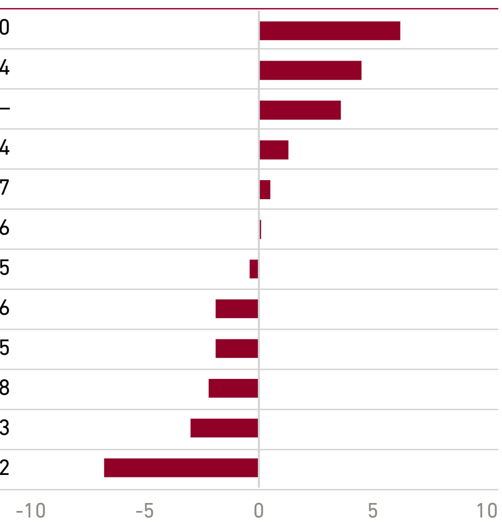
The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Emerging Markets Equity composite inception date: November 30, 1998. MSCI Emerging Markets Index, the benchmark index, is shown gross of withholding taxes.

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)

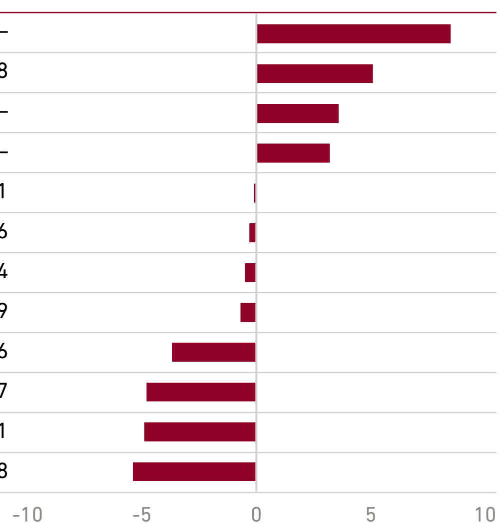
Sector	HL	Index
Industrials	13.2	7.0
Cons Discretionary	16.9	12.4
Cash	3.6	–
Financials	23.7	22.4
Info Technology	24.2	23.7
Cons Staples	5.7	5.6
Real Estate	1.1	1.5
Comm Services	6.7	8.6
Health Care	1.6	3.5
Utilities	0.6	2.8
Energy	2.3	5.3
Materials	0.4	7.2

Under / Over



Geography	HL	Index
Dev. Market Listed	8.5	–
Latin America	13.9	8.8
Cash	3.6	–
Frontier Markets	3.2	–
China + Hong Kong	25.0	25.1
Europe	2.3	2.6
Rest of Asia	4.9	5.4
Africa	2.2	2.9
Taiwan	13.9	17.6
India	12.9	17.7
Middle East	2.2	7.1
South Korea	7.4	12.8

Under / Over



"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 21.5% and Hong Kong is 3.5%. 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.

Sector and geographic allocations are supplemental information only and complement the fully compliant Emerging Markets Composite GIPS Presentation. Source: Harding Loevner Emerging Markets 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.

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Market Review

China once again weighed on emerging markets (EMs) in the first quarter, as investors continued to be concerned about its ailing economy and geopolitical tensions with the US. Meanwhile, the Federal Reserve's decision not to cut US interest rates drove up the dollar and shrunk the EM index's returns in US dollar terms by two percentage points. In the end, the MSCI Emerging Markets Index posted a modest 2% return, seven percentage points behind the developed-market MSCI World Index.

The Biden administration pressured allies in an attempt to squeeze China's access to semiconductor technology. It asked Japan to deny access to critical chemicals used in chip production and asked the Netherlands (home to semiconductor-equipment manufacturer ASML) to refrain from servicing equipment already sold to Chinese chipmakers. These actions weighed heavily on sentiment toward China's technology sector. Also, a US Congressional committee introduced the Biosecure Act that seeks to ban US companies that receive federal funds from contracting with "biotechnology companies of concern" based on the risk of ties to China's military—specifically citing China's (and the world's) largest provider of outsourced drug development and manufacturing, WuXi AppTec.

