

# Global Small Companies Equity

First Quarter 2025 Report



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## Performance

Total Return (%) Periods Ended March 31, 2025

	3 Months	1 Year	3 Years	5 Years	Since Inception
HL Global Small Companies Equity (Gross)	-2.94	-7.14	0.12	10.08	8.25
HL Global Small Companies Equity (Net)	-3.11	-7.86	-0.70	9.15	7.32
MSCI All Country World Small Cap Index	-3.86	-0.04	2.06	14.21	8.87

Performance returns are of the composite. The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Global Small Companies Equity composite inception date: December 31, 2018. MSCI All Country World Small Cap Index, the benchmark index, is shown gross of withholding taxes.

**Past performance does not guarantee future results. Invested capital is at risk of loss.** Please read the above performance in conjunction with the disclosures on the last page of this report. All performance and data shown are in US dollar terms, unless otherwise noted.

## What's on Our Minds

The past several years have not been kind to Germany's economy. The country's chronic underinvestment in infrastructure, high energy prices, declining household consumption, and low fixed capital formation led to a long period of economic stagnation, contributing to the breakup last year of Chancellor Olaf Scholz's unpopular three-party coalition and, in turn, the collapse of the German government. The trade outlook also worsened over the past year, amid increased competition from Chinese manufacturers as well as rising geopolitical instability.

Nonetheless, over the past couple years, we have significantly increased the portfolio's exposure to Germany—not as an expression of a general prediction regarding the country's economy, but because our fundamental research uncovered several high-quality, growing businesses in Germany that were trading for reasonable prices. These are companies that, due to the combination of their revenue makeup, financial strength, and other advantages, have been relatively resilient to the country's economic woes and gained an edge over their rivals. In the first quarter, Germany's average weight in the portfolio was 8.3%, compared with 1.1% in the MSCI ACWI Small Cap Index.

That tilt toward Germany was rewarded by markets in the first quarter. As protectionist trade policies under the Trump administration shook investor confidence in the US economy, investor sentiment began to improve toward Europe, and especially Germany, as the country took the dramatic step to amend its constitution to allow a new fiscal stimulus plan. The German government said in mid-March that it will partly exempt defense and infrastructure spending from a strict debt rule that was added to its constitution in the wake of the 2008 global financial crisis. Lifting this so-called debt brake enables Germany to join the rest of Europe in building up its defense capabilities, while also embarking on a plan to fund more than US\$500 billion in digital, energy, and transportation infrastructure. As a result, Germany ended the quarter as the top performing country, by weight, in the global small-cap benchmark.

However, the floor continues to shift beneath investors' feet, and at the time of writing this letter, global markets were whipsawed by the Trump administration's new, more aggressive tariffs and the fear that they might induce a global recession. By the time you read this, investors likely will have encountered more twists.

## HL GSC Portfolio's Weight in Germany Relative to the MSCI ACWI Small Cap Index



Source: Harding Loevner Global Small Companies Equity model, FactSet, MSCI. Data as of March 31, 2025.

Recent events demonstrate why at Harding Loevner we invest in companies, not countries. While the macroeconomic and political environment is unpredictable, and the long-term results of new policies often unknowable, there are certain characteristics of high-quality businesses that help insulate them from the effects of changing economic conditions. A cyclical downturn is less likely to jeopardize the financial viability and long-term prospects of a company that operates in a growing industry, has durable advantages over its competition, a strong balance sheet, high levels of profitability, and properly incentivized management.

It is because we invest in companies, not countries, that the portfolio has a large active weight in Germany. This exposure is well diversified—across eight companies and five sectors, with a variety of geographic sources of revenue. For example, in 2023, we purchased a stake in Scout24, which owns Germany's most popular real estate portal, and added to our holding in Nemetschek, a provider of 3-D design and modeling software. Scout24 generates virtually all its revenue within its home market, while Nemetschek generates about half its revenue outside Europe. Both are tied to the housing market and construction industry, and in both cases, investors worried about a gloomy macroeconomic outlook failed to appreciate the unique qualities that have helped these businesses to continue growing.

