



## Global Equity Review | Year End 2024

# Composite Performance Summary

As of December 31, 2024

## Performance (% Total Return)

HL Global Equity	3 Months	1 Year	3 Years <sup>1</sup>	5 Years <sup>1</sup>	10 Years <sup>1</sup>	Since Inception <sup>1,2</sup>
HL Global Equity (Gross)	-0.86	14.94	0.16	8.89	10.22	9.94
HL Global Equity (Net)	-0.95	14.50	-0.24	8.45	9.75	9.32
MSCI All Country World Index <sup>3,4</sup>	-0.89	18.02	5.93	10.57	9.78	7.77

### HL Global Equity ADR

HL Global Equity ADR (Gross)	-1.12	15.07	0.33	9.62	10.33	9.58
HL Global Equity ADR (Net)	-1.33	14.14	-0.46	8.77	9.46	8.70
MSCI All Country World Index <sup>3,4</sup>	-0.89	18.02	5.93	10.57	9.78	7.77

### HL Global Developed Markets Equity

HL Global Developed Markets Equity (Gross)	-0.99	15.17	0.65	11.01	11.59	11.66
HL Global Developed Markets Equity (Net)	-1.03	14.79	0.28	10.59	11.16	11.23
MSCI World Index <sup>3,4</sup>	-0.07	19.19	6.85	11.69	10.51	10.58

<sup>1</sup>Annualized returns. <sup>2</sup>Inception dates: Global Equity composite: November 30, 1989; Global Equity ADR composite: November 30, 1989 corresponds to that of the linked Global Equity composite; Global Developed Markets Equity composite: September 30, 2013. <sup>3</sup>The benchmark index. <sup>4</sup>Gross of withholding taxes. The performance returns shown are preliminary. For comparison purposes, the Global Equity and Global Equity ADR composite returns are measured against the MSCI All Country World Total Return Index (Gross) and the Global Developed Markets Equity composite returns are measured against the MSCI World Total Return Index (Gross). For the Global Equity ADR composite, from 2001 (when the net index first became available) through December 30, 2012, the index return is presented net of foreign withholding taxes. Beginning December 31, 2012, Harding Loevner LP presents the gross version of the index to conform the benchmark's treatment of dividend withholding with that of the composite. For complete information on the construction and historical record of the Global Equity composite, the Global Equity ADR composite, or the Global Developed Markets Equity composite, please contact Harding Loevner at (908) 218-7900 or invest@hlmnnet.com. 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. Please read the Performance Disclosures in the Appendix which are an integral part of this presentation. As of October 1, 2022, the World Equity composite was renamed "Global Developed Markets Equity composite". Please read the disclosures, which are an integral part of this presentation.

# The Current Market Environment: What We are Thinking and Doing

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## Current Market Environment

