



HARDING  
LOEVNER

Fundamental. Thinking. Worldwide.

## Emerging Markets Equity Review | First Quarter 2025

# Composite Performance Summary

As of March 31, 2025

## Performance (% Total Return)

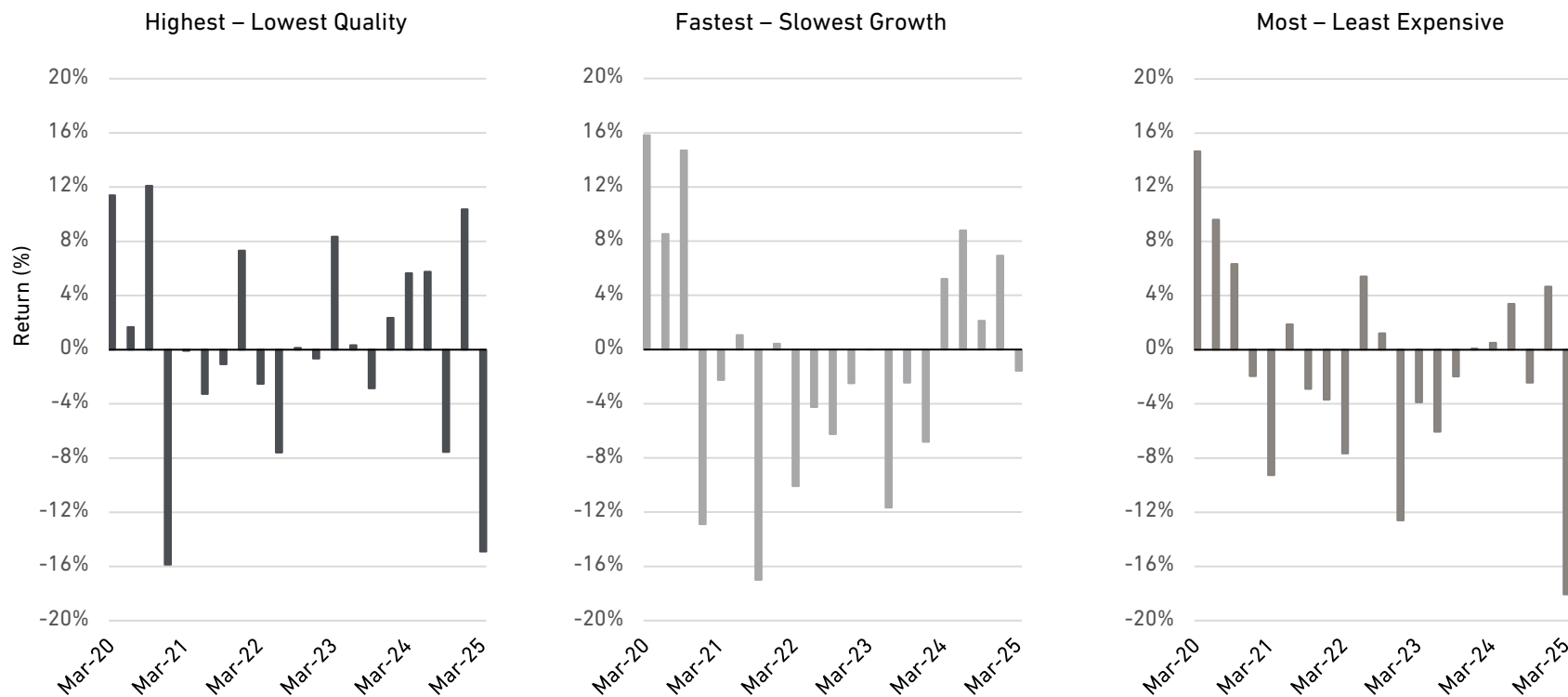
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
HL Emerging Markets Equity (Gross)	1.52	5.02	-0.02	5.17	2.91	9.78
HL Emerging Markets Equity (Net)	1.31	4.09	-0.90	4.24	2.01	8.87
MSCI Emerging Markets Index	3.01	8.65	1.90	8.38	4.11	7.83

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. 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 period 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 Equity composite, please contact Harding Loevner at (908) 218-7900 or invest@hlmn.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. Please read the disclosures, which are an integral part of this presentation.

# Sharp Reversal in Style

The correction in IT stocks contributed to high-quality, expensive stocks sharply underperforming

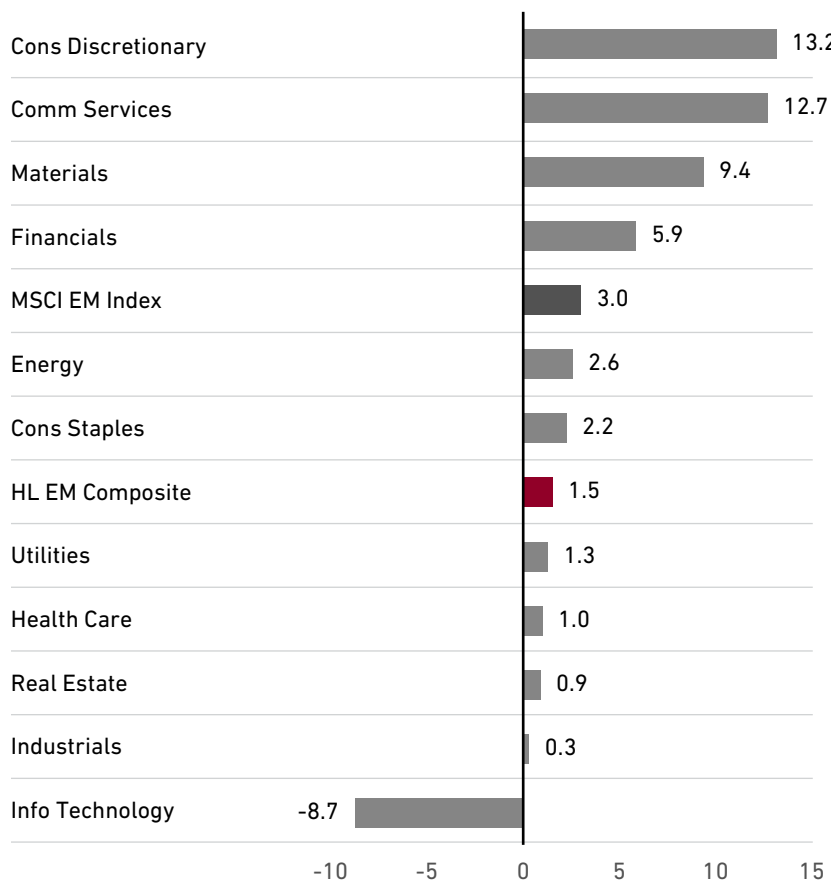
MSCI EM: Difference in 1Q25 Return by Tercile of Quality, Growth, and Value Rank



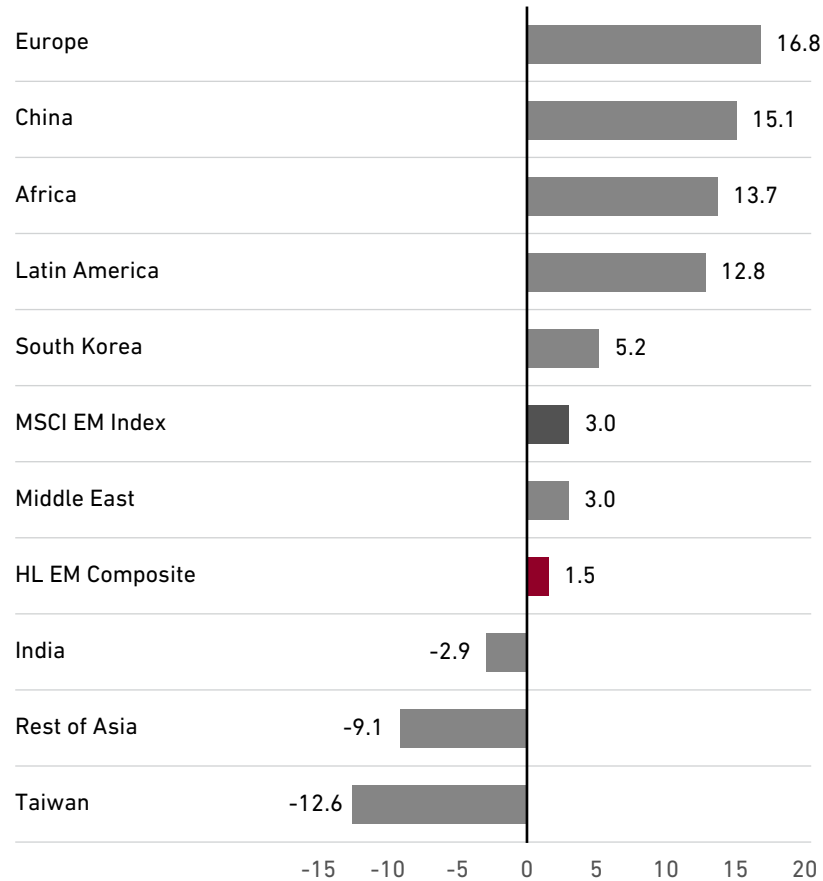
# Benchmark Performance

First Quarter 2025

Sector Total Return (%)

