

Global Developed Markets Equity



Monthly Update | August 2024

Composite Performance (% Total Return)

| Periods ended August 31, 2024 | 1 Month | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|--|---------|-------|--------|---------|---------|----------|-----------------|
| HL Global Developed Markets Equity (Gross) | 2.26 | 13.84 | 22.79 | 0.29 | 13.18 | 11.59 | 11.92 |
| HL Global Developed Markets Equity (Net) | 2.26 | 13.51 | 22.32 | -0.10 | 12.74 | 11.14 | 11.48 |
| MSCI World Index | 2.68 | 17.09 | 25.00 | 7.41 | 13.64 | 10.14 | 10.74 |
| MSCI All Country World Index | 2.57 | 16.33 | 23.99 | 6.27 | 12.66 | 9.32 | 9.95 |

The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Global Developed Markets Equity composite inception date: September 30, 2013. MSCI World Index, the benchmark index, and MSCI All Country World Index, the supplemental index, are 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 |
|--------------------|------|-------|--------------|
| Health Care | 22.2 | 12.3 | 9.9 |
| Comm Services | 14.7 | 7.4 | 7.3 |
| Industrials | 15.8 | 11.0 | 4.8 |
| Cash | 3.0 | - | 3.0 |
| Cons Discretionary | 9.6 | 9.9 | -0.3 |
| Real Estate | 1.2 | 2.3 | -1.1 |
| Materials | 1.2 | 3.7 | -2.5 |
| Utilities | 0.0 | 2.6 | -2.6 |
| Info Technology | 21.9 | 24.7 | -2.8 |
| Energy | 1.2 | 4.1 | -2.9 |
| Cons Staples | 1.8 | 6.5 | -4.7 |
| Financials | 7.4 | 15.5 | -8.1 |

| Geography | HL | Index | Under / Over |
|------------------|------|-------|--------------|
| Europe ex EMU | 13.5 | 8.4 | 5.1 |
| Cash | 3.0 | - | 3.0 |
| Emerging Markets | 2.2 | - | 2.2 |
| Europe EMU | 10.6 | 8.4 | 2.2 |
| Japan | 6.1 | 5.8 | 0.3 |
| Frontier Markets | 0.0 | - | 0.0 |
| Middle East | 0.0 | 0.2 | -0.2 |
| Pacific ex Japan | 1.6 | 2.7 | -1.1 |
| Canada | 0.0 | 3.0 | -3.0 |
| US | 63.0 | 71.5 | -8.5 |

Investment Perspectives

Market

Stock markets rallied after a sharp sell-off in early August. Fears of a faltering US economy and a scramble to unwind carry trades (selling the yen to buy other assets) sparked a 12% plunge of the Nikkei on August 5. The crash reverberated across global markets and measures of volatility spiked to levels not seen since the early days of COVID-19. By month-end the sell-off seemed a distant memory – after falling 6% in the first three trading days of August, the MSCI World Index finished the month up 2.7%. Europe rose 3.9%, and even Japan eked a 0.5% gain. Among major global sectors, Health Care (+5.5%) was particularly strong, while Information Technology returns were more muted. Semiconductor stocks stumbled in late August as NVIDIA's guidance fell short of lofty expectations, while concerns for a slow payback on AI investments rose.

Portfolio

Financial stocks provided the biggest absolute and relative boost to portfolio performance this month, propelled by securities and derivatives exchange **CME Group** in the US. Unlike many Financials, exchanges do not have credit risk and often capitalize on market volatility, while enjoying high operational leverage and robust cash generation. CME has created high barriers to entry by vertically integrating its own clearing house and by operating across multiple asset classes to offer greater capital efficiency for clients. This structure also creates a more diverse and stable revenue base compared to exchanges dependent on a single asset class. Additionally, CME benefits from a strong network effect, where its market-leading liquidity attracts more liquidity, expanding its leadership and boosting profits.

Ten Largest Holdings

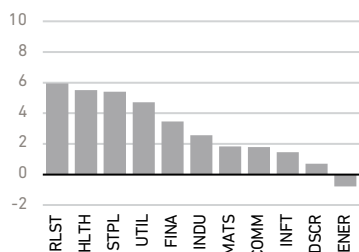
| Company | Market | Sector |
|--------------------------|-------------|--------------------|
| Schneider Electric | France | Industrials |
| Meta Platforms | US | Comm Services |
| Vertex Pharmaceuticals | US | Health Care |
| Microsoft | US | Info Technology |
| Alphabet | US | Comm Services |
| Amazon.com | US | Cons Discretionary |
| Netflix | US | Comm Services |
| Alcon | Switzerland | Health Care |
| Thermo Fisher Scientific | US | Health Care |
| CME Group | US | Financials |

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.

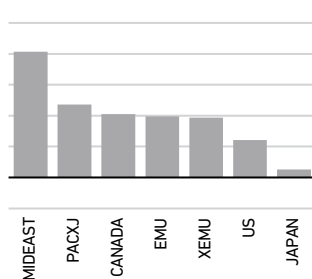
"HL": Global Developed Markets Equity model portfolio. "Index": MSCI World Index. "Frontier Markets": Includes countries with less-developed markets outside the index.

Benchmark Performance | Aug.