- Index Concentration
- Political Uncertainty
- Agentic AI

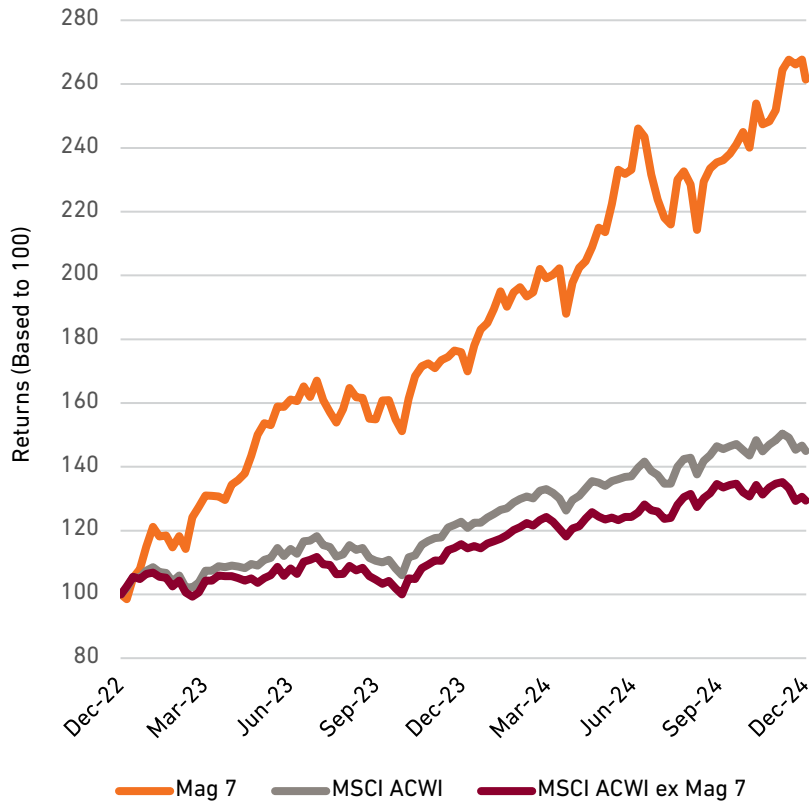
## Our Focus

- Resilience / Diversification
- Innovation
- Mindful of Valuation and Risk

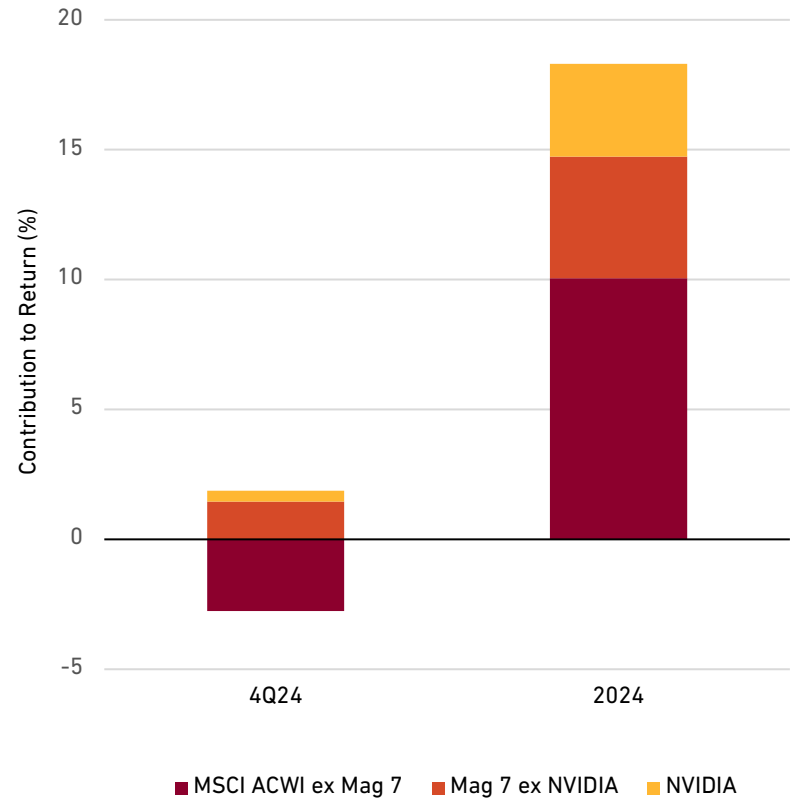
# “The Magnificent 7” Continue To Power Market Returns

The Magnificent 7 accounted for nearly half of MSCI ACWI's 2024 performance

The Magnificent 7 vs. Rest of the Market Cumulative Performance (Alphabet, Apple, Amazon, Meta, Microsoft, NVIDIA, Tesla)



Contribution to MSCI ACWI Return

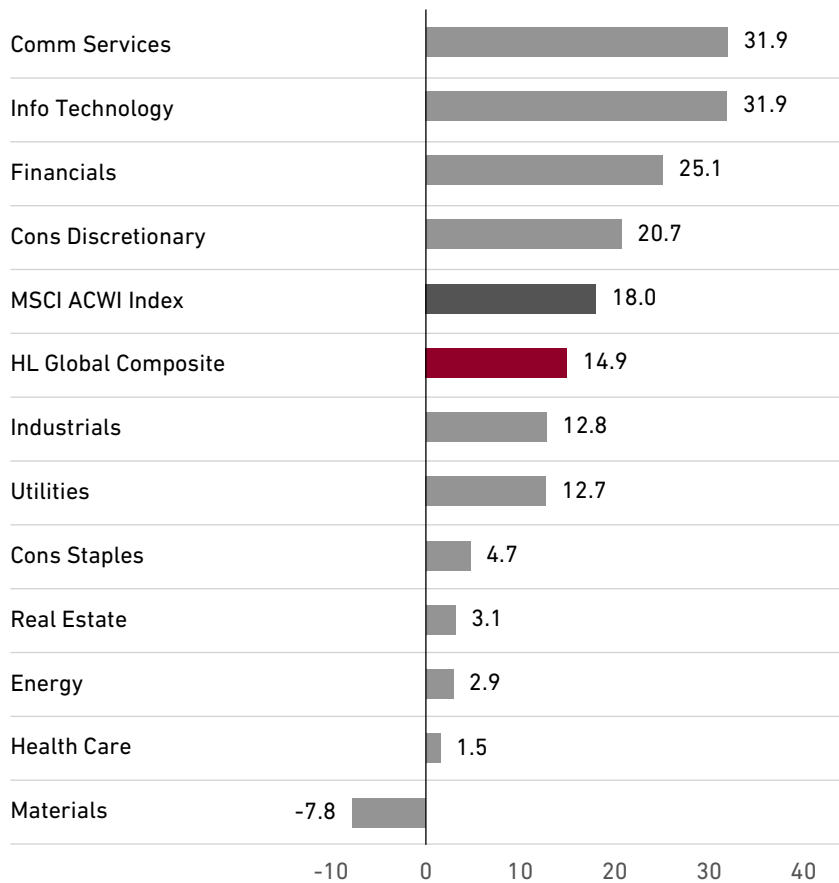


Source: FactSet, MSCI Inc. Data as of December 31, 2024. Please read the disclosures, which are an integral part of this presentation.

