

# International 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	10 Years	Since Inception
HL International Small Companies Equity (Gross)	1.85	-3.43	-1.08	9.36	5.94	7.24
HL International Small Companies Equity (Net)	1.60	-4.35	-2.02	8.30	4.86	6.10
MSCI All Country World ex US Small Cap Index	0.76	2.38	1.49	12.34	5.76	4.76

Performance returns are of the composite. The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. International Small Companies Equity composite inception date: December 31, 2006. MSCI All Country World ex US 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 nearly 16%, compared with about 2% in the MSCI ACWI ex US Small Cap Index.

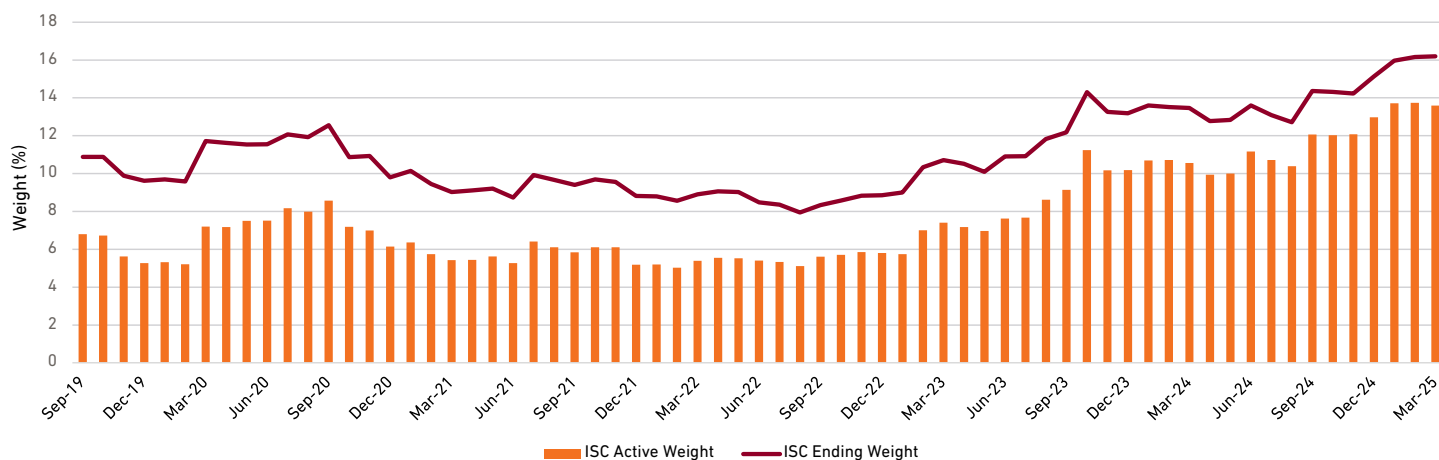
That tilt toward Germany was rewarded by markets in the first quarter. As protectionist trade policies under the Trump

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 international 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.

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

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



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

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 11 companies and six sectors, with a variety of geographic sources of revenue. For example, in 2023, we added to our holding in Scout24, which owns Germany’s most popular real estate portal, and purchased a stake 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.

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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.

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 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

## Market Snapshot

- The MSCI ACWI ex US Small Cap Index eked out a modest gain for the quarter, outperforming US small caps, as investors worried about the impact of higher tariffs on US growth and inflation. However, the international small-cap benchmark underperformed its large-cap counterpart.
- Germany and Materials were top performers. After German legislators approved its fiscal stimulus package, European markets rallied, led by cheap stocks in Germany's Materials sector, which is expected to be among the beneficiaries of the government spending.
- The cheapest stocks in the index dramatically outperformed the most expensive, while stocks in the highest quintile of quality and growth underperformed those in the other quintiles.
- 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 ex US Small Cap Index

Sector	1Q 2025	Trailing 12 Months
Communication Services	5.6	8.2
Consumer Discretionary	-2.6	-2.9
Consumer Staples	-0.2	2.0
Energy	-2.4	-8.0
Financials	6.3	18.4
Health Care	-1.8	2.9
Industrials	-0.2	2.9
Information Technology	-6.5	-9.1
Materials	7.5	4.8
Real Estate	2.6	1.0
Utilities	1.1	6.6

Region	1Q 2025	Trailing 12 Months
Canada	0.9	8.3
Emerging Markets	-5.4	-1.6
Europe EMU	11.6	4.3
Europe ex EMU	2.2	3.7
Japan	4.0	3.6
Middle East	-5.3	16.1
Pacific ex Japan	-0.6	-1.2
MSCI ACWI ex US Small Cap Index	0.8	2.4

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

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

Compared to Germany, it has been more challenging to find suitable holdings in Japan. Growing businesses are harder to come by there, partly because of the profound effect that the country's aging population and shrinking workforce have had on economic growth. Given their scarcity, Japanese businesses that meet our investment criteria have tended to be, at least until recently, richly priced. This is why the portfolio is significantly underweight in Japan, the largest country in the international small-cap benchmark.