MSCI EM Index Performance (USD %)

Sector	1Q 2024	Trailing 12 Months
Communication Services	0.8	-11.4
Consumer Discretionary	-0.3	-5.1
Consumer Staples	-4.3	-2.8
Energy	7.0	36.6
Financials	2.4	15.7
Health Care	-4.5	-0.8
Industrials	1.4	3.8
Information Technology	10.0	27.6
Materials	-4.6	-4.1
Real Estate	-5.9	-11.2
Utilities	3.6	18.8
Geography	**1Q 2024**	**Trailing 12 Months**
Africa	-7.5	-4.1
South Africa	-6.7	-4.2
Asia	3.4	6.7
China	-2.2	-16.9
India	6.1	37.3
South Korea	1.8	14.7
Taiwan	12.5	28.7
Europe	5.8	36.2
Latin America	-3.9	23.4
Brazil	-7.3	27.6
Mexico	0.5	18.2
Middle East	3.3	11.0
Saudi Arabia	4.8	16.0
MSCI EM Index	2.4	8.6

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

In its domestic economy, China's real-estate market continued to falter, and the recovery in consumption remained muted despite ongoing policy support. The manufacturing sector showed signs of strength, with industrial production rising 7% in January and February from a year ago and industrial-corporate profits rising double digits. Elsewhere in Asia, semiconductor stocks propelled Taiwan to a 13% return for the quarter. India, now the second largest market in the EM index behind China, extended its positive run with strong contributions from Energy, Real Estate, and Communication Services stocks.

Europe was the strongest region, with Turkey posting a double-digit return as banks and industrials rallied amid growing investor enthusiasm for the country's macro stabilization plan and more orthodox monetary policy. Latin America was the weakest region as Brazil lagged, offsetting strength in Peru and Colombia whose economies benefited from stronger copper and energy prices, respectively. Brazil suffered a moderate reversal after rising 32% in the final nine months of last year. Inflation prints came in higher than expected, reducing optimism about the potential pace of interest rate cuts.

> China's real-estate market continued to falter and the recovery in consumption remained muted despite ongoing policy support.

Information Technology (IT) was the strongest sector as enthusiasm surrounding artificial intelligence continued to boost shares of a concentrated group of stocks. Taiwan's **TSMC** rallied as escalating demand for semiconductors required for AI training boosted prospects for its revenue growth and profit margins. That offset weakness in Chinese technology stocks that were sent reeling by the US restrictions. Energy also posted strong returns, driven by Reliance Industries, the Indian conglomerate with a business profile across petrochemicals, telecommunications, and digital retail, as well as by PetroChina, which generated strong core earnings in both its upstream and downstream segments.

The Real Estate sector continued to be battered by further fallout from China's property-market slump. Vanke was the latest big property developer to require financial support from the state to make short-term bond payments. Declines in Health Care were largely a result of the US Biosecure Act. Materials were also weak; iron ore miners and chemicals producers dropped sharply. China's economic weakness and the state's measured approach to supporting the property sector weighed on 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 March 31, 2024 is available on page 9 of this report.

such as iron ore, which slumped more than 20% during the quarter. That offset strength in copper miners following a strong increase in the commodity's price. Energy prices also strengthened. Brent crude spot prices rose from $US76 to US$85 as the OPEC+ group of oil-producing countries agreed to extend output cuts through the second quarter.

Another driving force for stock returns in EMs this quarter was a push from government policymakers and stock-market regulators to incentivize companies to enhance shareholder returns. These campaigns, first witnessed in Japan, are being replicated in South Korea and China. In Korea, the government has been frustrated by the persistently lower valuations of domestic stocks compared to overseas peers, what's been dubbed a Korean discount. It unveiled a corporate "value-up" program to boost low price-to-book securities, including unwieldy conglomerates (or *chaebols*) and financial groups that have delivered pathetic returns on capital for decades. Investors responded by bidding up some of the cheapest stocks, despite an absence of policy details. In China, we have observed evidence of a similar campaign, with sudden boosts in dividend payouts and share buybacks by state-owned enterprises (SOEs) as well as leading private enterprises including **CATL**.

Performance and Attribution

The Emerging Markets Equity composite fell 0.1% gross of fees for the quarter, trailing the MSCI Emerging Markets Index, which posted a return of 2.4%.

Portfolio results were hindered by weak selection effects in Financials, IT, and Health Care, offset by stronger returns in Consumer Discretionary.

