

Emerging Markets Equity



Monthly Update | February 2025

Composite Performance (% Total Return)

Periods ended February 28, 2025	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
HL Emerging Markets Equity (Gross)	-0.60	1.30	8.30	-1.35	0.65	2.77	9.80
HL Emerging Markets Equity (Net)	-0.66	1.16	7.34	-2.22	-0.24	1.86	8.90
MSCI Emerging Markets Index	0.50	2.32	10.65	0.92	4.68	3.89	7.83

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
Cons Discretionary	21.7	14.3	7.4
Industrials	12.7	6.3	6.4
Cash	1.0	-	1.0
Cons Staples	5.4	4.6	0.8
Real Estate	1.8	1.6	0.2
Financials	23.2	23.6	-0.4
Health Care	1.9	3.4	-1.5
Utilities	1.0	2.5	-1.5
Comm Services	8.1	10.1	-2.0
Energy	2.2	4.3	-2.1
Info Technology	20.1	23.7	-3.6
Materials	0.9	5.6	-4.7

Geography	HL	Index	Under / Over
Dev. Market Listed	7.3	-	7.3
Frontier Markets	4.6	-	4.6
Latin America	9.6	6.9	2.7
Cash	1.0	-	1.0
Africa	3.8	3.1	0.7
China + Hong Kong	30.1	30.7	-0.6
Rest of Asia	3.4	4.4	-1.0
Europe	1.2	2.5	-1.3
India	15.3	16.9	-1.6
Middle East	3.7	7.1	-3.4
South Korea	5.6	9.3	-3.7
Taiwan	14.4	19.1	-4.7

"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 26.4% 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

While emerging markets overall barely rose in February, China posted a 12% gain led by Information Technology (IT) and internet stocks. The rally reflected continued excitement about the launch of open-source artificial intelligence (AI) models by DeepSeek and **Alibaba** which offer greater efficiency than those developed by US firms. Chinese President Xi Jinping also held a rare meeting with technology industry leaders, including Alibaba co-founder Jack Ma, which many interpreted as evidence of a more pro-business stance by policymakers. In Europe, Poland outperformed on the back of US-led diplomatic initiatives to end the Russia-Ukraine war. Indonesia, Thailand, and India were the biggest drags on EM performance due to signs of economic slowdowns, cuts in fiscal spending, and the prospect of new US tariffs on goods imported from those countries.

Portfolio

The portfolio's trio of IT services companies—US-listed **EPAM** and **Globant** and India's **Tata Consultancy Services**—all reported solid year-over-year growth in revenues and earnings for fourth quarter 2024. Yet their stocks fell sharply this month, in part due to fears of slowing economic growth in the US, their largest market. EPAM also pointed to near-term margin pressures from the cost of enhancing its capabilities for handling complex AI projects, including increasing compensation to attract talent. Meanwhile, Globant indicated growth in Latin America could slow this year due to the impact of political uncertainty and US tariff policies on business sentiment there. Over the long-term, these three companies have a strong business pipeline. We are monitoring their progress winning profitable projects, particularly in the new realm of assisting corporate clients to integrate AI tools into their operations.

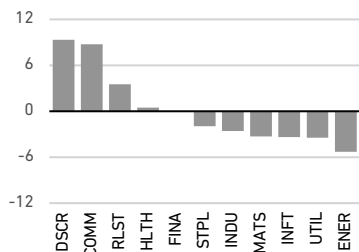
Ten Largest Holdings

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

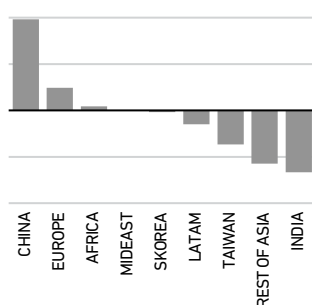
Ten Largest Holdings are the top ten holdings by weight. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | Feb.

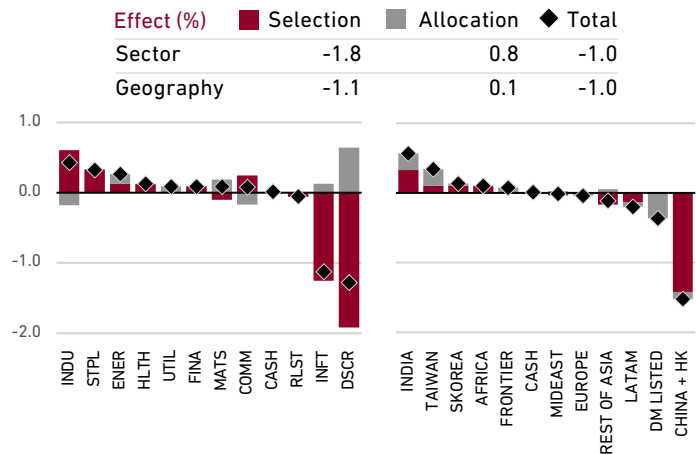
Total Return by Sector (%)



Total Return by Geography (%)

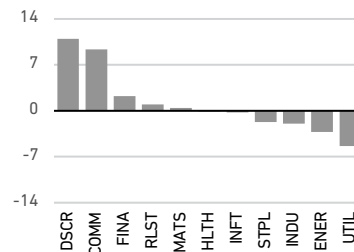


Performance Attribution | Feb.