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, thereby amplifying the negative effect of the portfolio's underweight in Japan on its relative returns.

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.

Given their scarcity, Japanese businesses that meet our investment criteria have tended to be, at least until recently, richly priced.

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. This quarter we added Asahi Intecc, a specialist supplier of wire-based devices that guide larger instruments, such as stents, in minimally invasive surgeries. Its products are considered

### Portfolio Positioning (% Weight)

Sector	HL	Index	Relative Weight
Comm Services	11.5	3.9	17.7%
Info Technology	17.3	10.1	17.2%
Cons Staples	10.0	5.7	17.5%
Health Care	10.1	6.7	15.1%
Cash	2.8	-	2.8%
Industrials	20.4	20.9	-0.5%
Utilities	1.5	3.1	-1.6%
Energy	1.1	3.8	-2.7%
Financials	9.5	12.2	-2.7%
Materials	8.2	11.9	-3.7%
Cons Discretionary	7.6	11.9	-4.3%
Real Estate	0.0	9.8	-9.8%

Region	HL	Index	Relative Weight
Europe EMU	29.9	11.7	18.2%
Europe ex EMU	27.8	17.8	10.0%
Frontier Markets	8.1	-	8.1%
Cash	2.8	-	2.8%
Other	0.6	-	0.6%
Middle East	1.9	1.9	0.0%
Canada	1.0	6.7	-5.7%
Pacific ex Japan	0.4	9.2	-8.8%
Emerging Markets	17.4	29.3	-11.9%
Japan	10.1	23.4	-13.3%

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

Sector and region allocations are supplemental information only and complement the fully compliant International Small Companies Equity composite GIPS Presentation. Source: Harding Loevner International 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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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.

# Performance and Attribution

The International Small Companies Equity composite rose 1.9% gross of fees in the first quarter, compared with a 0.8% increase in the MSCI ACWI ex US Small Cap Index. The main sources of our outperformance were strong stocks in IT and Communication Services, as well as positive stock-selection and allocation effects in Emerging Markets (EMs).

## First Quarter 2025 Performance Attribution

International Small Companies Equity Composite vs. MSCI ACWI ex US Small Cap Index



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

Source: Harding Loevner International 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

Gains in IT and Communication Services more than offset weakness in Materials and Industrials.

Top contributors to relative performance:

- Within **IT**, TeamViewer, a German provider of remote-connectivity software, reported 7% revenue growth in 2024, improving margins, and the successful closing of an acquisition, which is expected to help accelerate growth.
- In **Communication Services**, 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 combat high inflation in the country.
- The portfolio also outperformed in **Financials**. Bankinter, a Spanish bank, reported strong fee income in 2024, which contributed to 9% revenue growth for the year.

Top detractors from relative performance:

- In **Materials**, India-based Keva (formerly known as SH Kelkar) reported strong revenue growth of 17% in its fiscal third quarter; however, management said gross margins weakened due to limited supplies of strategic raw materials, a challenge that may persist for now.
- Within **Industrials**, 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.
- Wilcon Depot, a **Consumer Discretionary** holding, was weak. The leading home-improvement retailer in the Philippines reported disappointing results due to slow demand and intense discounting by peers.

