

# Emerging Markets Equity



Monthly Update | April 2025

## Composite Performance (% Total Return)

Periods ended April 30, 2025	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
HL Emerging Markets Equity (Gross)	1.47	3.01	8.67	3.17	3.68	2.56	9.81
HL Emerging Markets Equity (Net)	1.39	2.71	7.72	2.27	2.77	1.66	8.90
MSCI Emerging Markets Index	1.34	4.39	9.60	4.32	6.78	3.48	7.86

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	Relative Weight
Cons Discretionary	21.9	13.8	
Industrials	11.8	6.4	
Cash	1.8	—	
Cons Staples	6.2	5.0	
Financials	25.2	24.7	
Real Estate	1.7	1.7	
Health Care	1.7	3.4	
Energy	1.9	4.4	
Info Technology	19.3	21.8	
Comm Services	7.5	10.2	
Utilities	0.0	2.7	
Materials	1.0	5.9	

Region	HL	Index	Relative Weight
Dev. Market Listed	6.8	—	
Frontier Markets	4.3	—	
Latin America	10.2	7.5	
Cash	1.8	—	
Africa	4.0	3.3	
Rest of Asia	3.5	4.4	
Europe	1.4	2.7	
China + Hong Kong	28.0	29.6	
India	17.0	19.2	
Middle East	3.6	6.9	
South Korea	5.8	9.3	
Taiwan	13.6	17.1	

## Investment Perspectives

### Market

Despite President Trump's April 2 announcement (and follow-ups) that imposed high tariffs on the rest of the world, the MSCI EM Index still rose 1%, assisted by US dollar weakness. China faced the highest tariffs—up to 145%—and the Chinese government retaliated with new tariffs on the US and pledged to expand fiscal stimulus to counteract the hit to its US exports. In context, those exports amount to 2–3% of its GDP. China's market fell just 4% after rebounding when it became clear that large segments of its exports would be exempt from higher tariffs and that US policymakers were open to negotiation. Countries facing lower tariffs generally outperformed, led by Latin America and especially Mexico, whose exports remained partially tariff-free under the existing US-Mexico-Canada Agreement. Shares there rose by 13%.

### Portfolio

Mexico was among the first targets of the Trump Administration's trade war, starting with a February 1 executive order (later paused) imposing 25% tariffs on the country's US exports. Yet it has avoided the harshest tariffs so far, in part through deft maneuvering by President Claudia Sheinbaum. Our portfolio's returns were boosted by our overweight to Mexico and good performance from our three Mexican holdings: commercial bank **GF Banorte** and retailers **Wal-Mart de México** and **FEMSA**. Shares of these economically sensitive companies were likely buoyed by investor relief over tariffs, while Banorte was also helped by good first-quarter results—its earnings rose 8%, driven by 12% growth in consumer loans. Auto loans grew 28%, accelerated by Banorte's partnerships with Chinese automakers BYD and Zeekr, whose affordable electric vehicles have become popular in Mexico.

## Ten Largest Holdings

Company	Market	Sector
TSMC	Taiwan	Info Technology
Tencent	China	Comm Services
HDFC Bank	India	Financials
Samsung Electronics	South Korea	Info Technology
Alibaba	China	Cons Discretionary
Trip.com Group	China	Cons Discretionary
Tata Consultancy Services	India	Info Technology
ICICI Bank	India	Financials
Maruti Suzuki	India	Cons Discretionary
Aspeed	Taiwan	Info Technology

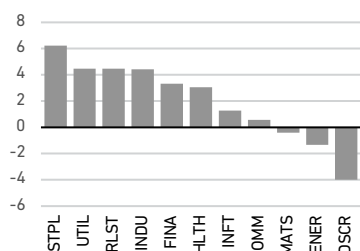
Ten Largest Holdings are the top ten holdings by weight. Please read the disclosures on the last page, which are an integral part of this presentation.

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

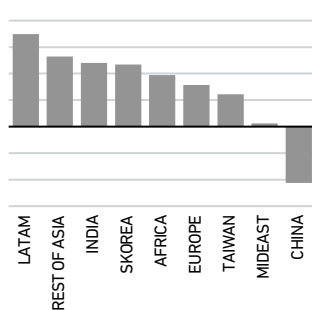
"China + Hong Kong": The Harding Loevner Emerging Markets model portfolio's end weight in China is 24.6% and Hong Kong is 3.5%. The benchmark does not include Hong Kong. "Dev. Market Listed": Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong. "Frontier Markets": Includes countries with less-developed markets outside the index.

