



## Emerging Markets Equity Review | First Quarter 2024

# Composite Performance Summary

As of March 31, 2024

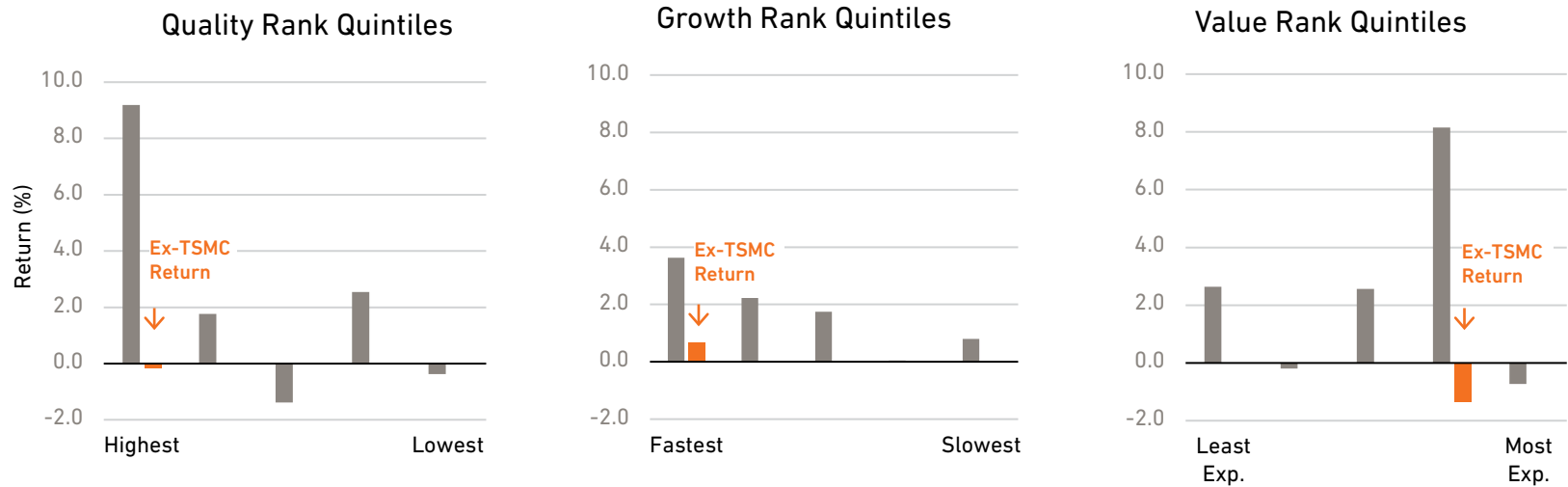
## Performance (% Total Return)

	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
HL Emerging Markets Equity (Gross)	-0.14	4.02	-8.69	-0.16	2.49	9.97
HL Emerging Markets Equity (Net)	-0.36	3.07	-9.49	-1.04	1.59	9.06
MSCI Emerging Markets Index	2.44	8.59	-4.67	2.61	3.33	7.80

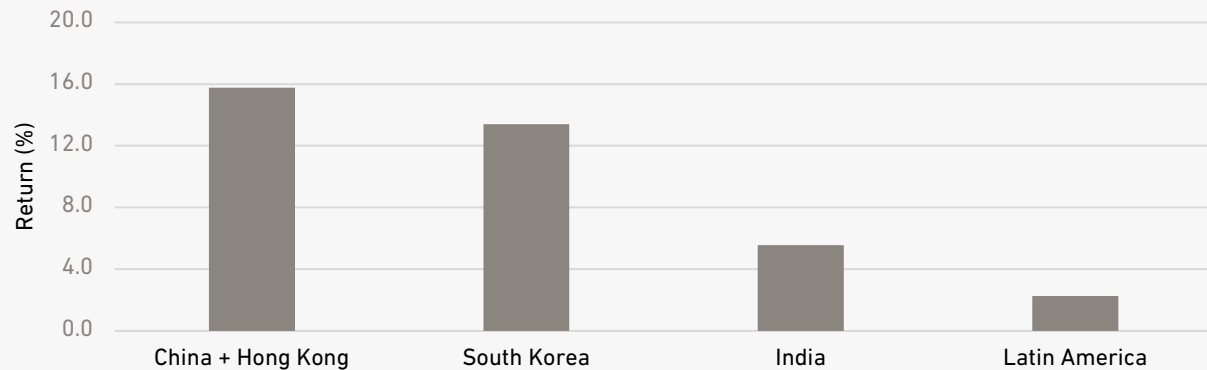
The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Emerging Markets Equity composite inception date: November 30, 1998. MSCI Emerging Markets Index, the benchmark index, is shown gross of withholding taxes. For comparison purposes the composite return is measured against the MSCI Emerging Markets Total Return 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 December 31, 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 Emerging Markets composite has had a performance examination for the period December 1, 1998 through December 31, 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 Emerging Markets 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. Please read the disclosures, which are an integral part of this presentation.

# 1Q24 MSCI EM Index Total Returns by Quality, Growth, and Value Rank

Quality-growth outperformed, but only because of TSMC



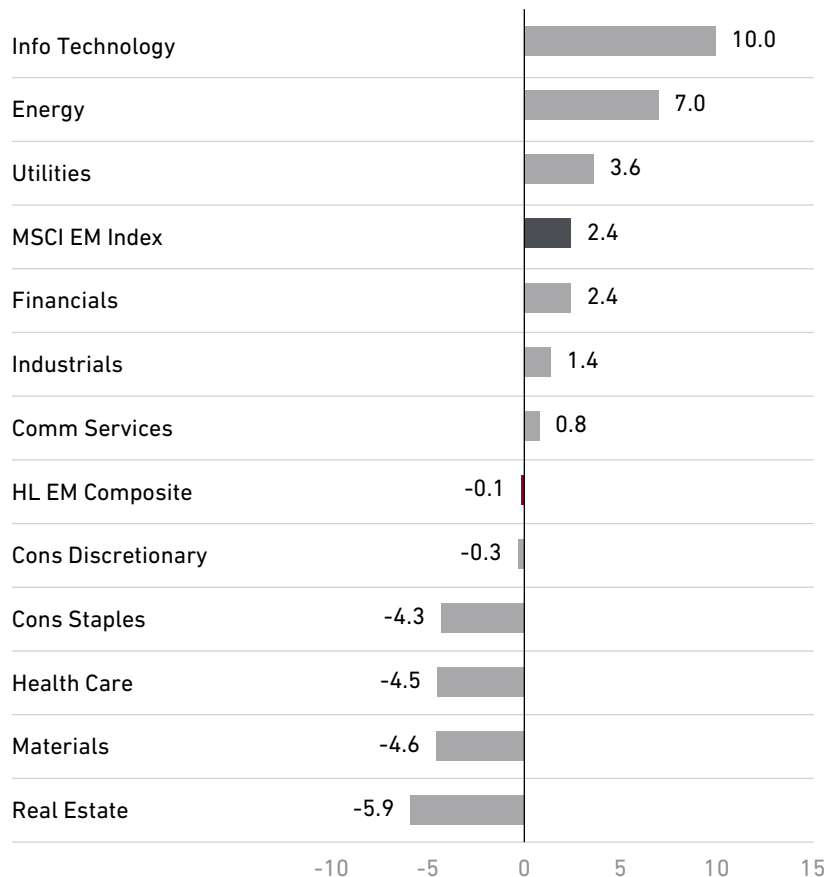
Spread in Returns: Cheapest - Expensive Valuation Quintile