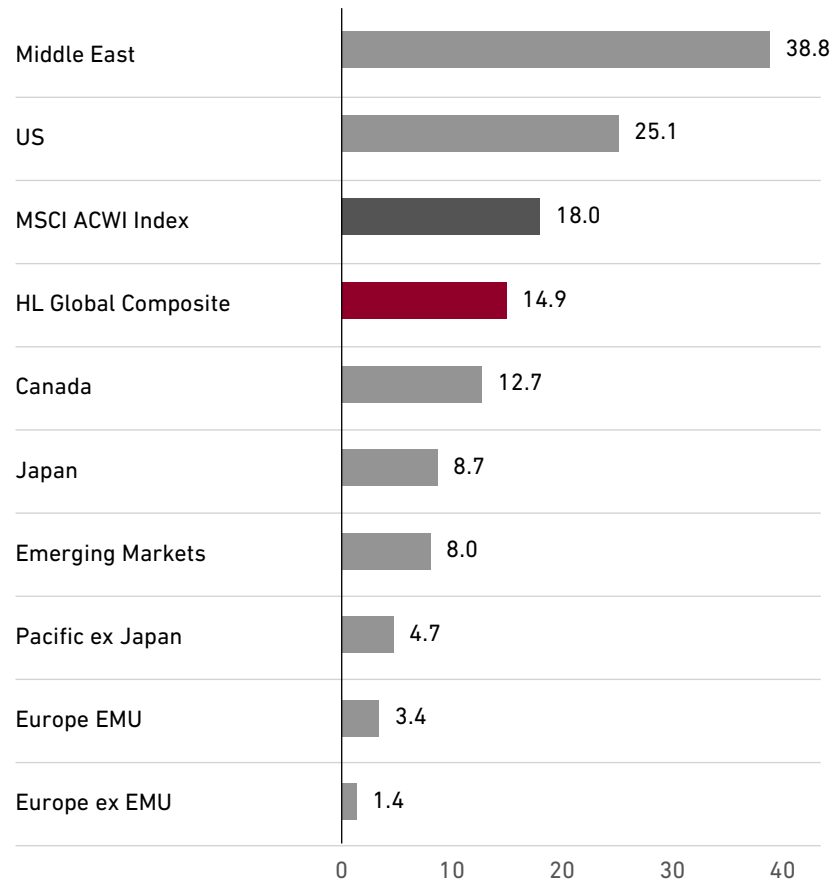
# Benchmark Performance

Trailing 12 Months as of December 31, 2024

Sector Total Return (%)



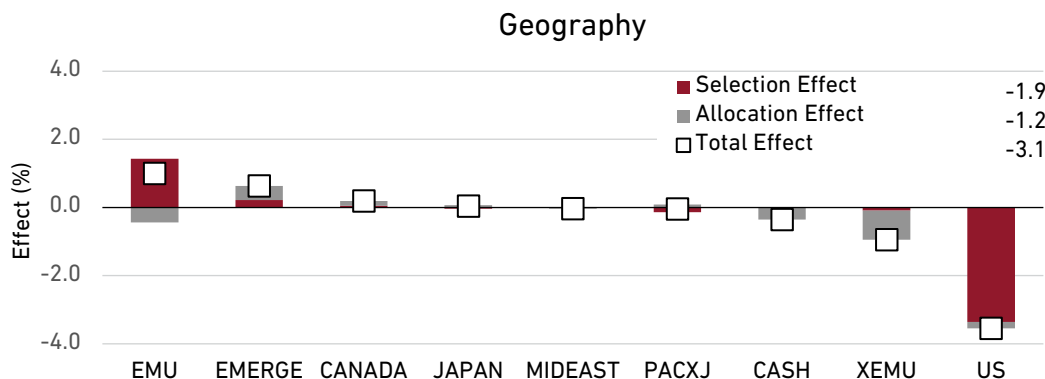
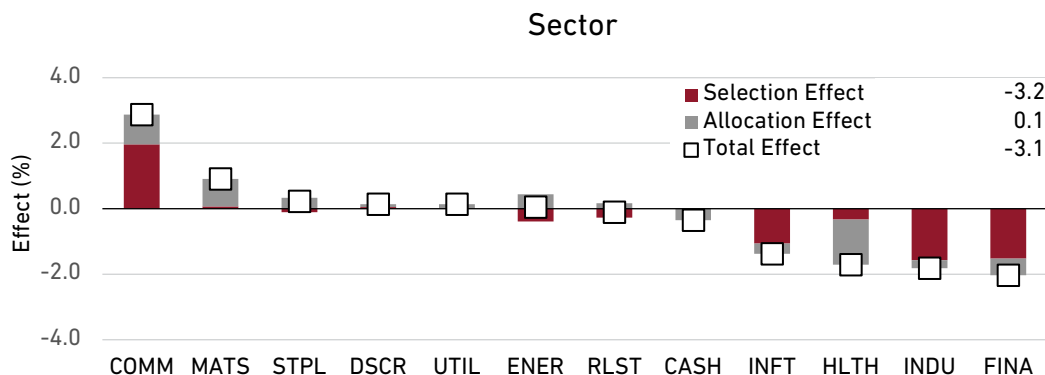
Geographic Total Return (%)



Source: FactSet, MSCI Inc. Data as of December 31, 2024. Composite performance is gross of fees. Please refer to the Composite Performance Summary page, which includes net of fee performance for the same time period. Past performance does not guarantee future results. Please read the disclosures, which are an integral part of this presentation.