*In the first quarter, Germany's average weight in the portfolio was 8.3%, compared with 1.1% in the MSCI ACWI Small Cap Index.*

Housing affordability has been a significant challenge in Germany. After home prices soared 80% from 2012 to 2022, it didn't take much for higher interest rates to tip the country's housing market into a downturn. Yet, despite the downturn, Scout24 managed to increase sales by double digits in 2023 and 2024. How? In a weak housing market, sellers and agents are forced to *increase* spending

on marketing to help houses sell. Scout24 also has an advantage given that its portal, ImmoScout24, captures nearly 70% of the money spent on digital advertising for real estate in Germany, which gives the company pricing power.

*A cyclical downturn is less likely to jeopardize the financial viability and long-term prospects of a company that operates in a growing industry, has durable advantages over its competition, a strong balance sheet, high levels of profitability, and properly incentivized management.*

In the case of Nemetschek, the company has differentiated products and strong customer relationships, which in addition to its financial strength and strong cash flows have helped it to weather hard times. The long-term growth trends—rising adoption of modeling technology by the construction industry as well as more people moving to cities and spurring redevelopment—also remain intact. In fact, the main effect that the economic environment seems to have had on Nemetschek was to its valuation, which fell alongside that of other long-duration growth companies once interest rates rose.

A key focus of the German government's fiscal plan is repairing the country's crumbling infrastructure and modernizing its industries, which may boost demand for companies in sectors such as Materials. Many of these we don't own because they don't meet our investment criteria (for example, shares of German steel producers rose in the quarter, yet they face significant long-term challenges, including competition from China and the disadvantages of being an energy-intensive business in a country that is a heavy energy importer). However, our Materials holding

## Market Snapshot

- The MSCI ACWI Small Cap Index tumbled 3.9% in the quarter, dragged down by the US, where investors worried about the impact of higher tariffs on growth and inflation. The index also underperformed its large-cap counterpart.
- Germany as well as Utilities and Materials were strong performers. After German legislators approved its fiscal stimulus package, European markets rallied, led by stocks with lower valuations in those sectors, which are expected to be among the beneficiaries of the government spending.
- The most cheaply valued stocks in the index dramatically outperformed the most expensive, while losses in the highest quintile of quality were less extreme than in the lowest quintile.
- Information Technology (IT) was the worst-performing sector. The release of Chinese AI model DeepSeek rattled stocks across the tech supply chain, while investors also grew concerned over potentially slower business spending on IT projects.

### Index Performance (USD %)

#### MSCI ACWI Small Cap Index

Sector	1Q 2025	Trailing 12 Months
Communication Services	0.5	10.3
Consumer Discretionary	-8.0	-7.4
Consumer Staples	-0.8	4.8
Energy	-4.5	-11.2
Financials	-0.5	15.9
Health Care	-4.8	-5.0
Industrials	-5.3	-2.8
Information Technology	-12.5	-8.5
Materials	3.5	0.4
Real Estate	1.1	3.6
Utilities	4.6	12.9

Source: FactSet, MSCI Inc. Data as of March 31, 2025.

Region	1Q 2025	Trailing 12 Months
Canada	0.9	8.5
Emerging Markets	-5.3	-1.5
Europe EMU	11.6	4.3
Europe ex EMU	2.0	3.5
Japan	4.0	3.6
Middle East	-5.3	15.8
Pacific ex Japan	-0.6	-1.2
United States	-7.8	-2.2
MSCI ACWI Small Cap Index	-3.9	0.0

Fuchs, a maker of lubricants, may be a more indirect beneficiary of the government's efforts, as they could lead to increased demand for lubricants from automotive and industrial customers. Regardless, Fuchs's competitive positioning and growth prospects are attractive.

In an industry dominated by large oil companies, Fuchs is unique because it is the largest independent producer. Unlike the oil companies that use their large factories to churn out commoditized lubricants, Fuchs excels in advanced lubricants for industries and companies that have special requirements. Part of its advantage is its close relationships with customers—Fuchs workers are often onsite at customers' manufacturing plants—and its production density in industrial pockets around the world, including as a key supplier to Germany's stable of automotive manufacturers. Fuchs's strong historical returns are a testament to the quality of its business, and although returns came down in recent years, that

was mainly due to large investments that were needed to increase capacity and position itself for long-term growth—which is exactly what companies should do when they have a competitive advantage they can exploit. Fuchs also continues to add to its capabilities and diversify its production footprint. Last year's acquisition of LUBCON, a maker of high-quality greases and lubricants, came with production facilities in Germany, India, Poland, the Philippines, and the US, further insulating the company from tariffs.

