International Developed Markets Equity

Second Quarter 2026 Report

HARDING LOEVNER

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Performance

Total Return (%) Periods Ended June 30, 2026

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
HL International Developed Markets Equity (Gross)	13.79	14.84	24.03	15.30	7.94	11.22	10.05
HL International Developed Markets Equity (Net)	13.66	14.58	23.48	14.77	7.42	10.66	9.47
MSCI World ex US Index	10.47	9.57	21.58	17.49	9.90	10.40	8.04
MSCI EAFE Index	11.08	9.84	20.80	17.00	9.60	10.19	8.01

Performance returns are of the composite. 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.

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 rise of AI-related stocks has invited comparisons to the internet-related stocks in 1999–2000. Indeed, Information Technology (IT) stocks in the US and abroad have approached levels of relative performance not seen since late 1999. Is this a boom? Undoubtedly. But whether it is an AI bubble that could soon deflate is a more difficult question. AI-related stocks have risen at an extreme pace, but so too have the earnings of many of the companies behind them. The current and anticipated capital investment in AI data centers has been the force driving both. What kind of bubble could it be: A stock bubble, an earnings bubble, or a capital investment bubble?

These are the questions our investment team has been pursuing during this boom. Rather than imposing a single, top-down conclusion about the existence of an AI bubble, we have encouraged each member of our team to research, forecast, and judge the extent and durability of AI's effects on the businesses they know best. Our analysis is guided by our framework of competitive strategy and industry five-forces analysis. That framework suggests that the AI boom is not a uniform phenomenon. Durability within it will vary by company depending on industry structure, product differentiation, customer concentration, supply discipline, and the economics of the end demand being served.

Taiwan Semiconductor Manufacturing or TSMC, the most valuable company outside the US, possesses a widely admired business model. For decades it has gained share in logic chip manufacturing by continually investing to create economies of scale and scope, going farther down the manufacturing experience curve than peers, and developing proprietary manufacturing processes that deliver to customers the most advanced chips at costs competitors cannot match. Manufacturing logic chips for customers such as NVIDIA, Apple, and Qualcomm, TSMC has generally been able to grow its productive assets 10% to 20% annually over the last two decades, with returns on invested capital consistently above its cost of capital. Those returns are attractive, though not exceptionally high, typically ranging from 10% to 15%.

In response to rising demand for AI-related semiconductors, TSMC continues to expand capacity in its usual rational manner. As customers ask for ever more capacity, TSMC is pulling additional levers, and charging incrementally higher prices and recognizing higher margins in return. Higher costs and lower utilization rates at its relatively new US fabs remains a counterweight to margins. With supply constrained, TSMC's customer philosophy is to increase pricing sustainably through

technological improvements, while still delivering incremental value to customers. Management contrasted this approach with the philosophy of memory semiconductor manufacturers, which have recently increased prices much more dramatically.

For decades, the business model of memory makers such as Samsung Electronics and SK hynix has been far less admired than that of TSMC. The memory industry has historically been less consolidated than advanced logic manufacturing, and rivalry has been more intense. Memory makers, too, have invested in advanced production and economies of scale, yet the three dominant producers have historically had far less profit to show for it. While many of the most advanced logic chips can only be produced cost-effectively by TSMC, if at all, leaving TSMC with more than 85% market share among the most advanced chips, the most advanced memory chips can be produced by three large competitors, Samsung, SK hynix, and Micron. And while TSMC manufactures logic chips to unique customer specifications, much of the memory industry's production is still devoted to standardized, commodity-like products such as DDR5 and DDR4 memory.

Over the past year however, surging demand for the most advanced and difficult to manufacture high-bandwidth memory (HBM) chips used in AI computing has dramatically improved memory-makers' bargaining position with customers. We hear that buyers are signing long-term contracts, both to secure current supply and to help fund and incentivize new HBM capacity. These deals, which are priced at well-above-average margins for the memory makers, have also contributed to a reallocation of production capacity away from commodity memory products such as DDR4, driving prices for such products sharply higher and further lifting memory-maker profits.