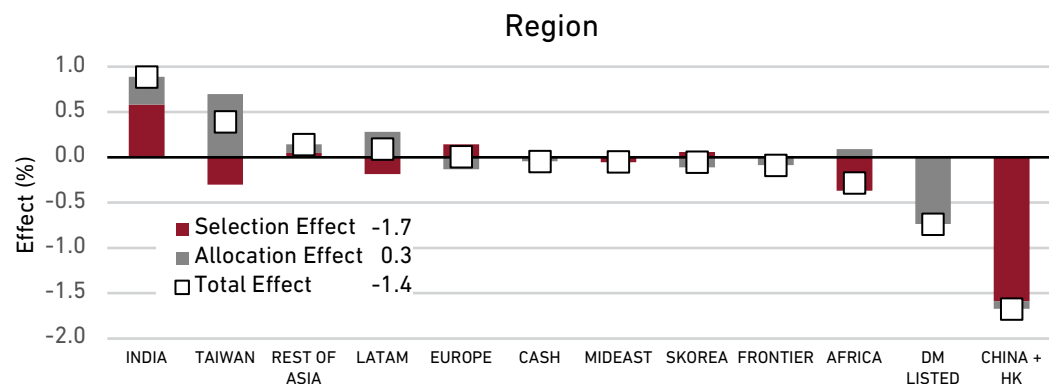
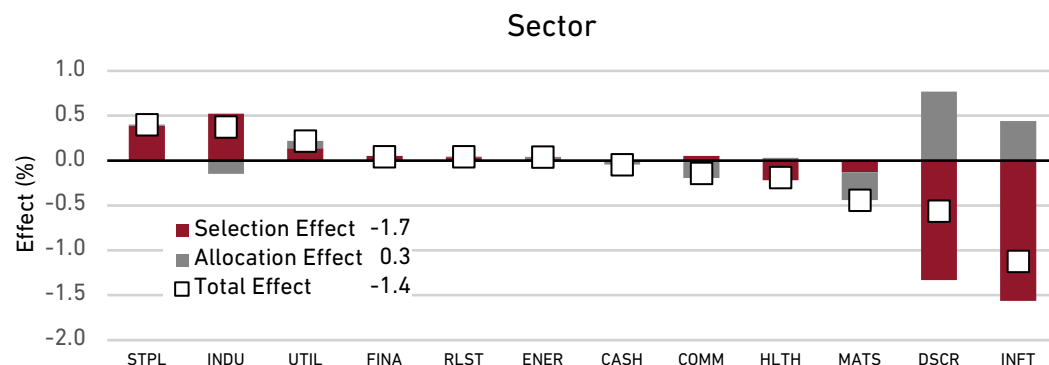


Region Total Return (%)



# Performance Attribution: Composite vs. Benchmark

First Quarter 2025



## Top 5 Contributors

to Relative Returns	Avg. Wt. % Effect		
	HL	Index	%
TSMC	5.5	10.1	0.90
Sanhua Intelligent Controls	0.9	<0.1	0.30
Coca-Cola HBC	0.9	–	0.24
MercadoLibre	1.7	–	0.20
Allegro	1.2	0.1	0.20

## Top 5 Detractors

from Relative Returns	Avg. Wt. % Effect		
	HL	Index	%
Globant	1.5	–	-0.89
Delta Electronics	2.0	0.3	-0.38
Trip.com Group	3.6	0.5	-0.38
Tata Consultancy Services	3.0	0.5	-0.35
Xiaomi*	–	1.2	-0.35

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

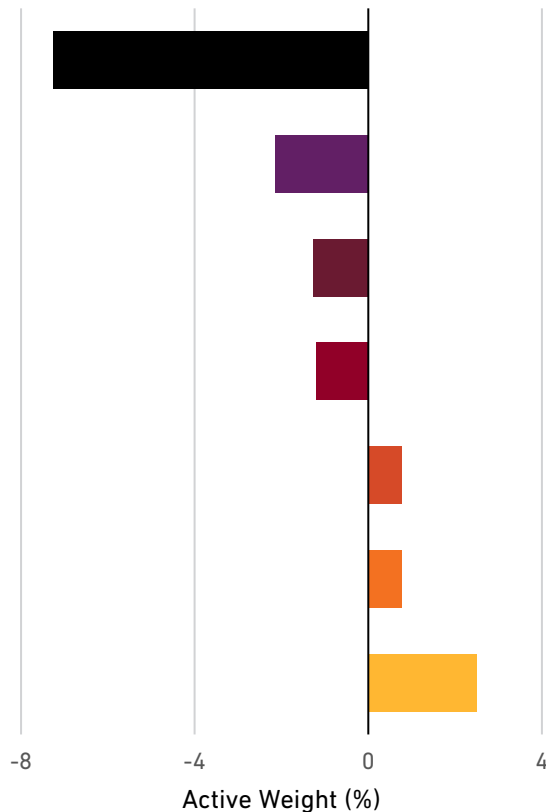
"HL": Emerging Markets Equity composite. "Index": MSCI Emerging Markets Index. "DM LISTED": Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong. "FRONTIER": Includes countries with less-developed markets outside the index. Past performance does not guarantee future results. Sector and Region Attribution and Contributors and Detractors are shown as supplemental information only and complement the fully compliant Emerging Markets Equity composite GIPS Presentation. The portfolio holdings identified above do not represent all of the securities held in the portfolio. 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 and (2) a list showing the weight and relative contribution of all holdings during the quarter. 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. Please read the disclosures, which are an integral part of this presentation.

# Trade: Uncertainty Continues

The HL Emerging Markets Equity model is broadly diversified

## Select Country and Region Weights

As of March 31, 2025



## Portfolio Comment

### Taiwan + South Korea

- South Korea hit by 25% tariff on auto; Taiwan's semiconductors temporarily exempted
- Underweight positioning in the region

### India

- Progressing on a free-trade agreement with the US
- No tariffs on IT services companies

### Europe

- Eastern/Emerging Europe impacted less than EU region
- Possible second-order impact on consumption and growth

### China + HK

- Trade war with China seems to be escalating
- Most Chinese holdings have minimal direct exposure to US exports

### Rest of Asia

- Vietnam, Indonesia, Cambodia hit hard
- China + 1 strategy called into question

### Brazil

- Might be a relative beneficiary, along with other Latin American markets

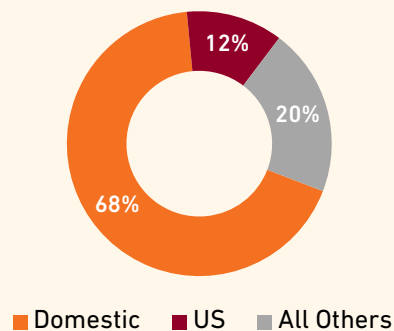
### Mexico

- A relative beneficiary as most exports exempted from tariff as part of USMCA
- HL has no direct exposure to US/Mexican trade

