

International Equity ADR



Monthly Update | February 2024

Composite Performance (% Total Return)

Periods ended February 29, 2024	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
HL International Equity ADR (Gross)	2.71	0.16	12.05	1.22	7.37	6.36	7.96
HL International Equity ADR (Net)	2.69	-0.01	11.28	0.53	6.64	5.63	7.12
MSCI All Country World ex US Index	2.55	1.54	13.09	1.81	5.94	4.45	5.17
MSCI EAFE Index	1.84	2.44	15.01	4.96	7.28	4.89	5.05

The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. International Equity ADR composite inception date: December 31, 1989 corresponds to that of the linked International Equity composite. MSCI All Country World ex US Index, the benchmark index, and MSCI EAFE 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
Cons Staples	12.9	7.6	
Cash	3.9	—	
Health Care	12.4	9.3	
Info Technology	15.3	13.1	
Materials	9.3	7.3	
Financials	22.3	21.3	
Industrials	12.6	13.8	
Real Estate	0.0	2.0	
Utilities	0.7	3.0	
Comm Services	2.2	5.2	
Energy	2.1	5.5	
Cons Discretionary	6.3	11.9	

Geography	HL	Index	Under / Over
Europe EMU	28.9	22.0	
Cash	3.9	—	
Other	1.7	—	
Pacific ex Japan	8.2	7.0	
Frontier Markets	0.0	—	
Europe ex EMU	19.9	20.0	
Middle East	0.0	0.5	
Japan	13.0	15.3	
Canada	4.0	7.6	
Emerging Markets	20.4	27.6	

"HL": International Equity ADR model portfolio. "Index": MSCI All Country World ex US Index.
 "Frontier Markets": Includes countries with less-developed markets outside the index.
 "Other": Includes companies classified in countries outside the index.

Investment Perspectives

Market

In a reversal of last month's negative returns, international stocks broadly rose due to resilient corporate earnings and in spite of a rise in short- and long-term interest rates. Information Technology and Consumer Discretionary led gains, while Consumer Staples and Utilities, sectors that are generally considered to be bond proxies, fell. Most regions posted gains. Emerging Markets (EMs) led the way, bolstered by strong returns in China. While official figures showed manufacturing activity contracted for a fifth straight month in February, a private survey suggested factory activity expanded. By contrast, returns in Europe outside the eurozone were flat.

Portfolio

Both the portfolio's underweight and poor stock selection in Consumer Discretionary hurt relative returns. Shares of Japanese entertainment and consumer electronics company **Sony** dropped as the company reported lower hardware sales for its PlayStation console and margin erosion in gaming. Sony expects margins to improve next year but also expects that year-over-year sales will be slower due to no new game releases. Despite near-term weakness in gaming, we continue to believe the company's long-term growth prospects remain bright. Sony is reallocating capital toward and improving synergies in areas such as music and entertainment, divisions upon which we expect management to increasingly focus to drive growth. Within gaming, as the owner of the largest console platform, Sony should also be able to serve as an important gatekeeper between game developers and users, which should enable growth consistent with the industry without requiring the company to assume the burden of development risk.

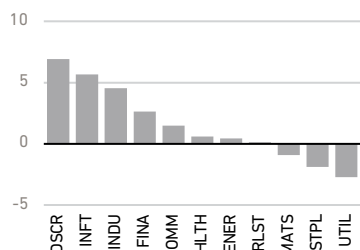
Ten Largest Holdings

Company	Market	Sector
TSMC	Taiwan	Info Technology
Allianz	Germany	Financials
DBS Group	Singapore	Financials
Infineon Technologies	Germany	Info Technology
Chugai Pharmaceutical	Japan	Health Care
SAP	Germany	Info Technology
FEMSA	Mexico	Cons Staples
L'Oréal	France	Cons Staples
Haier Smart Home	China	Cons Discretionary
Dassault Systèmes	France	Info Technology

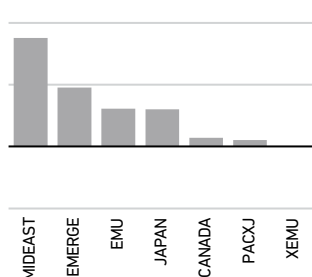
Ten Largest Holdings are the top ten holdings by weight. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | Feb.

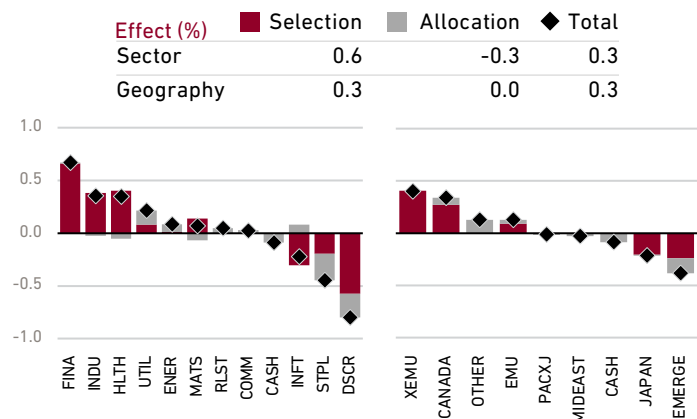
Total Return by Sector (%)



Total Return by Geography (%)



Performance Attribution | Feb.