In general, small-cap companies tend to be more focused on their domestic markets, which limits their exposure to tariffs. However, should the trade war continue, a slowdown in global economic growth is likely to have an outsized effect on small caps, which are generally more sensitive to growth expectations than large caps. In a risky world, we think it makes all the more sense to emphasize companies whose profits and growth have shown to be relatively resilient to economic disruption.

## Portfolio in Focus

Over the last several years, Japan has implemented several corporate-governance reforms encouraging public companies to improve shareholder returns by making better use of the large cash reserves on their balance sheets and unwinding cross-shareholdings (a decades-old practice among Japanese companies, which would take stakes in one another to guard against hostile takeovers and maximize control over corporate decisions, often to the detriment of minority shareholders). The new policies have given the Japanese market a large boost given the abundance of companies with inefficient balance sheets. But the policies provide the biggest benefit to shareholders of slow-growth, or no-growth, companies, which we don't hold.

However, one of our Japanese holdings recently was thrust into the spotlight and may benefit from the growing pressure to improve returns. Stanley Electric, a Honda-affiliated supplier of headlamps and rear lamps for automobiles and motorcycles, has a lot of cash sitting on its balance sheet. Management has acknowledged this, and over the past 15 years, the company has repurchased and canceled nearly 17% of its outstanding shares. But we think it can do much more and have stressed this in our engagements with management. An activist investor is now making its own push: This quarter, City Index Eleventh, backed by the Murakami Family, a prominent supporter of Japan's corporate-governance reforms, acquired a stake in Stanley Electric. The stock rose in response, and we remain optimistic that the company can improve returns.

One effect of the rally in low-quality, slower-growing companies in Japan is that there are now more high-quality, faster-growing companies trading at better valuations than they have for some time. For example, Asahi Intecc, which we added in late 2024, is a specialist supplier of wire-based devices that guide larger instruments, such as stents, in minimally invasive surgeries. Its products are considered among the best in cardiovascular procedures, and we expect it to maintain strong market share in Japan as well as the US and Europe. The company also has a strong position in China's fast-growing market, although signs of growing competition from local rivals have recently weighed on investors' expectations. We think the strength of its products as well as its distribution reach in China should help protect its market share, which is why we took advantage of the reduced valuation to add the company to the portfolio. Its growth opportunities also extend beyond cardiovascular procedures. For example, it is a leading provider of guidewire used in peripheral-cardiac and neurovascular procedures in Japan but only recently started selling guidewire for these applications in other markets. Just this quarter, the company received approval in the US for the 0.018-inch-diameter version of its product for peripheral procedures, and we expect more of these incremental wins over time.

### Portfolio Positioning (% Weight)

Sector	HL	Index	Relative Weight
Comm Services	8.6	3.4	
Health Care	12.1	9.4	
Cash	2.4	-	
Industrials	21.9	19.5	
Info Technology	13.0	10.9	
Cons Staples	6.2	5.1	
Financials	15.7	15.7	
Utilities	2.7	3.0	
Cons Discretionary	11.7	12.5	
Energy	2.7	4.2	
Materials	3.0	8.2	
Real Estate	0.0	8.1	

Region	HL	Index	Relative Weight
Europe EMU	16.7	5.6	
Europe ex EMU	18.8	8.5	
Frontier Markets	5.4	-	
Cash	2.4	-	
Japan	11.7	11.2	
Middle East	0.8	0.9	
Emerging Markets	11.8	14.1	
Canada	0.6	3.2	
Pacific ex Japan	0.0	4.4	
US	31.8	52.1	

"HL": Global Small Companies Equity model portfolio. "Index": MSCI All Country World Small Cap Index. "Frontier Markets": Includes countries with less-developed markets outside the index. Sector and region allocations are supplemental information only and complement the fully compliant Global Small Companies Equity composite GIPS Presentation. Source: Harding Loevner Global Small Companies Equity model, FactSet, MSCI Inc. MSCI Inc. and S&P do not make any express or implied warranties or representations and shall have no liability whatsoever with respect to any GICS data contained herein.