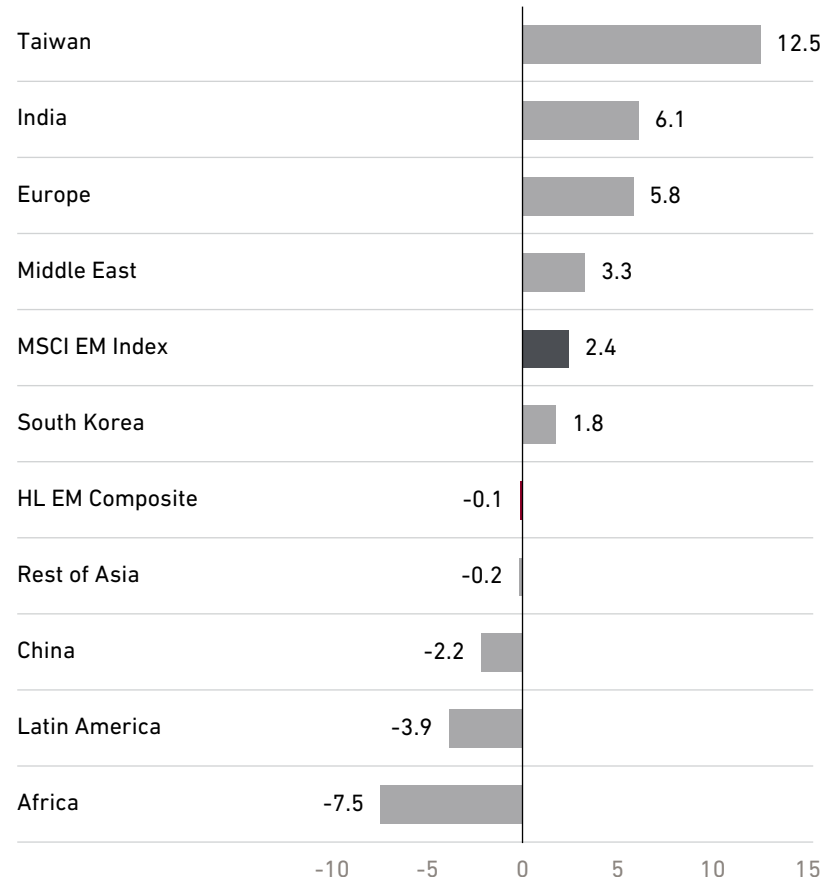
# Benchmark Performance

First Quarter 2024

Sector Total Return (%)



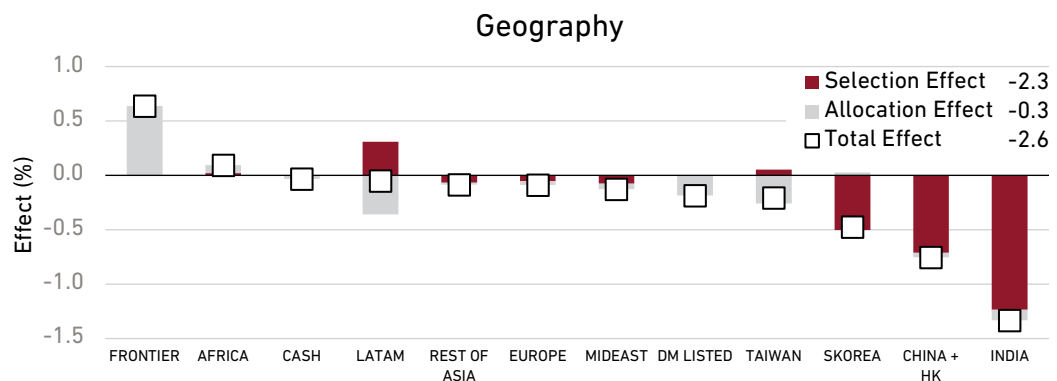
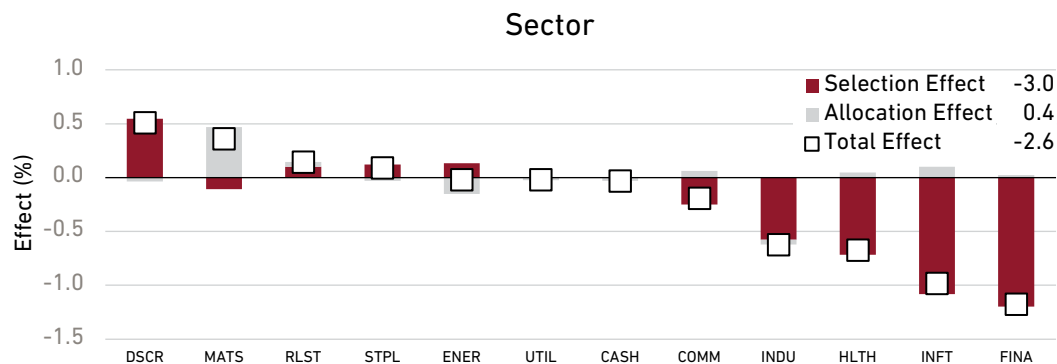
Geographic Total Return (%)



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

# Performance Attribution: Composite vs. Benchmark

First Quarter 2024



## Top 5 Contributors

to Relative Returns	Avg. Wt. %		Effect %
	HL	Index	
Kaspi.kz	1.5	-	0.49
Maruti Suzuki	2.7	0.3	0.42
Trip.com Group	1.9	0.3	0.28
PDD Holdings*	-	1.1	0.28
Tenaris	2.1	-	0.21