## Benchmark Performance | Apr.

Total Return by Sector (%)



Total Return by Region (%)

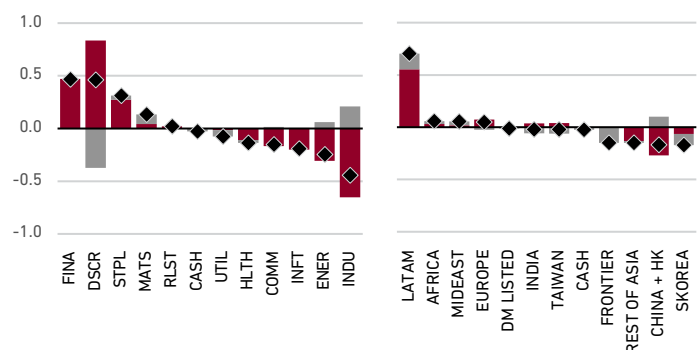


## Performance Attribution | Apr.

Effect (%) Selection Allocation Total

Sector 0.2 -0.1 0.1

Region 0.3 -0.2 0.1



"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 Consumer Discretionary, shares of Latin American e-commerce platform **MercadoLibre** rose after management announced a \$12 billion investment plan to expand its logistics and other key capabilities in Mexico, Brazil, Argentina, and Chile.
- Banorte and India's **HDFC Bank** were key contributors in Financials. HDFC reported accelerating loan growth and has benefited from central bank efforts to improve liquidity in India's financial system.
- In Energy, the decline in oil prices due to tariff uncertainty and OPEC Plus's decision to increase production hurt shares of steel-pipe manufacturer **Tenaris**.
- Shares of Hong Kong-based power tools manufacturer **Techtronic Industries** came under pressure following the US tariff announcements.

## Top Five Contributors/Detractors (%) | Apr. to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
MercadoLibre	US	DSCR	–	0.28
GF Banorte	Mexico	FINA	0.3	0.28
Meituan*	China	DSCR	1.2	0.22
HDFC Bank	India	FINA	1.6	0.18
Walmart de México	Mexico	STPL	0.2	0.16

### Detractors

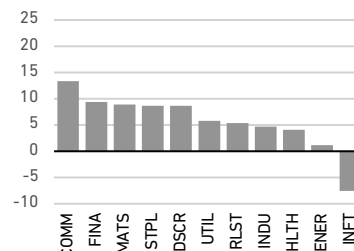
Tenaris	Italy	ENER	–	-0.37
Techtronic Industries	Hong Kong	INDU	–	-0.22
Trip.com Group	China	DSCR	0.5	-0.19
CATL	China	INDU	0.1	-0.14
Midea Group	China	DSCR	0.1	-0.13

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

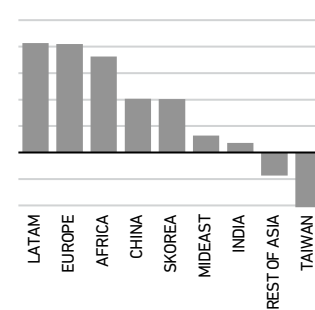
Index weight is the average weight of the security in the index over the MTD and YTD periods. Please read the disclosures on the last page, which are an integral part of this presentation.

## Benchmark Performance | YTD

Total Return by Sector (%)



Total Return by Region (%)

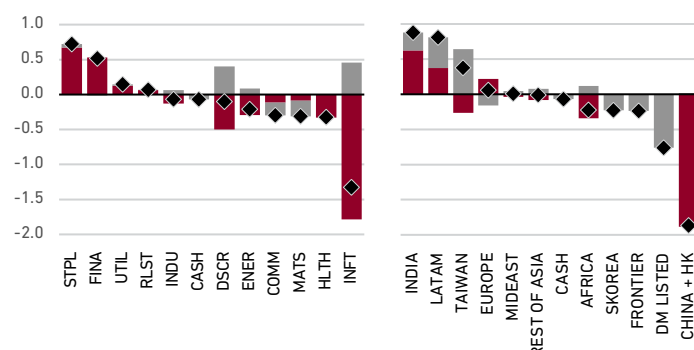


## Performance Attribution | YTD

Effect (%) Selection Allocation Total

Sector -1.5 0.2 -1.3

Region -1.4 0.1 -1.3



- The portfolio's trio of IT-services companies, **Globant**, **EPAM**, and **Tata Consultancy Services**, detracted due to fears of slowing economic growth in their largest market, the US. Our underweight in Taiwanese semiconductor manufacturer **TSMC** was helpful.
- Within Consumer Staples, bottler **Coca-Cola HBC**'s earnings topped market expectations, displaying an impressive ability to grow while also raising prices and gaining market share.
- Relative returns in China were hurt by online travel services company **Trip.com Group** as management provided muted guidance for 2025 and noted increased international marketing investments could pressure margins.
- Indian insurer **HDFC Life** reported strong results. The portfolio's underweight in India also positively contributed.

## Top Five Contributors/Detractors (%) | YTD to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
TSMC	Taiwan	INFT	9.8	0.85
MercadoLibre	US	DSCR	–	0.50
Coca-Cola HBC	UK	STPL	–	0.40
GF Banorte	Mexico	FINA	0.2	0.35
Allegro	Poland	DSCR	0.1	0.30

### Detractors

Globant	US	INFT	–	-0.92
Trip.com Group	China	DSCR	0.5	-0.57
Delta Electronics	Taiwan	INFT	0.3	-0.46
Tata Consultancy Services	India	INFT	0.5	-0.46
EPAM	US	INFT	–	-0.38

## Sources

Benchmark Performance: FactSet, MSCI Inc.

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

Sector/Region 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 December 31, 2024. 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 December 31, 2024. 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](mailto: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/region portfolio positioning are supplemental information only and complement a fully compliant Emerging Markets Equity composite GIPS Presentation, which is available upon request. Performance attribution and performance of contributors and detractors is gross of fees and expenses. 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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