# Performance Attribution: Composite vs. Benchmark

Trailing 12 Months as of December 31, 2024



## Top 5 Contributors

to Relative Returns	Avg. Wt. % HL	Effect Index	%
Netflix	2.9	0.4	1.28
Meta Platforms	4.5	1.5	1.16
Broadcom	1.7	0.9	0.53
SAP	1.7	0.3	0.45
ServiceNow	1.6	0.2	0.42

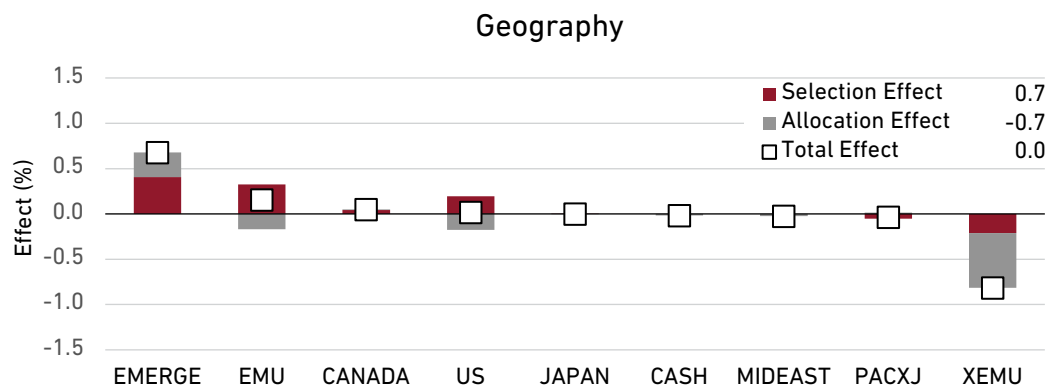
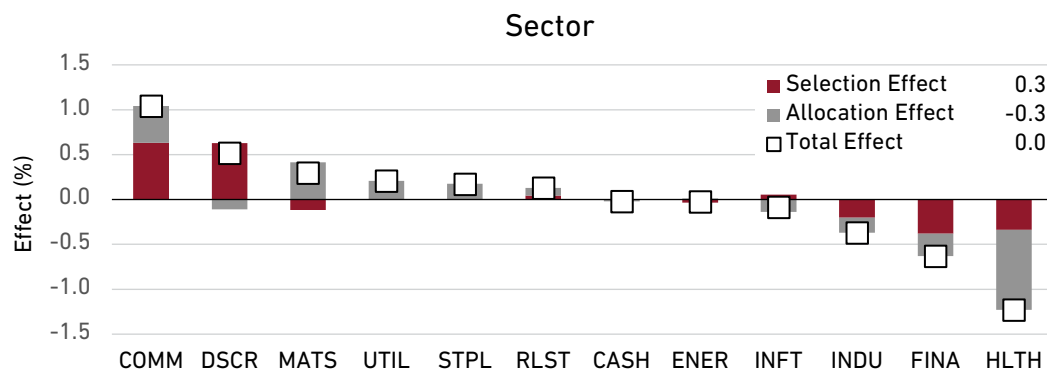
## Top 5 Detractors

from Relative Returns	Avg. Wt. % HL	Effect Index	%
NVIDIA	0.2	3.6	-2.19
Vertex Pharmaceuticals	4.0	0.2	-0.70
Atkore	0.4	-	-0.65
Kering	0.7	<0.1	-0.62
Genmab	0.8	<0.1	-0.58

"HL": Global Equity composite. "Index": MSCI All Country World 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 Global 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 period. 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 Global 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. Data is not annualized. Please read the disclosures, which are an integral part of this presentation.

# Performance Attribution: Composite vs. Benchmark

Fourth Quarter 2024



## Top 5 Contributors

to Relative Returns	Avg. Wt. % HL	Effect Index	Effect %
Netflix	3.4	0.5	0.66
Salesforce	2.5	0.4	0.41
ServiceNow	1.7	0.3	0.29
Booking Holdings	1.8	0.2	0.27
Alphabet	4.2	2.4	0.26

## Top 5 Detractors

from Relative Returns	Avg. Wt. % HL	Effect Index	Effect %
Tesla*	-	1.2	-0.53
NVIDIA	0.2	4.3	-0.44
Vertex Pharmaceuticals	3.5	0.2	-0.43
Thermo Fisher Scientific	2.4	0.3	-0.36
Alcon	2.2	0.1	-0.35

