

# Global Developed Markets Equity

Second Quarter 2026 Report



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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 Global Developed Markets Equity (Gross) | 9.07     | 2.81  | 7.22   | 12.82   | 4.81    | 12.38    | 11.50           |
| HL Global Developed Markets Equity (Net)   | 8.98     | 2.62  | 6.80   | 12.41   | 4.42    | 11.94    | 11.07           |
| MSCI World Index                           | 13.90    | 9.94  | 21.81  | 19.74   | 11.97   | 13.69    | 11.80           |
| MSCI All Country World Index               | 15.06    | 11.49 | 24.16  | 20.20   | 11.48   | 13.32    | 11.30           |

Performance returns are of the composite. The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Global Developed Markets Equity composite inception date: September 30, 2013. MSCI World Index, the benchmark index, and MSCI All Country World 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

Supply constraints were a defining feature of the first half of 2026, from the oil shortage sparked by the war in Iran to the scramble for data center equipment by companies competing for AI computing capacity. Both episodes underscored how quickly prices can rise when demand outpaces supply. Gasoline prices spiked following the closure of the Strait of Hormuz, contributing to higher US inflation through May before easing in subsequent weeks. At the same time, AI-related capital spending strained parts of the semiconductor supply chain, leading to sharp price increases for critical components such as memory chips.

Semiconductor supply is especially slow to respond to shortages. Ramping up output requires years of planning and billions of dollars of investment in highly specialized fabrication plants. That's why a shortage of memory chips over the past several months has translated into substantial pricing power for Samsung Electronics, SK hynix, and Micron Technology. In some cases, their profitability has reached levels that would have seemed implausible just a few years ago, prompting rapid upward revisions to sell-side analysts' earnings estimates and gains in the companies' share prices.

Supply constraints have also extended to power-management semiconductors made by companies such as Infineon

Technologies, and, less expectedly, to general-purpose central processing units (CPUs). CPUs were initially viewed as a potential casualty of the AI boom as cloud-computing companies rushed to secure more advanced graphics processing units (GPUs), which can perform thousands of simultaneous calculations needed for AI. It has since become clear, however, that CPUs remain essential—for coordinating AI tasks and for computing infrastructure more broadly.

Market performance reflected a distinction between those companies benefiting from industry shortages and the ones footing the bill. Large cloud-computing providers, known as hyperscalers, have committed extraordinary sums to buy chips, secure electricity, and assemble the myriad other equipment needed to operate AI servers around the clock. Many are outstanding businesses, but eventually they will have to pass on the cost to their customers or accept lower returns on capital for their data center projects. As that reality permeated investors' consciousness, the shares of hyperscalers significantly underperformed in the quarter.

Instead, investors rewarded companies whose earnings growth is more likely to reflect temporary industry scarcity than durable competitive advantages. Even though memory chipmakers,

for example, can be extraordinarily profitable when supply is tight, they have rarely proven to be long-term compounders. Yet investors increasingly expect memory profits to continue rising through 2027 and 2028, a remarkable degree of optimism for an industry whose past cyclical downturns few could stomach.

Is this cycle different, or is it a bubble that soon could deflate? And if it is a bubble, what kind—a stock-market bubble, an earnings bubble, or a capital-investment bubble? These are some of the questions our investment team has been pursuing. 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 analysts cover most of the companies across the AI supply chain, and their work is guided by our framework of analyzing competitive strategy and the five forces that shape an industry's competitive environment. 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.

Part of the investment challenge is that we don't know when semiconductor demand will peak. AI as a technology does not need to fail for the growth expectations embedded in many companies' valuations to fall short. A shift in the chip cycle only requires a modest change in conditions: customers digesting earlier purchases, data center projects getting delayed, or the return on incremental capital becoming hazier.

• *Investors rewarded companies whose earnings growth is more likely to reflect temporary industry scarcity than durable competitive advantages.*

There are other reasons to be cautious. While the largest cloud-computing providers have typically funded growth through internally generated cash flows, increasingly they've turned to debt, equity offerings, and other more convoluted financing structures. That is not necessarily cause for alarm—many worthwhile infrastructure projects have relied on outside capital.

## Market Snapshot

- IT in developed markets soared 34%, its best quarter since 1999, despite significantly weak software and services stocks, which comprise about a fifth of the sector.
- Except for Alphabet, hyperscalers lagged as investors weighed the ramifications of extraordinary capital spending.
- Energy gave back some first-quarter gains as the US and Iran limped toward a resolution that reopened the Strait of Hormuz.
- Chipmakers AMD, Intel, and Micron lifted the US market.
- Pacific ex Japan underperformed, particularly Hong Kong, where life insurer AIA Group was weighed down by concerns over stricter Chinese regulations aimed at keeping capital within China.

