



## International Equity Review | Second Quarter 2024

# Composite Performance Summary

As of June 30, 2024

## Performance (% Total Return)

	3 Months	Year to Date	1 Year	3 Years <sup>1</sup>	5 Years <sup>1</sup>	10 Years <sup>1</sup>	Since 12/31/89 <sup>1,2</sup>
HL International Equity (Gross)	0.43	2.16	6.55	-0.71	6.48	6.28	8.10
HL International Equity (Net)	0.27	1.84	5.88	-1.33	5.81	5.61	7.31
MSCI All Country World ex US Index <sup>3,5</sup>	1.17	6.04	12.17	0.97	6.04	4.33	5.25

	3 Months	Year to Date	1 Year	3 Years <sup>1</sup>	5 Years <sup>1</sup>	10 Years <sup>1</sup>	Since 12/31/89 <sup>1,2</sup>
HL International Equity ADR (Gross)	0.69	2.97	7.01	0.01	6.80	5.96	7.97
HL International Equity ADR (Net)	0.52	2.63	6.28	-0.67	6.07	5.24	7.13
MSCI All Country World ex US Index <sup>3,5</sup>	1.17	6.04	12.17	0.97	6.04	4.33	5.25

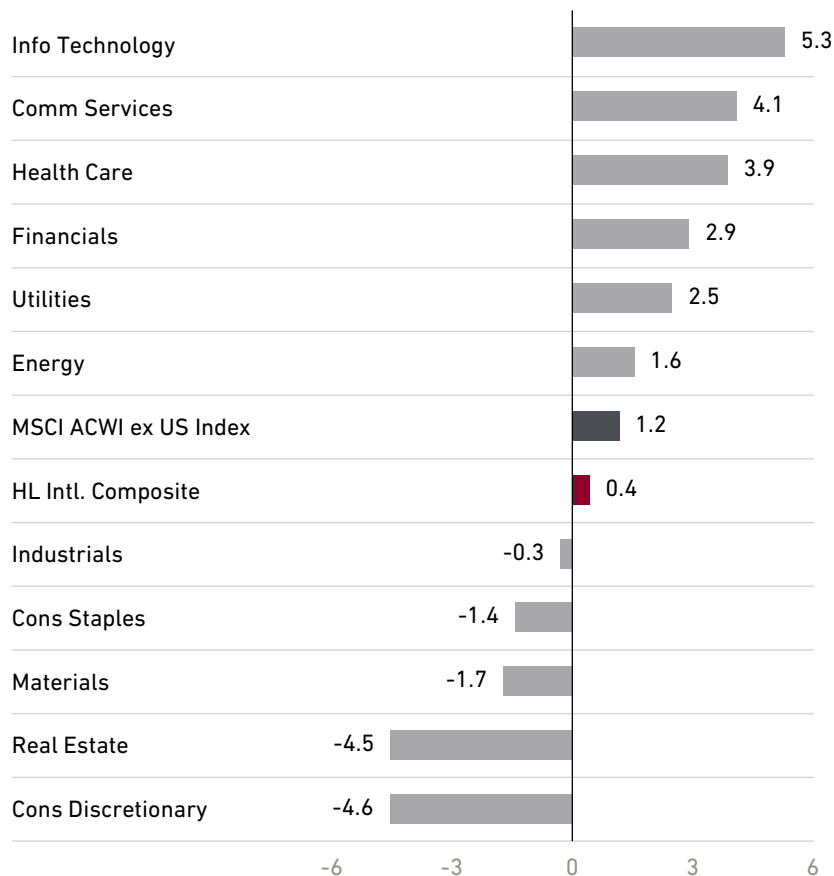
	3 Months	Year to Date	1 Year	3 Years <sup>1</sup>	5 Years <sup>1</sup>	10 Years <sup>1</sup>	Since 2/28/10 <sup>1,2</sup>
HL International Developed Markets Equity (Gross)	0.07	1.75	7.23	0.82	7.69	7.50	8.79
HL International Developed Markets Equity (Net)	-0.05	1.49	6.71	0.31	7.15	6.93	8.19
MSCI World ex US Index <sup>3,5</sup>	-0.36	5.36	11.82	3.39	7.10	4.80	6.41
MSCI EAFE Index <sup>4,5</sup>	-0.17	5.75	12.09	3.43	6.97	4.83	6.49

<sup>1</sup>Annualized returns. <sup>2</sup>Inception dates: International Equity composite: December 31, 1989; International Equity ADR composite: December 31, 1989 corresponds to that of the linked International Equity composite; International Developed Markets Equity composite: February 28, 2010. <sup>3</sup>The benchmark index. <sup>4</sup>The supplemental index. <sup>5</sup>Gross of withholding taxes. The performance returns shown are preliminary. As of December 31, 2022, the International Developed Markets Equity benchmark was changed from the MSCI EAFE Index to the MSCI World ex US Index for all periods. For comparison purposes, the International Equity and International Equity ADR composite returns are measured against the MSCI All Country World ex US Total Return Index (Gross) and the International Developed Markets Equity composite returns are measured against the MSCI World ex US Total Return Index (Gross). For the International Equity ADR composite, 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. For complete information on the construction and historical record of the International Equity composite, the International Equity ADR composite, or the International Developed Markets Equity composite, please contact Harding Loevner at (908) 218-7900 or invest@hlmnet.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.