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

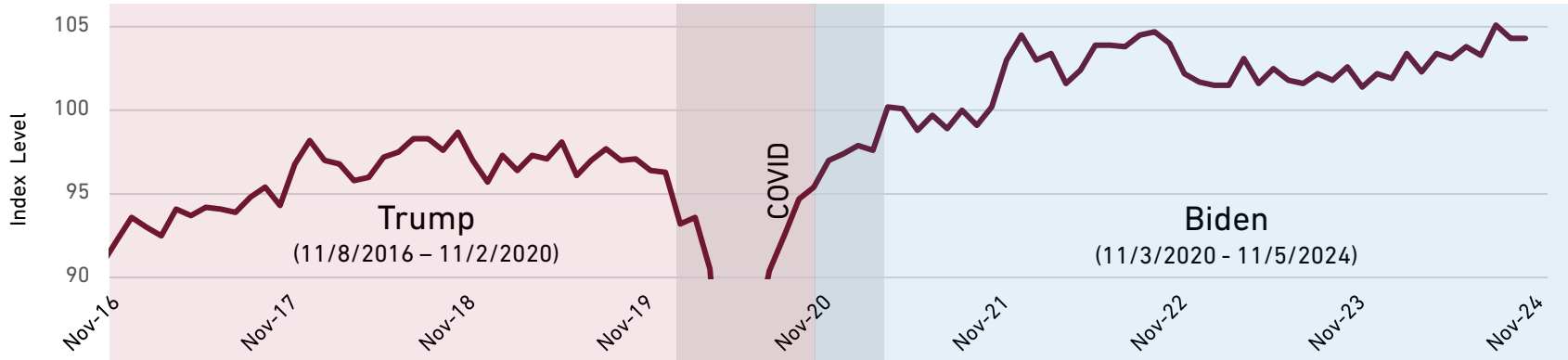
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# There Are No Trump And No Biden Stocks

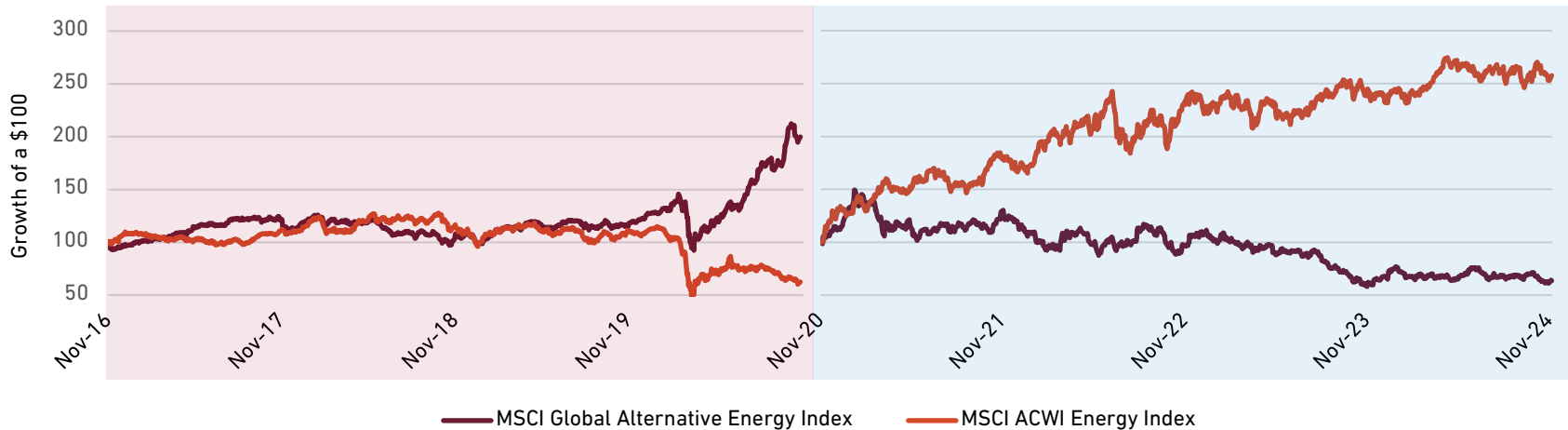
We incorporate political and regulatory developments in our thinking, but we resist making top-down calls

## Global Trade... Resilient

CPB World Trade Index (Merchandise Volume)



## Energy – Opposite of Expectations



Source: (Top) The Netherlands Bureau for Economic Policy Analysis (CPB) released its latest World Trade Monitor (WTM), which covers global merchandise trade volumes. Data as of October 31, 2024. (Bottom) MSCI Inc. Data as of November 5, 2024.



# Health Care Stocks Hit By Political Concerns



## Porter Force Analysis

### Threat of New Entrants

Stringent regulatory oversight. Economy of scale, on admin. costs, negotiating power and risk pooling.

### Threat of Substitution

Generally preferable to have health insurance.

### Bargaining Power of Buyers

Commercial insurance negotiates directly with employers and providers. Fragmented customers.