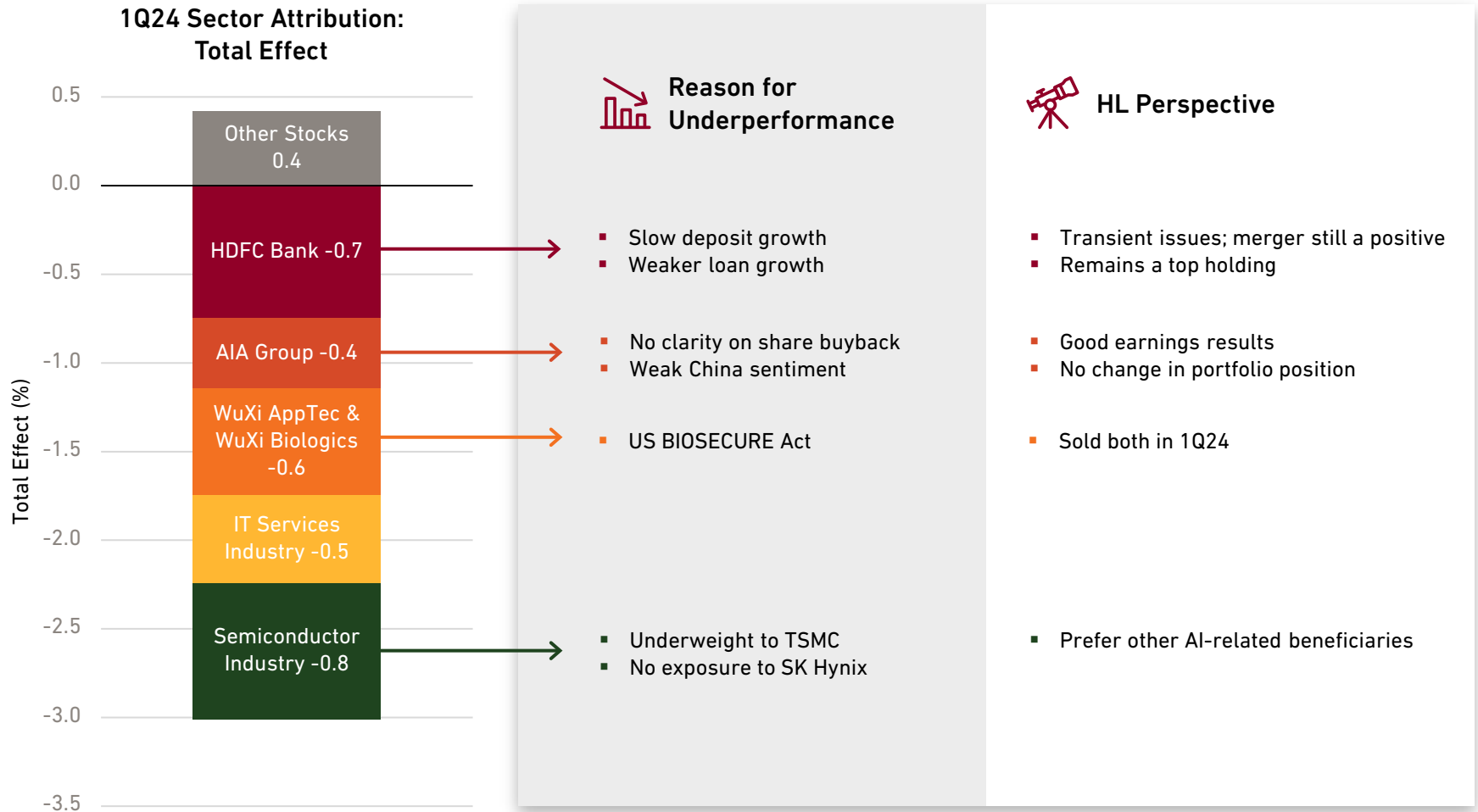
## Top 5 Detractors

from Relative Returns	Avg. Wt. %		Effect %
	HL	Index	
HDFC Bank	4.5	0.7	-0.76
WuXi AppTec	0.6	0.1	-0.53
AIA Group	1.5	-	-0.40
TSMC	5.7	7.6	-0.37
Globant	1.9	-	-0.35

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

"HL": Emerging Markets composite. "Index": MSCI Emerging Markets Index. "DM LISTED": Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong. "FRONTIER": Includes countries with less-developed markets 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 Emerging Markets 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 Emerging Markets 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.

# 1Q24: Understanding Sources of Underperformance



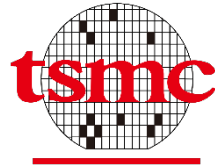
Source: Harding Loevner Emerging Markets Equity composite, FactSet, MSCI Inc. Data as of March 31, 2024. The portfolio holdings identified above do not represent all of the securities held in the portfolio. It should not be assumed that investment in the securities identified has been or will be profitable. Past performance does not guarantee future results. Please read the disclosures, which are an integral part of this presentation.

# Key Suppliers and Enablers to AI Value Chain in HL EM Portfolio

We own a variety of other companies set to benefit from AI-related investments



Hardware suppliers  
to AI value chain



IT services companies  
enabling AI adoption



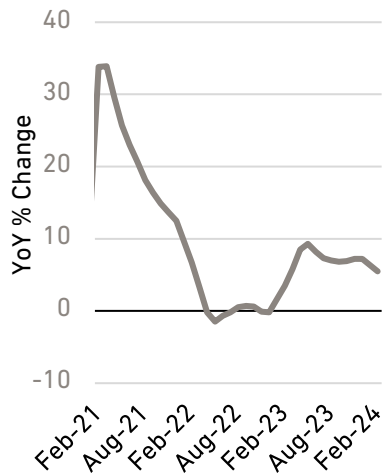
Source: Harding Loevner Emerging Markets Equity composite, FactSet. Data as of March 31, 2024. The portfolio holdings identified above do not represent all of the securities held in the portfolio. It should not be assumed that investment in the securities identified has been or will be profitable. Please read the disclosures, which are an integral part of this presentation.