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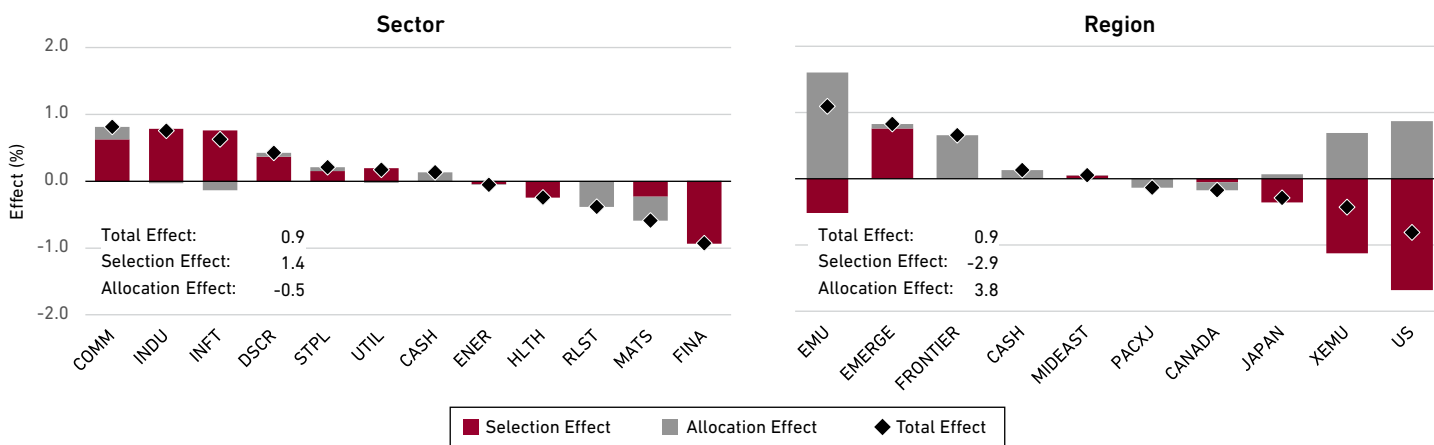
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# Performance and Attribution

The Global Small Companies Equity composite fell 2.9% gross of fees in the first quarter, compared with a 3.9% decline in the MSCI ACWI Small Cap Index.

## First Quarter 2025 Performance Attribution

Global Small Companies Equity Composite vs. MSCI ACWI Small Cap Index



\*"FRONTIER": Includes countries with less-developed markets outside the index.

Source: Harding Loevner Global Small Companies Equity composite, FactSet, MSCI Inc. Data as of March 31, 2025. The total effect shown here may differ from the variance of the composite performance and benchmark performance shown on the first page of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the composite GIPS Presentation.

## Portfolio Attribution by Sector

Stock selection was strong in Industrials, IT, and Communication Services. This was offset by weak returns among US-based Financials and our underweight to Materials.

Top contributors to relative performance:

- Within **Communication Services**, Scout24 reported strong profit growth for 2024 and exceeded its goal for adding new agents to its real estate platform. Management's outlook suggests continued strong performance this year amid signs that the German real estate market is beginning to recover. Airtel Africa, the leading mobile network operator in Sub Saharan Africa, received regulatory approval to increase rates by up to 50% in Nigeria, which will help the company offset high cost inflation in the country.
- **Financials** holdings outside the US performed well. Shares of Siauliu Bankas, the leading domestic bank in Lithuania, rose as the company continued to buy back stock.
- Although the macroeconomic environment has made businesses more cautious about spending on large **IT** projects, Alten reported revenue growth in 2024 that was better than investors feared.

Top detractors from relative performance:

- Among US-based **Financials**, Live Oak Bank shares fell on the prospect of fewer rate cuts in 2025 and an increase in non-performing loans. Open Lending, an outsourced risk-management company, delayed its annual report due to various cost adjustments that impaired profits the year. The chairman also replaced the company's CEO.
- Two of the portfolio's **IT**-services companies—US-listed EPAM and Globant—reported solid year-over-year growth in revenues and earnings in 2024. Yet their stocks fell, in part due to fears of slowing economic growth in the US; North America is the largest market for both.