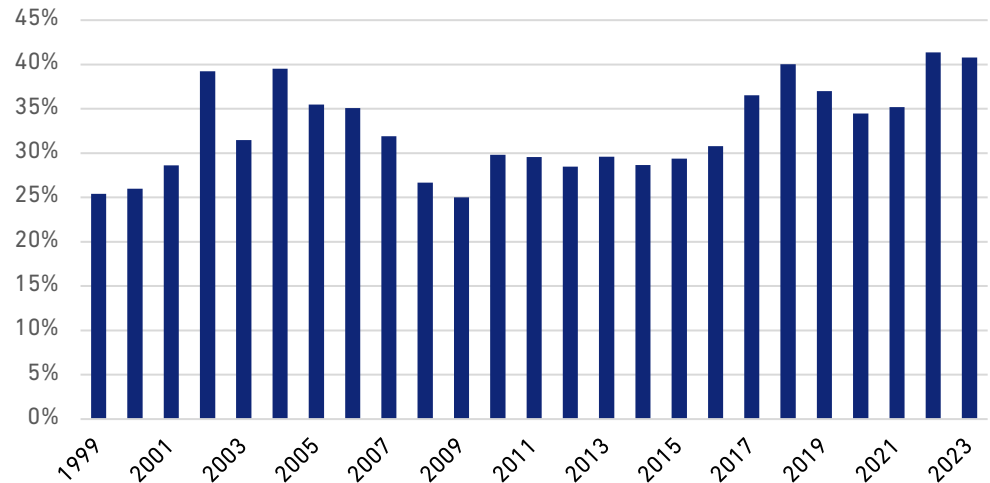
### Bargaining Power of Suppliers

Providers remain fragmented compared to Managed Care Organizations.

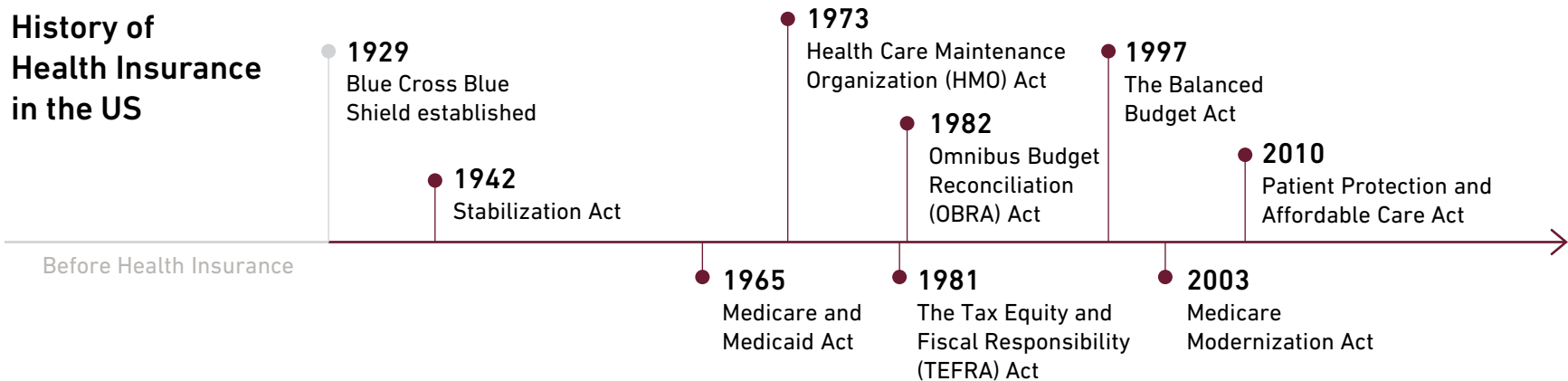
### Rivalry

Local monopolies or oligopolies.