## Index Performance (USD %)

MSCI World Index

| Sector                 | 2Q 2026 | Trailing 12 Months |
|------------------------|---------|--------------------|
| Communication Services | 7.2     | 16.0               |
| Consumer Discretionary | 8.9     | 6.3                |
| Consumer Staples       | 2.1     | 5.9                |
| Energy                 | -13.1   | 29.8               |
| Financials             | 12.3    | 15.5               |
| Health Care            | 6.9     | 16.6               |
| Industrials            | 12.3    | 22.7               |
| Information Technology | 33.7    | 38.6               |
| Materials              | 1.4     | 25.2               |
| Real Estate            | 5.8     | 7.7                |
| Utilities              | 0.3     | 18.1               |

| Region           | 2Q 2026 | Trailing 12 Months |
|------------------|---------|--------------------|
| Canada           | 6.2     | 27.7               |
| Europe EMU       | 14.6    | 20.7               |
| 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               |
| United States    | 15.3    | 21.9               |
| MSCI World Index | 13.9    | 21.8               |

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

But it does change the risk profile, as even economically sound projects can be derailed by a shift in financing conditions or investor sentiment.

Additional constraints are emerging around land, power, water, permitting, and electrical infrastructure. Delays in any of these areas could challenge the growth assumptions currently embedded in parts of the market. And there's the risk of double ordering. When customers fear they won't receive adequate supply, they tend to place orders with multiple vendors, effectively reserving more capacity than is needed. This can create the appearance of stronger demand than actually exists.

• *Rather than trying to forecast the precise trajectory of AI spending, we are focused on identifying companies poised to benefit across a wide range of outcomes.*

So how are we positioning the portfolio given these risks? Rather than trying to forecast the precise trajectory of AI spending, we are focused on identifying companies poised to benefit across a wide range of outcomes—companies with high barriers to entry, differentiated products, strong bargaining power, attractive industry structures, and customers for whom their products are mission critical.

For example, our assessment of competitive advantage places NVIDIA, TSMC, and ASML above most other semiconductor-related

businesses. NVIDIA's CUDA software platform, which enhances the performance and usability of its GPUs, remains the de facto standard for AI computing, and the company continues to innovate at an extraordinary pace. TSMC's leadership in cutting-edge semiconductor manufacturing has yet to be challenged. ASML occupies a critical position in leading-edge semiconductor production as the monopoly provider of extreme ultraviolet (EUV) lithography equipment. Each has durable advantages that extend beyond the temporary benefits of industry scarcity.

Among electrical suppliers, Amphenol and nVent Electric are examples of businesses whose competitive positions should allow them to convert demand into attractive long-term returns on capital.

We have also maintained exposure to software companies, with a portfolio weight that's roughly in line with the MSCI All Country World Index. These holdings have hurt our relative performance as investors worry AI will reduce pricing power, slow user growth, and reshape industry competition. However, the market appears to be overstating the long-term effects of AI on some established software players. The ones we own—including Adobe, Microsoft, and SAP—provide critical services that would be costly and disruptive for customers to replace, and they are likely to retain far more of their long-term value than current valuations imply.

For now, markets seem to be rewarding scarcity of the wrong kind: short-lived bottlenecks in cyclical industries. History shows that the more valuable form of scarcity is businesses with durable competitive advantages and the ability to compound earnings growth long after today's shortages abate.

## Portfolio in Focus

After several years of a relative drought in initial public offerings (IPOs), SpaceX made its June 12 market debut in what was the largest IPO of all time. The offering drew extraordinary attention, setting the stage for other prominent private companies moving toward public listings, such as Anthropic and OpenAI.

The market's fascination with SpaceX is understandable. Led by Elon Musk, the company has reshaped the economics of going to space, built a formidable satellite-communications network through its Starlink subsidiary, and captured a level of public imagination that few businesses achieve. But IPOs shouldn't be evaluated based on spectacle, scarcity, or the outsized visibility of a company's founder.

While Harding Loevner has participated in IPOs in the past and may do so again, our bar to do so is high. We assess companies for their business quality—by studying their competitive advantages, financial strength, management stewardship, and governance—as well as valuation. SpaceX's space-related achievements aside, the company falls short in some of those areas.