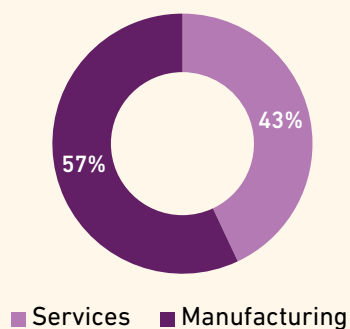
# HL EM Revenue Exposure

Over two-thirds of the portfolio's revenues are generated in domestic markets

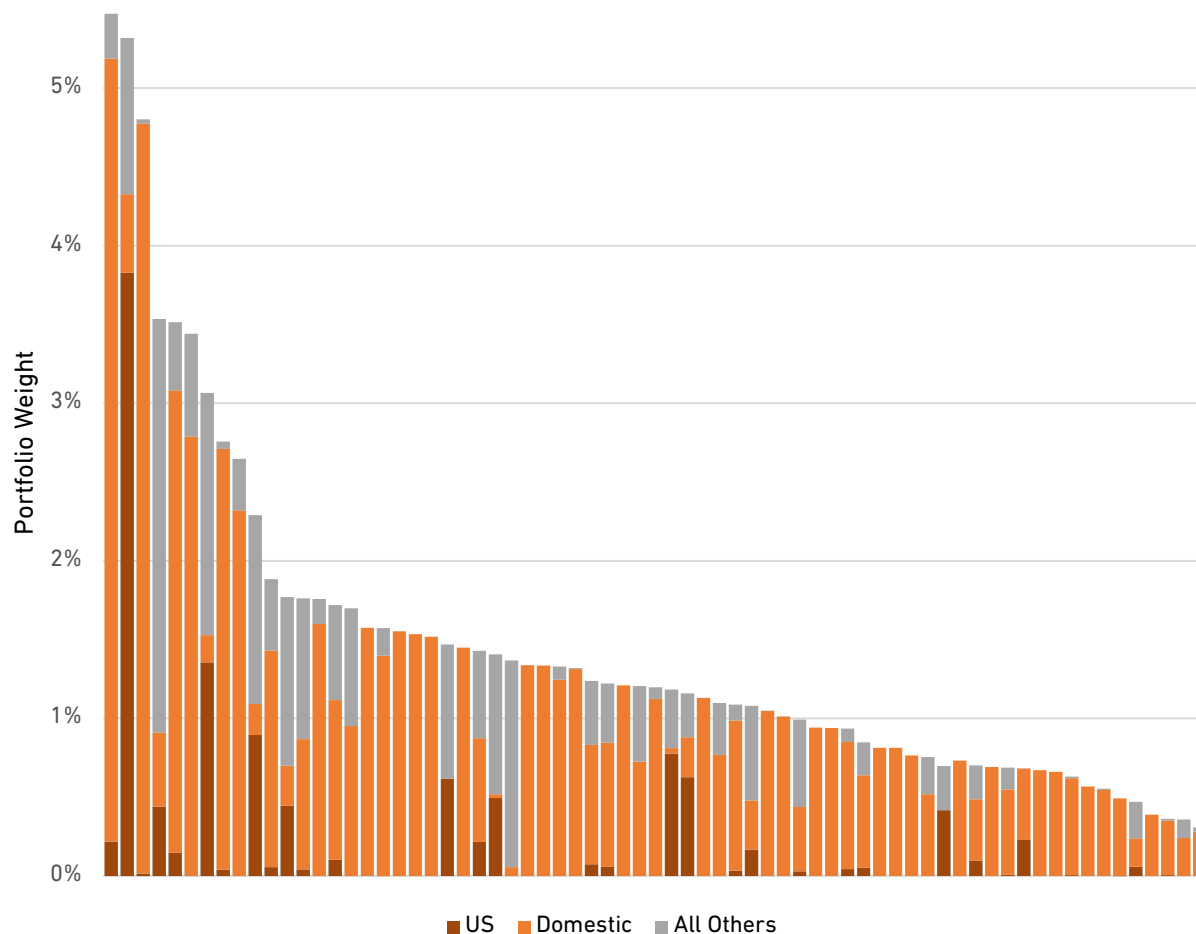
Overall HL EM Portfolio



HL EM: Business Type



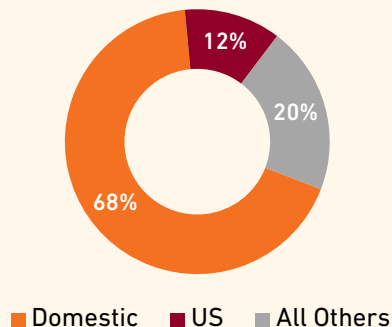
Revenue Exposure and Weight of Each HL EM Holding



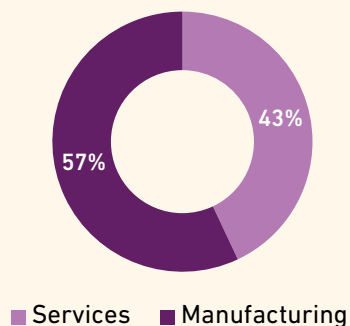
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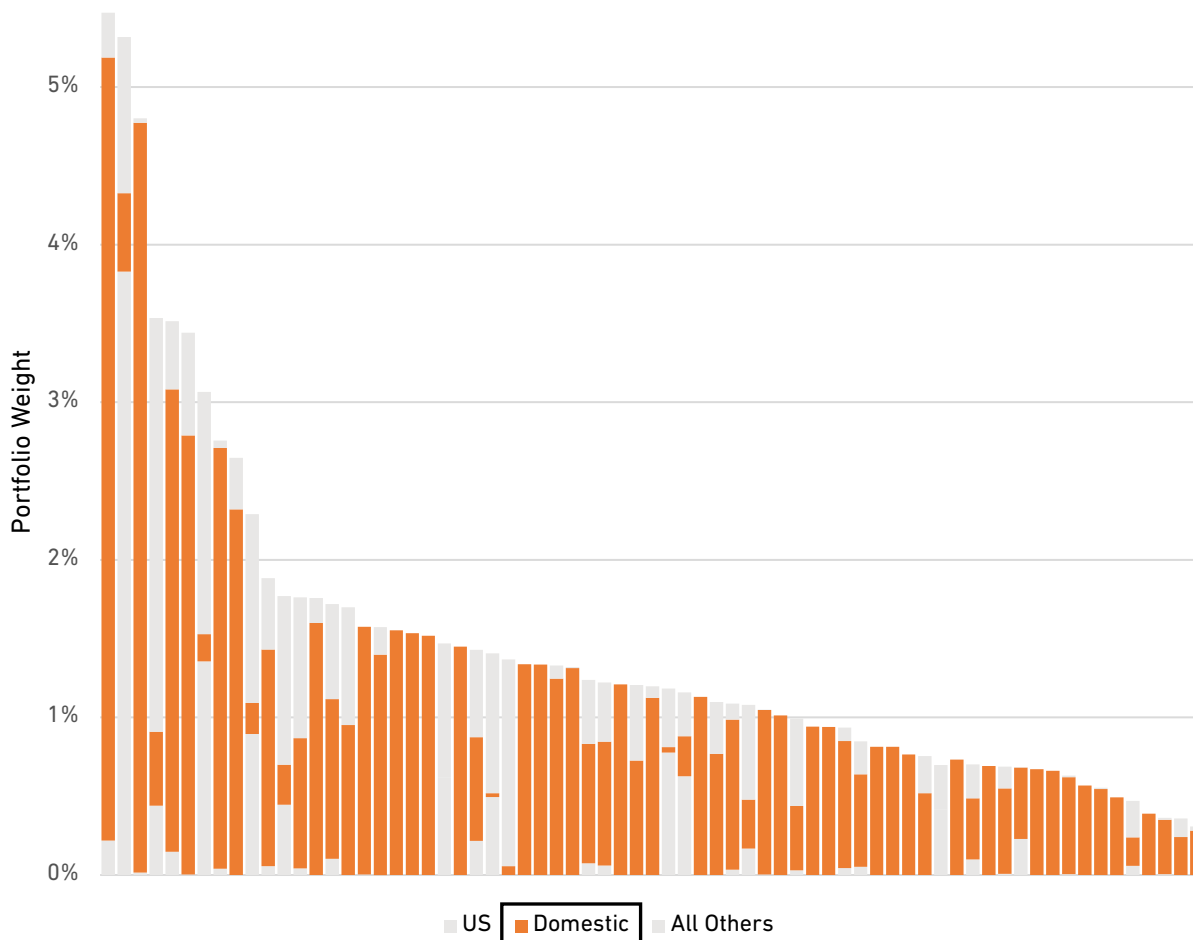
Overall HL EM Portfolio