# Within China Context, Two Opposing Perspectives

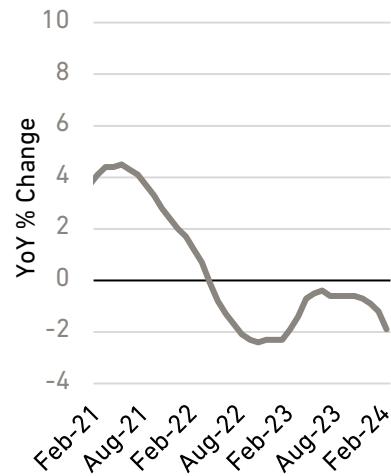
- ⚠️ Struggling Property Sector
- ⚠️ Weak Retail Sales
- ⚠️ Continued Geopolitical Risk

- ✅ Manufacturing Recovery
- ✅ Increasing Localization
- ✅ Attractive Valuations

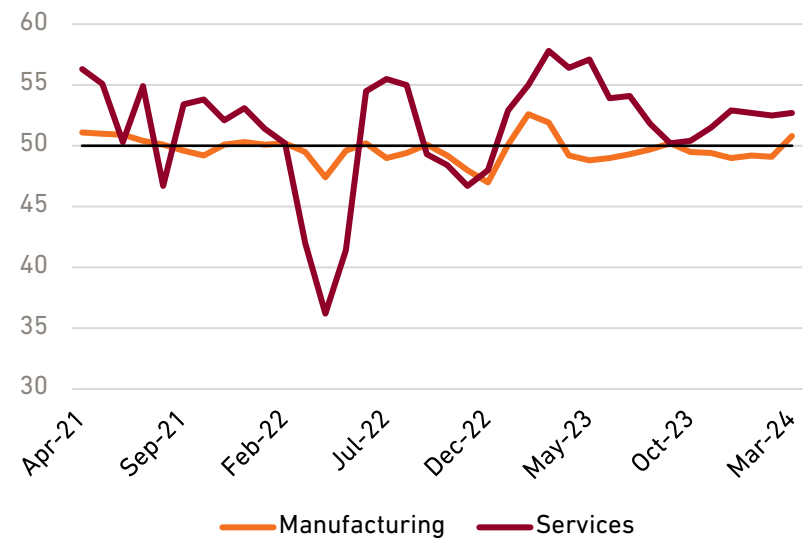
Chinese Retail Sales



Chinese Real Estate Prices



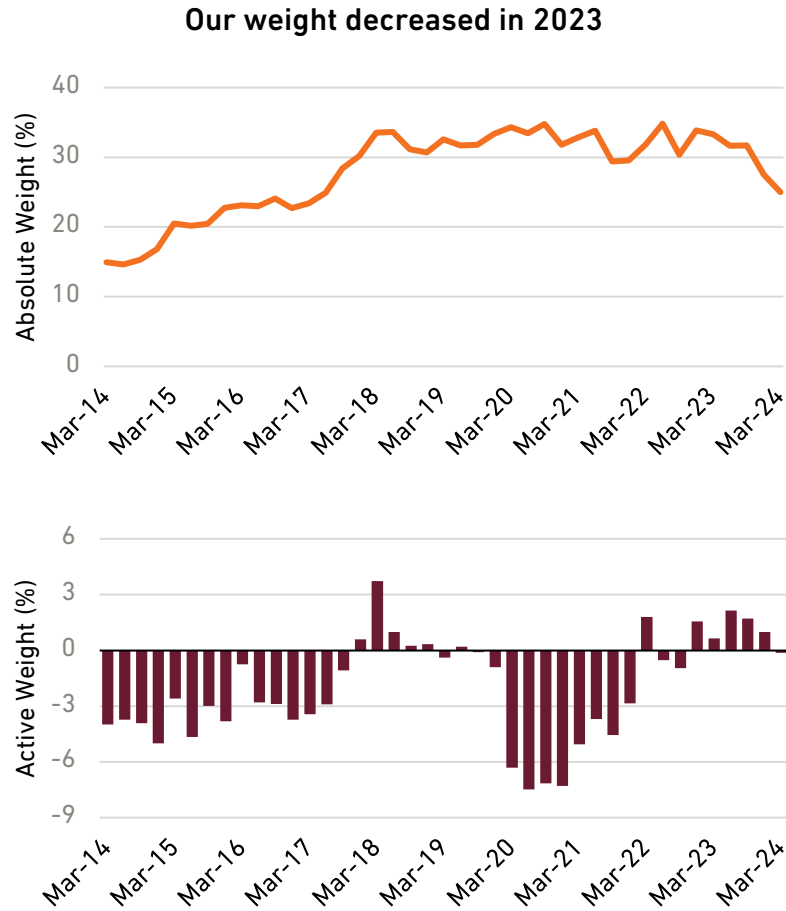
China Manufacturing PMI





# HL Exposure to China + Hong Kong

Benchmark weight; holdings skewed towards domestic revenue generators



We remain well diversified within China + Hong Kong

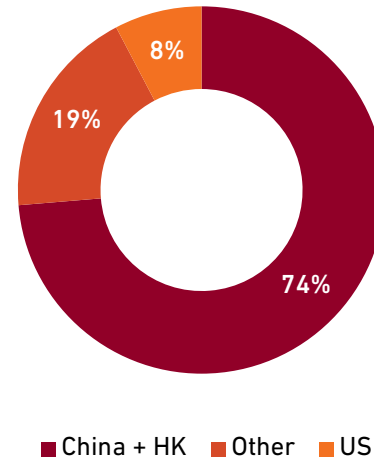
**25%**  
of Portfolio

**24**  
Companies

**8**  
Sectors

**12**  
Industries

Revenue Exposure: Holdings in China + Hong Kong

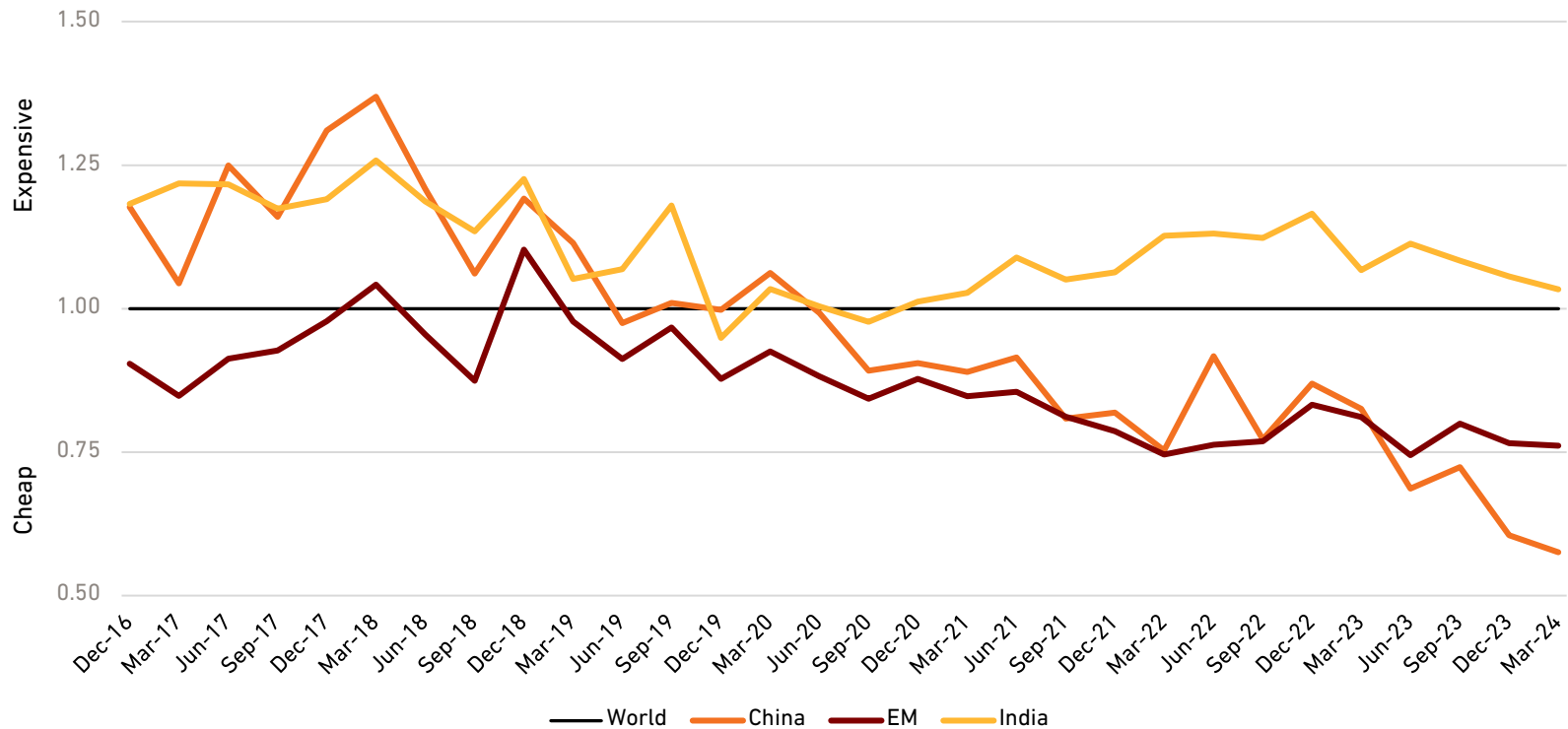


Source: Harding Loevner Emerging Markets Equity model, FactSet, HOLT database. Data as of March 31, 2024. The portfolio is actively managed therefore