For example, its existing businesses are exceptionally capital intensive, and its plans to invest in adjacent areas such as AI frontier models and data infrastructure will require significant additional capital. Even bullish revenue forecasts from sell-side research firms assume massively negative free cash flow. That

means that, even after raising a record amount of capital, the company is likely to remain dependent on external financing to fund growth. That's the opposite of a high-quality company, which can fund its own growth and withstand adverse market conditions without relying on investors' continued goodwill.

With a market capitalization of roughly \$2 trillion, SpaceX is valued at more than 50 times consensus estimated sales for this year, while the average sales multiple for US equities is closer to 3.

SpaceX's governance practices are another concern. Its dual share-class structure already limits the ability of minority shareholders to hold management accountable. That limitation is amplified by a quirk of SpaceX's corporate provisions that gives Musk the immediate ability to vote shares he hasn't yet earned that are tied to distant goals such as establishing a colony on Mars. A web of related-party dealings between SpaceX and Musk's other businesses—including Tesla, xAI, and X (formerly Twitter)—also raises questions about whether capital, assets, and managerial attention are being allocated in the best interests of each company's shareholders.

### Portfolio Positioning (% Weight)

| Sector             | HL   | Index | Relative Weight |
|--------------------|------|-------|-----------------|
| Industrials        | 19.5 | 11.6  |                 |
| Comm Services      | 12.6 | 8.1   |                 |
| Health Care        | 12.3 | 9.1   |                 |
| Cash               | 3.0  | —     |                 |
| Cons Discretionary | 9.5  | 8.9   |                 |
| Energy             | 2.5  | 3.6   |                 |
| Real Estate        | 0.0  | 1.7   |                 |
| Utilities          | 0.9  | 2.6   |                 |
| Materials          | 0.0  | 3.3   |                 |
| Financials         | 12.2 | 15.9  |                 |
| Cons Staples       | 1.2  | 5.0   |                 |
| Info Technology    | 26.3 | 30.2  |                 |

| Region           | HL   | Index | Relative Weight |
|------------------|------|-------|-----------------|
| Emerging Markets | 4.7  | —     |                 |
| Europe ex EMU    | 11.7 | 7.2   |                 |
| Europe EMU       | 12.0 | 8.9   |                 |
| Cash             | 3.0  | —     |                 |
| Japan            | 6.1  | 5.7   |                 |
| Middle East      | 0.0  | 0.3   |                 |
| Pacific ex Japan | 1.6  | 2.5   |                 |
| Canada           | 1.2  | 3.3   |                 |
| US               | 59.7 | 72.1  |                 |

"HL": Global Developed Markets Equity model portfolio. "Index": MSCI World Index.

Sector and region allocations are supplemental information only and complement the fully compliant Global Developed Markets Equity composite GIPS Presentation. Source: Harding Loevner Global 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.

Finally, valuation matters, even when precision is impossible. With a market capitalization of roughly \$2 trillion, SpaceX is valued at more than 50 times consensus estimated sales for this year, while the average sales multiple for US equities is closer to 3. Justifying that valuation requires heroic assumptions about market size, margins, capital intensity, and the terminal value of the business. Management's goals for the company are certainly extraordinary, but our investment process requires evidence of strong stewardship and financial resilience, and a valuation that leaves room for error.

Aside from SpaceX's specific risks, there are three reasons to be cautious about IPOs in general. The first is the inherent information asymmetry. Determining whether a company is high quality and can sustain profitable growth requires observing how its business performs and management behaves over time. Some of this insight comes from public disclosures. But private companies, regardless of size, are not subject to the same disclosure requirements as publicly traded ones, and minority investors in newly listed companies have less insight into how management will communicate, allocate capital, and treat shareholders. In the lead-up to an IPO, investors have the chance to hear directly from management and review detailed offering documents that lay out the company's strategy and industry dynamics. While those may be informative, they are designed to tell the story that management and its bankers want investors to hear.

Second, IPO activity in an industry usually picks up when the conditions are especially favorable. Investment banks are skilled

at supplying what the market wants, and popular themes can attract capital before the economics of individual businesses are fully tested. Sometimes the founder becomes part of the investment narrative; however, history offers many reminders that admired entrepreneurs and bold business plans do not necessarily lead to attractive investment returns. Elon Musk's prior successes at other ventures may have helped banks pitch the stock, but those successes aren't a reliable guide to outcomes at SpaceX.