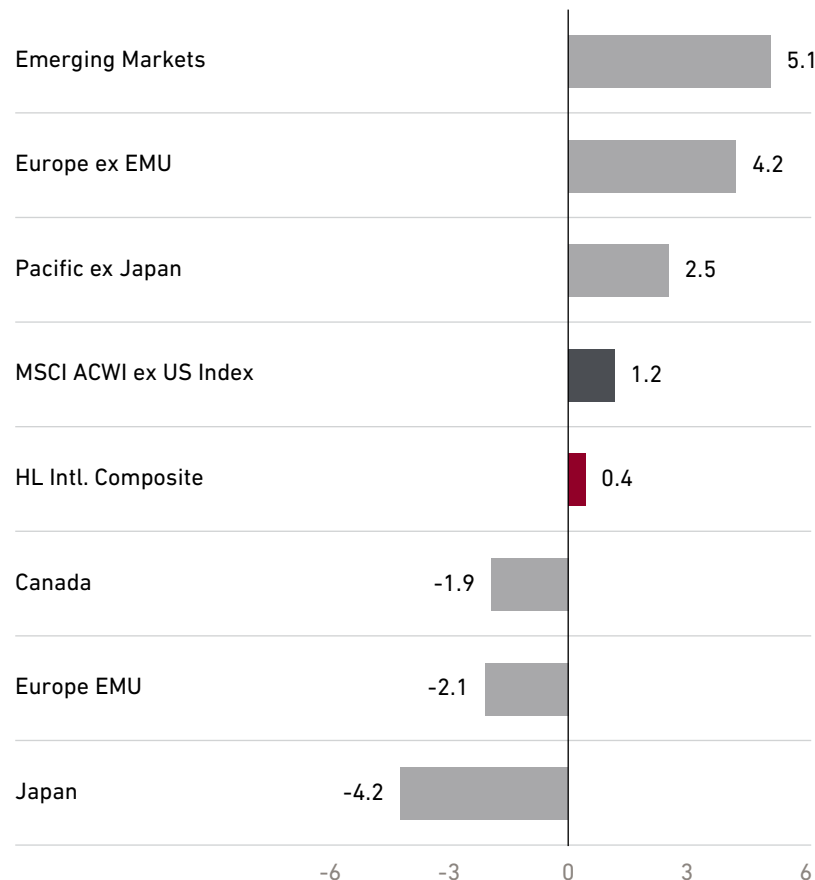
# Benchmark Performance

Second Quarter 2024

Sector Total Return (%)



Geographic Total Return (%)



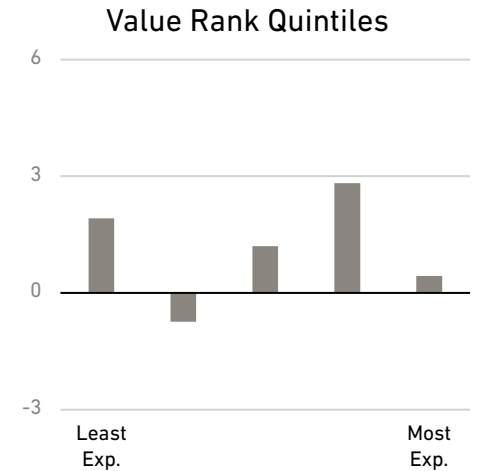
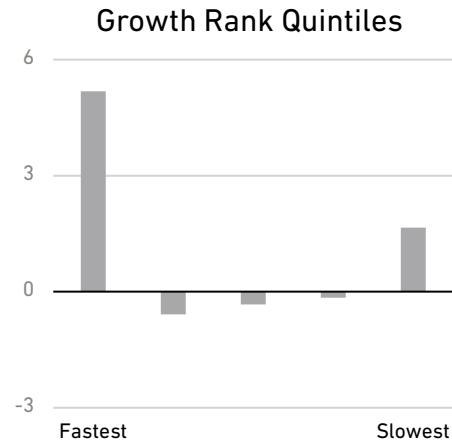
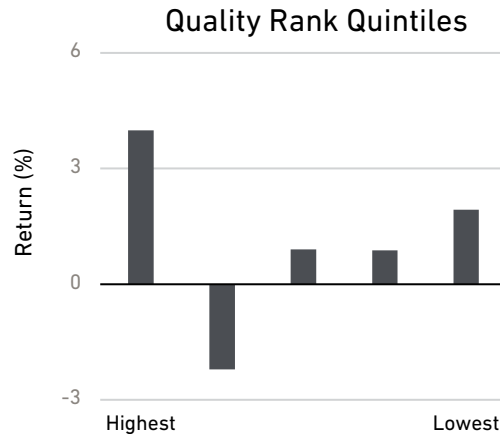
The right "Geographic Total Return" chart excludes the Middle East region. As of June 30, 2024, the Middle East region held a 0.5% weight in the benchmark and a 0% weight in the Harding Loevner International Equity composite. The region averaged a -4.0% return in the benchmark for second quarter 2024. Source: FactSet, MSCI Inc. Data as of June 30, 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.