In Financials, the largest detractor was India's **HDFC Bank**, which reported a slowdown in deposit growth in an environment where the central bank has continued to tighten liquidity. If the bank cannot leverage its growing branch network to re-accelerate deposit growth over the medium term this may constrain asset growth and crimp net interest margins; in early April, however, the bank reported record sequential deposit growth in the final quarter of its fiscal year, a promising start. Shares of **AIA Group**, the pan-Asian life-insurance company, also fell despite robust earnings supported by higher profit margins that beat sell-side analyst expectations. Investors may have been disappointed that management did not indicate it would extend a buyback program set to expire next year.

Relative returns in IT were hampered by the strong performance of TSMC; our holding is below the large index weight in accordance with our risk guidelines. We also do not hold SK Hynix, which has taken a lead (temporarily in our view) over **Samsung Electronics** in the high-bandwidth memory market that is set to expand rapidly due to rising demand from AI training computers. **Globant**, the IT services company that operates largely out of Latin America, detracted as the market digested management's relatively soft revenue outlook for the first half of 2024.

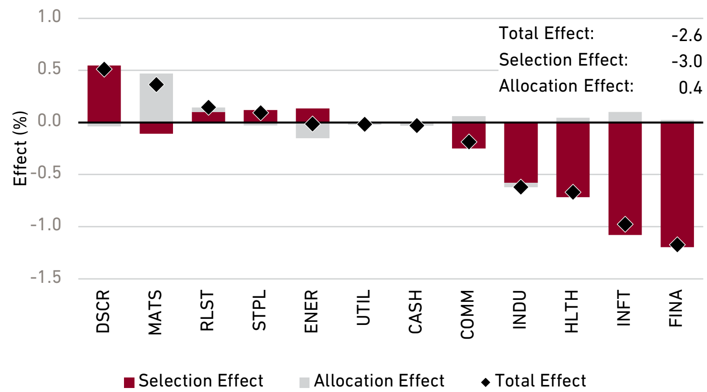
Health Care performance was punctured by our holdings in CDMO (contract development and manufacturing organization) companies WuXi AppTec and WuXi Biologics. Shares of both companies fell sharply in the fallout from the US Biosecure Act. Although several companies mentioned in the proposed bill, including WuXi AppTec, have denied any ties to China's military, US customers of both WuXi companies are already looking to lower their reliance on Chinese companies. Although there is high uncertainty as to the eventual form of any bill and whether it will become law, we saw enough risk to the WuXis' revenue pool and growth prospects that we exited our positions.

In Consumer Discretionary, performance was boosted by our holdings in Indian automaker **Maruti Suzuki** and China's leading online travel agency, **Trip.com Group**. Maruti Suzuki's profit

First Quarter 2024 Performance Attribution

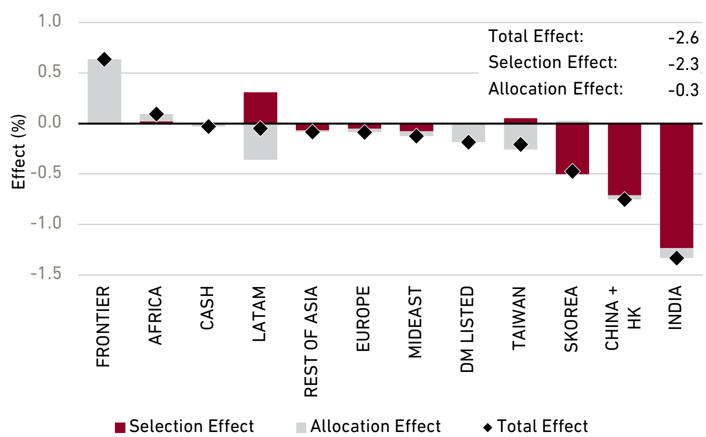
Sector

Emerging Markets Equity Composite vs. MSCI EM Index



Geography

Emerging Markets Equity Composite vs. MSCI EM Index



"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.

Source: Harding Loevner Emerging Markets Equity composite, FactSet, MSCI Inc. 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.

margins have been rising thanks to its growing share of the SUV market and easing raw materials costs. Trip.com once again soundly beat market expectations for earnings growth as margins continued to track well above pre-pandemic levels, reflecting cost efficiencies achieved in part from using AI applications to support customer service and marketing. Management also guided for robust high-teens revenue growth in 2024, as international travel by Chinese citizens recovers and Trip.com's international businesses trend back toward pre-pandemic levels.