• *Investment banks are skilled at supplying*  
• *what the market wants, and popular themes*  
• *can attract capital before the economics of*  
• *individual businesses are fully tested.*

Third, the most coveted offerings are usually oversubscribed, leaving investors with only small allocations. When a large allocation is readily available, it's often an indication that the opportunity is less attractive.

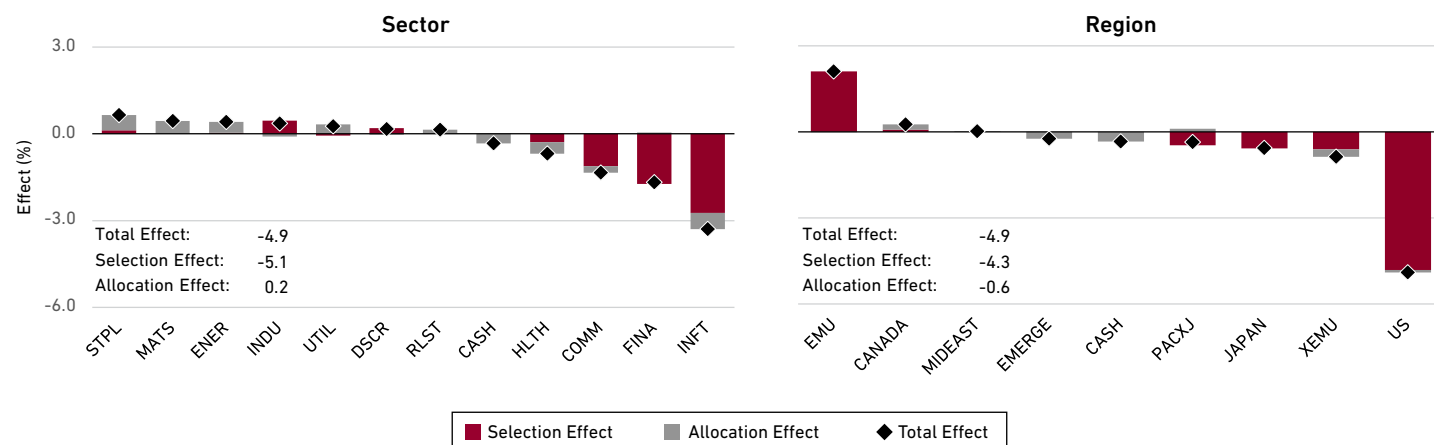
Newly listed companies can sometimes illuminate industries and the potential for competitive change, and so we often study them even if we didn't participate in their IPOs. Looking ahead, we remain open to participating in future offerings should the companies meet our standards and their valuations compensate investors for the IPO risks outlined above, as well as their business risks.

# Performance and Attribution

The Global Developed Markets Equity composite rose 9.1% gross of fees in the second quarter, compared with a 13.9% gain in the MSCI World Index. Year to date, the composite increased 2.8% gross of fees, versus 9.9% for the index.

## Second Quarter 2026 Performance Attribution

Global Developed Markets Equity Composite vs. MSCI World Index



Source: Harding Loevner Global 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

IT was the primary source of underperformance in the quarter. Even with a number of strong IT holdings, stock selection within the sector was still poor, largely due to the portfolio's limited exposure to the most cyclical parts of the semiconductor industry.

### Top contributors to relative performance:

- In **IT**, power semiconductor manufacturer Infineon benefited from strong AI-related demand as well as a cyclical recovery in its automotive end markets. The German company significantly raised its revenue and margin projections for the year, with revenue from AI data centers on track to more than double.
- **Industrials** holding nVent, a power equipment and thermal management supplier, reported 34% organic sales growth, amid particularly strong demand from customers building data centers.
- The portfolio's underweights in **Consumer Staples** and **Energy**, and lack of holdings in **Materials**, proved helpful, as market returns remained narrowly concentrated in tech companies.

### Top detractors from relative performance:

- The semiconductor boom greatly benefited chipmakers the portfolio doesn't hold, including AMD, Intel, and Micron. all of which posted triple-digit gains.
- Beyond chips, **IT services** holding Accenture reported a disappointing 3% drop in new bookings year over year, a leading indicator of future revenue, lending credence to concern that AI is hurting its consulting business.
- In **Financials**, Tradeweb declined as market volatility subsided following the initial fallout from the conflict in Iran, leading to lower trading volume on its platform.
- In **Communication Services**, streaming giant Netflix reported solid growth but left its full-year outlook unchanged, suggesting growth could moderate in the second half and reinforcing investors' concerns related to market saturation and competition from YouTube.

