

International 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 International Developed Markets Equity (Gross)	4.44	9.71	19.51	1.78	10.35	8.22	9.24
HL International Developed Markets Equity (Net)	4.42	9.32	18.96	1.27	9.80	7.66	8.65
MSCI World ex US Index	3.35	12.33	20.08	4.82	9.27	5.65	6.80
MSCI EAFE Index	3.26	12.42	19.99	4.67	9.13	5.70	6.86

The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. International Developed Markets Equity composite inception date: February 28, 2010. MSCI 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
Health Care	18.2	12.7	
Cons Staples	13.1	8.3	
Cash	3.8	-	
Materials	10.4	6.9	
Info Technology	10.9	9.0	
Financials	20.7	21.9	
Energy	3.8	5.4	
Real Estate	0.0	1.9	
Industrials	14.4	16.5	
Utilities	0.0	3.3	
Comm Services	0.0	3.9	
Cons Discretionary	4.7	10.2	

Geography	HL	Index	Under / Over
Emerging Markets	4.8	-	
Cash	3.8	-	
Europe ex EMU	32.3	29.0	
Other	2.1	-	
Frontier Markets	0.0	-	
Middle East	0.0	0.7	
Pacific ex Japan	7.5	9.6	
Japan	18.0	20.3	
Canada	7.6	10.8	
Europe EMU	23.9	29.6	

"HL": International Developed Markets Equity model portfolio. "Index": MSCI World ex US Index. "Frontier Markets": Includes countries with less-developed markets outside the index. "Other": Includes companies listed in the United States.

Investment Perspectives

Market

After a sharp decline early in the month, the MSCI World ex US Index ultimately gained 3.4% in August. Japan's central bank surprised markets with a rate hike in late July, triggering rapid appreciation in the yen and unwinding a popular carry trade where investors borrowed at low rates in Japan to support investment in assets offering higher returns such as US stocks. Weak US economic data and disappointing technology earnings added to market turmoil, including the 12% drop of Japan's Nikkei index on August 5. But markets then rebounded, with all sectors and regions posting gains for the month. Health Care led with a 6.4% return, while Pacific ex Japan and Europe returned 4.7% and 4%, respectively. Japan managed a modest 0.5% gain.

Portfolio

The portfolio benefitted from exposure to high-quality Japanese stocks, a reversal of the last year during which the stocks of low-quality companies fared better. In August, the top-quality quintile of Japanese stocks in the World ex US Index returned 3.7%, while those in the bottom quintile fell 2.5%. **Sysmex**, a high-quality global leader in hematology equipment and reagents, saw its shares rise after reporting double-digit sales growth in hematology and urinalysis reagents across all regions. The company benefits from high switching costs and low substitution risk; with its "razor and blade" business model, 70% of the company's revenue comes from recurring consumables and services. Despite increased competition in China, Sysmex's sales should still grow in the mid-to-upper single digit range, supported by its large installed base, increasing hematology testing, and growth in emerging economies such as India. The company's investments in areas such as surgical robots could provide additional upside to future growth.

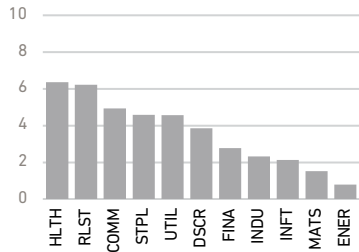
Ten Largest Holdings

Company	Market	Sector
Chugai Pharmaceutical	Japan	Health Care
DBS Group	Singapore	Financials
Manulife	Canada	Financials
Royal Dutch Shell	UK	Energy
Roche	Switzerland	Health Care
Haleon	UK	Cons Staples
Allianz	Germany	Financials
Schneider Electric	France	Industrials
BBVA	Spain	Financials
Sony	Japan	Cons Discretionary

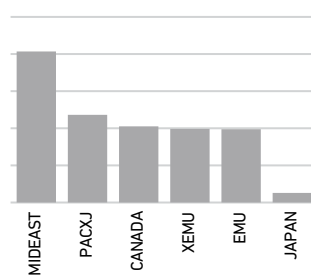
Ten Largest Holdings are the top ten holdings by weight. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | Aug.

Total Return by Sector (%)

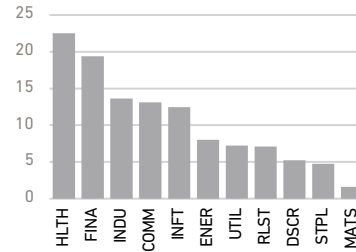


Total Return by Geography (%)

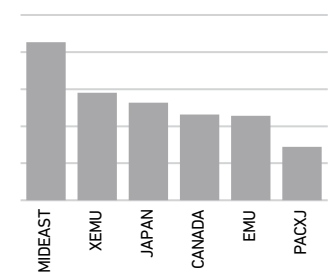


Benchmark Performance | YTD

Total Return by Sector (%)