# MSCI ACWI ex US Index Total Returns by Quality, Growth, and Value Rank

Highest Quality and Fastest Growth cohorts outperformed, but overall patterns mixed

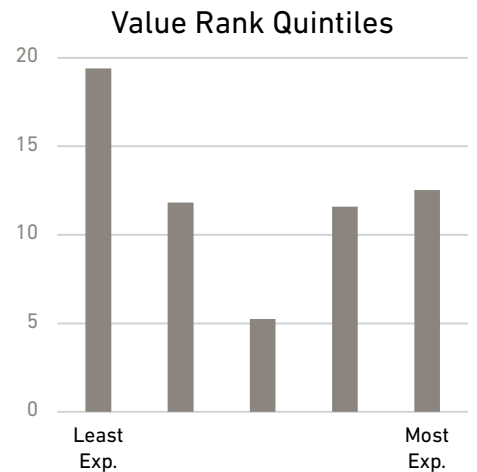
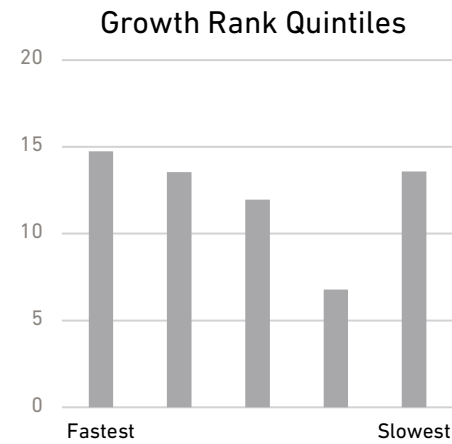
## 2Q24

Higher-quality and faster-growth outperform



## Trailing 12 Months

Style patterns mixed – higher-quality and cheap stocks outperform



# Style Patterns Vary Across Regions

## MSCI ACWI ex US Index total return

### 2Q24 Quality Rank Quintiles

	Canada	EM	EMU	Europe ex EMU	Japan	Pacific ex Japan
<b>High</b>	4.1	11.6	-0.7	5.6	-4.8	1.4
	-6.9	-0.7	-3.6	4.1	-5.6	-0.7
	0.8	8.0	-5.1	2.1	-5.7	-0.3
	-0.7	1.0	-1.7	4.9	-4.4	3.7
<b>Low</b>	-5.1	4.0	0.8	2.9	-0.3	6.7

### 2Q24 Growth Rank Quintiles

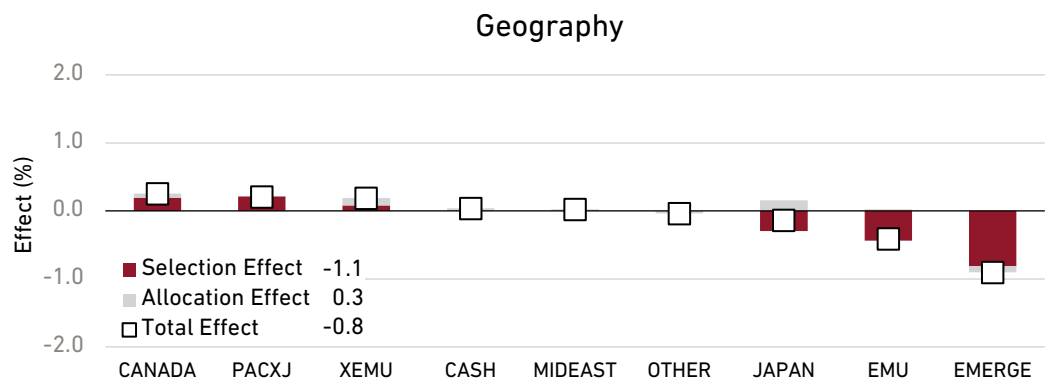
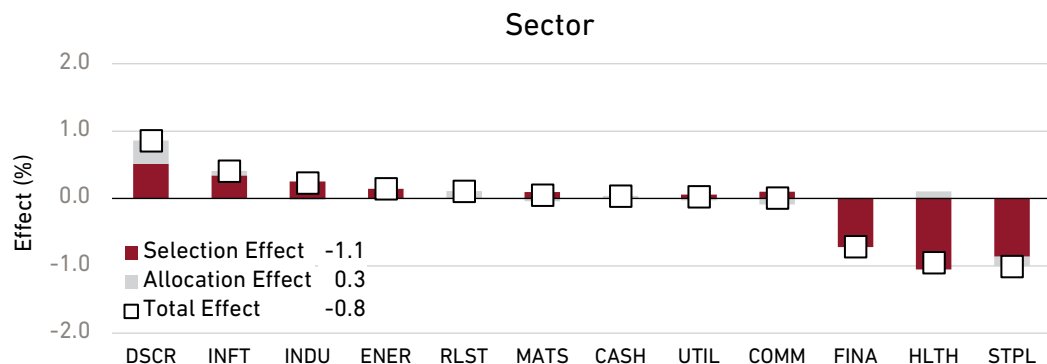
	Canada	EM	EMU	Europe ex EMU	Japan	Pacific ex Japan
<b>Fast</b>	-0.4	10.1	-0.4	4.4	-4.6	5.4
	-3.8	1.7	-4.0	10.1	-5.3	-3.8
	0.1	1.7	-1.5	0.9	-2.3	1.3
	-3.5	7.3	-3.5	1.0	-4.7	3.0
<b>Slow</b>	-3.4	-0.4	0.3	4.4	-4.4	3.6

### 2Q24 Value Rank Quintiles

	Canada	EM	EMU	Europe ex EMU	Japan	Pacific ex Japan
<b>Cheap</b>	-5.9	4.7	-3.2	8.3	-2.7	7.0
	0.3	0.7	-1.5	2.1	-6.6	0.1
	1.5	4.4	-0.2	0.7	-1.5	1.3
	-6.2	12.0	-5.9	3.4	0.0	0.4
<b>Expensive</b>	-2.3	2.3	0.1	4.5	-9.5	7.6

# Performance Attribution: Composite vs. Benchmark

Second Quarter 2024



## Top 5 Contributors

to Relative Returns	Avg. Wt. % HL	Effect Index	Effect %
TSMC	4.0	2.5	0.48
DBS Group	3.1	0.2	0.29
Infineon Technologies	2.6	0.2	0.23
Alfa Laval	2.0	<0.1	0.21
Toyota Motor*	-	0.9	0.20