## Relative Returns (%)

### Second Quarter 2026

| Largest Contributors  | Sector | Avg. Weight |       | Effect |
|-----------------------|--------|-------------|-------|--------|
|                       |        | HL          | Index |        |
| Infineon Technologies | INFT   | 1.5         | 0.1   | 0.87   |
| ASML                  | INFT   | 3.0         | 0.7   | 0.76   |
| Amphenol              | INFT   | 2.1         | 0.2   | 0.46   |
| Schneider Electric    | INDU   | 3.4         | 0.2   | 0.38   |
| nVent Electric        | INDU   | 1.4         | –     | 0.35   |

| Largest Detractors      | Sector | Avg. Weight |       | Effect |
|-------------------------|--------|-------------|-------|--------|
|                         |        | HL          | Index |        |
| Micron Technology*      | INFT   | –           | 0.9   | -1.07  |
| Netflix                 | COMM   | 2.7         | 0.4   | -1.06  |
| Advanced Micro Devices* | INFT   | –           | 0.8   | -0.70  |
| Accenture               | INFT   | 1.2         | 0.1   | -0.68  |
| Tradeweb                | FINA   | 1.8         | <0.1  | -0.60  |

\*HL\*: Global Developed Markets Equity composite. \*Index\*: MSCI World Index.

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

### Trailing 12 Months

| Largest Contributors  | Sector | Avg. Weight |       | Effect |
|-----------------------|--------|-------------|-------|--------|
|                       |        | HL          | Index |        |
| ASML                  | INFT   | 2.8         | 0.6   | 1.90   |
| Alphabet              | COMM   | 4.6         | 3.8   | 0.98   |
| Amphenol              | INFT   | 1.9         | 0.2   | 0.79   |
| Fabrinet              | INFT   | 0.8         | <0.1  | 0.78   |
| Infineon Technologies | INFT   | 0.5         | 0.1   | 0.74   |

| Largest Detractors | Sector | Avg. Weight |       | Effect |
|--------------------|--------|-------------|-------|--------|
|                    |        | HL          | Index |        |
| Netflix            | COMM   | 3.2         | 0.5   | -2.48  |
| Micron Technology* | INFT   | –           | 0.5   | -1.39  |
| Accenture          | INFT   | 1.6         | 0.2   | -1.38  |
| Tradeweb           | FINA   | 1.9         | <0.1  | -1.35  |
| Adobe              | INFT   | 1.4         | 0.2   | -1.26  |

## Portfolio Attribution by Region

Poor stock selection in the US, a result of the IT headwinds discussed above, was partially offset by strong holdings in the European Monetary Union (EMU).

### Top contributors to relative performance:

- In the **EMU**, Infineon, ASML, and Schneider Electric were positive contributors. Netherlands-based ASML raised revenue guidance as semiconductor manufacturers increased spending on lithography machines to expand capacity and meet rising demand for chips.
- Schneider Electric, a French manufacturer of energy-management and automation equipment, posted 11% year-over-year quarterly sales growth amid robust demand for products to support data centers and electric grids.
- An underweight in **Canada** was helpful, as the oil-exporting country lagged the index amid falling energy prices. At the same time, Couche-Tard, the world's largest operator of convenience stores and gas stations, posted 20% quarterly revenue growth year over year and nearly doubled earnings, as volatility in fuel markets created opportunities for the company to leverage its scale in fuel procurement and pricing.

### Top detractors from relative performance:

- Within the **US**, Adobe was a detractor. Alongside its most recent financial results, the software maker lowered its outlook for annual recurring organic revenue from 10% to 8% and announced the departure of its chief financial officer, shortly after its CEO stepped down. The combination of slower growth and management turnover added to investor concerns about AI disrupting its business.
- In **Japan**, media and electronics conglomerate Sony faced rising prices for memory chips, a key component of its gaming consoles and image sensors, which may hurt its profit margins.