With memory demand ahead of supply in both AI and standard memory chips, industry profitability is set to rise to levels that were recently unimaginable, and well beyond what we expect from TSMC. Samsung's average cash flow return on invested capital over the past 10 years has been a modest 7%, with 2023 marking a trough of 2%, and its best year reaching 11%. We currently expect Samsung's CFROI to rise above 26% in 2026, delivering more than $170 billion of profit versus a prior peak of $42 billion in 2022. For comparison, we expect TSMC to earn a record $76 billion in 2026.

Market Snapshot

- The IT sector rose 49% as memory and semiconductor companies saw material increases in reported and expected earnings due to AI-related demand.
- Financial stocks, especially banks, gained as yield curves in many countries steepened reflecting risks that recent and potential monetary policy changes will prove insufficient to quell inflation unleashed from energy disruptions and continued AI capex.
- Energy underperformed, as oil prices fell in anticipation of a resolution of the US-Iran conflict.
- The EMU rose 15%, due largely in part to the strong performance of the Dutch semiconductor equipment company (and index heavyweight) ASML.
- Pacific ex Japan underperformed, dragged down by Hong

Index Performance (USD %)

MSCI World ex US Index

Sector	2Q 2026	Trailing 12 Months
Communication Services	-1.6	-10.3
Consumer Discretionary	8.2	1.0
Consumer Staples	5.6	6.0
Energy	-12.6	33.0
Financials	16.1	31.8
Health Care	2.7	10.6
Industrials	9.0	17.4
Information Technology	48.8	53.7
Materials	0.6	30.7
Real Estate	1.3	4.0
Utilities	1.5	25.6

Region	2Q 2026	Trailing 12 Months
Canada	6.2	27.7
Europe EMU	14.9	20.9
Europe ex EMU	7.2	17.4
Japan	14.2	29.5
Middle East	4.7	19.0
Pacific ex Japan	3.8	12.5
MSCI World ex US Index	10.5	21.6

Source: FactSet, MSCI Inc. Data as of June 30, 2026.

A consensus has formed that memory profits will expand further in 2027 and 2028, a remarkable degree of optimism for an industry whose past cyclical downturns few investors could stomach. During the memory industry's last low point in 2023, we justified our ongoing investment in Samsung by noting that industry production was increasingly consolidating among the top three producers, and the cycle would eventually turn. Samsung led the industry with over 35% market share, was committing more investment and R&D to memory process advances, and had the potential to earn better margins in the future, particularly as it increased production of more demanding, more customized AI-related memory.

Both TSMC's steadily growing profitability and memory makers' rapidly surging profitability depend on demand from a handful of key customers: the companies building and operating AI data centers. Hyperscalers such as Alphabet and Amazon are widely expected to invest sums of $400 billion or more annually for the foreseeable future. In the past, more modest data center investments were funded largely from the cashflows generated by already-established business models. Today, a growing share of AI infrastructure investment is being financed through new debt and equity issuance and is being built to serve new AI-related business models whose end economics are less well established.

If those end-use economics fail to deliver the anticipated return on data center investments, there could be a period of digestion of already built capacity, with hyperscalers slowing the pace of expansion. Even if end-use demand lives up to expectations, there are growing concerns about the physical constraints of securing sufficient land, power, and other infrastructure for announced data center construction plans, as well as the risk that regulators and voters could act to block potential negative externalities of data centers on their communities. Whatever the reason, data center construction delays would weigh on purchases of the semiconductors going into them.