> Shares of AIA Group, the pan-Asian life-insurance company, also fell despite robust earnings.

By region, the bulk of our underperformance came from Asia. Results in India and China were hurt by the aforementioned Financials and Health Care stocks, respectively. Results in Korea also detracted in part due to the strong performance of low-quality, cheap stocks (including financial stocks) in response to the government's "value-up" campaign. **Naver**, the Korean social internet e-commerce company, also detracted as sales growth slowed well below that of the overall market.

A pair of frontier-market holdings added to returns. **Kaspi.kz**, a Kazakhstan-based internet platform, rounded off the year with another strong earnings report and management projections for robust growth, particularly in its marketplace and payments businesses. **Safaricom**, an East African communications and fintech company, rallied in tandem with other Kenyan shares as both the IMF and the World Bank increased financial support packages to the country, which also managed to issue a large Eurobond, its first since 2021. The Kenyan shilling rallied 20% in the quarter, recouping most of the losses endured through 2023.

Perspective and Outlook

Most people in the developed world don't think twice about access to financial products. Bank accounts, credit cards, and loans are plentiful and within reach to most; in many countries, the average consumer has several of each. But in emerging markets, large segments of the population face very different circumstances: more than a billion people still lack access to formal banks and the important services they provide, especially access to easy payments and to credit.

This is particularly the case in Latin America. The reasons why people lack bank accounts vary. Many don't have enough savings to meet minimum balance requirements set by banks. Some lack the documentation required or don't trust the financial system. Others simply don't have bank branches in their neighborhoods or even their towns. As a consequence, fewer than half of Mexicans have bank accounts, and fewer than one in five has any kind of formal credit history. In Brazil, the region's largest economy, banking access is more widespread—there, each Brazilian has two credit cards on average—but the annualized interest rate on revolving balances remained at more than 400% last year, according to the country's central bank, which blamed limited competition.

Those constraints, however, have become their own opportunity. It is easier and cheaper for many people to open mobile-money accounts on their phones, and over the past decade new participants beyond banks have emerged in force to meet this demand. In some cases, in addition to eyeing financial products as areas for potential growth, companies outside of the traditional banking world have seen them as a way to build competitive advantages in their core businesses.

In Mexico, leading retailer and Coca-Cola bottler **FEMSA** rolled out its digital wallet Spin three years ago, turning the company's ubiquitous Oxxo convenience stores into the equivalent of simple banks. With more than 23,000 stores, there are more Oxxos than bank branches in Mexico; indeed, they serve many towns ignored by banks completely. While customers can use the app to send or receive money, similar to Venmo, they can also go to Oxxo stores and make basic bank-like transactions such as deposits and withdrawals. This ubiquity and accessibility to Mexicans from all regions and walks of life makes it easy for workers without bank accounts to deposit money into their Spin wallets to send to their families across town or across the country, who can withdraw it just as easily—or spend it in stores, ideally Oxxo's own.

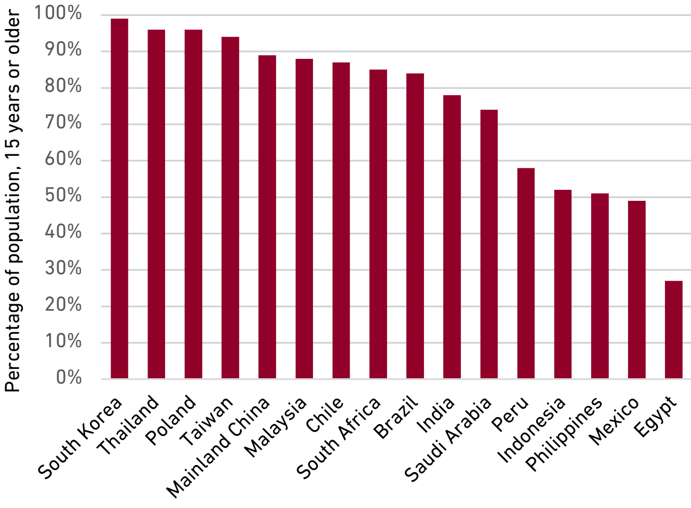
To strengthen its Oxxo business, FEMSA has integrated Spin with its loyalty program for Oxxo shoppers, Spin Premia, to encourage customers to shop more at their stores. Management has also been considering partnering with a bank to offer credit to its Spin customers, and it is ramping a payment system tailored for small businesses, also integrated with Spin, that allows other shops to switch more easily away from cash at low cost while broadening acceptance for Spin.