"OTHER": Includes companies classified in countries outside the index.

- Within Financials, shares of payment processing services company **Adyen** continued to rise after management reaffirmed medium-term guidance.
- In Consumer Staples, shares of beverages manufacturer and retail operator **FEMSA** declined due to lower convenience store sales, expectations for flat margin growth in 2024, and the unexpected departure of two senior executives.
- By region, Japan performed poorly due to Sony. Additionally, within EMs, we underperformed in South Korea which benefitted from a rally in low-quality companies after the country announced it was considering penalties on firms failing to boost shareholder returns.

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

Contributors	Market	Sector	Index Weight	Effect
TSMC	Taiwan	INFT	2.1	0.40
Adyen	Netherlands	FINA	0.1	0.29
Schneider Electric	France	INDU	0.5	0.26
Chugai Pharmaceutical	Japan	HLTH	0.1	0.23
Alcon	Switzerland	HLTH	0.2	0.19

Detractors

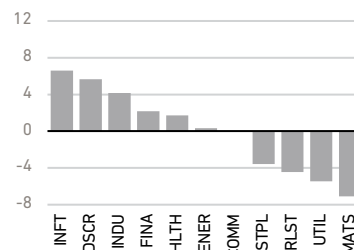
Dassault Systèmes	France	INFT	0.1	-0.42
FEMSA	Mexico	STPL	0.1	-0.40
Sony	Japan	DSCR	0.5	-0.31
BHP	Australia	MATS	0.6	-0.17
Rio Tinto	UK	MATS	0.3	-0.14

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

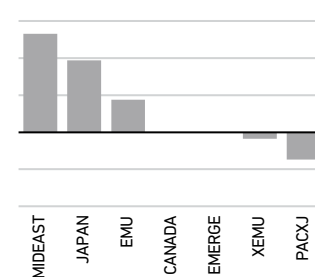
Index weight is the average weight of the security in the index over the MTD and YTD periods. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | YTD

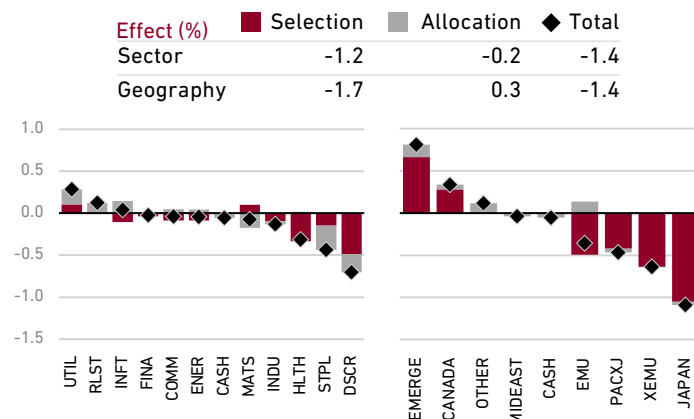
Total Return by Sector (%)



Total Return by Geography (%)



Performance Attribution | YTD



- By sector, Consumer Discretionary hurt the most due to Sony and our relative sector underweight. In Information Technology, **TSMC** outperformed due to resilience in AI chip demand and German software company **SAP** raised its 2025 guidance on strong committed cloud order backlog and interest in AI. These gains were offset by **Infineon Technologies**, which saw softer earnings due to weakness in its industrial segment.
- Although we underperformed in most regions, performance in Canada was helped from financial services and insurance provider **Manulife**, which reported fourth quarter earnings benefitted from strength in its North American business.
- The highest-quality companies outperformed the lowest-quality by nearly 400 basis points (bps) while the most richly priced stocks outperformed the least expensive by over 400 bps. The fastest-growing quintile of companies outperformed the slowest-growing by 350 bps.

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

Contributors	Market	Sector	Index Weight	Effect
TSMC	Taiwan	INFT	2.0	0.69
SAP	Germany	INFT	0.7	0.47
Adyen	Netherlands	FINA	0.1	0.25
Schneider Electric	France	INDU	0.4	0.22
Manulife	Canada	FINA	0.2	0.18

Detractors

Infineon Technologies	Germany	INFT	0.2	-0.64
BHP	Australia	MATS	0.6	-0.40
HDFC Bank	India	FINA	0.2	-0.34
ASML*	Netherlands	INFT	1.4	-0.29
Rio Tinto	UK	MATS	0.3	-0.24

Sources

Benchmark Performance: FactSet, MSCI Inc.

Sector/Geographic Attribution: Harding Loevner International Equity ADR composite, FactSet, MSCI Inc.

Sector/Geographic Positioning and Ten Largest Holdings: Harding Loevner International Equity ADR 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 All Country World ex US Index (Gross). From 1999 (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. Harding Loevner presents the gross version of the index to conform the benchmark's treatment of dividend withholding with that of the composite. 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, 2023. 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 International Equity ADR composite has had a performance examination for the periods January 1, 1990 through September 30, 2023. 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 International Equity ADR 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 All Country World ex US Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. The index consists of 46 developed and emerging market countries. The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US and Canada. The index consists of 21 developed 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 International Equity ADR 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 International Equity ADR 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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