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 Global 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. (%) |
|---------------------------------|--------------------------------------------------|-------------|-------------|
| <b>Alphabet</b>                 | Internet products and services                   | US          | 4.4         |
| <b>Meta Platforms</b>           | Virtual reality and social network               | US          | 2.8         |
| <b>Netflix</b>                  | Entertainment provider                           | US          | 2.2         |
| <b>Spotify</b>                  | Digital streaming platform                       | Sweden      | 1.9         |
| <b>Tencent</b>                  | Internet and IT services                         | China       | 1.3         |
| Consumer Discretionary          |                                                  |             |             |
| <b>Amazon.com</b>               | E-commerce retailer                              | US          | 4.1         |
| <b>Booking Holdings</b>         | Online travel services                           | US          | 1.5         |
| <b>Compass Group</b>            | Contract food services                           | UK          | 1.8         |
| <b>Sony</b>                     | Japanese conglomerate                            | Japan       | 2.1         |
| Consumer Staples                |                                                  |             |             |
| <b>Couche-Tard</b>              | Convenience stores operator                      | Canada      | 1.2         |
| Energy                          |                                                  |             |             |
| <b>Shell</b>                    | Oil and gas producer                             | UK          | 1.1         |
| <b>SLB</b>                      | Oilfield services                                | US          | 1.4         |
| Financials                      |                                                  |             |             |
| <b>AIA Group</b>                | Insurance provider                               | Hong Kong   | 1.7         |
| <b>HDFC Bank</b>                | Commercial bank                                  | India       | 0.6         |
| <b>JPMorgan Chase</b>           | Commercial and investment bank                   | US          | 1.2         |
| <b>Progressive</b>              | Insurance provider                               | US          | 1.9         |
| <b>RGA</b>                      | Reinsurance provider                             | US          | 2.5         |
| <b>Sony Financial</b>           | Insurance and financial services                 | Japan       | 0.8         |
| <b>Tradeweb</b>                 | Electronic financial trading services            | US          | 1.6         |
| <b>Visa</b>                     | Global payment services                          | US          | 1.9         |
| Health Care                     |                                                  |             |             |
| <b>AbbVie</b>                   | Biopharmaceutical manufacturer                   | US          | 1.5         |
| <b>AstraZeneca</b>              | Pharma and biotech manufacturer                  | UK          | 1.2         |
| <b>Chugai Pharmaceutical</b>    | Pharma manufacturer                              | Japan       | 0.9         |
| <b>Danaher</b>                  | Diversified science and tech. products and svcs. | US          | 1.0         |
| <b>Elevance Health</b>          | Insurance provider                               | US          | 1.4         |
| <b>Haleon</b>                   | Consumer health products manufacturer            | UK          | 1.4         |
| <b>Johnson &amp; Johnson</b>    | Pharma and medical device mfr.                   | US          | 1.9         |
| <b>Roche</b>                    | Pharma and diagnostic equipment manufacturer     | Switzerland | 1.1         |
| <b>Thermo Fisher Scientific</b> | Health care products & svcs.                     | US          | 1.8         |
| Industrials                     |                                                  |             |             |
| <b>Ametek</b>                   | Electronic instruments manufacturer              | US          | 1.3         |
| <b>Atkore</b>                   | Electrical conduit manufacturer                  | US          | 0.8         |
| <b>Diploma</b>                  | Specialized technical services                   | UK          | 1.2         |
| <b>Epiroc</b>                   | Industrial equipment manufacturer                | Sweden      | 1.0         |
| <b>Equifax</b>                  | Credit bureau                                    | US          | 0.9         |
| <b>HEICO</b>                    | Aerospace parts manufacturer                     | US          | 1.5         |
| Industrials                     |                                                  | Market      | End Wt. (%) |
| <b>Honeywell Aerospace</b>      | Aerospace technology mfr.                        | US          | 0.7*        |
| <b>Honeywell Technologies</b>   | Industrial technology provider                   | US          | 0.7         |
| <b>John Deere</b>               | Industrial equipment manufacturer                | US          | 1.3         |
| <b>Kubota</b>                   | Industrial and consumer equipment mfr.           | Japan       | 1.0         |
| <b>Northrop Grumman</b>         | Aerospace and defense mfr.                       | US          | 0.7         |
| <b>nVent Electric</b>           | Electrical components mfr.                       | US          | 1.5         |
| <b>Ryanair</b>                  | Airline operator                                 | Ireland     | 1.7         |
| <b>Safran</b>                   | Aerospace parts manufacturer                     | France      | 1.2         |
| <b>Schneider Electric</b>       | Energy management products                       | France      | 3.1         |
| <b>SGS</b>                      | Quality assurance services                       | Switzerland | 0.9         |
| Information Technology          |                                                  |             |             |
| <b>Accenture</b>                | Professional services consultant                 | US          | 0.9         |
| <b>Adobe</b>                    | Software developer                               | US          | 1.1         |
| <b>Amphenol</b>                 | Electrical components and connectors supplier    | US          | 2.5         |
| <b>Apple</b>                    | Consumer electronics and software developer      | US          | 2.1         |
| <b>ASML</b>                     | Semiconductor equipment manufacturer             | Netherlands | 3.4         |
| <b>Broadcom</b>                 | Semiconductor manufacturer                       | US          | 2.0         |
| <b>Infineon Technologies</b>    | Semiconductor manufacturer                       | Germany     | 1.8         |
| <b>Keyence</b>                  | Sensor and measurement eqpt. mfr.                | Japan       | 1.4         |
| <b>Microsoft</b>                | Consumer electronics & software developer        | US          | 3.0         |
| <b>NVIDIA</b>                   | Semiconductor chip designer                      | US          | 4.6         |
| <b>SAP</b>                      | Enterprise software developer                    | Germany     | 0.9         |
| <b>TSMC</b>                     | Semiconductor manufacturer                       | Taiwan      | 2.7         |
| Materials                       |                                                  |             |             |
| <b>No Holdings</b>              |                                                  |             |             |
| Real Estate                     |                                                  |             |             |
| <b>No Holdings</b>              |                                                  |             |             |
| Utilities                       |                                                  |             |             |
| <b>NextEra Energy</b>           | Electric utility and energy provider             | US          | 0.9         |
| <b>Cash</b>                     |                                                  |             | 3.0         |