Should semiconductor demand growth come off the boil, we suspect that past patterns of industry profitability will reassert themselves. TSMC is likely to continue growing sales and investments, but at a slower pace; margins could be steady to slightly lower, given the company's pricing contracts with customers. In memory, we expect margins for already contracted AI memory to hold firm, given current supply tightness and improved contract terms with buyers. But pricing of commodity-like memory chips, which still account for the majority of industry production, could revert toward its long-term downward trend as quickly as prices rose over the past year, pressuring overall margins. TSMC management recently noted to us that the semiconductor industry has "never experienced five consecutive strong years." The last down year for the industry was 2023, which suggests that 2028 may deserve particular scrutiny.

Should semiconductor demand growth come off the boil, we suspect that past patterns of industry profitability will reassert themselves.

The good news for semiconductor equipment suppliers is that virtually all semiconductor manufacturers, whether in logic or memory, remain committed to expanding capacity. High current and prospective profits should easily fund such capital expenditure. In addition to its record profits, SK hynix, the world's second-largest memory producer by revenue, plans to use funds from ADR issuance to purchase advanced lithography equipment, almost certainly supplied by ASML. Samsung, in our meetings with management, has vowed to be more disciplined with memory capacity capital expenditure than it has been in the past, with indications that AI memory growth is being supported partly by reallocating commodity memory lines. Yet Samsung, too, will need increasingly advanced equipment to stay ahead of competitors. Micron has also suggested that its capex expansion will be tied to customer demand and directed toward AI memory.

Statements of disciplined capacity growth from the three largest memory makers suggest that prices and margins could stay higher for longer than in past decades. Still, the same customer demand that has pushed semiconductor demand growth well ahead of supply growth is now incentivizing capacity additions that should eventually bring utilization into better balance. For the companies, such investments may be rational. For the stocks, it could prove more complicated. Scarcity has been a powerful driver of recent earnings growth and investor enthusiasm. If capacity catches up, the balance of enthusiasm may shift as well.

Portfolio in Focus

The astounding surge in semiconductor profits has had an equally dramatic effect on the semiconductor industry group's stock prices, and on our portfolio as well. Samsung Electronics offers the clearest example of the valuation challenge created by that surge. Our analyst's fair value estimate for Samsung, derived from our discounted cash flow modeling, was 10% above its share price in late December, signaling modest undervaluation despite strong share price gains last year. Since then, his forecast for the company's future earnings growth has risen from an 11% compound annual growth rate to 16% over the next decade, raising his fair value estimate by 95%, incorporating new facts such as the higher starting point of this year's profit surge and indications that voracious demand for memory cannot be satiated soon. Nevertheless, that substantial increase in fair value has not kept pace with the stock's soaring share price, with 96% gains in the quarter and 156% year-to-date.

Meanwhile, year-to-date, the price-to-earnings (P/E) multiple using forward earnings has roughly halved for Samsung, but that apparent cheapening is misleading. Samsung's share price has risen nearly four-fold in the past twelve months; the multiple has only fallen because near-term earnings expectations have risen even faster. For cyclical businesses, as we firmly believe the semiconductor industry remains, snapshot valuation ratios can give the most reassuring signals when profits are closest to their peak. A more comprehensive view, which incorporates not only the near-term surge but also the likely mean reversion of profits in later years, paints a more sober picture of the valuation risk embedded in its stock price.

One tenet of behavioral finance is that investors often become too eager to reduce risk in a position of gain, while becoming too willing to tolerate risk in a position of loss. That disposition effect was understood long before Daniel Kahneman and Amos Tversky named it, with the aphorism of "Cut your losses, run your profits" a bit of well-established traders' arcana in early 19th century London stock market lore.

Resisting the urge to sell winners too early is an under-appreciated discipline. But it is not an absolute rule. It needs to be balanced against valuation, concentration, and other risks. Our recent gradual trimming of several of our IT holdings reflects that balance: a continued appreciation of the companies involved combined with an incremental response to rising stock prices, fuller valuations, and greater concentration risk. Valuation is an imprecise art, but our actions demonstrate that we are relying more on comprehensive valuation work than on the more commonly cited but flawed shorthand of P/E multiples.