## Top 5 Detractors

from Relative Returns	Avg. Wt. % HL	Effect Index	Effect %
Adyen	1.4	0.1	-0.48
FEMSA	2.5	0.1	-0.48
BBVA	2.6	0.2	-0.38
XP	0.8	-	-0.32
Shionogi	1.1	<0.1	-0.29

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

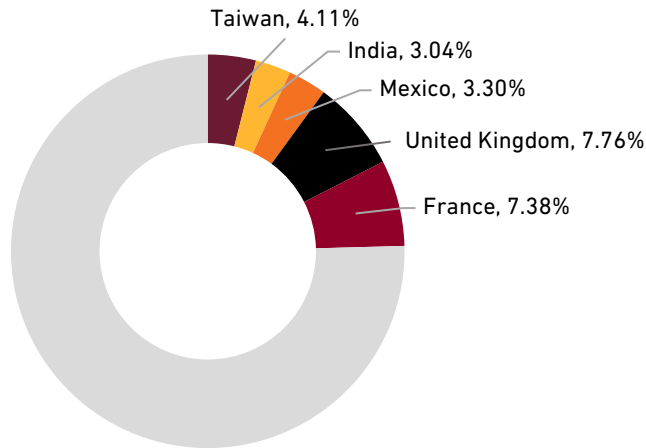
"HL": International Equity composite. "Index": MSCI All Country World ex US Index. "OTHER": Includes companies classified in countries outside the index. Past performance does not guarantee future results. Sector and Region Attribution and Contributors and Detractors are shown as supplemental information only and complement the fully compliant International 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 quarter. 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 International 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. Please read the disclosures, which are an integral part of this presentation.

# 2024 is a Significant Election Year

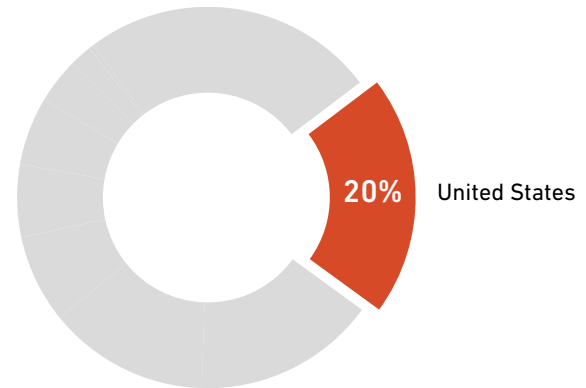
Additional volatility ahead?



