

# Emerging Markets ex China Portfolio



Fact Sheet | Institutional Class | Ticker: HLXCX | June 30, 2023

## Objective

The Emerging Markets ex China Portfolio seeks long-term capital appreciation through investments in equity securities of companies based in emerging markets.

## Philosophy and Process

We believe a diversified portfolio of high-quality, durable-growth companies purchased at reasonable prices will provide superior investment returns with below-average risk over the long term. Our analysts conduct careful bottom-up research of individual companies and analyze the competitive dynamics of their industries to identify what we believe are the best growth companies and to assess the value of their shares. To qualify for investment, companies must be well-managed, financially strong, and possess clear competitive advantages relative to their peers.

## Portfolio Facts

CUSIP	29104D105
Inception Date	09/14/2022
Min. Investment <sup>1</sup>	\$100,000
Total Portfolio Assets	\$3.6M
Sales Charge	None
Total # of Holdings	50
Net Expense Ratio*	1.05%
Gross Expense Ratio*	5.95%
Turnover (5 Yr. Avg.)	–
Dividend Policy	Annual
NAV	\$11.14

## Contact

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## Performance (% Total Return)

as of June 30, 2023

	Inception Date	3 Months	Since Inception
Emerging Markets ex China Portfolio - Institutional Class - Net	9/14/2022	6.40	11.90
MSCI Emerging Markets ex China Index		6.05	8.72

Returns are annualized for periods greater than one year.

*Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Portfolio may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (877) 435-8105 or visiting [hardingloevnerfunds.com](http://hardingloevnerfunds.com).*

*Short term performance in particular is not a good indication of the Fund's future performance and an investment should not be made solely on returns.*

*Diversification does not assure a profit or protect against a loss in a declining market.*

## Portfolio Positioning (% Weight)

Sector	HLXCX	Benchmark <sup>2</sup>	Geography	HLXCX	Benchmark <sup>2</sup>
Comm Services	4.4	5.6	India	15.5	20.8
Cons Discretionary	11.0	6.7	South Korea	10.6	17.4
Cons Staples	11.1	6.6	Taiwan	17.0	22.1
Energy	1.7	5.9	Rest of Asia	8.8	8.4
Financials	23.9	24.3	Africa	4.2	4.7
Health Care	2.9	3.0	Europe	0.9	3.2
Industrials	13.2	6.6	Latin America	20.4	13.1
Info Technology	23.8	27.4	Middle East	5.2	10.3
Materials	1.8	10.1	Frontier Markets <sup>3</sup>	4.3	–
Real Estate	3.0	1.2	Developed Markets Listed <sup>4</sup>	9.9	–
Utilities	0.0	2.6	Cash	3.2	–
Cash	3.2	–			

All holdings and sector/geographic allocations are subject to review and adjustment in accordance with the portfolio's investment strategy and may vary in the future, and should not be considered recommendations to buy or sell any security. The portfolio is actively managed; therefore holdings may not be current.

The MSCI Emerging Markets ex China Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets excluding China. The index consists of 23 emerging market countries. The index is net of foreign withholding taxes on dividends. You cannot invest directly in this index.

## Investment Adviser

Harding Loevner manages global equity portfolios. Our distinct strategies are available to institutions and individuals around the world. Investing in quality-growth companies for the long term has been our exclusive focus since 1989.

## Portfolio Managers

### Pradipta Chakraborty

EM Co-Lead Portfolio Manager  
BIRLA Institute of Technology and Science, BE, 1994  
XLRI School of Management, MBA, 1998  
University of Pennsylvania, The Wharton School, MBA, 2008  
Harding Loevner since 2008

### Scott Crawshaw

EM Co-Lead Portfolio Manager  
University of Bristol, BSc, 1995  
Harding Loevner since 2014

### Richard Schmidt, CFA

EM ex China Portfolio Manager  
Georgetown University, BS, 1986  
Harding Loevner since 201