In the past six months, we've trimmed our holding in Samsung Electronics three separate times, including, most recently, a trade

Portfolio Positioning (% Weight)

Sector	HL	Index	Relative Weight
Info Technology	18.7	11.6	
Health Care	16.0	9.1	
Industrials	21.5	17.8	
Cash	2.9	–	
Cons Discretionary	7.9	7.6	
Cons Staples	5.6	6.3	
Energy	4.0	5.0	
Real Estate	0.0	1.4	
Comm Services	1.8	3.4	
Materials	5.2	6.9	
Utilities	0.0	3.8	
Financials	16.4	27.1	

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Region	HL	Index	Relative Weight
Europe ex EMU	30.5	25.9	
Emerging Markets	4.3	–	
Cash	2.9	–	
Middle East	0.8	1.0	
Pacific ex Japan	8.0	8.9	
Japan	18.8	20.7	
Canada	8.2	12.1	
Europe EMU	26.5	31.4	

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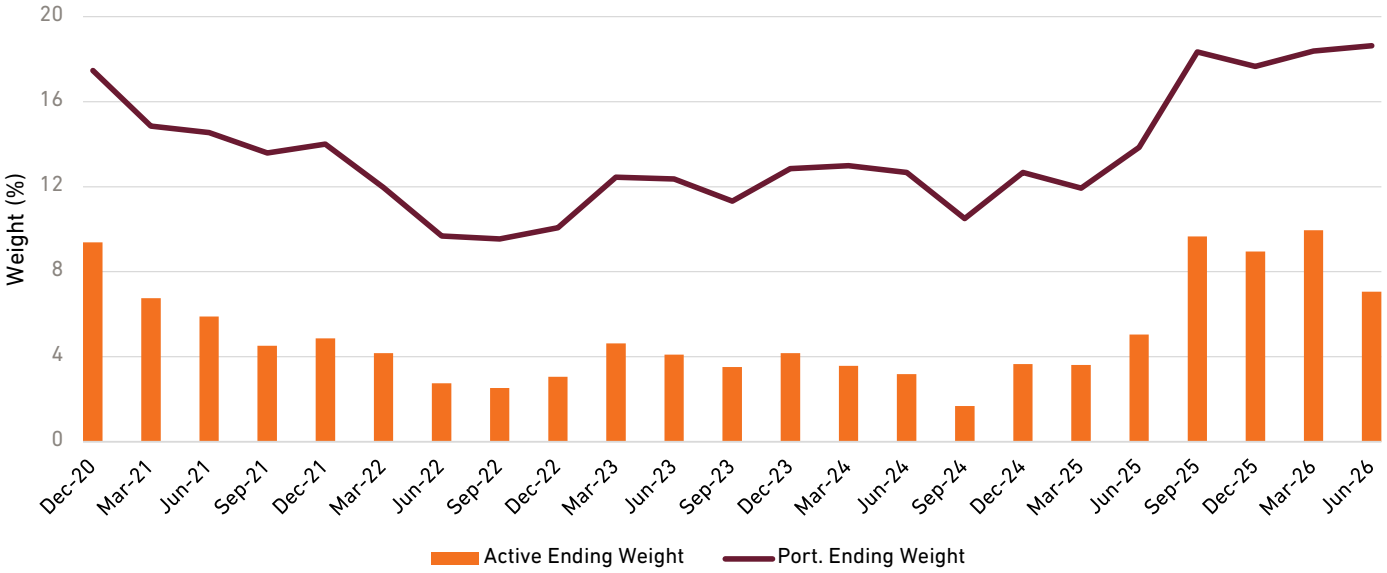
"HL": International Developed Markets Equity model portfolio. "Index": MSCI World ex US Index.

Sector and region allocations are supplemental information only and complement the fully compliant International Developed Markets Equity composite GIPS Presentation. Source: Harding Loevner International Developed Markets 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. Data as of June 30, 2026.