\* Honeywell Aerospace shares were received as a spin-off from Honeywell Technologies on June 29, 2026.

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

## Portfolio Characteristics

| Quality and Growth                       | HL    | Index  | Risk and Valuation                  | HL     | Index |
|------------------------------------------|-------|--------|-------------------------------------|--------|-------|
| Profit Margin <sup>1</sup> (%)           | 18.5  | 17.4   | Alpha <sup>2</sup> (%)              | -6.96  | –     |
| Return on Assets <sup>1</sup> (%)        | 11.3  | 9.6    | Beta <sup>2</sup>                   | 1.07   | –     |
| Return on Equity <sup>1</sup> (%)        | 25.4  | 22.1   | R-Squared <sup>2</sup>              | 0.91   | –     |
| Debt/Equity Ratio <sup>1</sup> (%)       | 47.0  | 65.6   | Active Share <sup>3</sup> (%)       | 78     | –     |
| Std. Dev. of 5 Year ROE <sup>1</sup> (%) | 6.2   | 6.5    | Standard Deviation <sup>2</sup> (%) | 16.87  | 15.08 |
| Sales Growth <sup>1,2</sup> (%)          | 12.9  | 11.8   | Sharpe Ratio <sup>2</sup>           | 0.07   | 0.55  |
| Earnings Growth <sup>1,2</sup> (%)       | 18.4  | 17.9   | Tracking Error <sup>2</sup> (%)     | 5.2    | –     |
| Cash Flow Growth <sup>1,2</sup> (%)      | 14.8  | 12.7   | Information Ratio <sup>2</sup>      | -1.39  | –     |
| Dividend Growth <sup>1,2</sup> (%)       | 11.5  | 8.8    | Up/Down Capture <sup>2</sup>        | 87/116 | –     |
| Size and Turnover                        | HL    | Index  | Price/Earnings <sup>4</sup>         | 24.4   | 24.5  |
| Wtd. Median Mkt. Cap. (US \$B)           | 188.2 | 216.9  | Price/Cash Flow <sup>4</sup>        | 17.8   | 17.4  |
| Wtd. Avg. Mkt. Cap. (US \$B)             | 990.1 | 1043.9 | Price/Book <sup>4</sup>             | 4.5    | 4.0   |
| Turnover <sup>3</sup> (Annual %)         | 27.5  | –      | Dividend Yield <sup>5</sup> (%)     | 1.2    | 1.5   |

<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 Global Developed Markets Equity composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics) Harding Loevner Global 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 | Holdings Sold          | Market    | Sector |
|----------------------|--------|--------|------------------------|-----------|--------|
| Apple                | US     | INFT   | CME Group              | US        | FINA   |
| JPMorgan Chase       | US     | FINA   | DBS Group              | Singapore | FINA   |
| Kubota               | Japan  | INDU   | Fabrinet               | US        | INFT   |
| NextEra Energy       | US     | UTIL   | Genmab                 | Denmark   | HLTH   |
| Spotify              | Sweden | COMM   | The Trade Desk         | US        | COMM   |
| TSMC                 | Taiwan | INFT   | Vertex Pharmaceuticals | US        | HLTH   |

Honeywell Aerospace shares were received as a spin-off from Honeywell Technologies on June 29, 2026.