HL Intl: Selected Country Weights



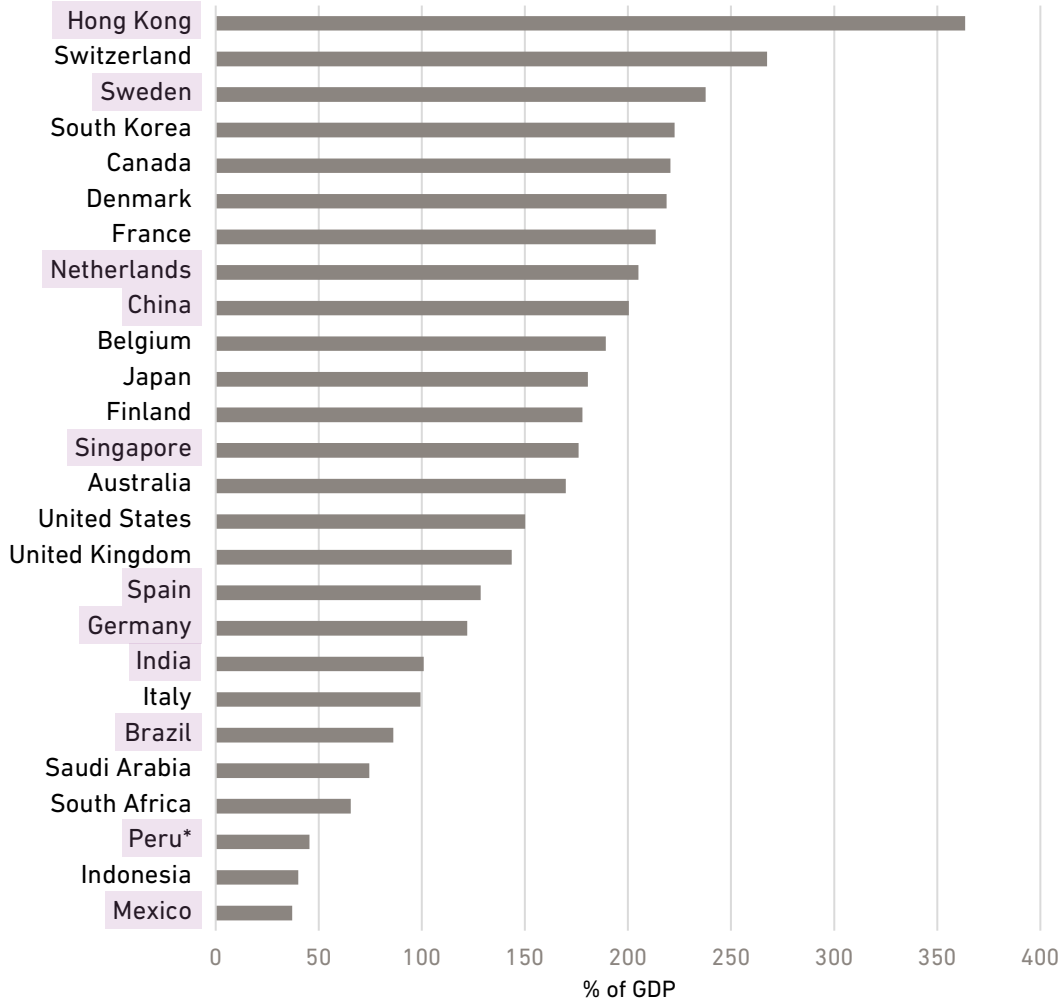
HL Intl: Revenue Exposure by Region



Bottom left: FactSet, MSCI Inc. Data as of June 30, 2024. Bottom right: HL Analyst Estimates, 2023 revenue estimates, weighted using June 30, 2024 model holdings. Source: Harding Loevner, MSCI Inc and [www.npr.org/2024/06/30/g-s1-6338/2024-major-elections-npr-reporting](https://www.npr.org/2024/06/30/g-s1-6338/2024-major-elections-npr-reporting)\_Data as of May 2024.

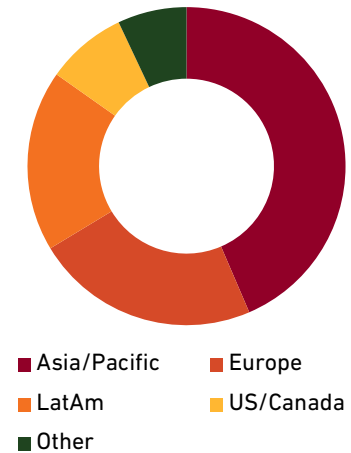
# HL Financials Holdings

2023 Domestic Credit to Private Sector as a % of GDP



■ HL International Equity Financials Holding Country of Domicile

HL Financials - Operating Income Regional Exposure

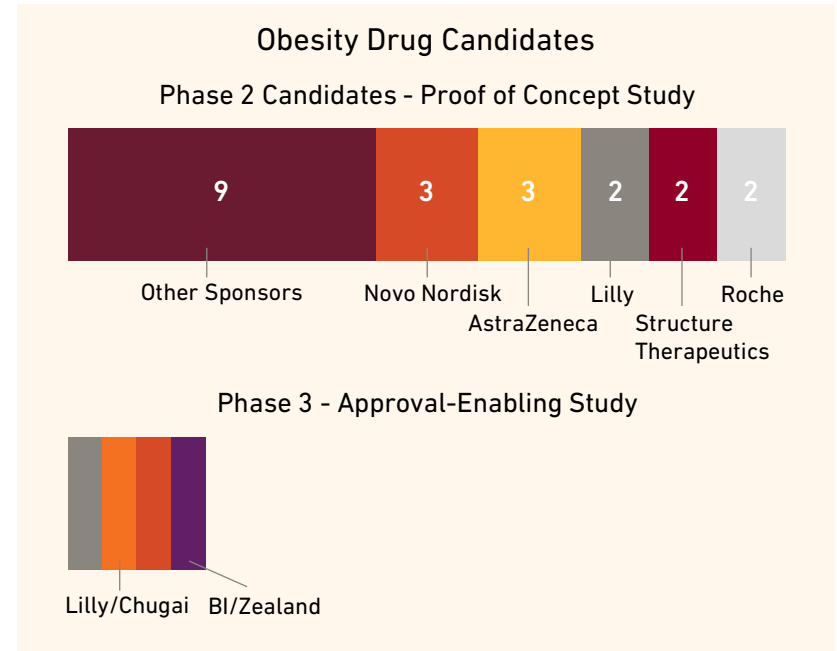
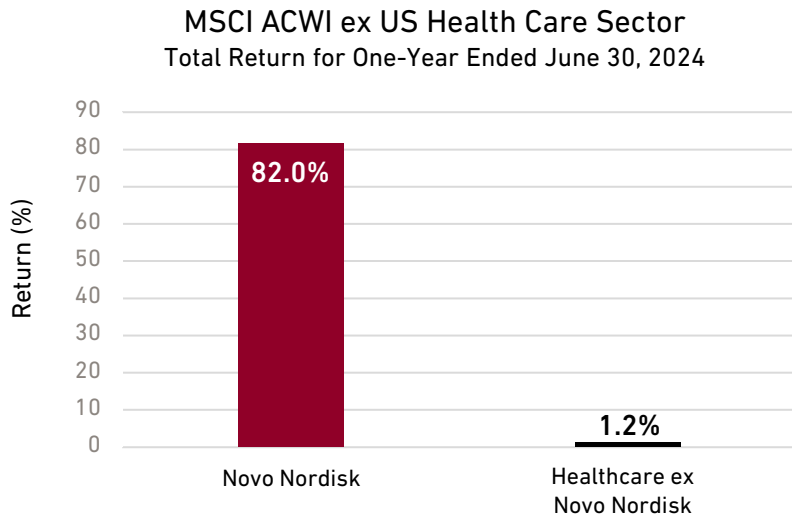


Source: Left: BIS Data Portal, data as of 2023. \*indicates 2022 data from World Bank DataBank.. Right: FactSet, Data as of June 30 2024, Company disclosure, HL Analyst Estimate.