HL EM: Business Type



Revenue Exposure and Weight of Each HL EM Holding

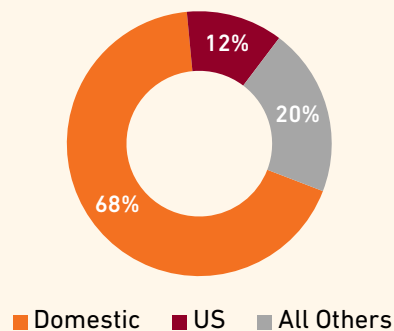




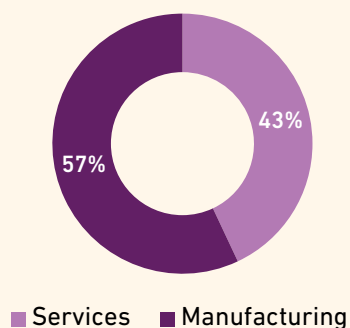
# HL EM Revenue Exposure

Our US revenue exposure is primarily from TSMC and our IT services holdings

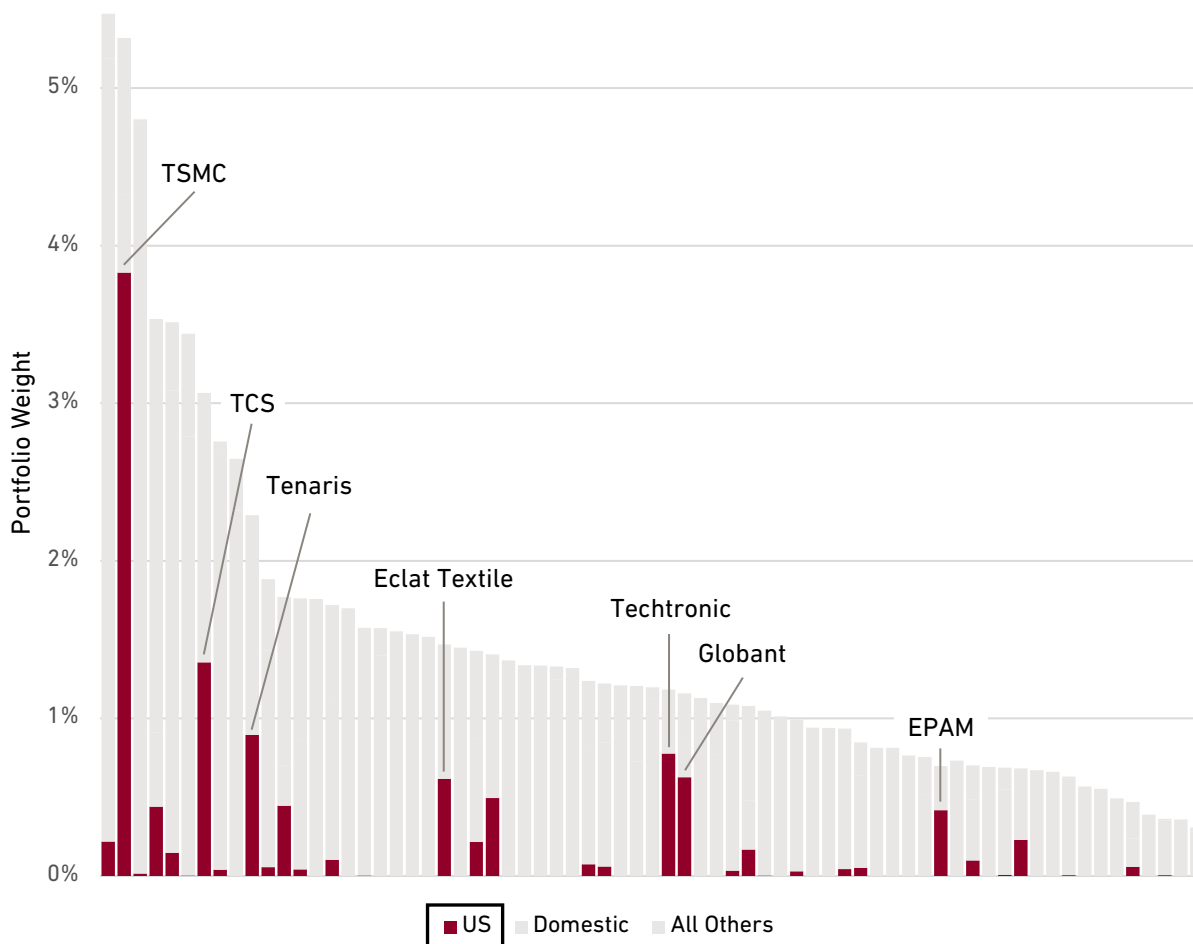
Overall HL EM Portfolio



HL EM: Business Type



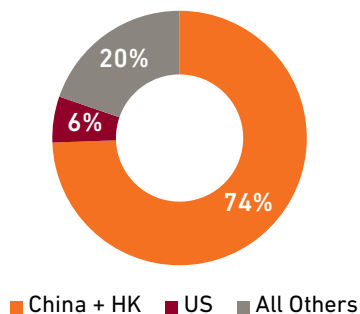
Revenue Exposure and Weight of Each HL EM Holding