### Lee Gao

Portfolio Manager  
Harvard University, AB, 2006  
Harding Loevner since 2020

## Ten Largest Holdings

	Sector	Market	% Assets
Samsung Electronics	Info Technology	South Korea	5.4
TSMC	Info Technology	Taiwan	5.2
Tata Consultancy Services	Info Technology	India	3.9
AirTAC	Industrials	Taiwan	3.2
Emaar Properties	Real Estate	UAE	3.0
Magazine Luiza	Cons Discretionary	Brazil	2.9
Localiza	Industrials	Brazil	2.9
Copa Holdings	Industrials	Panama	2.8
FEMSA	Cons Staples	Mexico	2.7
Walmart de México	Cons Staples	Mexico	2.7
Ten Largest Holdings			34.7

## Portfolio Characteristics

Quality and Growth	HLXCX	Benchmark <sup>2</sup>	Size and Valuation	HLXCX	Benchmark <sup>2</sup>
Profit Margin <sup>5</sup> (%)	14.9	16.8	Wtd. Med. Mkt. Cap. (\$B)	18.3	25.0
Return on Assets <sup>5</sup> (%)	9.0	7.2	Wtd. Avg. Mkt. Cap. (\$B)	73.6	106.5
Return on Equity <sup>5</sup> (%)	17.1	17.1	Price/Earnings <sup>7</sup>	14.9	12.1
Debt/Equity Ratio <sup>5</sup> (%)	29.1	49.3	Price/Cash Flow <sup>7</sup>	11.2	8.0
Std. Dev. of 5 Year ROE <sup>5</sup>	4.0	4.6	Price/Book <sup>7</sup>	2.4	1.8
5 Year ROE <sup>5</sup> (%)	16.1	14.2			
Sales Growth <sup>5,6</sup> (%)	8.0	7.2			
Earnings Growth <sup>5,6</sup> (%)	11.0	10.3			
Cash Flow Growth <sup>5,6</sup> (%)	11.5	11.0			

*Earnings Growth is not a measure of the Portfolio's future performance.*

## Endnotes

### Pages 1 and 2

(1) Lower minimums available through certain brokerage firms (2) MSCI Emerging Markets ex China Index (3) Includes countries with less-developed markets outside the index (4) Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong (5) Weighted median (6) Trailing five years, annualized (7) Weighted harmonic mean. \*The Gross and Net Expense Ratios are as of the most recent Prospectus and have been restated to reflect current fees. The Net Expense Ratio is shown net of Harding Loevner's contractual agreement through February 28, 2024. Harding Loevner's contractual agreement caps the net expense ratio at 1.05%. The Net Expense Ratio is applicable to investors.

## Disclosures

Source (Characteristics): FactSet (Run Date: July 5, 2023 based on the latest available data in FactSet on this date.), based on the Portfolio's underlying holdings.

Profit Margin: relationship of net income 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 for the past 12 months. 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. Price/Earnings: the ratio of a firm's closing stock price and its trailing 12 months' earnings/share. Price/Cash Flow: the ratio of a firm's closing stock price and its fiscal year end cash flow/share. Price/Book: the ratio of a firm's closing stock price and its fiscal year end book value/share. Average Weighted Market Capitalization: the product of a security's price and the number of shares outstanding. Median Market Cap: the point at which half of the market value of a portfolio is invested in stocks with a greater market cap, and consequently the other half is invested in stocks with a lower market cap. Turnover: calculated by dividing the lesser of amounts of purchases or sales of portfolio securities for the fiscal year by the monthly average of the value of the portfolio securities owned by the Fund during the fiscal year.

**The Portfolio invests in foreign securities, which will involve greater volatility and political, economic, and currency risks and differences in accounting methods. It also invests in emerging markets, which involve unique risks, such as exposure to economies less diverse and mature than the U.S. or other more established foreign markets. Economic and political instability may cause larger price changes in emerging markets securities than other foreign securities. Investing in participation notes involve the same risks associated with a direct investment in the underlying security, currency or market.**

*The Portfolio's investment objectives, risks, charges and expenses must be read and considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company. They may be obtained by calling toll free (877) 435-8105 or visiting [hardingloevnerfunds.com](http://hardingloevnerfunds.com).*

While the Portfolio is "no load", management and other expenses still apply. Please refer to the Prospectus for further details. The Portfolio is distributed by Quasar Distributors, LLC.