## Relative Returns (%)

### First Quarter 2025

Largest Contributors	Sector	Avg. Weight		Effect
		HL	Index	
Airtel Africa	COMM	1.9	<0.1	0.78
Carl Zeiss Meditec	HLTH	1.6	<0.1	0.52
Siauliu Bankas	FINA	2.5	–	0.39
Bankinter	FINA	1.3	0.1	0.38
Megacable	COMM	1.5	<0.1	0.35

### Trailing 12 Months

Largest Contributors	Sector	Avg. Weight		Effect
		HL	Index	
Keywords Studios	INFT	0.6	<0.1	1.10
Airtel Africa	COMM	1.7	<0.1	0.86
Siauliu Bankas	FINA	2.1	–	0.67
Yantai China Pet Foods	STPL	0.8	–	0.53
CyberArk	INFT	2.4	–	0.51

Largest Detractors	Sector	Avg. Weight		Effect
		HL	Index	
Wilcon Depot	DSCR	1.1	<0.1	-0.60
YouGov	COMM	1.3	<0.1	-0.50
Globant	INFT	0.9	–	-0.48
Evotec	HLTH	1.5	<0.1	-0.37
Keva	MATS	0.9	–	-0.34

Largest Detractors	Sector	Avg. Weight		Effect
		HL	Index	
YouGov	COMM	1.8	<0.1	-1.77
Evotec	HLTH	1.4	<0.1	-1.12
SMS	INDU	1.3	<0.1	-0.88
Tecan	HLTH	1.2	0.1	-0.84
Wilcon Depot	DSCR	0.5	<0.1	-0.73

"HL": International Small Companies Equity composite. "Index": MSCI All Country World ex US Small Cap Index.

## Portfolio Attribution by Region

While the portfolio was hurt by poorly performing stocks in Europe outside the monetary union (Europe ex EMU) and its underweight in Japan, this was more than offset by our outperformance in EMs and overweight in Germany.

### Top contributors to relative performance:

- Within **EMs**, we primarily benefited from our underweight in India and Taiwan, the two largest countries in the region and among the index's worst performers for the quarter. Shares of Yantai China Pet Foods also rose after the company reported strong sales and an improvement in profit margins for 2024.
- Within the **EMU**, shares of German Health Care holding Carl Zeiss Meditec gained on signs of improving demand for refractive (vision-correcting) procedures in China.

### Top detractors from relative performance:

- Within **Europe ex EMU**, shares of Sweden-based CellaVision tumbled on disappointing quarterly sales. The company provides digital cell-morphology equipment and services, which are used to analyze cells, such as those found in blood or bone marrow samples. US hospital labs had been holding off on purchasing this equipment due to concerns at the time over rising interest rates.
- Within **Japan**, increasing rivalry among recruitment services used by the health-care industry continued to weigh on profitability for SMS.

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 International 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 International 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.

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# Portfolio Holdings

<b>Communication Services</b>		Market	End Wt. (%)
<b>Airtel Africa</b>	Telecom services	UK	2.4
<b>Baltic Classifieds</b>	Online classifieds portal operator	UK	1.1
<b>Cheil Worldwide</b>	Marketing and advertising services	South Korea	0.7
<b>Megacable</b>	Cable operator	Mexico	1.6
<b>Paradox Interactive</b>	Video game publisher	Sweden	0.8
<b>Rightmove</b>	Online property listings operator	UK	0.9
<b>Sarana Menara Nusantara</b>	Telecom tower operator	Indonesia	0.4
<b>Scout24</b>	Real estate information services	Germany	1.8
<b>TIME dotCom Berhad</b>	Telecom services	Malaysia	0.8
<b>YouGov</b>	Market research and data analytics services	UK	1.0
<b>Consumer Discretionary</b>			
<b>Allegro</b>	E-commerce retailer	Poland	0.8
<b>Eclat Textile</b>	Technology-based textile manufacturer	Taiwan	0.4
<b>Jarir Marketing</b>	Consumer products retailer	Saudi Arabia	0.4
<b>Stanley Electric</b>	Automotive lighting manufacturer	Japan	1.6
<b>Thule Group</b>	Lifestyle consumer products manufacturer	Sweden	1.4
<b>TravelSky</b>	Aviation IT services	China	1.9
<b>Wilcon Depot</b>	Home improvement retailer	Philippines	1.1
<b>Consumer Staples</b>			
<b>Ariake</b>	Natural seasonings manufacturer	Japan	1.9
<b>Cranswick</b>	Foods manufacturer	UK	2.3
<b>Grupo Herdez</b>	Processed foods manufacturer	Mexico	1.0
<b>KWS SAAT</b>	Agricultural products producer	Germany	1.8
<b>Lotus Bakeries</b>	Confectionery snack manufacturer	Belgium	0.8
<b>Robinsons Retail</b>	Foods & consumer products retailer	Philippines	1.0
<b>Yantai China Pet Foods</b>	Pet food manufacturer	China	1.2
<b>Energy</b>			
<b>Dialog Group Berhad</b>	Petrochemical services	Malaysia	0.4
<b>Romgaz</b>	Natural gas producer	Romania	0.7
<b>Financials</b>			
<b>Bankinter</b>	Commercial bank	Spain	1.5
<b>GMO Payment Gateway</b>	Payment processing services	Japan	1.6
<b>Linea Directa</b>	Insurance provider	Spain	1.2
<b>Max Financial</b>	Financial services & insurance provider	India	2.0
<b>Rathbones</b>	Wealth manager	UK	0.7
<b>Siauliu Bankas</b>	Commercial bank	Lithuania	2.5
<b>Health Care</b>			
<b>Asahi Intecc</b>	Medical device manufacturer	Japan	0.6
<b>Carl Zeiss Meditec</b>	Medical technology provider	Germany	1.9
<b>CellaVision</b>	Medical device manufacturer	Sweden	1.2
<b>DiaSorin</b>	Reagent kits developer	Italy	1.1
<b>Evotec</b>	Drug discovery and developer	Germany	1.2
<b>Medistim</b>	Medical device supplier	Norway	0.5
<b>Santen Pharmaceutical</b>	Pharma manufacturer	Japan	0.6
<b>Solasto</b>	Medical admin outsourcing	Japan	0.5