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 Global 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 Global<br>DM Gross<br>(%) | HL Global<br>DM Net<br>(%) | MSCI<br>World <sup>1</sup><br>(%) | MSCI<br>ACWI <sup>2</sup><br>(%) | HL Global DM<br>3-yr. Std.<br>Deviation <sup>3</sup><br>(%) | MSCI World<br>3-yr. Std.<br>Deviation <sup>3</sup><br>(%) | MSCI ACWI<br>3-yr. Std.<br>Deviation <sup>3</sup><br>(%) | Internal<br>Dispersion <sup>4</sup><br>(%) | No. of<br>Accounts | Composite<br>Assets<br>(\$M) | Firm<br>Assets<br>(\$M) |
|-----------------------|------------------------------|----------------------------|-----------------------------------|----------------------------------|-------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|--------------------------------------------|--------------------|------------------------------|-------------------------|
| 2026 YTD <sup>5</sup> | 2.81                         | 2.62                       | 9.94                              | 11.49                            | 12.50                                                       | 12.31                                                     | 12.49                                                    | N.A.                                       | 4                  | 913                          | 30,836                  |
| 2025                  | 12.64                        | 12.18                      | 21.60                             | 22.87                            | 11.88                                                       | 11.35                                                     | 11.18                                                    | N.M.                                       | 4                  | 920                          | 32,260                  |
| 2024                  | 15.17                        | 14.79                      | 19.19                             | 18.02                            | 19.18                                                       | 16.65                                                     | 16.21                                                    | N.M.                                       | 5                  | 2,054                        | 35,471                  |
| 2023                  | 25.38                        | 24.92                      | 24.42                             | 22.81                            | 19.68                                                       | 16.75                                                     | 16.27                                                    | N.M.                                       | 5                  | 2,296                        | 43,924                  |
| 2022                  | -29.39                       | -29.68                     | -17.73                            | -17.96                           | 22.08                                                       | 20.43                                                     | 19.86                                                    | N.M.                                       | 5                  | 1,838                        | 47,607                  |
| 2021                  | 22.44                        | 21.97                      | 22.35                             | 19.04                            | 16.38                                                       | 17.05                                                     | 16.83                                                    | N.M.                                       | 5                  | 3,251                        | 75,084                  |
| 2020                  | 35.09                        | 34.55                      | 16.50                             | 16.82                            | 17.94                                                       | 18.26                                                     | 18.12                                                    | N.M.                                       | 5                  | 3,140                        | 74,496                  |
| 2019                  | 30.60                        | 30.07                      | 28.40                             | 27.30                            | 12.28                                                       | 11.13                                                     | 11.21                                                    | N.M.                                       | 5                  | 2,431                        | 64,306                  |
| 2018                  | -8.79                        | -9.16                      | -8.20                             | -8.93                            | 11.53                                                       | 10.39                                                     | 10.48                                                    | N.M.                                       | 4                  | 1,688                        | 49,892                  |
| 2017                  | 30.93                        | 30.41                      | 23.07                             | 24.62                            | 10.66                                                       | 10.24                                                     | 10.37                                                    | 1.1                                        | 7                  | 3,933                        | 54,003                  |
| 2016                  | 7.59                         | 7.14                       | 8.15                              | 8.48                             | 10.91                                                       | 10.94                                                     | 11.07                                                    | 0.6                                        | 7                  | 3,092                        | 38,996                  |

<sup>1</sup>Benchmark index. <sup>2</sup>Supplemental index. <sup>3</sup>Variability of the composite, gross of fees, and the index returns over the preceding 36-month period, annualized. <sup>4</sup>Asset-weighted standard deviation (gross of fees). <sup>5</sup>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. +Less than 36 months of return data.

The Global Developed Markets Equity composite contains fully discretionary, fee-paying accounts investing in US and non-US equity and equity-equivalent securities and cash reserves, and is measured against the MSCI World 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. 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 Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The index consists of 23 developed market countries. The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The index consists of 47 developed and emerging 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 Global Developed Markets Equity composite has had a performance examination for the periods October 1, 2013 through March 31, 2026. The verification and performance examination reports 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.

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Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. 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 Global 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 annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The Global Developed Markets Equity composite was created on September 30, 2013 and the performance inception date is October 1, 2013.

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