HL International Developed Markets and MSCI World ex US Index: IT Weight



Source: FactSet, MSCI Inc., Harding Loevner. Data as of June 30, 2026.

in early June. We also trimmed TSMC five times, ASML three times, and Lasertec and Disco Corp once. In doing so, we sold 840 basis points of our IT holdings and reduced our overweight, despite buying back a holding in German chipmaker Infineon Technologies. Had we left those positions untouched to "run our profits," our IT weight would have been closer to 30% of the portfolio rather than its current level, exceeding our 25% sector maximum risk guideline. Our consistent trimming of individual holdings meant we never came close to breaching that guideline.

That valuation discipline has changed our portfolio level exposure to the IT sector. At the beginning of the year, over one-sixth of the portfolio's holdings (by weight) were in the IT sector, fully double the index weight. Semiconductor holdings comprised more than half of our IT weight, and despite the hostilities in the Persian Gulf and our reductions of several stocks, by the end of the first quarter our semiconductor holdings alone had increased to 12%, thanks partly to the purchase of Infineon. With share prices of semiconductor and technology hardware companies soaring further in this quarter, continued trimming kept our overall IT weight from going any higher, at over 18%, at quarter-end, while the index weight had swelled from 8 to 12%, thereby cutting our overweight stance by nearly one third.

Some of the proceeds from our sales of IT holdings have been deployed into companies that investors perceive, at least in part, as threatened by AI disruption. Last quarter we discussed the potential for airline reservation software network Amadeus or employment platform Recruit to use AI in their own operations before any new AI-enabled startups can dislodge them from their strong competitive positions. This quarter, we bought a new holding in Spotify, the Sweden-based (but US-listed) music and podcast streaming subscription platform, which we think is another such company.

Spotify is using AI to offer new content discovery features, along with new products that enable users to create their own re-mixes and covers of licensed content for sharing within social groups, while preserving the original artists' rights.

Spotify has a global subscriber base of over 750 million users whom it is already racing to deepen engagement with faster and more profitably than existing competitors or new entrants. Spotify is using AI to offer new content discovery features, along with new products that enable users to create their own re-mixes and covers of licensed content for sharing within social groups, while preserving the original artists' rights. Despite steady user, revenue, and earnings growth, Spotify's share price has sunk along with shares of other software-based businesses, offering a better-valued entry point for investment than any time since the company turned profitable in 2024.

Performance and Attribution

The International Developed Markets Equity composite rose 13.8% gross of fees in the second quarter, compared with a 10.5% gain in the MSCI World ex US Index. Year to date, the composite increased 14.8% gross of fees, versus 9.6% for the index.

Second Quarter 2026 Performance Attribution

International Developed Markets Equity Composite vs. MSCI World ex US Index

Source: Harding Loevner International Developed Markets Equity composite, FactSet, MSCI Inc. Data as of June 30, 2026. 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

Our Industrials holdings, as well as our overweight exposure to the IT sector, contributed to our relative performance. Our Health Care holdings, as well as our overweight in the sector detracted, as did our Financials holdings and our underweight in the sector.

Top contributors to relative performance:

- **IT** stocks were among the largest contributors. Samsung was the biggest contributor, as an 80 to 90% quarter-over-quarter increase in DRAM and NAND prices caused by AI-related demand led to a 43% increase in revenues and nearly tripled quarterly operating profit. Infineon, a leading provider of power management chips used throughout data centers, upgraded its guidance for its financial year.
- In **Industrials**, Japan-based human resources technology company Recruit delivered materially stronger-than-expected results and full year 2026 guidance, due to accelerating AI-driven monetization and operating leverage in HR Tech.