<b>Health Care</b>		Market	End Wt. (%)
<b>Square Pharmaceuticals</b>	Pharma manufacturer	Bangladesh	0.9
<b>STRATEC</b>	Life science products manufacturer	Germany	0.9
<b>Tecan</b>	Life science products and services	Switzerland	0.7
<b>Industrials</b>			
<b>Belimo</b>	HVAC manufacturer	Switzerland	1.5
<b>Bossard</b>	Industrial components supplier	Switzerland	1.4
<b>Brenntag</b>	Chemical distribution services	Germany	0.9
<b>Burckhardt Compression</b>	Compressor manufacturer	Switzerland	1.6
<b>Carel</b>	HVAC and refrigeration solutions	Italy	0.7
<b>Clarkson</b>	Shipping services	UK	1.7
<b>Copa Holdings</b>	Airline operator	Panama	1.2
<b>Diploma</b>	Specialized technical services	UK	2.2
<b>Grafton</b>	Construction products distributor	UK	1.3
<b>Haitian International</b>	Injection-molding machines mfr.	China	0.7
<b>Hanbell Precise Machinery</b>	Compressor manufacturer	China	1.0
<b>MISUMI Group</b>	Machinery-parts supplier	Japan	1.0
<b>Pfeiffer Vacuum</b>	Vacuum pump manufacturer	Germany	1.5
<b>Senior</b>	Aerospace and auto parts manufacturer	UK	2.7
<b>TOMRA</b>	Industrial sensors manufacturer	Norway	1.1
<b>Information Technology</b>			
<b>Alten</b>	Technology consultant and engineer	France	1.2
<b>ASM Pacific Technology</b>	Semiconductor eqpt. mfr.	Hong Kong	0.4
<b>Aspeed</b>	Electronic chip designer and manufacturer	Taiwan	0.6
<b>Bechtle</b>	IT services and IT products reseller	Germany	1.7
<b>Bochu</b>	Laser control system manufacturer	China	0.7
<b>CyberArk</b>	Cybersecurity software developer	Israel	1.9
<b>Globant</b>	IT services provider	US	0.5
<b>Kinaxis</b>	Supply chain software developer	Canada	1.0
<b>LEM Holdings</b>	Electrical components manufacturer	Switzerland	1.3
<b>Nemetschek</b>	Engineering software developer	Germany	1.3
<b>Reply</b>	IT consultant	Italy	2.4
<b>Shift</b>	Software assurance provider	Japan	1.3
<b>TeamViewer</b>	Remote connectivity software developer	Germany	1.3
<b>Vaisala</b>	Atmospheric measuring devices manufacturer	Finland	1.7
<b>Materials</b>			
<b>Fuchs Petrolub</b>	Lubricants manufacturer	Germany	2.0
<b>Hoa Phat Group</b>	Steel producer	Vietnam	2.8
<b>JCU</b>	Industrial coating manufacturer	Japan	1.0
<b>Keva</b>	Fragrances and flavors manufacturer	India	0.8
<b>Verallia</b>	Glass packaging manufacturer	France	1.5
<b>Real Estate</b>			
<b>No Holdings</b>			
<b>Utilities</b>			
<b>Rubis</b>	Liquid chemical storage and distribution	France	1.5
<b>Cash</b>			2.8

Model portfolio holdings are supplemental information only and complement the fully compliant International 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.