holdings shown may not be current. The portfolio holdings identified above do not represent all of the securities held in the portfolio. It should not 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.

# Valuation of Superior EM Quality-Growth Stocks – Relative to MSCI World

China has become more attractively valued, while India remains expensive

Relative Valuation of High Quality-Growth Emerging Markets Companies  
Relative Value Rank Score of Top Quality-Growth Quadrant MSCI EM, India and China vs. MSCI World Index

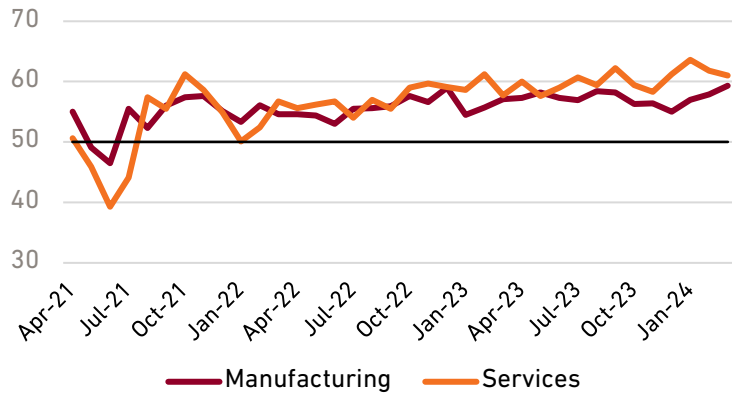


Source: FactSet, MSCI Inc., HOLT database. Data as of March 31, 2024. Please read the disclosures, which are an integral part of this presentation. Top QG quadrant is defined as companies with a QR score > 0.5 and a GR score > 0.5. VR Score based on weighted average.

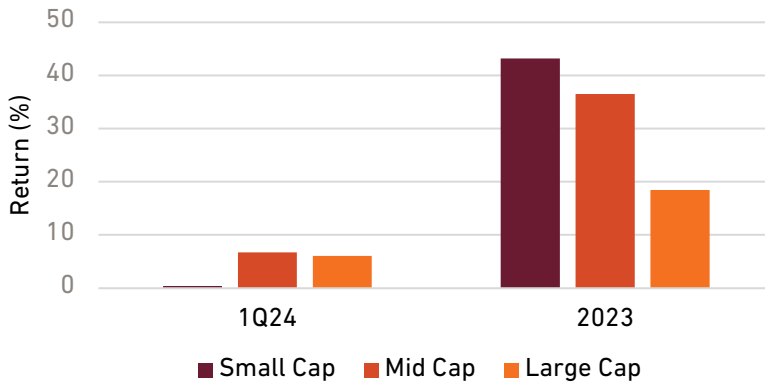
# India: Strong Macro, but Market Rally Led by Small and Mid Caps