Another prime example of how alternative payment systems can boost a company's core offering is **MercadoLibre**, Latin America's largest online retailer, which we added to the portfolio during the quarter. Since we last wrote about the company four years ago, its management has done a great deal to further differentiate its offerings from those of rivals in a highly competitive industry, leading to market-share gains across the region. In the same way that the company built its own fulfillment infrastructure to improve the customer experience in areas where third-party delivery services were lacking, it has built its own payments and credit infrastructure to offer better shopping experiences to its customers and reduce barriers that have otherwise discouraged e-commerce adoption.

MercadoLibre started its payments business, Mercado Pago, in 2003, only four years after launching its namesake e-commerce platform. It has since become the leading private payment provider in the region, accounting for 13% of all retail sales in Latin America, both online and offline, more than any single card issuer or private form of payment other than cash. Nearly three quarters of its payments now take place outside of MercadoLibre's online site. Mercado Pago comprises more than half of the company's total earnings and cash flow, which has helped to fund investments elsewhere—especially in logistics—that have served to reinforce its lead in e-commerce.

Banking Penetration

Percentage of population with bank or mobile-money accounts in select emerging markets, through 2022



Source: The World Bank. Data as of March 28, 2024.

Mercado Pago has been especially important to MercadoLibre's success in Mexico, the region's second-largest economy and MercadoLibre's third-largest market, accounting for more than 20% of its sales. With the largest unbanked population in Latin America, many online shoppers have had to pay cash on delivery, a sometimes cumbersome process that Mercado Pago was able to help resolve. For more than half of MercadoLibre's users, Mercado Pago was the first digital payment method available to them. In addition, more than half of the credit offered by Mercado Pago went to customers getting their first access to credit ever; half of them were women, who have been particularly underserved by banks.

> It is easier and cheaper for many people to open mobile-money accounts on their phones, and over the past decade new participants beyond banks have emerged in force to meet this demand.

This access to digital payments and credit has strengthened the competitive position of MercadoLibre's e-commerce business, allowing it to capture more than 20% market share in Mexico, ahead of well-resourced rivals Amazon.com and **Walmart de México** and despite the entry of Asian competitors such as **Alibaba**'s AliExpress, Sea's Shopee, and PDD Holdings' Temu. In Brazil, MercadoLibre's largest market, its share has risen to just under 40%, approaching the more than 50% share in its first market of Argentina.

As its credit business grows, MercadoLibre will have to decide how to fund that growth more efficiently, while managing risks to its balance sheet. Banks will also fight back. On the other hand, regulators are likely aware of the lack of competition in the financial sector. When Mexico's antitrust commission expressed concern about MercadoLibre and Amazon.com's dominance of the online retail market, it chose to focus its recommendations on more transparency for merchants and on bundled services such as Amazon Prime's streaming videos, not Mercado Pago—likely in recognition of the even more dominant role of banks in the financial system.

Regulations on lending practices are another inherent concern. There is a fine line between financial inclusion and usury, and where that line lies isn't always clear, especially in a region that typically faces high inflation rates. Companies that step over these lines risk both exacerbating social problems and inviting regulators to put a collar on their businesses. Mercado Pago's scale allows it to manage both of those risks better than its peers.

For one thing, Mercado Pago's mainstream reach across its largest markets gives it a customer base that is far broader than those of the payday lenders or peer-to-peer lenders in the US and China that saw their industries largely wiped out by regulation. By covering a wide swath of the population, Mercado Pago has more representative data on borrowers than traditional banks. For its credit-risk managers, this provides invaluable information to navigate through often deep credit cycles, giving them a higher chance of catching concerning changes in behavior before they snowball and trap the most vulnerable customers in debt.

MercadoLibre and FEMSA have built valuable businesses for themselves in payments, ones that also address a pressing need for many customers of their retail businesses. There is still much work to do in promoting financial inclusion in Latin America compared to many other emerging markets (see chart above). That also means there is a continuing opportunity for MercadoLibre, FEMSA, and other companies to lower financial barriers for customers while at the same time differentiating themselves from their competitors and boosting their own businesses.