# HL EM Revenue Exposure: Chinese + HK Holdings

Our Chinese holdings are focused primarily on the domestic market

Wtd. Revenue Exposure: HL EM China + Hong Kong Holdings



We remain well diversified within China + Hong Kong

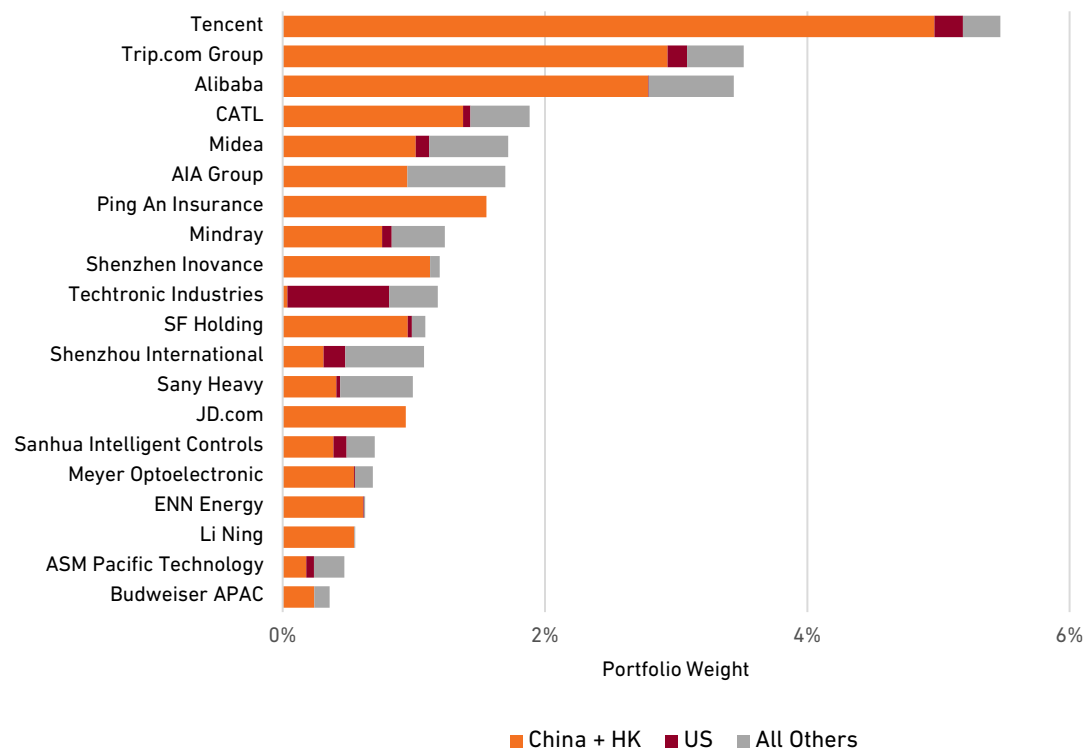
**30%**  
of Portfolio

**8**  
Sectors

**20**  
Companies

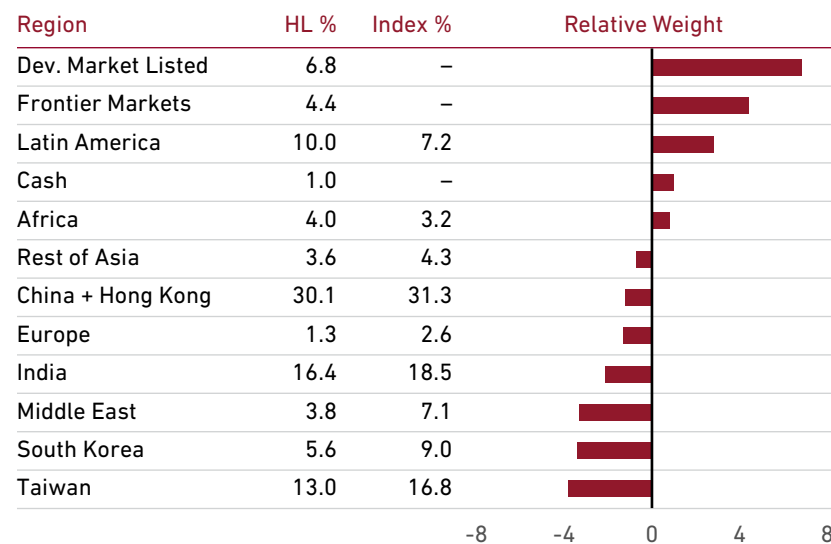
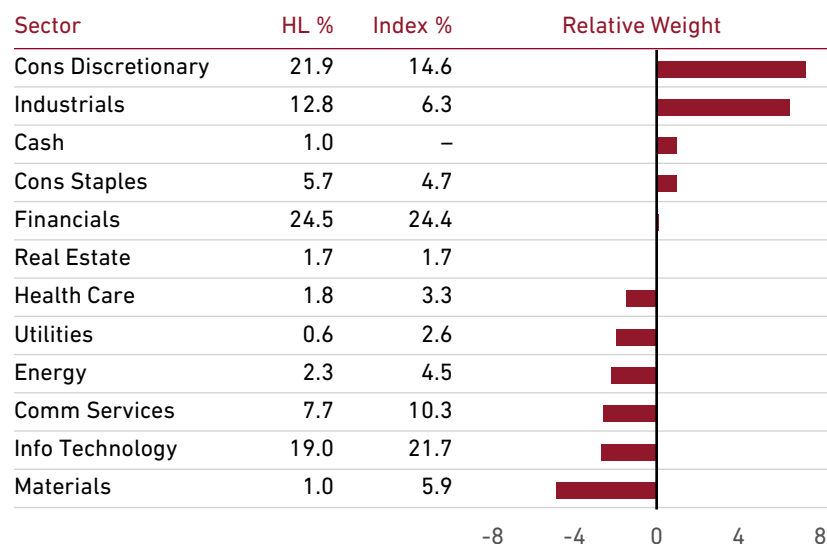
**13**  
Industries

HL EM China + Hong Kong Holdings: Revenue Exposure



# Portfolio Positioning

As of March 31, 2025



Ten Largest Holdings – Total Weight: 36.5%

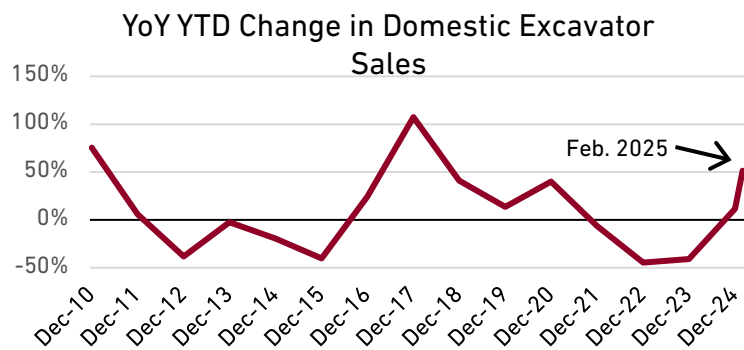
Company	Market	Sector	Wt. (%)
Tencent	China	Comm Services	5.4
TSMC	Taiwan	Info Technology	5.3
HDFC Bank	India	Financials	4.8
Samsung Electronics	South Korea	Info Technology	3.5
Trip.com Group	China	Cons Discretionary	3.5

Company	Market	Sector	Wt. (%)
Alibaba	China	Cons Discretionary	3.4
Tata Consultancy Services	India	Info Technology	3.0
ICICI Bank	India	Financials	2.7
Maruti Suzuki	India	Cons Discretionary	2.6
Tenaris	Italy	Energy	2.3

72% Active Share

"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.  
Source: Harding Loevner Emerging Markets Equity model, MSCI Inc. Data as of March 31, 2025. Sector and region end weights, holdings, and active share are shown as supplemental information only and complement the fully compliant Emerging Markets Equity composite GIPS Presentation. Please read the disclosures, which are an integral part of this presentation.

# China: Signs of a Stabilization in Real Estate?



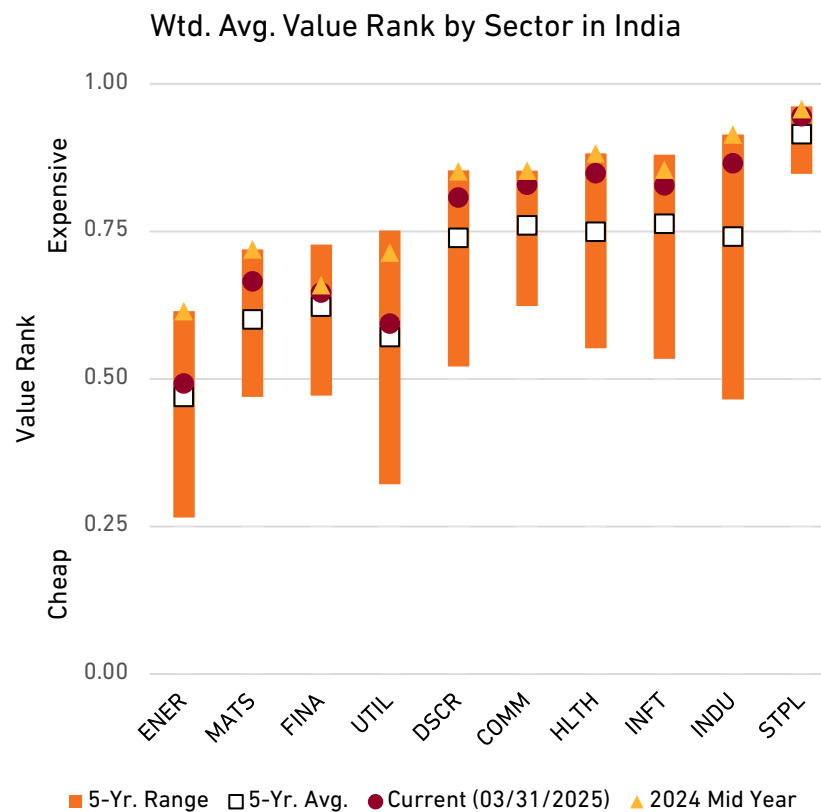
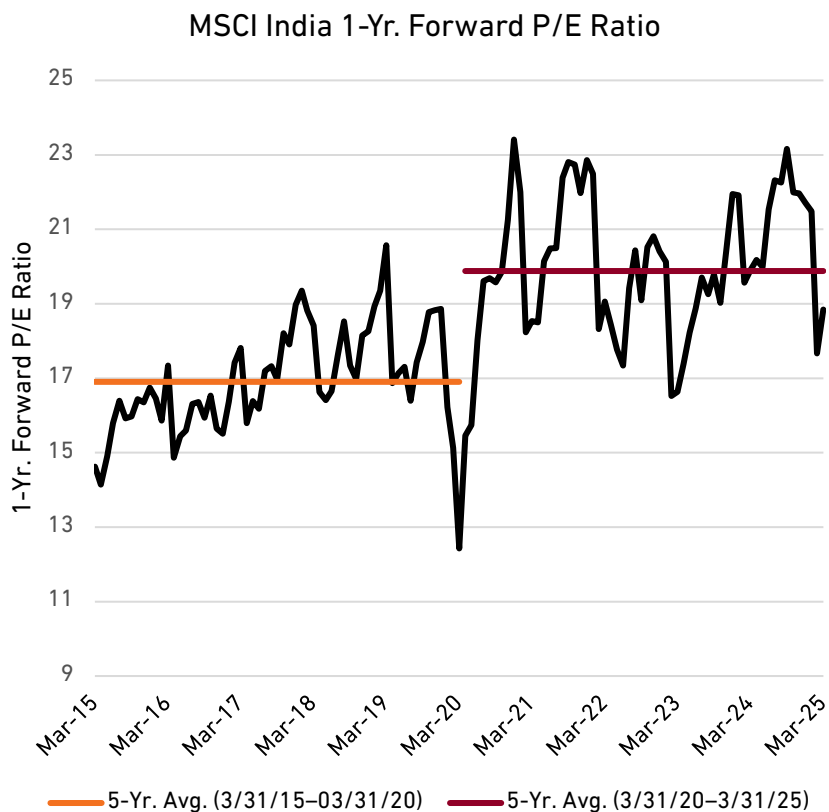
# SANY