# Novo Nordisk

Concentration of returns has hurt, but competition is coming for weight loss drugs



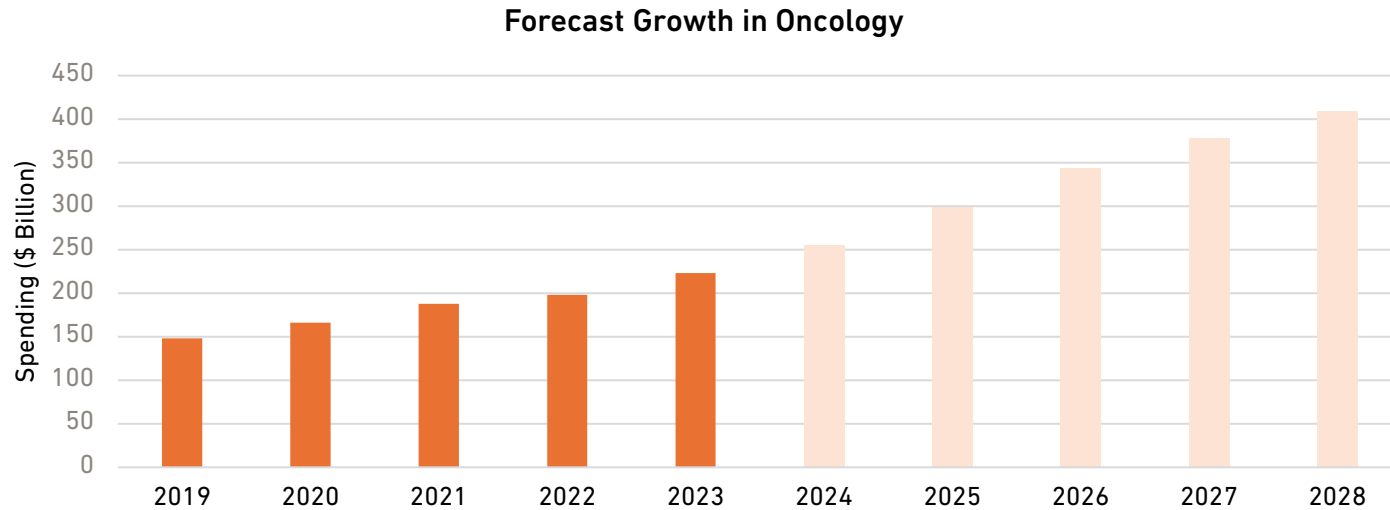
# Diverse Growth Drivers

Oncology	Diagnostics	Aging Population
   	  	   

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# Diverse Growth Drivers

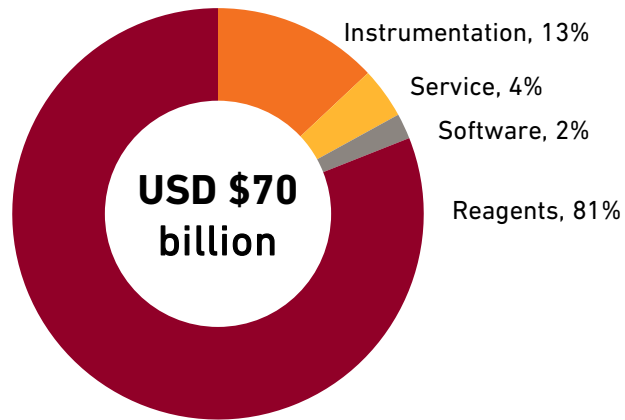
Oncology: innovation delivering more treatments