# Portfolio Facts

## Portfolio Characteristics

Quality and Growth	HL	Index	Risk and Valuation	HL	Index
Profit Margin <sup>1</sup> (%)	8.7	7.6	Alpha <sup>2</sup> (%)	-2.36	-
Return on Assets <sup>1</sup> (%)	6.9	5.0	Beta <sup>2</sup>	0.99	-
Return on Equity <sup>1</sup> (%)	12.9	10.3	R-Squared <sup>2</sup>	0.87	-
Debt/Equity Ratio <sup>1</sup> (%)	40.2	48.6	Active Share <sup>3</sup> (%)	97	-
Std. Dev. of 5 Year ROE <sup>1</sup> (%)	3.6	5.1	Standard Deviation <sup>2</sup> (%)	17.72	16.74
Sales Growth <sup>1,2</sup> (%)	9.0	4.9	Sharpe Ratio <sup>2</sup>	0.38	0.58
Earnings Growth <sup>1,2</sup> (%)	7.0	7.8	Tracking Error <sup>2</sup> (%)	6.3	-
Cash Flow Growth <sup>1,2</sup> (%)	8.4	8.7	Information Ratio <sup>2</sup>	-0.47	-
Dividend Growth <sup>1,2</sup> (%)	9.2	5.7	Up/Down Capture <sup>2</sup>	102/114	-
Size and Turnover	HL	Index	Price/Earnings <sup>4</sup>	18.1	14.2
Wtd. Median Mkt. Cap. (US \$B)	3.1	2.4	Price/Cash Flow <sup>4</sup>	10.3	8.0
Wtd. Avg. Mkt. Cap. (US \$B)	3.9	2.9	Price/Book <sup>4</sup>	2.2	1.3
Turnover <sup>3</sup> (Annual %)	16.5	-	Dividend Yield <sup>5</sup> (%)	2.3	2.9

<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 International Small Companies Equity composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics): Harding Loevner International 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
Asahi Intecc	Japan	HLTH	BML	Japan	HLTH
Aspeed	Taiwan	INFT	Meyer Optoelectronic	China	INDU
Carel	Italy	INDU	SMS	Japan	INDU
Medistim	Norway	HLTH			

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 International 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 ISC Gross (%)	HL ISC Net (%)	MSCI ACWI ex US Small Cap <sup>1</sup> (%)	HL ISC 3-yr. Std. Deviation <sup>2</sup> (%)	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>	1.85	1.60	0.76	17.19	16.40	N.A.	1	367	33,889
2024	-5.26	-6.16	3.85	17.84	16.81	N.M.	1	411	35,471
2023	13.91	12.83	16.23	18.05	16.98	N.M.	1	537	43,924
2022	-23.74	-24.46	-19.57	21.96	22.72	N.M.	1	523	47,607
2021	14.71	13.60	13.36	18.81	19.85	N.M.	1	594	75,084
2020	20.14	18.81	14.67	19.78	20.97	N.M.	1	454	74,496
2019	31.30	29.83	22.93	12.36	11.60	N.M.	1	350	64,306
2018	-16.39	-17.34	-17.89	12.47	12.36	N.M.	1	165	49,892
2017	37.61	36.34	32.12	10.76	11.54	N.M.	3	323	54,003
2016	0.79	-0.22	4.29	10.78	12.15	N.M.	2	154	38,996
2015	5.83	4.63	2.95	10.26	11.32	N.M.	1	95	33,296

<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.

The International Small Companies Equity composite contains fully discretionary, fee-paying accounts investing primarily in 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. For comparison purposes, the composite is measured against the MSCI All Country World ex US Small Cap Total Return Index (Gross). 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 ex US Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance, excluding the US. The index consists of 46 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 16-20,717 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.

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 Small Companies Equity composite has had a performance examination for the periods January 1, 2007, through December 31, 2024. The verification and performance examination report is 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.

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 withholding taxes on dividends, interest income and capital gains for certain portfolios within the composite and net of withholding for others. 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 International Small Companies accounts is 1.00% annually of the market 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 International Small Companies Equity composite was created on December 31, 2006 and the performance inception date is January 1, 2007.

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