Top detractors from relative performance:

- **Health Care** underperformed the index, and the portfolio's overweight position added to the relative shortfall. Chugai Pharmaceutical declined on the back of weak prescription data for its oral obesity drug even while the company's reported quarterly results were better than expected.
- Shell was the biggest detractor as falling oil prices, resulting from a pause in the conflict in the Middle East, created drag in investor sentiment toward the **Energy** sector.
- In **Financials** AIA Group detracted as investors became concerned that tighter cross-border account opening enforcement by regulators could slow capital flows into Hong Kong and hurt insurance sales.

Relative Returns (%)

Second Quarter 2026

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Samsung Electronics	INFT	3.6	–	1.97
Infineon Technologies	INFT	2.3	0.4	1.23
TSMC	INFT	3.6	–	0.99
Lasertec	INFT	2.7	0.1	0.79
Recruit	INDU	1.6	0.3	0.59

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Shell	ENER	4.1	1.0	-0.94
AIA Group	FINA	3.4	0.4	-0.82
BAE Systems	INDU	2.8	0.3	-0.74
Chugai Pharmaceutical	HLTH	2.5	0.1	-0.68
Shionogi	HLTH	1.5	0.1	-0.55

Trailing 12 Months

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Samsung Electronics	INFT	2.5	–	4.44
TSMC	INFT	3.3	–	2.17
Lasertec	INFT	1.6	0.1	1.59
ASML	INFT	3.6	2.0	1.28
Infineon Technologies	INFT	0.8	0.3	1.25

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Sysmex	HLTH	1.2	<0.1	-1.36
Adyen	FINA	1.4	0.2	-1.21
NICE	INFT	1.0	<0.1	-0.97
Sony	DSCR	2.8	0.7	-0.89
Chugai Pharmaceutical	HLTH	2.8	0.1	-0.88

"HL": International Developed Markets Equity composite. "Index": MSCI World ex US Index.

Portfolio Attribution by Region

Strong stocks in the European Monetary Union (EMU), Canada, and Emerging Markets were slightly offset by poor stocks in Europe ex EMU.

Top contributors to relative performance:

- In the **EMU**, semiconductor companies Infineon in Germany and ASML in the Netherlands contributed positively. Spanish bank BBVA also helped relative returns.
- Returns from **Canada** benefited from Canadian National Railway, which outperformed even as it reported first-quarter results slightly behind consensus. Investors may have already incorporated management guidance for low growth this year and begun considering more rapid growth in subsequent years.
- In **Emerging Markets**, the strong performance of TSMC and Samsung (which are not held in the index) boosted relative returns.

Top detractors from relative performance:

- **Europe ex EMU** was the largest detractor as three UK-based companies–Shell, BAE Systems, and Haleon–weighed on returns. BAE's strong 2026 sales guidance was not enough to overcome the broader sell-off in European defense stocks after the pause of the conflict in the Middle East. Haleon reported slow first-quarter growth after a weaker-than-expected cold and flu season.
- **Japan** detracted, primarily due to Chugai and biopharmaceutical manufacturer Shionogi. Shares of the latter fell as flu- and COVID-related sales remained flat, though the company's HIV and infectious disease drug pipeline should support medium-term growth.

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 Developed Markets 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 attribution and performance of contributors and detractors is gross of fees and expenses. 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