# Diverse Growth Drivers

Diagnostics: high proportion of repeat sales; lower r&d intensity than BioPharma

Diagnostic Industry Revenues



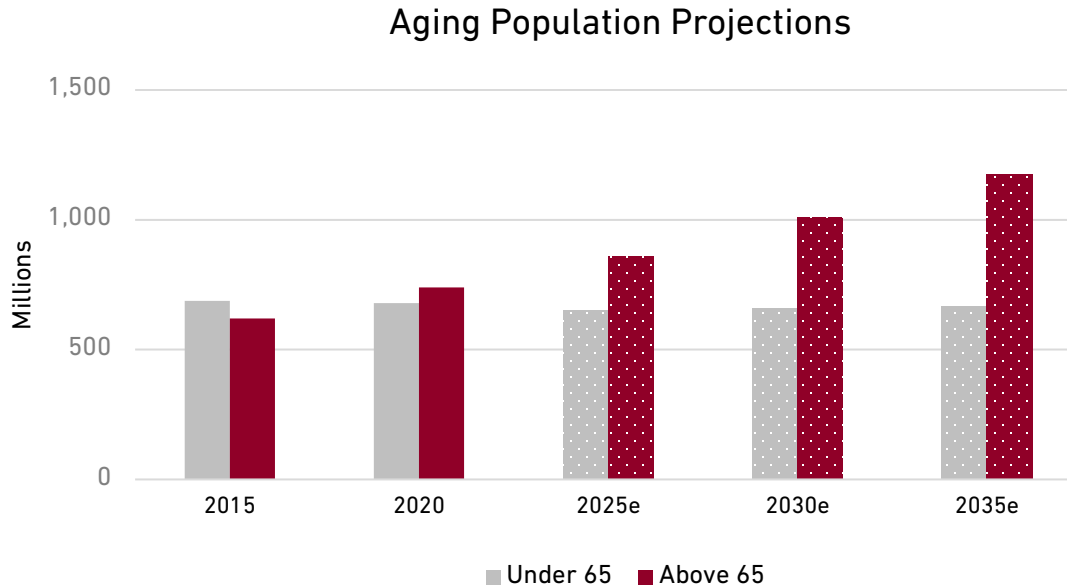
**mindray**

 **sysmex**

 **Roche**

# Diverse Growth Drivers

Aging population a long-term trend supporting growth



**Alcon**

**Coloplast**

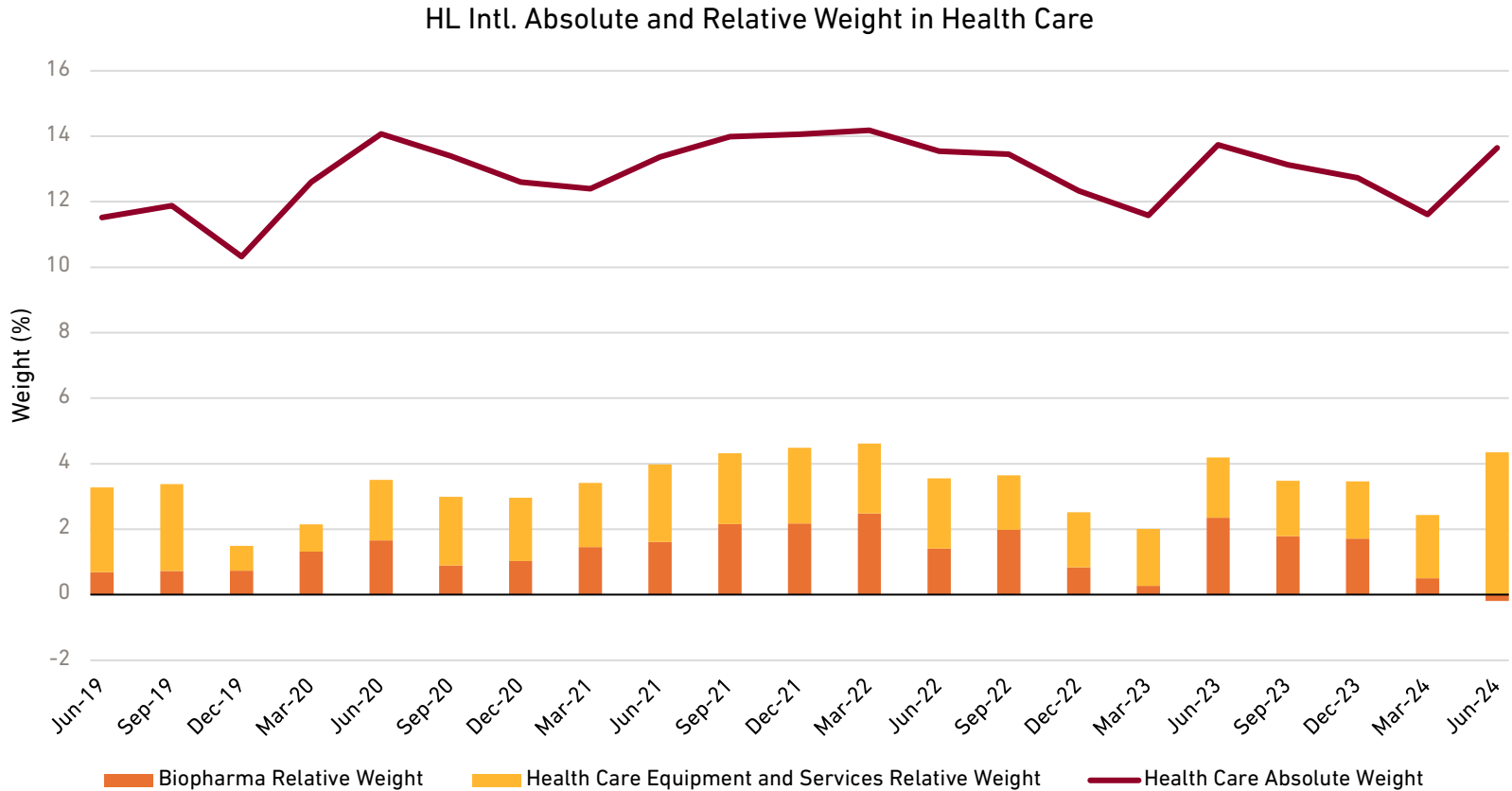
**SHIONOGI**

**sonova**  
HEAR THE WORLD

United Nations WPP. Data as of June 30, 2024. 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. Past performance does not guarantee future results. Please read the disclosures, which are an integral part of this presentation.