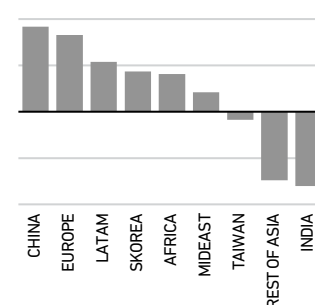


Benchmark Performance | YTD

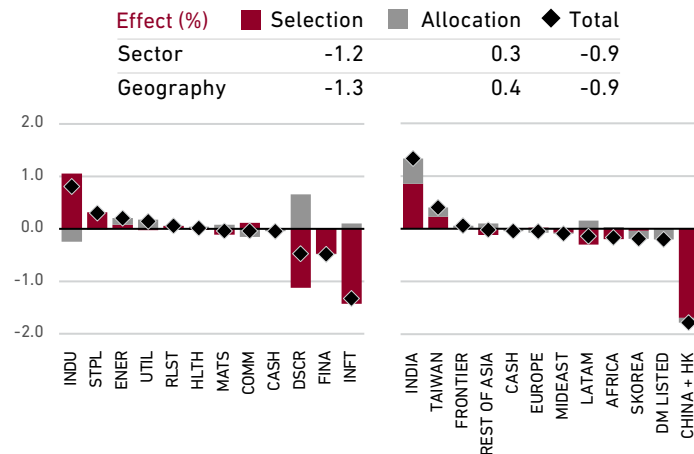
Total Return by Sector (%)



Total Return by Geography (%)



Performance Attribution | YTD



"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 China, shares of online travel services company **Trip.com Group** fell despite reporting strong fourth-quarter sales and announcing its first cash dividend and a US\$400 million share buyback program. Management provided muted guidance for 2025 and noted increased international marketing investments could pressure margins.
- The portfolio's underweights in poorly performing India and Taiwan helped relative returns.
- Good stocks in Industrials included Chinese industrial automation equipment maker **Inovance**, which indicated it should reach its 2024 sales growth target of 15%–35% and has seen a positive order trend for 2025.

- In IT, Globant, EPAM, and Tata Consultancy Services detracted. Our underweight in Taiwanese semiconductor manufacturer **TSMC** was helpful.
- In Industrials, shares of **Sanhua Intelligent Controls**, a Chinese manufacturer of thermal management components, rose after key customer Tesla announced plans to ramp up production of its humanoid robots, for which Sanhua would be a potential actuator supplier.
- In Consumer Discretionary, Latin American e-commerce platform **MercadoLibre** reported a strong finish to 2024, posting earnings above expectations and robust sales growth in Argentina.
- Relative returns in China were hurt by Trip.com, our underweight in Alibaba, and not holding electronics manufacturer Xiaomi, which continued to benefit from strong sales of its electric vehicles.
- The portfolio's underweight in India was helpful.

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

Contributors	Market	Sector	Index Weight	Effect
TSMC	Taiwan	INFT	10.3	0.46
Inovance	China	INDU	<0.1	0.18
Coca-Cola HBC	UK	STPL	–	0.17
MercadoLibre	US	DSCR	–	0.17
AirTAC	Taiwan	INDU	0.1	0.15
Detractors				
Trip.com Group	China	DSCR	0.5	-0.68
Globant	US	INFT	–	-0.50
Tata Consultancy Services	India	INFT	0.5	-0.43
Xiaomi Corp*	China	INFT	1.1	-0.34
Alibaba	China	DSCR	3.0	-0.29

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

Contributors	Market	Sector	Index Weight	Effect
MercadoLibre	US	DSCR	–	0.35
Sanhua Intelligent Controls	China	INDU	<0.1	0.34
TSMC	Taiwan	INFT	10.6	0.28
Inovance	China	INDU	<0.1	0.20
AirTAC	Taiwan	INDU	<0.1	0.18
Detractors				
Trip.com Group	China	DSCR	0.5	-0.72
Globant	US	INFT	–	-0.55
Tata Consultancy Services	India	INFT	0.5	-0.46
Xiaomi Corp*	China	INFT	1.0	-0.43
Alibaba	China	DSCR	2.6	-0.29

*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.

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, 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 September 30, 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. 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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