## Relative Returns (%)

### First Quarter 2025

Largest Contributors	Sector	Avg. Weight		Effect
		HL	Index	
Siauliu Bankas	FINA	2.1	–	0.43
Scout24	COMM	1.6	–	0.32
Alten	INFT	1.6	<0.1	0.31
Carl Zeiss Meditec	HLTH	0.9	<0.1	0.31
Rubis	UTIL	1.7	<0.1	0.28

Largest Detractors	Sector	Avg. Weight		Effect
		HL	Index	
Live Oak Bank	FINA	1.8	<0.1	-0.67
Open Lending	FINA	0.9	<0.1	-0.55
Globant	INFT	1.0	–	-0.51
EPAM	INFT	0.5	–	-0.41
SPS Commerce	INFT	1.2	0.1	-0.32

### Trailing 12 Months

Largest Contributors	Sector	Avg. Weight		Effect
		HL	Index	
Ollie's Bargain Outlet	DSCR	1.7	0.1	0.59
Siauliu Bankas	FINA	1.4	–	0.53
Keywords Studios	INFT	0.5	<0.1	0.52
Scout24	COMM	1.4	–	0.47
Guidewire Software	INFT	0.7	0.1	0.47

Largest Detractors	Sector	Avg. Weight		Effect
		HL	Index	
YouGov	COMM	1.2	<0.1	-1.74
Atkore	INDU	1.6	<0.1	-1.51
Tecan	HLTH	1.5	<0.1	-1.05
Live Oak Bank	FINA	0.8	<0.1	-0.84
Five Below	DSCR	1.0	0.1	-0.81

"HL": Global Small Companies Equity composite. "Index": MSCI All Country World Small Cap Index.

## Portfolio Attribution by Region

Our overweight in the top-performing Eurozone (EMU) region as well as strong stock picks in Emerging Markets (EMs) was partly offset by weakness in the US.

### Top contributors to relative performance:

- **Germany** was our biggest contributor, for the reasons outlined in the "What's on Our Minds" section of this report. Shares of German Health Care holding Carl Zeiss Meditec also gained on signs of improving demand for refractive (vision-correcting) procedures in China.
- In **EMs**, B3, the leading exchange in **Brazil**, reported 7% revenue growth for 2024, while also benefiting from a positive ruling on an outstanding legal liability related to a goodwill-amortization case.

### Top detractors from relative performance:

- **US** stocks, including those already discussed, largely fell on worsening economic sentiment.
- Within **Europe ex EMU**, Clarkson, a London-based provider of consulting services to the global shipping industry, reported record revenue and profits for 2024, yet greater economic and trade uncertainty led management to provide a more cautious outlook for 2025.

Past performance does not guarantee future results. The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. Contributors and Detractors are shown as supplemental information only and complement the fully compliant Global Small Companies Equity composite GIPS Presentation. The following information is available upon request: (1) information describing the methodology of the contribution data in the tables above; and (2) a list showing the weight and relative contribution of all holdings during the quarter and the trailing 12 months. In the tables above, "weight" is the average percentage weight of the holding during the period, and "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 Small Companies 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.