Communication Services	Market	End Wt. (%)
Spotify Digital streaming platform	Sweden	1.8
Consumer Discretionary		
Amadeus Global distribution systems operator	Spain	2.5
Compass Group Contract food services	UK	1.8
Sea Limited E-commerce retailer	Singapore	1.6
Sony Japanese conglomerate	Japan	2.0
Consumer Staples		
Couche-Tard Convenience stores operator	Canada	2.5
L'Oréal Cosmetics manufacturer	France	2.1
Unicharm Consumer products manufacturer	Japan	1.0
Energy		
Shell Oil and gas producer	UK	4.0
Financials		
AIA Group Insurance provider	Hong Kong	2.9
Allianz Financial services and insurance provider	Germany	3.4
BBVA Commercial bank	Spain	3.7
DBS Group Commercial bank	Singapore	2.0
Manulife Financial services and insurance provider	Canada	2.9
SE Banken Commercial bank	Sweden	1.5
Health Care		
AstraZeneca Pharma and biotech manufacturer	UK	1.6
Chugai Pharmaceutical Pharma manufacturer	Japan	2.3
Genmab Oncology drug manufacturer	Denmark	1.3
Haleon Consumer health products manufacturer	UK	2.2
M3 Medical information services	Japan	1.6
Novartis Pharma manufacturer	Switzerland	1.6
Roche Pharma and diagnostic equipment manufacturer	Switzerland	2.6
Shionogi Pharma manufacturer	Japan	1.2
Sonova Hearing aids manufacturer	Switzerland	0.7
Sysmex Clinical laboratory equipment manufacturer	Japan	0.9
Industrials		
Alfa Laval Industrial equipment manufacturer	Sweden	1.8
ASSA ABLOY Security equipment manufacturer	Sweden	1.2
Atlas Copco Industrial equipment manufacturer	Sweden	1.2
BAE Systems Aerospace and defense manufacturer	UK	2.5
Canadian National Railway Railway operator	Canada	2.8
Daifuku Material-handling equipment manufacturer	Japan	1.8
Epiroc Industrial equipment manufacturer	Sweden	1.8

Industrials	Market	End Wt. (%)
Recruit HR technology platform provider	Japan	1.9
Ryanair Airline operator	Ireland	1.6
Safran Aerospace parts manufacturer	France	1.5
Schneider Electric Energy management products	France	1.9
Techtronic Industries Power tools manufacturer	Hong Kong	1.5
Information Technology		
ASML Semiconductor equipment manufacturer	Netherlands	3.9
Dassault Systèmes CAD software developer	France	0.7
Disco Corp Precision tool manufacturer	Japan	1.5
Infineon Technologies Semiconductor manufacturer	Germany	2.9
Keyence Sensor and measurement eqpt. mfr.	Japan	1.7
Lasertec Semiconductor equipment manufacturer	Japan	2.2
NICE Enterprise software developer	Israel	0.8
OBIC Enterprise software and IT services provider	Japan	0.7
Samsung Electronics Electronics manufacturer	South Korea	2.1
TSMC Semiconductor manufacturer	Taiwan	2.2
Materials		
Air Liquide Industrial gases supplier	France	1.4
Rio Tinto Mineral miner and processor	UK	2.8
Symrise Fragrances and flavors manufacturer	Germany	1.0
Real Estate		
No Holdings		
Utilities		
No Holdings		
Cash		2.9

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

Quality and Growth	HL	Index
Profit Margin[1] (%)	13.9	12.3
Return on Assets[1] (%)	9.1	5.3
Return on Equity[1] (%)	17.9	14.8
Debt/Equity Ratio[1] (%)	43.2	73.7
Std. Dev. of 5 Year ROE[1] (%)	4.6	4.3
Sales Growth[1,2] (%)	9.2	8.3
Earnings Growth[1,2] (%)	12.5	13.9
Cash Flow Growth[1,2] (%)	11.2	8.1
Dividend Growth[1,2] (%)	9.3	8.4
Size and Turnover	**HL**	**Index**
Wtd. Median Mkt. Cap. (US $B)	94.3	80.2
Wtd. Avg. Mkt. Cap. (US $B)	198.4	126.9
Turnover[3] (Annual %)	17.3	–

Risk and Valuation	HL	Index
Alpha[2] (%)	-2.02	–
Beta[2]	1.04	–
R-Squared[2]	0.93	–
Active Share[3] (%)	85	–
Standard Deviation[2] (%)	16.44	15.27
Sharpe Ratio[2]	0.26	0.41
Tracking Error[2] (%)	4.4	–
Information Ratio[2]	-0.45	–
Up/Down Capture[2]	98/106	–
Price/Earnings[4]	21.9	19.0
Price/Cash Flow[4]	15.7	11.9
Price/Book[4]	3.6	2.4
Dividend Yield[5] (%)	1.9	2.5