Portfolio Highlights

Medical tourism is a growing field within the health-care industry. Many patients venture abroad to obtain medical procedures that are cheaper, higher quality, or not available in their home countries. Thailand has emerged as one of the top destinations for such medical tourism, and **Bumrungrad Hospital** is capitalizing on the trend; international patients account for about two thirds of its total revenue. With enviable returns on capital and a compelling growth narrative, the company is attractive for investors as well, which is why we bought a new holding in the stock in the first quarter.

The company focuses on complex surgeries such as heart bypass or spinal fusion and does so with a superior level of service relative to other hospitals in Thailand as well as other countries from which Bumrungrad attracts international patients. Differentiating itself this way allows it to charge higher prices than any other hospital in the country. Yet its prices are still low compared to the developed world, as little as a fifth of what would be charged by a hospital in the US, for instance.

We expect Bumrungrad's earnings growth over the next few years to be supported by expansion. The company is building a six-story annex close to its existing facility in Bangkok that will likely be a specialty women's and children's hospital, slated to start operations by the end of this year. In 2025, it will complete another project that should boost the number of beds in the hospital by 11%. The company is also working on a new project in the coastal city of Phuket for a 150-bed hospital, adding 29% more beds to its current capacity there. This new hospital is expected to open in early 2026 and is aimed at attracting both international and domestic patients.

> Thailand has emerged as one of the top destinations for such medical tourism, and Bumrungrad Hospital is capitalizing on the trend.

Another new investment beyond the largest EMs of China and India this quarter is **Telkom Indonesia**, an integrated telecommunications company that provides mobile, consumer fixed-line, enterprise, and wholesale telecommunication services. It is the largest mobile and fixed-line network operator in Indonesia with roughly 51% and 70% market share, respectively. Telkom's competitive advantage stems from this scale—it has the largest telecom network infrastructure in Indonesia—which leads to a lower cost structure compared to smaller competitors. Its superior network quality (it outranks its competitors in four out of five quality metrics) is an added source of attraction for customers and allows Telkom to charge a premium for its services.

Telkom's largest and most profitable business segment is mobile, where the company operates under four brands. Its postpaid brand kartuHalo targets upper- and middle-income young professionals with premium mobile services. Two other brands (simPATI and Kartu AS) offer prepaid services targeting middle- and lower-income customers with highly customizable voice and data packages. Its fourth brand (LOOP) targets the youth segment with several attractive data and digital-services packages including mobile financial services, music, and video streaming.

Although mobile-subscriber market penetration in Indonesia exceeds 100%, usage of mobile data and digital services is still low and should be an important source of earnings growth for the company. Currently average data consumption for Telkom customers is only 12 gigabytes (GB) per month per subscriber, compared to much higher consumption levels for regional peers like Thailand's Advanced Info Services and Malaysia's Maxis Bhd at 32 GB and 26 GB per month per subscriber, respectively.

Both Bumrungrad Hospital and Telkom Indonesia are high-quality companies that have delivered returns on equity exceeding 18% on average over the last five years, and have sound financial positions. In other words, just the kind of businesses that we search out around the world.

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.

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Emerging Markets Holdings (as of March 31, 2024)