China's leading manufacturer of heavy machinery



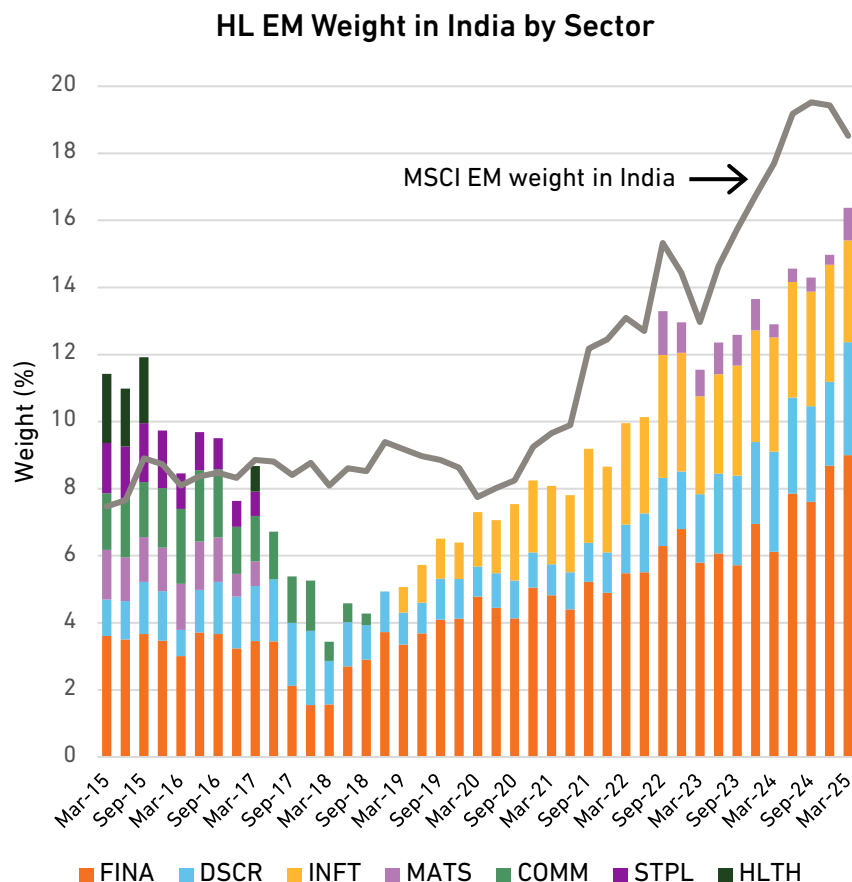
# Indian Stock Valuations Retreat Slightly

Valuations in India have eased since last summer



# HL Exposure in India

We bought two new companies in India as valuations eased



## HL EM Holdings in India

Materials



Information Technology



Consumer Discretionary



Financials



Source: Harding Loevner Emerging Markets Equity model, HOLT Database, FactSet, MSCI Inc. Data as of March 31, 2025. The portfolio holdings identified above do not represent all of the securities held in the portfolio. It should not be assumed that investment in the securities identified has been or will be profitable. Please read the disclosures, which are an integral part of this presentation.

# Completed Portfolio Transactions

First Quarter 2025

## Positions Established

Company	Market	Sector
Bajaj Auto	India	Cons Discretionary
Sany Heavy	China	Industrials
SF Holding	China	Industrials
Supreme Industries	India	Materials

## Positions Sold

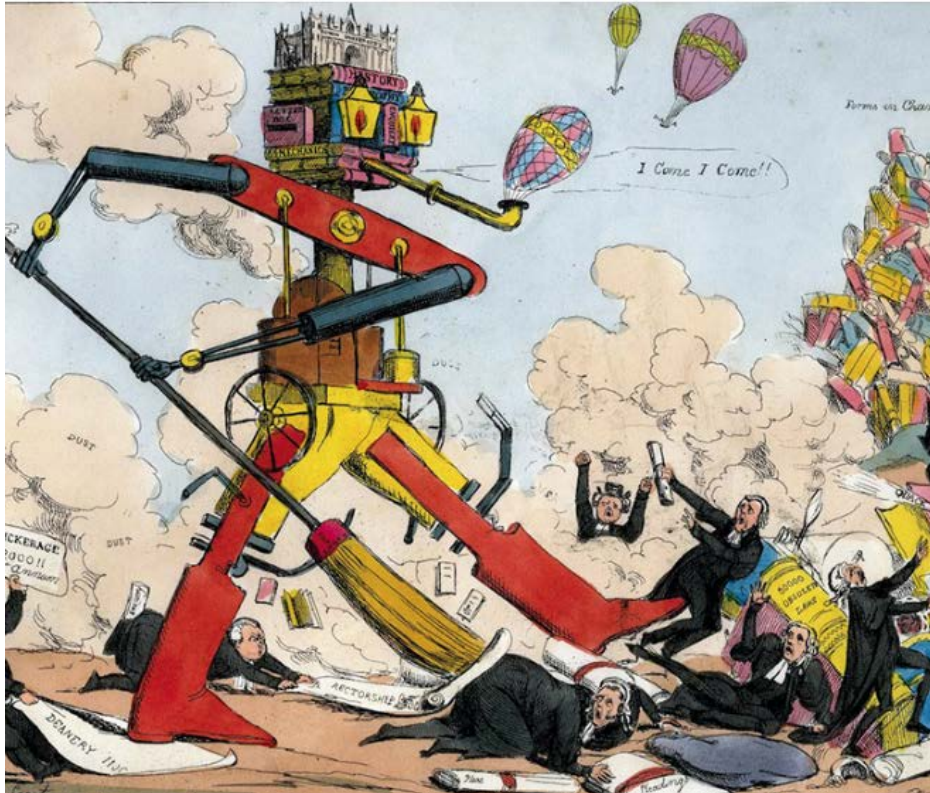
Company	Market	Sector
Baidu	China	Comm Services
Komerční Banka	Czech Republic	Financials
ZTO Express	China	Industrials

- Portfolio Turnover (5-year annualized average): 17.7%

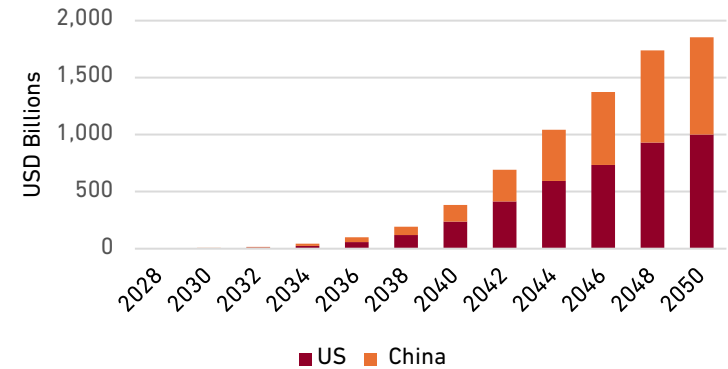
The portfolio is actively managed therefore holdings shown may not be current. The portfolio holdings identified above do not represent all of the securities held in the portfolio. It should not be assumed that investment in the securities identified has been or will be profitable. To request a complete list of portfolio holdings for the past year, contact Harding Loevner. Holdings are shown as supplemental information only and complement the fully compliant Emerging Markets Equity composite GIPS Presentation. Please read the disclosures, which are an integral part of this presentation.