Financials sector valuation still attractive

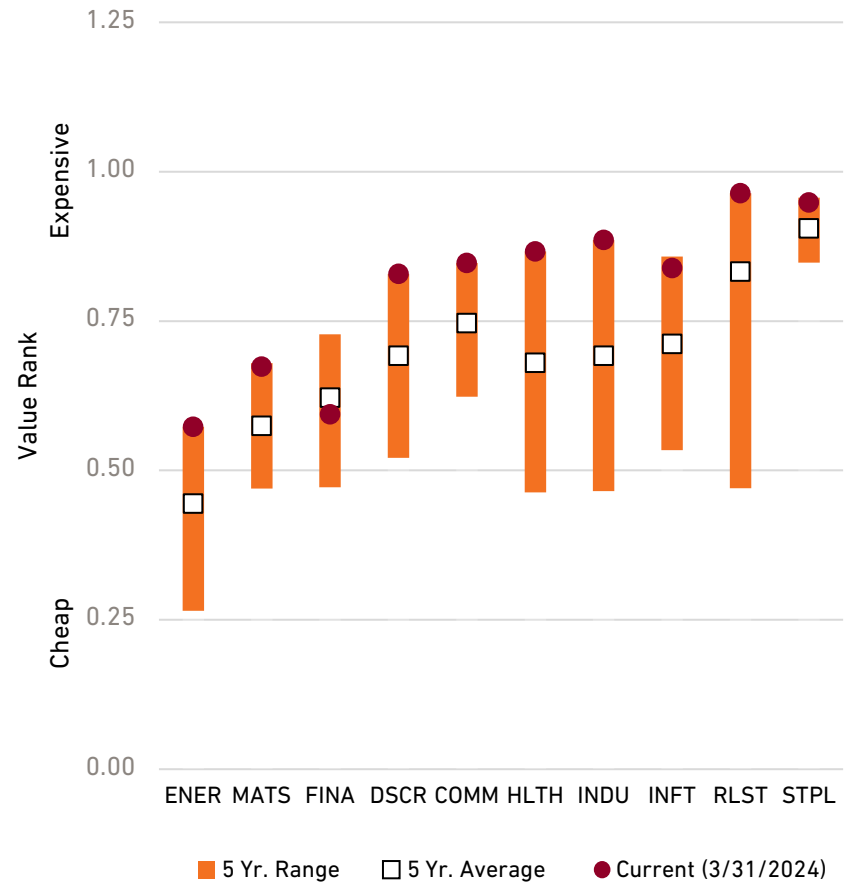
India PMI



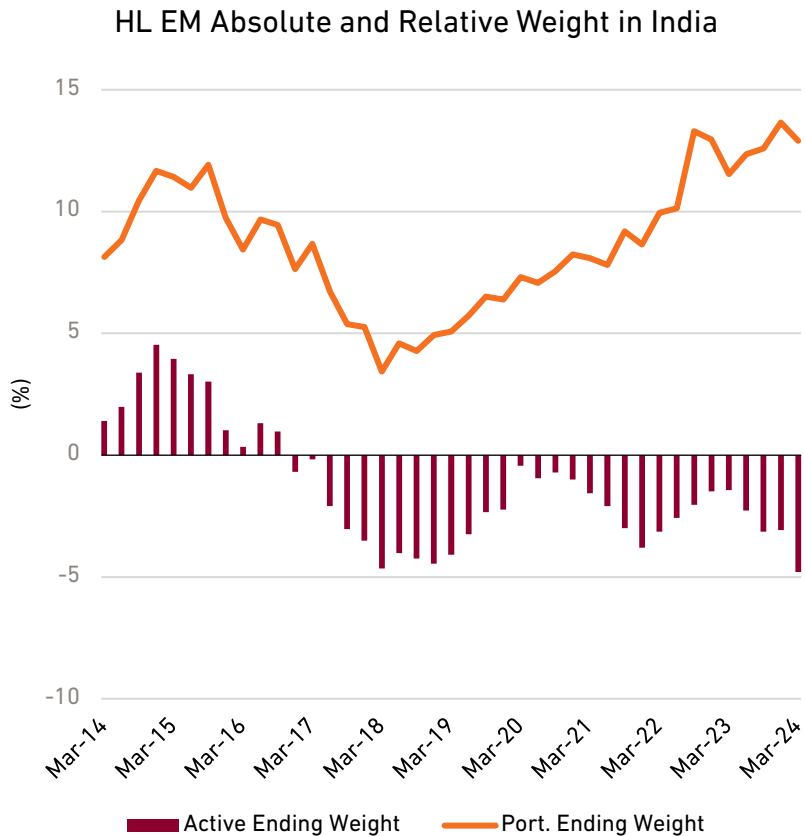
MSCI India: Returns by Market Cap



Wtd. Avg. Value Rank by Sector in India



# Portfolio Weight to India has Increased in Recent Years



## Growth tailwinds: Indian holdings

Middle Class Growth	
Financial Penetration	
Innovation and AI	

Source: Harding Loevner Emerging Markets Equity model, FactSet. Data as of March 31, 2024. 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. Please read the disclosures, which are an integral part of this presentation.

# Completed Portfolio Transactions

First Quarter 2024

## Positions Established

Company	Market	Sector
Bumrungrad Hospital	Thailand	Health Care
MercadoLibre	US	Cons Discretionary
Telkom Indonesia	Indonesia	Comm Services

## Positions Sold

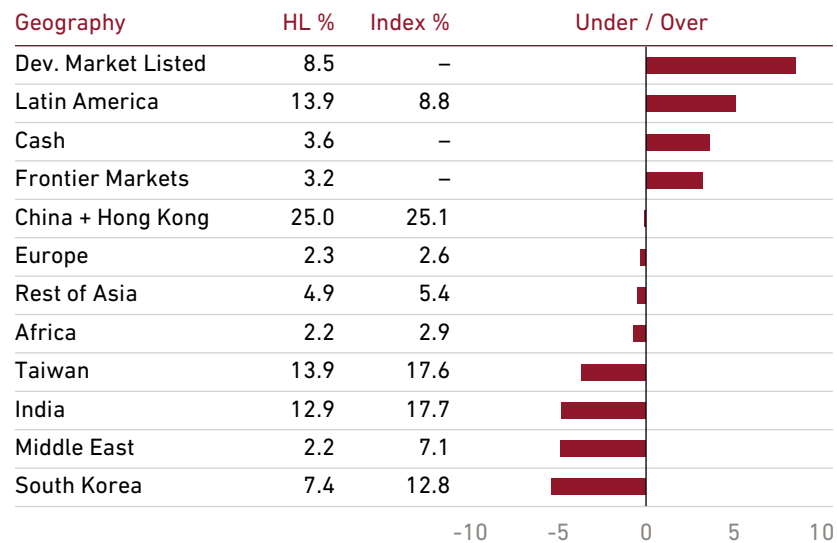
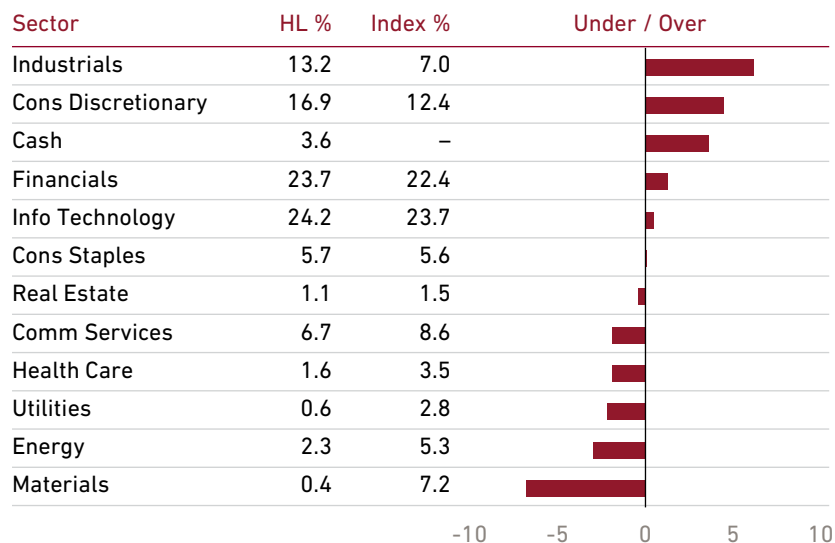
Company	Market	Sector
WuXi AppTec	China	Health Care
WuXi Biologics	China	Health Care

- Portfolio Turnover (5-year annualized average): 18.0%

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 Emerging Markets Composite GIPS Presentation. Please read the disclosures, which are an integral part of this presentation.