Total Return by Sector (%)

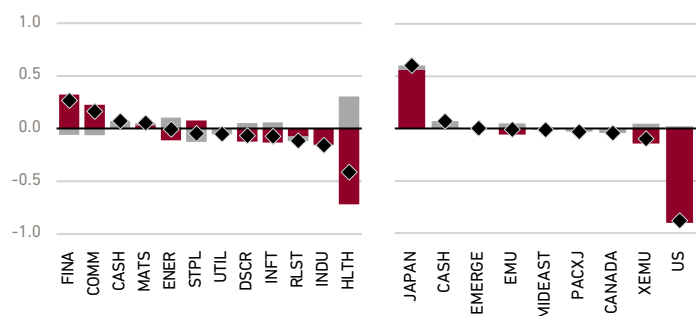


Total Return by Geography (%)



Performance Attribution | Aug.

| Effect (%) | Selection | Allocation | Total |
|------------|-----------|------------|-------|
| Sector | -0.7 | 0.3 | -0.4 |
| Geography | -0.5 | 0.1 | -0.4 |



- In Health Care, investors reacted negatively to news that US biologic drug company **Repligen** was looking to acquire Maravai Life Science (a developer of technology used in manufacturing COVID-19 vaccines) on fears the takeover could dilute existing Repligen shareholders.
- In Industrials, shares of **Atkore**, a US manufacturer of electrical conduits, fell on weaker-than-expected volumes for its PVC conduits and increased competition from steel conduits imported from Mexico.
- CME Group was a positive contributor in Financials. The company benefitted from an August surge in trading volume across its asset classes.
- In Japan, shares of **Chugai Pharmaceuticals** surged for the second month in a row after the company issued a positive earnings report in July.

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

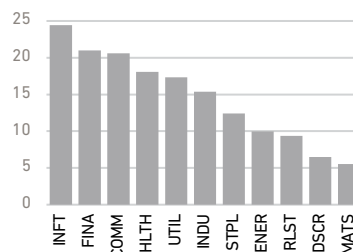
| Contributors | Market | Sector | Index Weight | Effect |
|-----------------------|-------------|--------|--------------|--------|
| Chugai Pharmaceutical | Japan | HLTH | <0.1 | 0.24 |
| Netflix | US | COMM | 0.4 | 0.19 |
| Meta Platforms | US | COMM | 1.7 | 0.19 |
| Adyen | Netherlands | FINA | <0.1 | 0.15 |
| CME Group | US | FINA | 0.1 | 0.14 |
| Detractors | | | | |
| Atkore | US | INDU | - | -0.18 |
| Repligen | US | HLTH | <0.1 | -0.17 |
| Eli Lilly* | US | HLTH | 1.1 | -0.16 |
| Applied Materials | US | INFT | 0.2 | -0.15 |
| SLB | US | ENER | 0.1 | -0.14 |

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

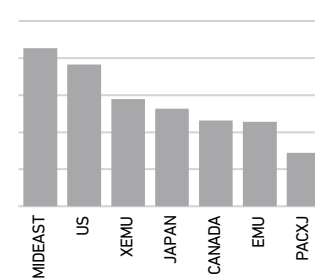
Index weight is the average weight of the security in the index over the MTD and YTD periods. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | YTD

Total Return by Sector (%)

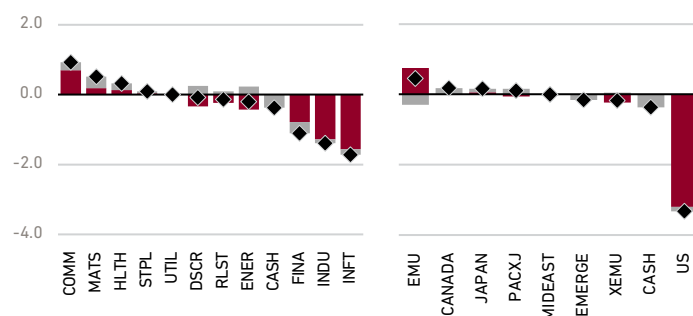


Total Return by Geography (%)



Performance Attribution | YTD

| Effect (%) | Selection | Allocation | Total |
|------------|-----------|------------|-------|
| Sector | -3.6 | 0.5 | -3.1 |
| Geography | -2.7 | -0.4 | -3.1 |



- The detractors in Industrials included Atkore and automation-technology company **Rockwell Automation** whose management reduced guidance for orders due to softer underlying demand and continued customer inventory destocking.
- Meta and **Netflix** led strong performance in Communication Services. Netflix has continued to enjoy solid growth in subscribers and revenues.
- In the US, our underweight in semiconductor juggernaut NVIDIA due to valuation concerns continued to be a detractor. Shares of social-media company **Pinterest** declined on concerns about slowing revenue growth.
- In the eurozone, the stock of French energy management products manufacturer **Schneider Electric** outperformed, reflecting strong revenues and an increased backlog of orders.

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

| Contributors | Market | Sector | Index Weight | Effect |
|---------------------|---------|--------|--------------|--------|
| Meta Platforms | US | COMM | 1.6 | 0.73 |
| Netflix | US | COMM | 0.4 | 0.53 |
| Schneider Electric | France | INDU | 0.2 | 0.50 |
| Tesla* | US | DSCR | 0.9 | 0.37 |
| SAP | Germany | INFT | 0.3 | 0.33 |
| Detractors | | | | |
| NVIDIA | US | INFT | 3.6 | -1.87 |
| Kering | France | DSCR | <0.1 | -0.57 |
| Pinterest | US | COMM | <0.1 | -0.56 |
| Rockwell Automation | US | INDU | <0.1 | -0.51 |
| Atkore | US | INDU | - | -0.47 |

Sources

Benchmark Performance: FactSet, MSCI Inc.

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

Sector/Geographic Positioning and Ten Largest Holdings: Harding Loevner Global Developed 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 World 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 March 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 Global Developed Markets Equity composite has had a performance examination for the periods October 1, 2013 through March 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 Global Developed Markets Equity composite, please contact Harding Loevner at (908) 218-7900 or invest@hlmnnet.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 World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The index consists of 23 developed market countries. The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The index consists of 47 developed and emerging market countries. You cannot invest directly in these indexes.

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 Global Developed 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 Global Developed 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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