# Portfolio Holdings

	Market	End Wt. (%)		Market	End Wt. (%)
<b>Communication Services</b>			<b>Financials</b>		
<b>Airtel Africa</b> Telecom services	UK	0.8	<b>Rathbones</b> Wealth manager	UK	0.5
<b>Baltic Classifieds</b> Online classifieds portal operator	UK	1.4	<b>RGA</b> Reinsurance provider	US	3.0
<b>Bengo4.com</b> Lawyer and accountant listings services	Japan	0.5	<b>Siauliu Bankas</b> Commercial bank	Lithuania	2.3
<b>Cheil Worldwide</b> Marketing and advertising services	South Korea	0.6	<b>Health Care</b>		
<b>Kakaku.com</b> E-commerce retailer	Japan	1.1	<b>Align Technology</b> Orthodontics products manufacturer	US	0.6
<b>Megacable</b> Cable operator	Mexico	0.6	<b>Ambu</b> Medical device manufacturer	Denmark	0.3
<b>Rightmove</b> Online property listings operator	UK	0.7	<b>Asahi Intecc</b> Medical device manufacturer	Japan	0.7
<b>Scout24</b> Real estate information services	Germany	1.8	<b>Carl Zeiss Meditec</b> Medical technology provider	Germany	1.0
<b>TIME dotCom Berhad</b> Telecom services	Malaysia	0.7	<b>CellaVision</b> Medical device manufacturer	Sweden	0.6
<b>YouGov</b> Market research and data analytics services	UK	0.4	<b>DiaSorin</b> Reagent kits developer	Italy	1.3
<b>Consumer Discretionary</b>			<b>Elanco</b> Animal health care products	US	0.8
<b>BorgWarner</b> Automotive parts manufacturer	US	1.6	<b>Evotec</b> Drug discovery and developer	Germany	0.8
<b>Curves</b> Fitness club operator	Japan	1.3	<b>Neurocrine Biosciences</b> Biopharmaceutical mfr.	US	1.8
<b>Domino's</b> Restaurant chain operator	US	0.8	<b>Penumbra</b> Medical device manufacturer	US	1.0
<b>Eclat Textile</b> Technology-based textile manufacturer	Taiwan	0.4	<b>Santen Pharmaceutical</b> Pharma manufacturer	Japan	1.3
<b>Five Below</b> Discount consumer products retailer	US	0.9	<b>Square Pharmaceuticals</b> Pharma manufacturer	Bangladesh	1.0
<b>Ollie's Bargain Outlet</b> Discount cons. products retailer	US	2.4	<b>Tecan</b> Life science products and services	Switzerland	1.0
<b>Stanley Electric</b> Automotive lighting manufacturer	Japan	0.5	<b>Industrials</b>		
<b>Thule Group</b> Lifestyle consumer products manufacturer	Sweden	1.5	<b>Alfa Laval</b> Industrial equipment manufacturer	Sweden	0.5
<b>TravelSky</b> Aviation IT services	China	1.0	<b>Allegion</b> Security equipment manufacturer	US	1.8
<b>Wilcon Depot</b> Home improvement retailer	Philippines	1.0	<b>Atkore</b> Electrical conduit manufacturer	US	0.6
<b>XPEL</b> Auto detailing services	US	0.4	<b>Bossard</b> Industrial components supplier	Switzerland	0.7
<b>Consumer Staples</b>			<b>Brenntag</b> Chemical distribution services	Germany	1.4
<b>Ariake</b> Natural seasonings manufacturer	Japan	0.9	<b>Burckhardt Compression</b> Compressor manufacturer	Switzerland	1.4
<b>Church &amp; Dwight</b> Consumer products manufacturer	US	0.3	<b>Clarkson</b> Shipping services	UK	2.2
<b>Cranswick</b> Foods manufacturer	UK	1.6	<b>Copa Holdings</b> Airline operator	Panama	0.7
<b>McCormick</b> Spices and flavors manufacturer	US	0.4	<b>Daifuku</b> Material-handling equipment manufacturer	Japan	0.8
<b>Milbon</b> Hair care products manufacturer	Japan	1.0	<b>Diploma</b> Specialized technical services	UK	1.7
<b>Raia Drogasil</b> Drugstores operator	Brazil	1.3	<b>EnerSys</b> Industrial-battery manufacturer	US	2.8
<b>Robinsons Retail</b> Foods & consumer products retailer	Philippines	0.6	<b>Exponent</b> Engineering and scientific consultant	US	0.7
<b>Energy</b>			<b>Haitian International</b> Injection-molding machines mfr.	China	0.5
<b>Dialog Group Berhad</b> Petrochemical services	Malaysia	0.6	<b>MISUMI Group</b> Machinery-parts supplier	Japan	1.1
<b>Helmerich &amp; Payne</b> Oil driller	US	0.8	<b>Pfeiffer Vacuum</b> Vacuum pump manufacturer	Germany	0.7
<b>TechnipFMC</b> Energy technology provider	US	1.2	<b>Rational</b> Commercial kitchen equipment manufacturer	Germany	0.4
<b>Financials</b>			<b>Rollins</b> Pest control services	US	0.4
<b>B3</b> Clearing house and exchange	Brazil	0.9	<b>Senior</b> Aerospace and auto parts manufacturer	UK	1.6
<b>Banca Transilvania</b> Commercial bank	Romania	0.8	<b>SMS</b> Health care employment services	Japan	0.2
<b>Commerce Bank</b> Commercial bank	US	1.8	<b>TOMRA</b> Industrial sensors manufacturer	Norway	0.5
<b>Discovery Holdings</b> Insurance provider	South Africa	0.7	<b>Watts</b> Water technology products and services	US	1.1
<b>Lazard</b> Financial advisory	US	1.3	<b>Information Technology</b>		
<b>Linea Directa</b> Insurance provider	Spain	0.5	<b>Alten</b> Technology consultant and engineer	France	1.8
<b>Live Oak Bank</b> Commercial bank	US	1.7	<b>AppFolio</b> Real estate information services	US	0.5
<b>Max Financial</b> Financial services & insurance provider	India	1.8	<b>CyberArk</b> Cybersecurity software developer	Israel	0.8
<b>Open Lending</b> Financial services technology provider	US	0.5	<b>EPAM</b> IT consultant	US	0.9