[1]Weighted median. [2]Trailing five years, annualized. [3]Five-year average. [4]Weighted harmonic mean. [5]Weighted mean. Source: (Risk characteristics) Harding Loevner International Developed Markets Equity composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics) Harding Loevner International Developed Markets Equity model based on the underlying holdings, FactSet (Run Date: July 6, 2026) based on the latest available data in FactSet on this date), MSCI Inc.

Completed Portfolio Transactions

Holdings Established	Market	Sector
Spotify	Sweden	COMM

Holdings Sold	Market	Sector
Adyen	Netherlands	FINA

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. Portfolio characteristics are supplemental information only and complement the fully compliant International Developed Markets Equity composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

Composite Performance

as of June 30, 2026

	HL Intl. DM Equity Gross (%)	HL Intl. DM Equity Net (%)	MSCI World ex US[1] (%)	MSCI EAFE[2] (%)	HL Intl. DM Equity 3-yr. Std. Deviation[3] (%)	MSCI World ex US 3-yr. Std. Deviation[3] (%)	MSCI EAFE 3-yr. Std. Deviation[3] (%)	Internal Dispersion[4] (%)	No. of Accounts	Composite Assets ($M)	Firm Assets ($M)
2026 YTD[5]	14.84	14.58	9.57	9.84	13.96	13.10	13.27	N.A.	12	1,489	30,836
2025	23.47	22.91	32.55	31.89	12.43	12.04	11.94	0.7	14	1,925	32,260
2024	2.62	2.12	5.26	4.35	18.08	16.56	16.61	0.5	15	1,518	35,471
2023	17.32	16.76	18.60	18.85	18.04	16.61	16.60	0.5	16	1,115	43,924
2022	-18.58	-19.01	-13.82	-14.01	19.98	20.05	19.95	0.4	17	664	47,607
2021	12.67	12.13	13.17	11.78	15.84	17.16	16.89	0.6	12	878	75,084
2020	23.89	23.26	8.09	8.28	17.19	18.09	17.87	3.2	13	981	74,496
2019	26.77	26.10	23.16	22.66	11.70	10.79	10.80	0.5	7	655	64,306
2018	-11.72	-12.20	-13.64	-13.36	11.51	11.09	11.27	0.4	7	545	49,892
2017	29.48	28.85	24.81	25.62	12.03	11.67	11.85	0.4	7	643	54,003
2016	6.97	6.34	3.29	1.51	12.74	12.36	12.48	N.M.	4	270	38,996

[1]Benchmark index. [2]Supplemental index. [3]Variability of the composite, gross of fees, and the index returns over the preceding 36-month period, annualized. [4]Asset-weighted standard deviation (gross of fees). [5]The 2026 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 Developed Markets Equity Composite contains fully discretionary, fee-paying accounts investing in non-US equity and equity-equivalent securities and cash reserves, and is measured against the MSCI World ex US Total Return Index (Gross) for comparison purposes. 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. As of December 31, 2022, the International Developed Markets Equity Composite benchmark was changed from MSCI EAFE Index to the MSCI World ex US Index for all periods. 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 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.

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 March 31, 2026.

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, 2026. 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 Developed Markets Equity accounts is 1.00% annually of the market value for the first $20 million; 0.50% for the next $80 million; 0.45% for the next $150 million; 0.40% for the next $250 million; above $500 million upon request. Actual investment advisory fees incurred by clients may vary. The management fee schedule and total expense ratio for the International Developed Markets Equity Collective Investment Fund, which is included in the composite, are 0.67% on all assets and 0.72%, respectively. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The International Developed Markets Equity Composite was created on February 28, 2010, and the performance inception date is March 1, 2010.

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