# Portfolio Positioning

As of March 31, 2024



Ten Largest Holdings – Total Weight: 34.0%

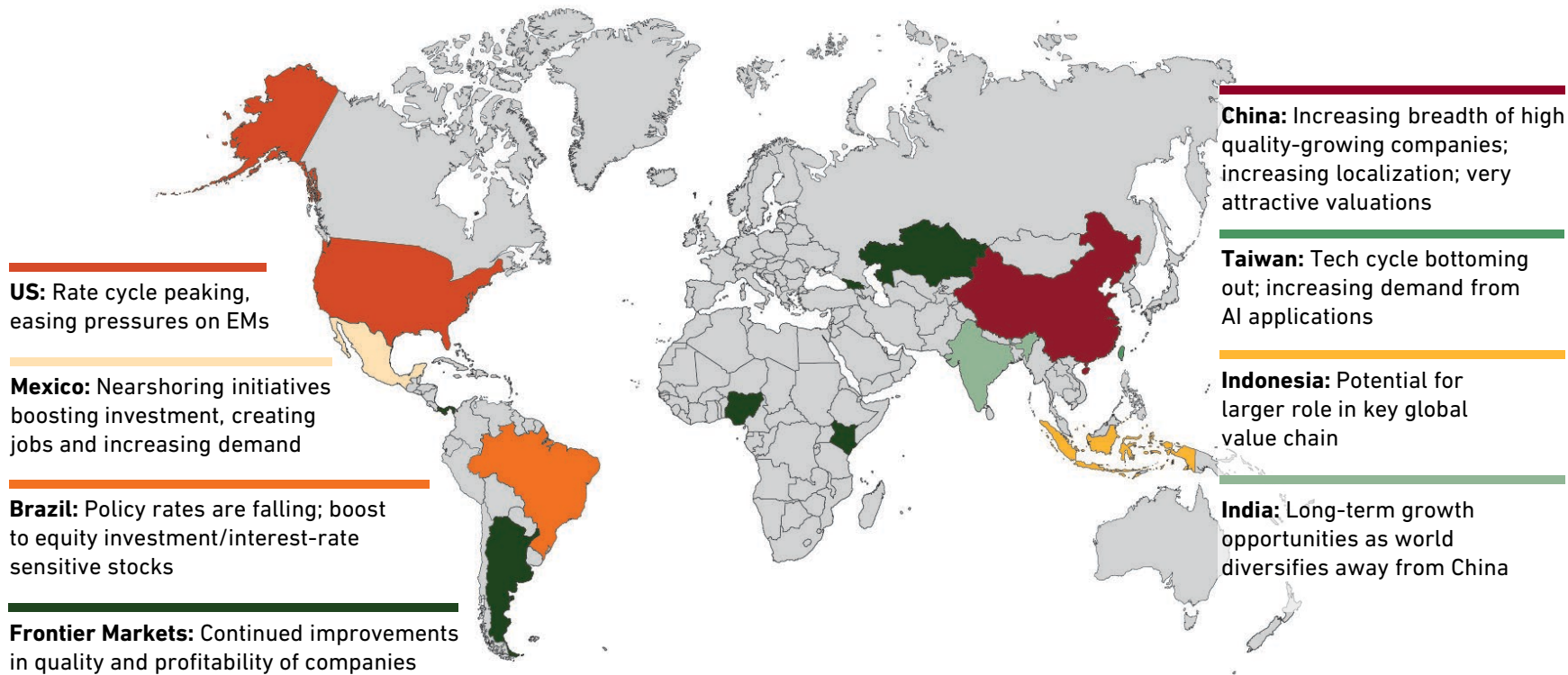
Company	Market	Sector	Wt. (%)
TSMC	Taiwan	Info Technology	5.7
Samsung Electronics	South Korea	Info Technology	5.5
HDFC Bank	India	Financials	4.2
Tencent	China	Comm Services	3.5
Tata Consultancy Services	India	Info Technology	3.4






Company	Market	Sector	Wt. (%)
Maruti Suzuki	India	Cons Discretionary	3.0
GF Banorte	Mexico	Financials	2.3
Tenaris	Italy	Energy	2.3
FEMSA	Mexico	Cons Staples	2.1
Walmart de México	Mexico	Cons Staples	2.0

74% Active Share

"HL": Emerging Markets model portfolio. "Index": MSCI Emerging Markets Index. "China + Hong Kong": The Harding Loevner Emerging Markets model portfolio's end weight in China is 21.5% and Hong Kong is 3.5%. The benchmark does not include Hong Kong. "Dev. Market Listed": Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong. "Frontier Markets": Includes countries with less-developed markets outside the index.  
 Source: Harding Loevner Emerging Markets model, MSCI Inc. Data as of March 31, 2024. Sector and region end weights, holdings, and active share are shown as supplemental information only and complement the fully compliant Emerging Markets Composite GIPS Presentation. Please read the disclosures, which are an integral part of this presentation.