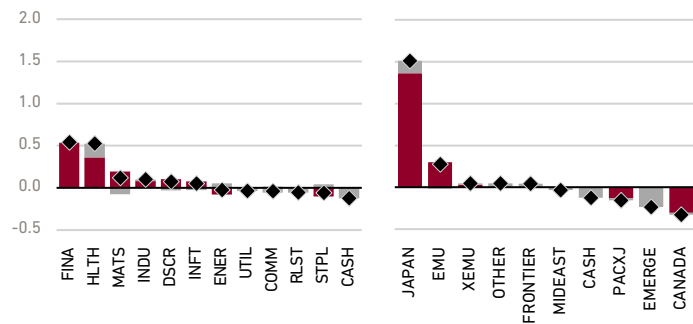


Total Return by Geography (%)



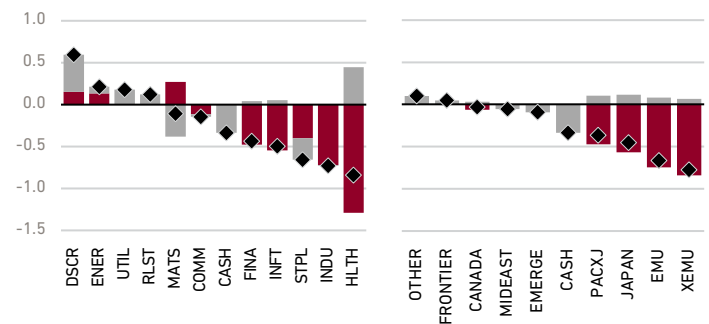
Performance Attribution | Aug.

Effect (%)	Selection	Allocation	Total
Sector	1.2	-0.1	1.1
Geography	1.3	-0.2	1.1



Performance Attribution | YTD

Effect (%)	Selection	Allocation	Total
Sector	-3.0	0.4	-2.6
Geography	-2.7	0.1	-2.6



"FRONTIER": Includes countries with less-developed markets outside the index. "OTHER": Includes companies listed in the United States.

- In Japan, shares of **Chugai Pharmaceutical** surged for the second month in a row after the company issued a positive earnings report in July.
- In Canada, investors reacted negatively to news that gas station convenience store operator **Couche-Tard** was looking to acquire Seven & i Holding (the parent company of 7-Eleven, Stripes, and Speedway).
- In Financials, German financial services and insurance provider **Allianz** reported year-over-year operating profit growth for the second quarter, boosted by an increase in revenue from its property and casualty insurance division.

- In Health Care, German pharmaceutical manufacturer BioNTech reported a sharp decline in revenue due to falling COVID-19 vaccine deliveries compared to last year.
- Poor returns in Industrials were largely due to Chinese thermal management component manufacturer Sanhua Intelligent Controls. Shares declined as EV sales slowed, particularly those of Tesla, a key client.
- A bright spot was Canadian financial services and insurance provider **Manulife**, which reported strong first-quarter earnings, aided by a rebound in its wealth management and insurance businesses in Asia. Additionally, French energy management products manufacturer **Schneider Electric** outperformed, reflecting strong revenues and an increased backlog of orders.

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

Contributors	Market	Sector	Index Weight	Effect
Chugai Pharmaceutical	Japan	HLTH	0.2	0.41
Haleon	UK	STPL	0.2	0.30
Symx	Japan	HLTH	<0.1	0.28
Allianz	Germany	FINA	0.6	0.20
Adyen	Netherlands	FINA	0.2	0.19
Detractors				
Couche-Tard	Canada	STPL	0.2	-0.26
Samsung Electronics	South Korea	INFT	-	-0.20
Royal Dutch Shell	UK	ENER	1.2	-0.14
Komatsu	Japan	INDU	0.1	-0.13
AstraZeneca*	UK	HLTH	1.4	-0.09

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

Contributors	Market	Sector	Index Weight	Effect
Chugai Pharmaceutical	Japan	HLTH	0.1	0.76
TSMC	Taiwan	INFT	-	0.69
Manulife	Canada	FINA	0.2	0.50
DBS Group	Singapore	FINA	0.3	0.46
SAP	Germany	INFT	1.1	0.41
Detractors				
Infineon Technologies	Germany	INFT	0.3	-0.80
L'Oréal	France	STPL	0.6	-0.62
Dassault Systèmes	France	INFT	0.2	-0.59
AIA Group	Hong Kong	FINA	0.5	-0.50
BHP	Australia	MATS	0.8	-0.47

*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.

Sources

Benchmark Performance: FactSet, MSCI Inc.

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

Sector/Geographic Positioning and Ten Largest Holdings: Harding Loevner International 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 ex US 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 International Developed Markets Equity composite has had a performance examination for the periods March 1, 2010 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 International Developed Markets Equity 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. As of December 31, 2022, the International Developed Markets Equity composite benchmark was changed from the MSCI EAFE Index to the MSCI World ex US Index for all periods.

The MSCI World ex US Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed markets, excluding the US. The index consists of 22 developed 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 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 International 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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