

Performance (% Total Return)

Periods ended October 31, 2021 ¹	1 Month	YTD	Since Inception ^{2,3}
HL Chinese Equity (Gross)	1.09	-10.02	-10.02
HL Chinese Equity (Net)	1.01	-10.74	-10.74
MSCI China All Shares Index ^{3,4}	2.78	-8.06	-8.06

Portfolio Positioning (% Weight)

Sector	HL CE	MSCI CAS	Under / Over
Industrials	19.8	9.3	10.5
Health Care	15.6	8.5	7.1
Info Technology	13.6	9.6	4.0
Cash	2.5	–	2.5
Cons Discretionary	23.4	23.3	0.1
Utilities	1.7	2.5	-0.8
Comm Services	10.7	11.6	-0.9
Real Estate	1.8	3.2	-1.4
Energy	0.0	1.6	-1.6
Cons Staples	5.8	9.1	-3.3
Materials	0.0	6.2	-6.2
Financials	5.1	15.1	-10.0

Investment Perspectives

Market

Chinese markets initially rebounded from this summer's heavy losses as sentiment improved before faltering late in October as many quarterly earnings results were below expectations. Concerns over the slowing economy continued as weaker industrial production and property investments contributed to a drop in GDP growth to 4.9% in Q3 from 7.9% in Q2. Even as fears over the default of Evergrande have generally subsided—senior officials such as Vice Premier Liu He and PBOC Governor Yi Gang have assured investors that risks are under control—property-development and related industries again came under pressure from government plans to expand a pilot property tax program to more cities.

Portfolio

While concerns about rising inflation have hurt investor confidence in consumer stocks broadly, our portfolio holdings possess leading brands with the ability to offset higher costs through price increases and product innovation. One example is **Yili**, China's largest dairy producer, which has expanded its offerings from lower-margin liquid milk to yogurt and ice cream and, increasingly, to even higher value-added products such as cheese and infant milk formula (IMF). Yili's innovation and product mix upgrades have helped maintain relatively stable margins. In addition, the company has proposed acquiring Ausnutria (an IMF producer listed in Hong Kong) at an attractive valuation. If completed, this acquisition should boost earnings and provide Yili increased access to dairy sources in Australia and New Zealand, strengthening its competitive advantage.

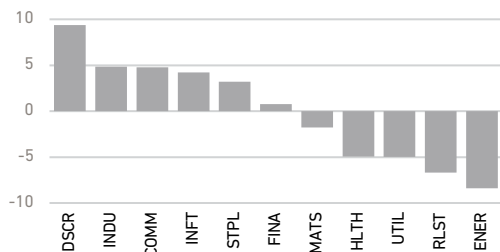
Ten Largest Holdings

Company	Market	Sector
Tencent	Mainland China	Comm Services
WuXi Biologics	Mainland China	Health Care
Alibaba	Mainland China	Cons Discretionary
China Tourism Group Duty Free	Mainland China	Cons Discretionary
Techtronic Industries	Hong Kong	Industrials
WuXi AppTec	Mainland China	Health Care
Silergy	Taiwan	Info Technology
AirTAC	Taiwan	Industrials
Sunny Optical	Mainland China	Info Technology
AIA Group	Hong Kong	Financials

Geography	HL CE	MSCI CAS	Under / Over
Other Emerging Markets	7.4	–	7.4
Cash	2.5	–	2.5
Mainland China + Hong Kong	90.1	100.0	-9.9

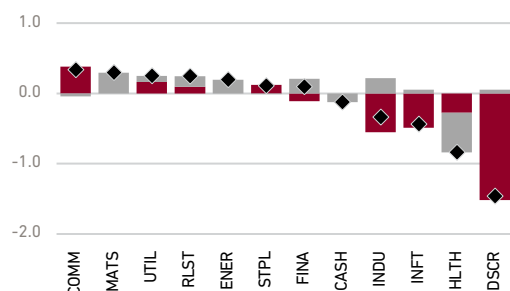
Benchmark Performance | Oct.

Total Return by Sector (%)



Performance Attribution | Oct.