Model portfolio holdings are supplemental information only and complement the fully compliant Global Small Companies Equity composite GIPS Presentation. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of portfolio holdings for the past year contact Harding Loevner.



<b>Information Technology</b>		<b>Market</b>	<b>End Wt. (%)</b>
<b>Globant</b>	IT services provider	US	0.7
<b>Kinaxis</b>	Supply chain software developer	Canada	0.6
<b>LEM Holdings</b>	Electrical components manufacturer	Switzerland	1.3
<b>Nemetschek</b>	Engineering software developer	Germany	1.4
<b>Rakus</b>	IT employment and cloud services	Japan	0.6
<b>Reply</b>	IT consultant	Italy	1.2
<b>Shift</b>	Software assurance provider	Japan	0.9
<b>SPS Commerce</b>	Supply chain software provider	US	1.0
<b>Vaisala</b>	Atmospheric measuring devices manufacturer	Finland	1.4
<b>Materials</b>			
<b>Fuchs Petrolub</b>	Lubricants manufacturer	Germany	1.0
<b>Hoa Phat Group</b>	Steel producer	Vietnam	0.6
<b>JCU</b>	Industrial coating manufacturer	Japan	0.9
<b>Keva</b>	Fragrances and flavors manufacturer	India	0.4
<b>Real Estate</b>			
<b>No Holdings</b>			
<b>Utilities</b>			
<b>ENN Energy</b>	Gas pipeline operator	China	0.8
<b>Rubis</b>	Liquid chemical storage and distribution	France	1.9
<b>Cash</b>			2.4

# Portfolio Facts

## Portfolio Characteristics

Quality and Growth	HL	Index	Risk and Valuation	HL	Index
Profit Margin <sup>1</sup> (%)	9.2	8.0	Alpha <sup>2</sup> (%)	-2.79	-
Return on Assets <sup>1</sup> (%)	7.8	5.0	Beta <sup>2</sup>	0.94	-
Return on Equity <sup>1</sup> (%)	12.9	10.5	R-Squared <sup>2</sup>	0.89	-
Debt/Equity Ratio <sup>1</sup> (%)	39.4	56.4	Active Share <sup>3</sup> (%)	98	-
Std. Dev. of 5 Year ROE <sup>1</sup> (%)	4.0	6.1	Standard Deviation <sup>2</sup> (%)	18.22	18.33
Sales Growth <sup>1,2</sup> (%)	7.5	6.7	Sharpe Ratio <sup>2</sup>	0.41	0.63
Earnings Growth <sup>1,2</sup> (%)	6.7	8.3	Tracking Error <sup>2</sup> (%)	6.0	-
Cash Flow Growth <sup>1,2</sup> (%)	10.0	8.6	Information Ratio <sup>2</sup>	-0.68	-
Dividend Growth <sup>1,2</sup> (%)	6.2	6.1	Up/Down Capture <sup>2</sup>	87/101	-
Size and Turnover	HL	Index	Price/Earnings <sup>4</sup>	18.5	15.7
Wtd. Median Mkt. Cap. (US \$B)	4.1	3.7	Price/Cash Flow <sup>4</sup>	11.2	8.8
Wtd. Avg. Mkt. Cap. (US \$B)	5.3	4.6	Price/Book <sup>4</sup>	2.3	1.6
Turnover <sup>3</sup> (Annual %)	24.9	-	Dividend Yield <sup>5</sup> (%)	2.0	2.2