Communication Services	Market	End Wt. (%)
Baidu (Internet products and services)	China	0.4
CD Projekt (Video game developer)	Poland	0.3
Naver (Internet services)	South Korea	1.0
NCSOFT (Video game developer)	South Korea	0.4
Safaricom (Mobile network operator)	Kenya	0.5
Telkom Indonesia (Telecom services)	Indonesia	0.5
Tencent (Internet and IT services)	China	3.5
Consumer Discretionary		
Alibaba (E-commerce retailer)	China	1.5
Allegro (E-commerce retailer)	Poland	1.4
Coway (Consumer appliances manufacturer)	South Korea	0.5
Eclat Textile (Technology-based textile manufacturer)	Taiwan	1.9
Fuyao Glass (Automotive glass manufacturer)	China	0.6
JD.com (E-commerce retailer)	China	1.0
Li-Ning (Athletic footwear and apparel retailer)	China	0.7
Lojas Renner (Department stores operator)	Brazil	0.6
Maruti Suzuki (Automobile manufacturer)	India	3.0
MercadoLibre (E-commerce retailer)	US	1.4
Midea Group (Consumer appliances manufacturer)	China	0.8
Shenzhou International (Textile manufacturer)	China	1.4
Trip.com Group (Online travel services)	China	1.9
Consumer Staples		
Budweiser APAC (Alcoholic beverages manufacturer)	Hong Kong	0.4
Coca-Cola HBC (Coca-Cola bottler)	UK	1.2
FEMSA (Beverages manufacturer and retail operator)	Mexico	2.1
Walmart de México (Foods and cons. products retailer)	Mexico	2.0
Energy		
Lukoil (Oil and gas producer)	Russia	0.0*
Tenaris (Steel-pipe manufacturer)	Italy	2.3
Financials		
AIA Group (Insurance provider)	Hong Kong	1.2
Al Rajhi Bank (Commercial bank)	Saudi Arabia	1.1
B3 (Clearing house and exchange)	Brazil	0.6
Bancolombia (Commercial bank)	Colombia	0.6
Bank Central Asia (Commercial bank)	Indonesia	1.0
Bank of Georgia (Commercial bank)	UK	0.5
Bank Rakyat (Commercial bank)	Indonesia	1.6
Commercial International Bank (Commercial bank)	Egypt	0.7
Discovery Holdings (Insurance provider)	South Africa	0.5
GF Banorte (Commercial bank)	Mexico	2.3
HDFC Bank (Commercial bank)	India	4.2
HDFC Life (Insurance provider)	India	0.9
Itaú Unibanco (Commercial bank)	Brazil	1.3
Kaspi.kz (Banking and financial services)	Kazakhstan	1.8
Komerční Banka (Commercial bank)	Czech Republic	0.6
Kotak Mahindra Bank (Commercial bank)	India	1.0

Financials	Market	End Wt. (%)
Ping An Insurance (Insurance provider)	China	1.3
Sberbank (Commercial bank)	Russia	0.0*
Standard Bank (Commercial bank)	South Africa	1.1
XP (Broker dealer and financial services)	Brazil	1.5
Health Care		
Bumrungrad Hospital (Hospital operator)	Thailand	0.7
Mindray (Medical equipment manufacturer)	China	1.0
Industrials		
AirTAC (Pneumatic-equipment manufacturer)	Taiwan	1.9
Astra International (Auto business operator)	Indonesia	1.0
CATL (Battery systems manufacturer)	China	1.2
Copa Holdings (Airline operator)	Panama	0.8
Hengli Hydraulic (Hydraulic components mfr.)	China	0.9
Inovance (Industrial controls manufacturer)	China	0.7
Localiza (Automobile rental services)	Brazil	1.5
Meyer Optoelectronic (Optical machine manufacturer)	China	0.6
Sanhua Intelligent Controls (HVAC and R parts mfr.)	China	1.1
Techtronic Industries (Power tools manufacturer)	Hong Kong	1.2
WEG (Industrial equipment manufacturer)	Brazil	1.4
ZTO Express (Express delivery services)	China	0.9
Information Technology		
ASM Pacific Technology (Semiconductor eqpt. mfr.)	Hong Kong	0.7
Aspeed (Electronic chip designer and manufacturer)	Taiwan	1.5
Delta Electronics (Power management products)	Taiwan	1.9
EPAM (IT consultant)	US	1.5
Globant (Software developer)	US	1.7
Hon Hai Precision (Electronics manufacturer)	Taiwan	0.9
LONGi (Solar power equipment manufacturer)	China	0.8
Samsung Electronics (Electronics manufacturer)	South Korea	5.5
StarPower (Semiconductor manufacturer)	China	0.7
Tata Consultancy Services (IT consultant)	India	3.4
TSMC (Semiconductor manufacturer)	Taiwan	5.7
Materials		
Asian Paints (Paint manufacturer)	India	0.4
Real Estate		
Emaar Properties (Real estate developer and manager)	UAE	1.1
Utilities		
ENN Energy (Gas pipeline operator)	China	0.6
Cash		3.6

*Since March 7, 2022, we have fair valued our Russian holdings at effectively zero because we cannot trade the securities on their respective markets and we have not identified a reliable alternative fair value.