## UnitedHealth Group CFROI



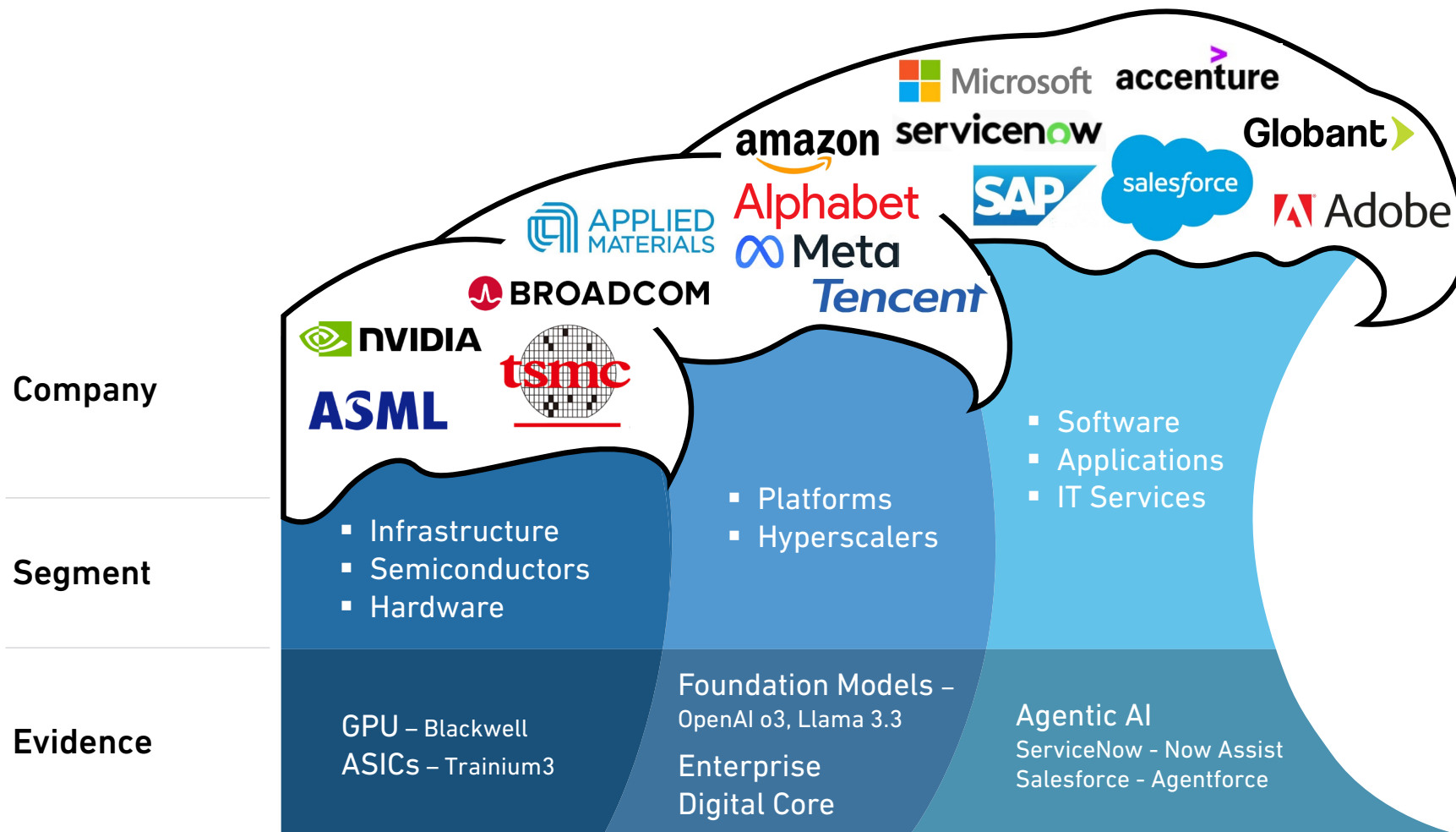
## History of Health Insurance in the US



Source: Harding Loevner, company data, HOLT Database. Data as of December 31, 2024. The information provided in this presentation should not be considered a recommendation to purchase or sell a particular security. 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.

# Approach to Information Technology

Continuous advancement of AI and more evidence of its adoption in the real world



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# Completed Portfolio Transactions

Fourth Quarter 2024

## Positions Established

Company	Market	Sector
Couche-Tard	Canada	Cons Staples
DBS Group	Singapore	Financials
NVIDIA	US	Info Technology
Royal Dutch Shell	UK	Energy

## Positions Sold

Company	Market	Sector
B3	Brazil	Financials
Intuitive Surgical	US	Health Care
Kering	France	Cons Discretionary
Pinterest	US	Comm Services
Repligen	US	Health Care

## PM Transition

- 10/2/2024 – Implementation began
- 10/17/2024 – Implementation completed
- Less than 7% turnover
- 3 Positions Established
- 4 Positions Sold

- Portfolio Turnover (5-year annualized average): 30.3%

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# Maintained Our Quality Growth Premium at Lower Relative Valuation

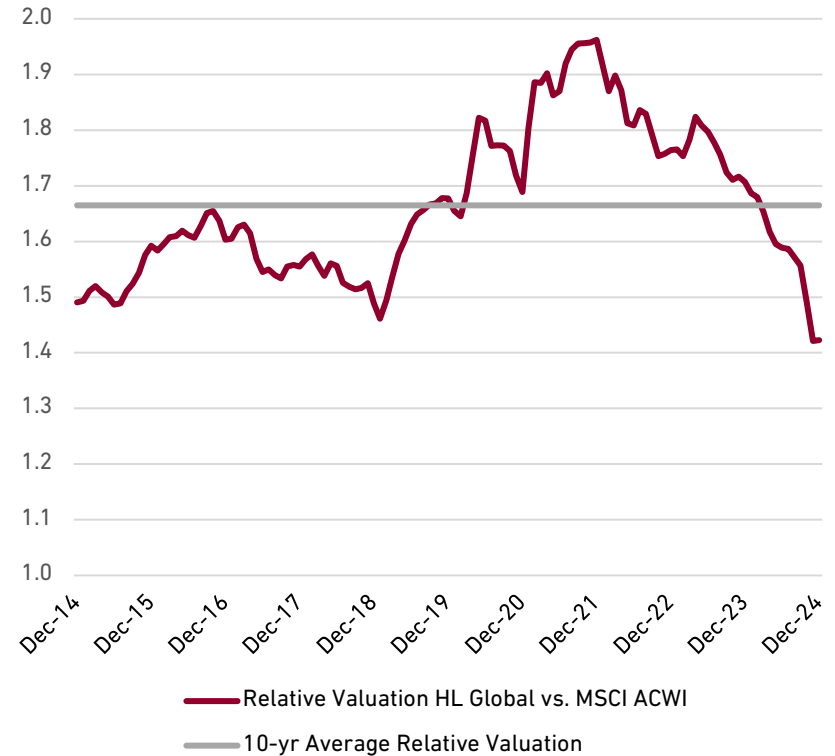
HL Global vs. MSCI ACWI for 10 years ended December 31, 2024