# Healthcare Weight

Consistent emphasis - many high quality, growing companies



# Completed Portfolio Transactions

Trailing 12 Months as of June 30, 2024

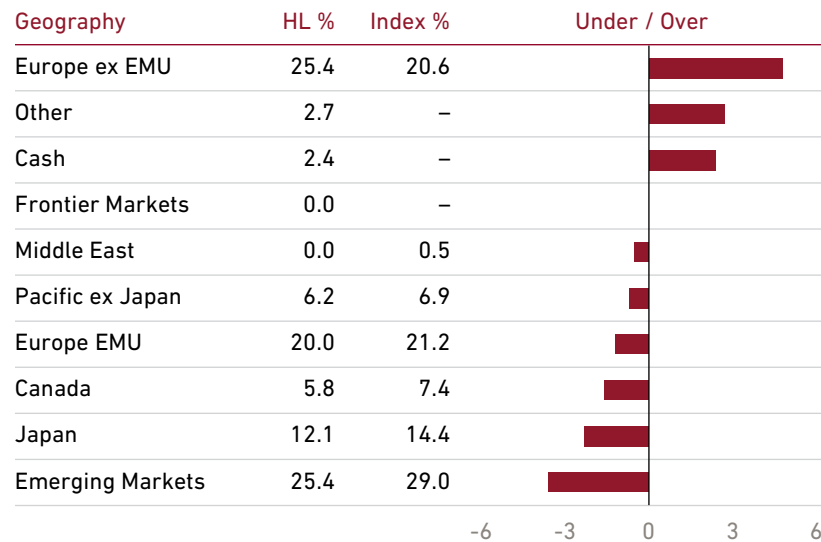
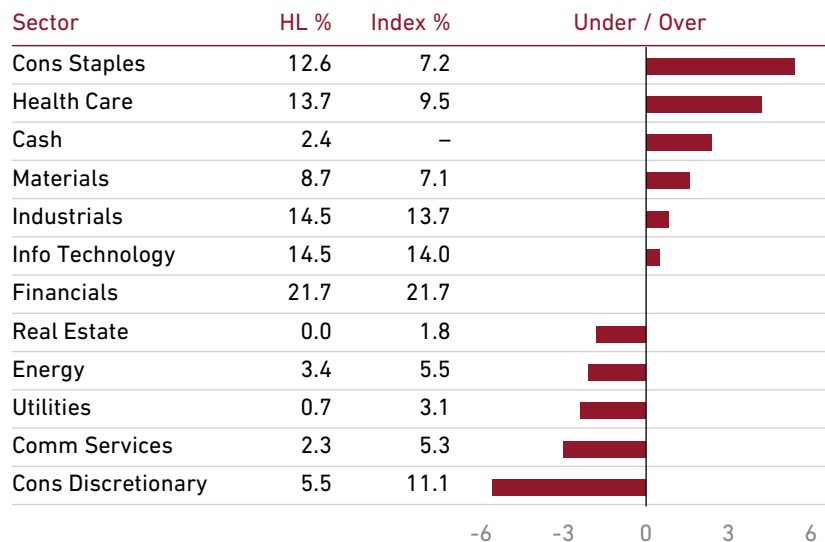
	3Q23	4Q23	1Q24	2Q24
<b>Positions Established</b>	ASSA ABLOY	BioNTech Sony	MercadoLibre Wuliangye Yibin ZTO Express	Coloplast GF Banorte Mindray
<b>Positions Sold</b>	CSPC Pharmaceutical Group Kubota Yandex	Fanuc Kering Lonza	LONGi NITORI Shiseido	There were no completed sales this quarter.

- Portfolio Turnover (5-year annualized average): 12.6%

The portfolio is actively managed therefore holdings shown may not be current. 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. To request a complete list of portfolio holdings for the past year, contact Harding Loevner. Holdings are shown as supplemental information only and complement the fully compliant International Equity Composite GIPS Presentation. Please read the disclosures, which are an integral part of this presentation.

# Portfolio Positioning

As of June 30, 2024



Ten Largest Holdings – Total Weight: 30.7%

Company	Market	Sector	Wt. (%)
TSMC	Taiwan	Info Technology	4.1
Samsung Electronics	South Korea	Info Technology	3.8
Royal Dutch Shell	UK	Energy	3.4
DBS Group	Singapore	Financials	3.2
Manulife	Canada	Financials	3.1

Company	Market	Sector	Wt. (%)
Allianz	Germany	Financials	2.8
Schneider Electric	France	Industrials	2.8
Haleon	UK	Cons Staples	2.5
Roche	Switzerland	Health Care	2.5
Chugai Pharmaceutical	Japan	Health Care	2.5

84% Active Share

"HL": International Equity 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. Source: Harding Loevner International Equity model, MSCI Inc. Data as of June 30, 2024. Sector and region end weights, holdings, and active share are shown as supplemental information only and complement the fully compliant International Equity Composite GIPS Presentation. Please read the disclosures, which are an integral part of this presentation.



# Global Equity Specialist

A single investment philosophy, process, and research team drives all Harding Loevner strategies

Firm AUM: \$50.0 Billion					
Global Equities		International Equities		Emerging Markets Equities	
\$13.1B AUM		\$34.2B AUM		\$2.7B AUM	
Global Equity	\$10.3B	International Equity	\$20.1B	Emerging Markets Equity	\$2.6B
Global Equity ADR	\$0.6B	International Equity ADR	\$11.8B	Chinese Equity	<\$0.1B
Developed Markets	\$2.0B	Developed Markets	\$1.6B	Emerging Markets ex China	<\$0.1B
Paris-Aligned	\$0.1B	Developed Markets ADR	<\$0.1B	Frontier Emerging Markets	\$0.1B
Small Companies	<\$0.1B	Carbon Transition	<\$0.1B		
		Small Companies	\$0.6B		



# Disclosures

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The information provided in this presentation should not be considered a recommendation to purchase or sell a particular security. Unless otherwise stated, non-performance based criteria have been used to select the securities listed. 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. A complete list of holdings for the International Equity model at June 30, 2024 is available on request.

All International Equity client accounts are based on the Harding Loevner International Equity model, and are managed in strict accordance with this model. No deviation from the Harding Loevner International Equity model is permissible except to accommodate unique, agreed-upon client guidelines or restrictions.

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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 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. You cannot invest directly in this index.

All performance and data shown are in US dollar terms, unless otherwise noted.

Harding Loevner's Quality, Growth, and Value rankings are proprietary measures determined using objective data. Quality rankings are based on the stability, trend, and level of profitability, as well as balance sheet strength. Growth rankings are based on historical growth of earnings, sales, and assets, as well as expected changes in earnings and profitability. Value rankings are based on several valuation measures, including price ratios.

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 International Equity composite, MSCI Inc.

Source (Portfolio Positioning, Portfolio Transactions, Portfolio Allocation Comparison, Quality and Growth Characteristics [Run date: July 3, 2024, based on the latest available data in FactSet on this date.]): FactSet, Harding Loevner International Equity model, MSCI Inc.

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

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## Appendix

# China vs. India