# Rise of the Machines

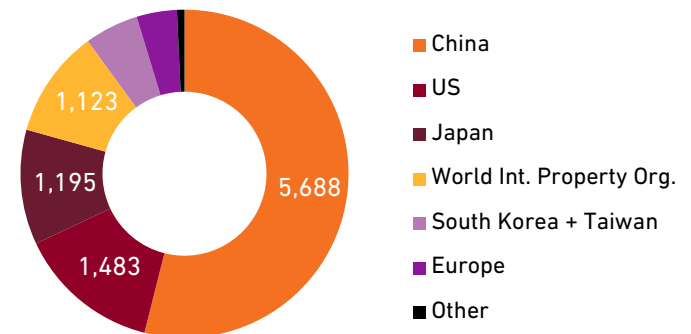
China and the US leading the innovation race for humanoid robots



Estimated Humanoid Market Size



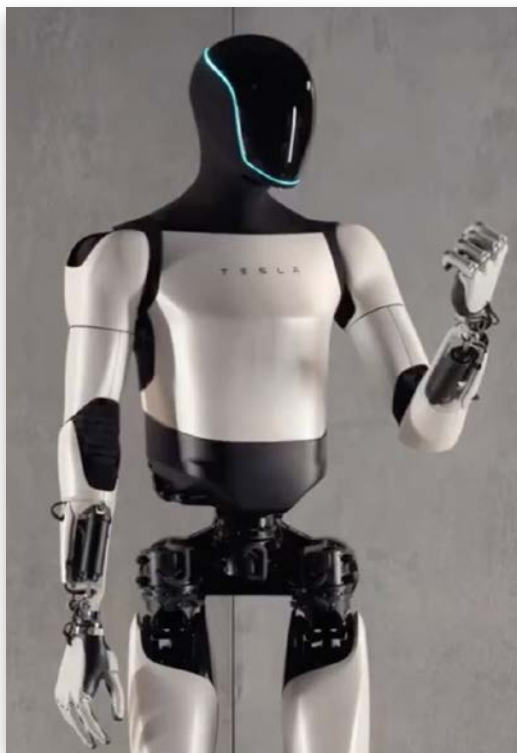
Global Patent Filings Mentioning "Humanoid" Past Five Years





# HL Exposure to the Humanoid Robot Value Chain

We own several companies that could benefit from the humanoid value chain



## Key Potential Suppliers to Humanoid Value Chain

Semiconductors



Diversified Automation



Batteries



Complete Actuators

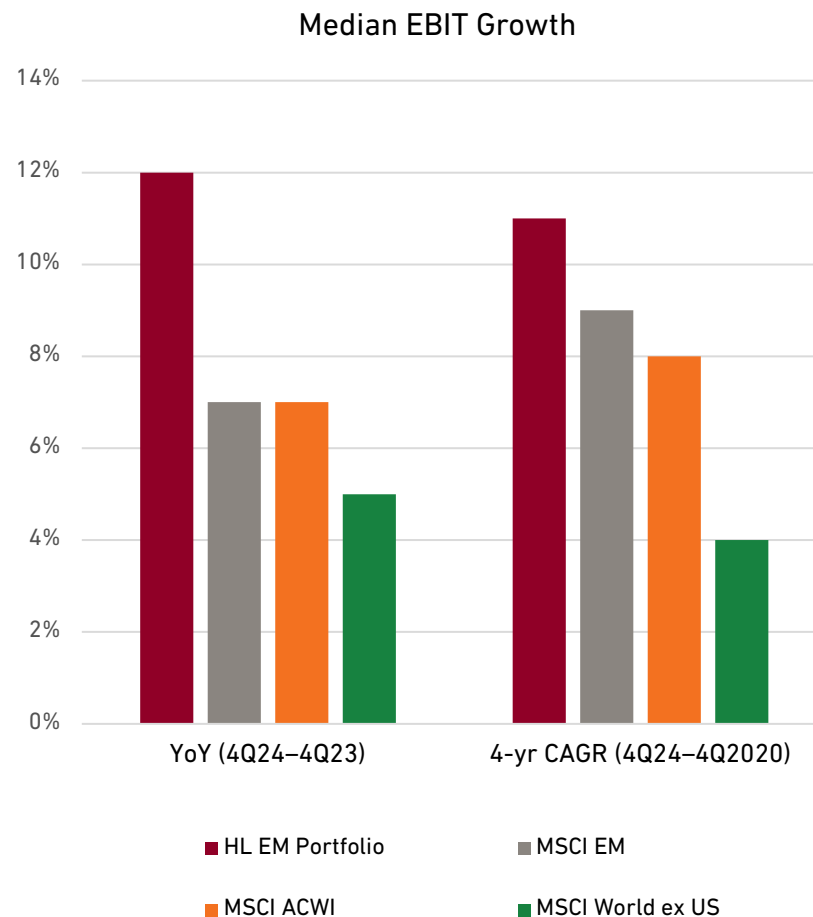
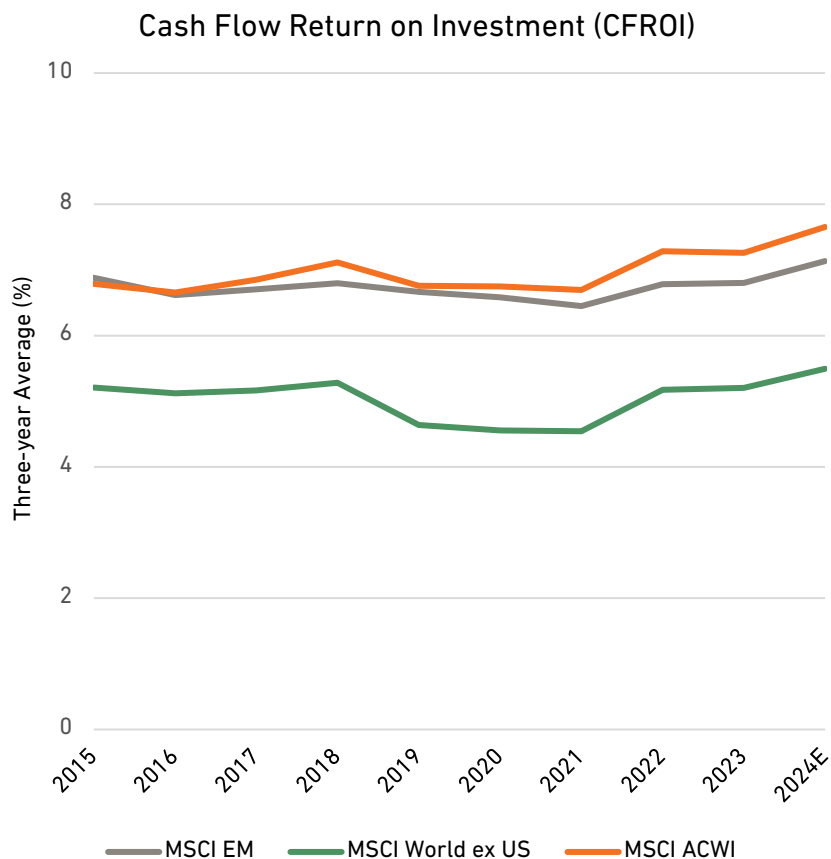