<sup>1</sup>Weighted median. <sup>2</sup>Trailing five years, annualized. <sup>3</sup>Five-year average. <sup>4</sup>Weighted harmonic mean. <sup>5</sup>Weighted mean. Source: (Risk characteristics): Harding Loevner Global Small Companies Equity composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics): Harding Loevner Global Small Companies Equity model based on the underlying holdings, FactSet (Run Date: April 3, 2025) based on the latest available data in FactSet on this date., MSCI Inc.

## Completed Portfolio Transactions

Positions Established	Market	Sector	Positions Sold	Market	Sector
Church & Dwight	US	STPL	Clicks Group	South Africa	STPL
Curves	Japan	DSCR	Sarana Menara Nusantara	Indonesia	COMM
EPAM	US	INFT			
McCormick	US	STPL			
Rollins	US	INDU			
Wilcon Depot	Philippines	DSCR			

The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. Past performance does not guarantee future results. Portfolio characteristics are supplemental information only and complement the fully compliant Global Small Companies Equity composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

# Composite Performance

as of March 31, 2025

	HL Global Small Cos. Gross (%)	HL Global Small Cos. Net (%)	MSCI ACWI Small Cap <sup>1</sup> (%)	HL Global Small Cos. 3- yr. Std. Deviation <sup>2</sup> (%)	MSCI ACWI Small Cap 3-yr. Std. Deviation <sup>2</sup> (%)	Internal Dispersion <sup>3</sup> (%)	No. of Accounts	Composite Assets (\$M)	Firm Assets (\$M)
2025 YTD <sup>4</sup>	-2.94	-3.11	-3.86	17.60	18.46	N.A.	1	2	33,889
2024	-2.56	-3.33	8.15	18.42	18.70	N.M.	1	2	35,471
2023	15.99	15.02	17.41	18.19	18.17	N.M.	1	2	43,924
2022	-21.46	-22.14	-18.27	21.86	23.83	N.M.	1	1	47,607
2021	12.53	11.52	16.54	18.58	21.27	N.M.	1	2	75,084
2020	29.24	28.09	16.83	+	+	N.M.	1	2	74,496
2019	30.99	29.82	25.23	+	+	N.M.	1	1	64,306

<sup>1</sup>Benchmark index. <sup>2</sup>Variability of the composite, gross of fees, and the index returns over the preceding 36-month period, annualized. <sup>3</sup>Asset-weighted standard deviation (gross of fees). <sup>4</sup>The 2025 YTD performance returns and assets shown are preliminary. N.A.—Internal dispersion less than a 12-month period. N.M.—Information is not statistically significant due to an insufficient number of portfolios in the composite for the entire year. +Less than 36 months of return data.

The Global Small Companies composite contains fully discretionary, fee-paying accounts investing primarily in US and non-US equity and equity-equivalent securities of companies with market capitalizations that fall within the range of the composite's benchmark index and cash reserves, and is measured against the MSCI All Country World Small Cap Total Return Index (Gross) for comparison purposes. Returns include the effect of foreign currency exchange rates. The exchange rate source of the benchmark is Reuters. The exchange rate source of the composite is Bloomberg. Additional information about the benchmark, including the percentage of composite assets invested in countries or regions not included in the benchmark, is available upon request.

The MSCI All Country World Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance. The index consists of 47 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 16-30,898 million (as of March 31, 2025). You cannot invest directly in this index.

Harding Loevner LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Harding Loevner has been independently verified for the period November 1, 1989 through December 31, 2024. The verification report is available upon request.

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. Verification does not provide assurance on the accuracy of any specific performance report. 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.

Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of AMG (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Additional information is available upon request. Past performance does not guarantee future results. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate Global Small Companies Equity accounts is 1.00% annually of the market value for the first \$20 million; 0.80% for the next \$80 million; 0.70% above \$100 million. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The Global Small Companies composite was created on December 31, 2018 and the performance inception date is January 1, 2019.

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