### Quality + Growth Rank Profile



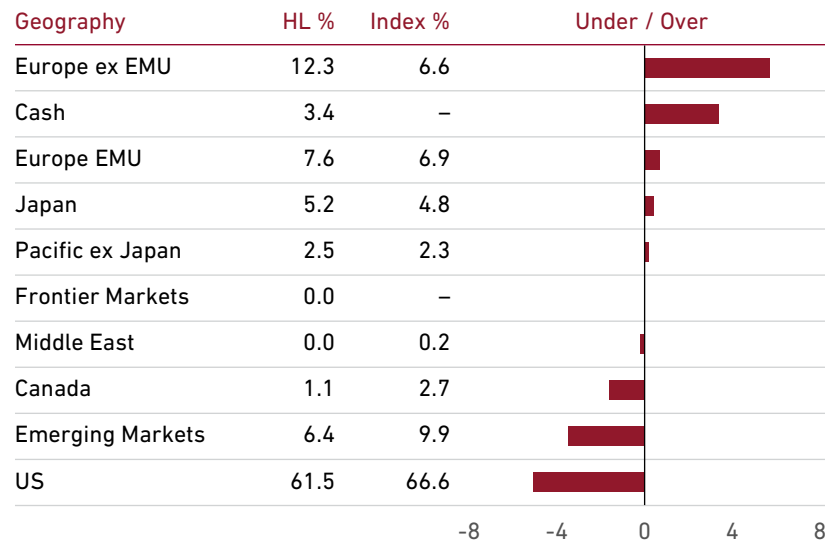
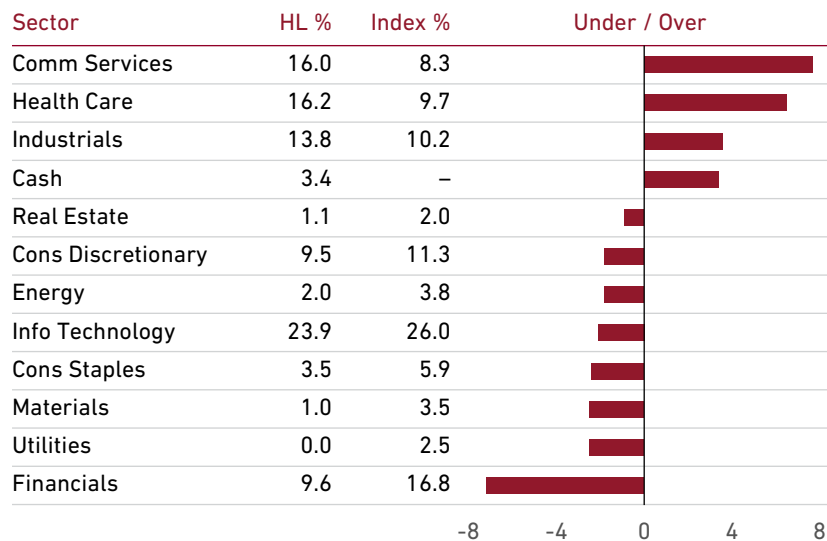
### Relative Valuation

Equal-weighted Composite of Relative P/E, P/B, and P/CF



# Portfolio Positioning

As of December 31, 2024



Ten Largest Holdings – Total Weight: 35.7%

Company	Market	Sector	Wt. (%)
Meta Platforms	US	Comm Services	4.8
Alphabet	US	Comm Services	4.6
Microsoft	US	Info Technology	4.3
Amazon.com	US	Cons Discretionary	4.2
Netflix	US	Comm Services	3.6

Company	Market	Sector	Wt. (%)
Schneider Electric	France	Industrials	3.3
Vertex Pharmaceuticals	US	Health Care	3.0
Accenture	US	Info Technology	2.7
UnitedHealth Group	US	Health Care	2.6
Salesforce	US	Info Technology	2.6

77% Active Share

"HL": Global Equity model portfolio. "Index": MSCI All Country World Index. "Frontier Markets": Includes countries with less-developed markets outside the index. Source: Harding Loevner Global Equity model, MSCI Inc. Data as of December 31, 2024. Sector and region end weights, holdings, and active share are shown as supplemental information only and complement the fully compliant Global Equity Composite GIPS Presentation. Please read the disclosures, which are an integral part of this presentation.

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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 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. The MSCI ACWI Energy index is based on MSCI All Country World Index, its parent index, and includes only securities classified in the Energy sector. The index consists of 47 developed and emerging market countries. The MSCI Global Alternative Energy Index includes developed and emerging market large, mid, and small cap companies that derive 50% or more of their revenues from products and services in Alternative energy. You cannot invest directly in this index.

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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 Global Equity composite, MSCI Inc.

Source (Portfolio Positioning, Portfolio Transactions, Portfolio Allocation Comparison, Quality and Growth Characteristics [Run date: January 6, 2025, based on the latest available data in FactSet on this date.]): FactSet, Harding Loevner Global Equity model, MSCI Inc.

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

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