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 securities identified have been or will be profitable. To request a complete list of portfolio holdings for the past year contact Harding Loevner.

1Q24 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Kaspi.kz	FINA	1.5	–	0.49
Maruti Suzuki	DSCR	2.7	0.3	0.42
Trip.com Group	DSCR	1.9	0.3	0.28
PDD Holdings*	DSCR	–	1.1	0.28
Tenaris	ENER	2.1	–	0.21

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Novatek	ENER	<0.1	–	1.24
Yandex	COMM	<0.1	–	0.99
Kaspi.kz	FINA	1.3	–	0.76
Maruti Suzuki	DSCR	2.4	0.2	0.74
Emaar Properties	RLST	1.9	0.2	0.60

1Q24 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
HDFC Bank	FINA	4.5	0.7	-0.76
WuXi AppTec	HLTH	0.6	0.1	-0.53
AIA Group	FINA	1.5	–	-0.40
TSMC	INFT	5.7	7.6	-0.37
Globant	INFT	1.9	–	-0.35

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Li-Ning	DSCR	1.0	0.2	-1.16
LONGi	INFT	1.0	<0.1	-1.09
AIA Group	FINA	1.6	–	-0.88
WuXi AppTec	HLTH	1.4	0.1	-0.75
HDFC Bank	FINA	4.2	0.6	-0.74

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

Portfolio Characteristics

Quality and Growth	HL	Index
Profit Margin[1] (%)	14.6	13.0
Return on Assets[1] (%)	7.8	5.5
Return on Equity[1] (%)	17.3	14.4
Debt/Equity Ratio[1] (%)	30.1	45.9
Std. Dev. of 5 Year ROE[1] (%)	4.7	5.0
Sales Growth[1,2] (%)	10.2	9.1
Earnings Growth[1,2] (%)	10.7	9.8
Cash Flow Growth[1,2] (%)	12.9	12.1
Dividend Growth[1,2] (%)	8.8	8.8
Size and Turnover	**HL**	**Index**
Wtd. Median Mkt. Cap. (US $B)	30.1	31.9
Wtd. Avg. Mkt. Cap. (US $B)	110.6	128.7
Turnover[3] (Annual %)	18.0	–

Risk and Valuation	HL	Index
Alpha[2] (%)	-2.55	–
Beta[2]	1.04	–
R-Squared[2]	0.93	–
Active Share[3] (%)	71	–
Standard Deviation[2] (%)	20.37	18.90
Sharpe Ratio[2]	-0.11	0.03
Tracking Error[2] (%)	5.5	–
Information Ratio[2]	-0.51	–
Up/Down Capture[2]	100/108	–
Price/Earnings[4]	17.0	14.0
Price/Cash Flow[4]	12.2	10.0
Price/Book[4]	2.7	2.0
Dividend Yield[5] (%)	2.4	2.8

[1]Weighted median. [2]Trailing five years, annualized. [3]Five-year average. [4]Weighted harmonic mean. [5]Weighted mean. Source: (Risk characteristics): Harding Loevner Emerging Markets composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics): Harding Loevner Emerging Markets model based on the underlying holdings, FactSet (Run Date: April 3, 2024) based on the latest available data in FactSet on this date.), MSCI Inc.

Completed Portfolio Transactions

Positions Established	Market	Sector
Bumrungrad Hospital	Thailand	HLTH
MercadoLibre	US	DSCR
Telkom Indonesia	Indonesia	COMM

Positions Sold	Market	Sector
WuXi AppTec	China	HLTH
WuXi Biologics	China	HLTH

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 have 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. 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. 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 March 31, 2024)

	HL EM Gross (%)	HL EM Net (%)	MSCI EM Index[1] (%)	HL EM Equity 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)
2024 YTD[4]	-0.14	-0.36	2.44	18.07	17.51	N.A.	6	3,071	42,941
2023	7.82	6.86	10.27	17.36	17.14	0.5	6	3,769	43,924
2022	-26.47	-27.10	-19.74	22.07	20.26	0.4	10	7,234	47,607
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

[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 YTD performance returns and assets shown are preliminary. 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 December 31, 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 Equity composite has had a performance examination for the periods December 1, 1998 through December 31, 2023. 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.

Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

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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