# Reasons for Optimism: Diverse Opportunities Across EM Regions

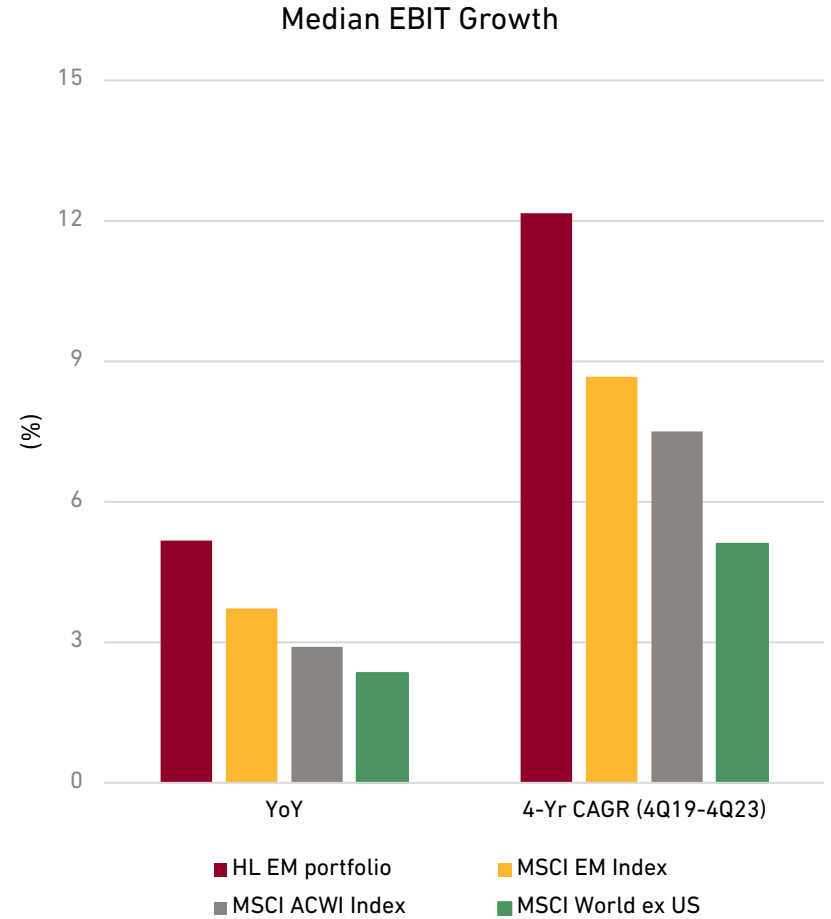
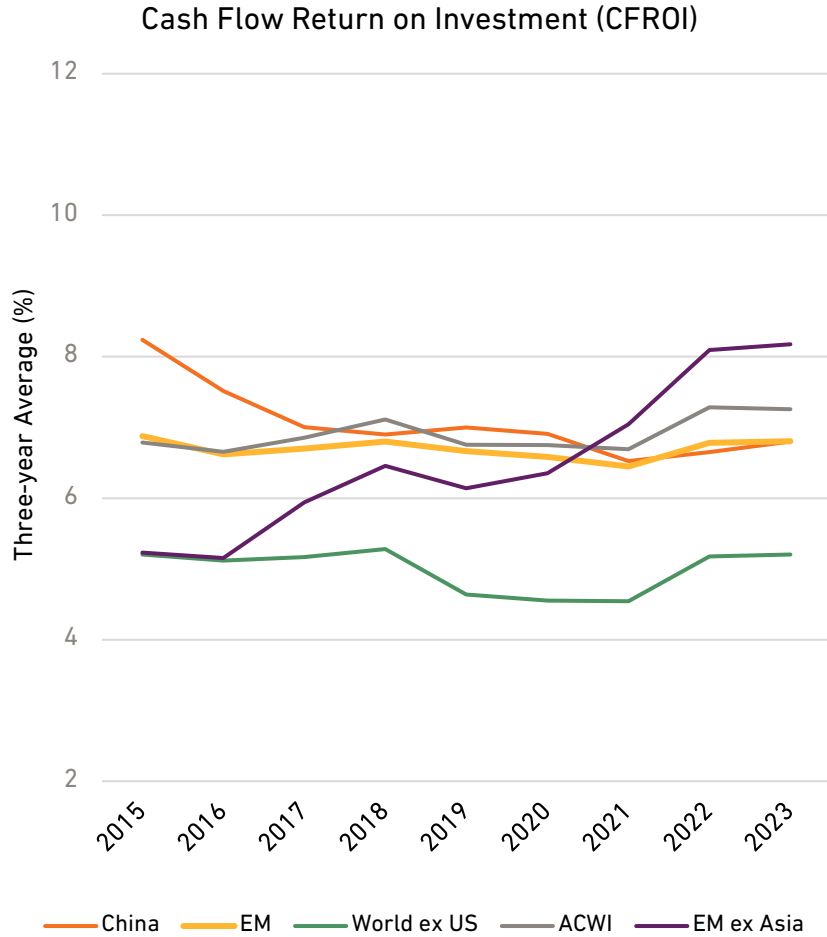


 Digitization	 Nearshoring	 Electrification	 Financial Penetration	 Artificial Intelligence
<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Kaspi.kz</li> <li><span style="color: green;">■</span> Allegro</li> <li><span style="color: orange;">■</span> EPAM</li> <li><span style="color: darkgreen;">■</span> Globant</li> <li><span style="color: lightgreen;">■</span> Tata Consultancy</li> <li><span style="color: red;">■</span> MercadoLibre</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: yellow;">■</span> FEMSA</li> <li><span style="color: orange;">■</span> Walmart de México</li> <li><span style="color: lightyellow;">■</span> GF Banorte</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: darkred;">■</span> CATL</li> <li><span style="color: red;">■</span> Sanhua Intelligent Controls</li> <li><span style="color: green;">■</span> Delta Electronics</li> <li><span style="color: darkred;">■</span> StarPower</li> <li><span style="color: orange;">■</span> WEG</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: darkgreen;">■</span> Safaricom</li> <li><span style="color: darkgreen;">■</span> Al Rajhi Bank</li> <li><span style="color: red;">■</span> Ping An Insurance</li> <li><span style="color: lightgreen;">■</span> HDFC Bank</li> <li><span style="color: lightgreen;">■</span> HDFC Life</li> <li><span style="color: yellow;">■</span> Bank Rakyat</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: darkred;">■</span> Tencent</li> <li><span style="color: red;">■</span> Baidu</li> <li><span style="color: red;">■</span> Naver</li> <li><span style="color: green;">■</span> TSMC</li> <li><span style="color: green;">■</span> Aspeed</li> </ul>

Globant is colored for Argentina, where the company was founded. Today, Globant shares trade on a US exchange. 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. Please read the disclosures, which are an integral part of this presentation.

# EM Returns and Earnings Growth

EM returns have been steady with relatively strong earnings growth





# Global Equity Specialist

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

Firm AUM: \$51.5 Billion					
Global Equities		International Equities		Emerging Markets Equities	
	\$13.2B AUM		\$35.1B AUM		\$3.2B AUM
Global Equity	\$10.4B	International Equity	\$20.8B	Emerging Markets Equity	\$3.1B
Global Equity ADR	\$0.6B	International Equity ADR	\$12.1B	Chinese Equity	<\$0.1B
Developed Markets	\$1.9B	Developed Markets	\$1.5B	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 Emerging Markets model at March 31, 2024 is available on request.

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

Investing in stocks entails the risks of market volatility. The value of all types of stocks may increase or decrease over varying time periods. To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards.

Quality and Growth Characteristics, Investment Statistics, Benchmark Returns, Performance Attribution, Portfolio Exposures and Portfolio Transactions are shown as supplemental information only and complement the fully compliant Emerging Markets Composite GIPS Presentation, which is available on request.

*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 Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The index consists of 24 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 Emerging Markets composite, MSCI Inc.

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

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

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