Thermal Mgmt



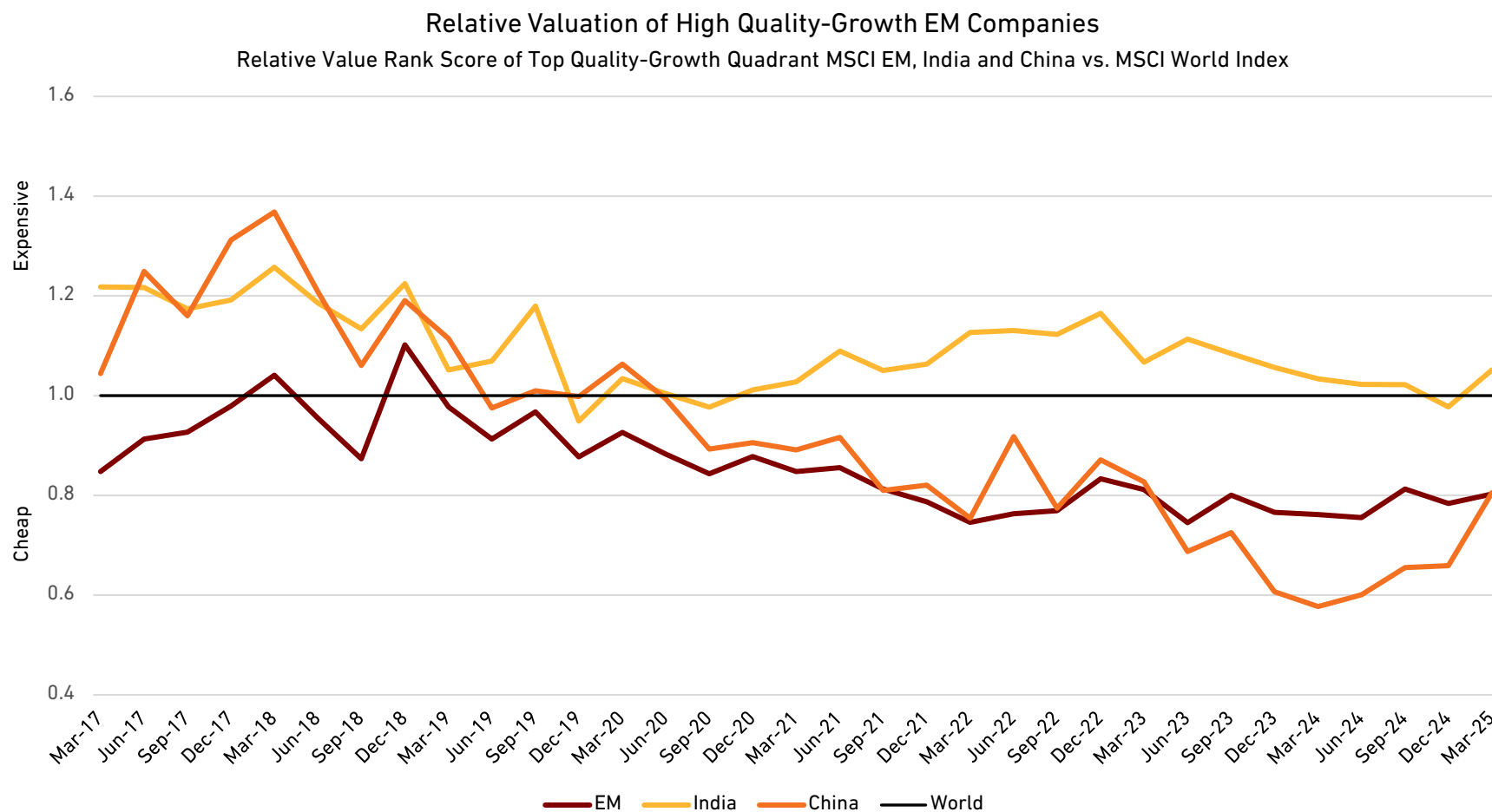
# EM Returns and Earnings Growth

EM returns have been steady with relatively strong operating earnings growth



# Valuation of Superior EM Quality-Growth Stocks Relative to MSCI World

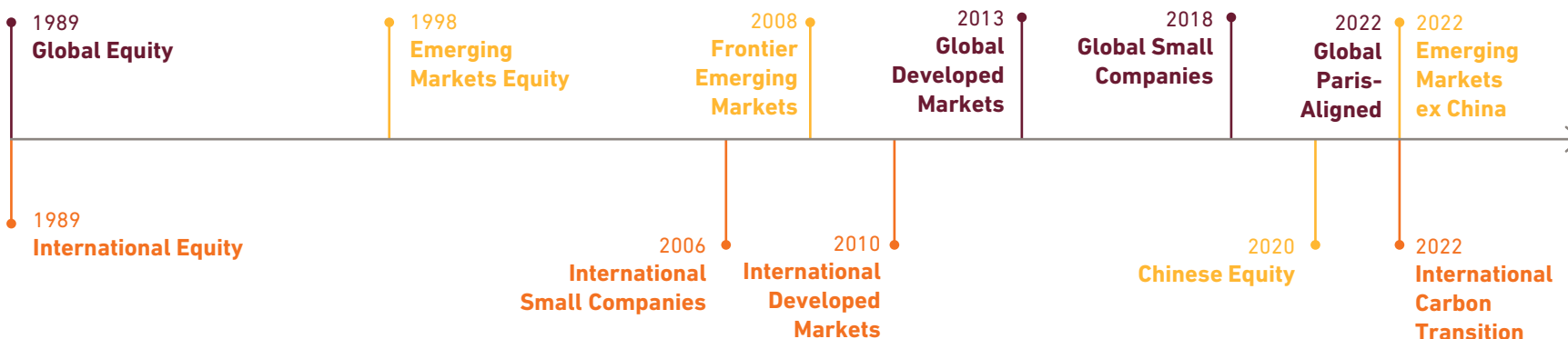
China has become more attractively valued, while India remains expensive



# Global Equity Specialist

A single investment philosophy, process, and research team drives all Harding Loevner strategies

Firm AUM: \$41.9 Billion					
Global Equities		International Equities		Emerging Markets Equities	
	\$9.3B AUM		\$31.4B AUM		\$1.2B AUM
Global Equity	\$7.0B	International Equity	\$17.9B	Emerging Markets Equity	\$1.0B
Global Equity ADR	\$0.6B	International Equity ADR	\$11.3B	Chinese Equity	<\$0.1B
Developed Markets	\$1.6B	Developed Markets	\$1.7B	Emerging Markets ex China	<\$0.1B
Paris-Aligned	\$0.1B	Developed Markets ADR	<\$0.1B	Frontier Emerging Markets	\$0.1B
Small Companies	<\$0.1B	Carbon Transition	<\$0.1B		
		Small Companies	\$0.4B		



# Disclosures

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The information provided in this presentation should not be considered a recommendation to purchase or sell a particular security. Unless otherwise stated, non-performance based criteria have been used to select the securities listed. The portfolio is actively managed therefore securities shown may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. To request a complete list of portfolio holdings for the past year contact Harding Loevner. A complete list of holdings for the Emerging Markets Equity model at March 31, 2025 is available on request.

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*Alpha*: a measure of risk-adjusted return. *Beta*: a measure of the portfolio's sensitivity to the market. *R-Squared*: a measure of how well a portfolio tracks the market. *Standard Deviation*: the statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. *Information Ratio*: a measure of risk-adjusted return calculated by dividing the portfolio active return (i.e., portfolio returns minus benchmark return) by the standard deviation of the active return. *Sharpe Ratio*: the return over the risk free rate per unit of risk. *Up/Down Capture*: a measure of the manager's performance in up/down markets relative to the market itself. *Profit Margin*: relationship of net profits to net sales. *Return on Assets*: net income for past 12 months divided by total assets. *Return on Equity*: the net income divided by total common equity outstanding, expressed as a percent. *Debt/Equity Ratio*: total long-term debt divided by total shareholder's equity. *Sales Per Share*: the total revenue earned per share over a 12-month period, net of returns, allowances, and discounts. *Earnings Per Share*: portion of a company's profit allocated to each outstanding share of common stock. *Cash Flow*: a measure of the cash generating capability of a company calculated by adding non-cash charges (e.g. depreciation) and interest expense to pretax income. *Turnover*: calculated by dividing the lesser of Purchases or Sales by Average Capital. *Active Share*: the proportion of holdings by weight that differ from holdings of the benchmark index.

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.

All performance and data shown are in US dollar terms, unless otherwise noted.

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The composite and attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is preliminary and 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.

Source (Benchmark Performance, Performance Attribution, Contributors and Detractors): FactSet, Harding Loevner Emerging Markets Equity composite, MSCI Inc.

Source (Portfolio Positioning, Portfolio Transactions, Portfolio Allocation Comparison, Quality and Growth Characteristics [Run date: April 3, 2025, based on the latest available data in FactSet on this date.]): FactSet, Harding Loevner Emerging Markets Equity model, MSCI Inc.

Source (Investment Statistics): eVestment Alliance LLC, Harding Loevner Emerging Markets Equity composite, based on composite returns.

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