Effect (%)	Selection	Allocation	Total
Sector	-2.2	0.5	-1.7



- Consumer Discretionary holdings detracted the most. Our underweight in automobiles & components was the largest drag as EV stocks soared. Sportswear company **ANTA Sports** also underperformed as its inventory grew and the outlook weakened for its key brand, FILA.
- Health Care detracted as contract research organizations (CRO) companies **WuXi Biologics**, **WuXi AppTec**, and **Tigermid** gave back some of their strong YTD gains.
- Strong stock selection in Communication Services helped. **NetEase** rebounded as its newly launched games continued to gain in popularity. **Baidu** recovered as the impact of new regulation was less than was feared.

Top Five Contributors/Detractors (%) | Oct.

to Relative Returns

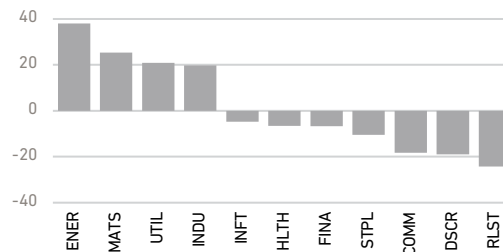
Contributors	Market	Sector	Index Weight	Effect
Silergy	Taiwan	INFT	-	0.29
NetEase	Mainland China	COMM	0.8	0.26
Shanghai International Airport	Mainland China	INDU	<0.1	0.21
Yili	Mainland China	STPL	0.2	0.14
China Construction Bank*	Mainland China	FINA	1.6	0.13
Detractors				
WuXi AppTec	Mainland China	HLTH	0.6	-0.47
WuXi Biologics	Mainland China	HLTH	1.3	-0.39
ANTA Sports	Mainland China	DSCR	0.5	-0.39
Sangfor	Mainland China	INFT	0.1	-0.33
Contemporary Amperex Technology*	Mainland China	INDU	1.3	-0.26

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

Index weight is the average weight of the security in the index over the MTD and YTD periods. Please read the disclosures on the last page, which are an integral part of this presentation.

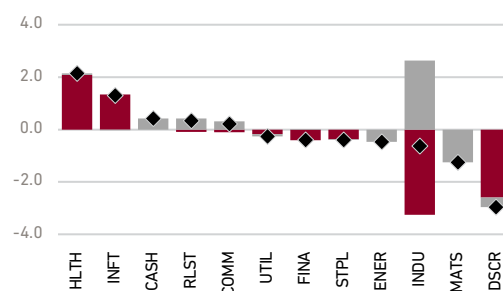
Benchmark Performance | YTD

Total Return by Sector (%)



Performance Attribution | YTD

Effect (%)	Selection	Allocation	Total
Sector	-3.6	1.7	-1.9



- In Consumer Discretionary, home-appliance companies **Midea Group** and **Gree Electric Appliances** and home-furnishing manufacturer Suofeiya (no longer owned) were weak on fears of a slowdown in the property market.
- Relative returns in Health Care were buoyed by our CRO holdings. Shares of specialized manufacturers in Information Technology, such as **Sunny Optical** and **Silergy**, also rose.
- Our lack of holdings in Materials and Energy hurt relative performance, as both sectors have outperformed with rising commodity prices.

Top Five Contributors/Detractors (%) | YTD

to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
Silergy	Taiwan	INFT	-	1.64
Techtronic Industries	Hong Kong	INDU	-	1.44
Pinduoduo*	Mainland China	DSCR	1.1	0.60
Ping An Insurance	Mainland China	FINA	2.1	0.49
TAL Education Group*	Mainland China	DSCR	0.3	0.49
Detractors				
Alibaba	Mainland China	DSCR	8.6	-1.75
Tencent	Mainland China	COMM	9.1	-1.12
Autohome	Mainland China	COMM	0.1	-1.02
New Oriental	Mainland China	DSCR	0.3	-0.87
SF Holding	Mainland China	INDU	0.3	-0.75

Endnotes

(1) The October 2021 Composite performance shown is preliminary (2) Inception date: December 31, 2020 (3) The benchmark index (4) Gross of withholding taxes.

Sources

Benchmark Performance: FactSet; MSCI Inc. and S&P.

Sector Attribution: FactSet; Harding Loevner Chinese Equity Composite; MSCI Inc. and S&P.

Sector/Geographic Positioning and Ten Largest Holdings: FactSet; Harding Loevner Chinese Equity Model; MSCI Inc. and S&P.

Disclosures

Past performance does not guarantee future results. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients.

For comparison purposes the Composite return is measured against the MSCI China All Shares Total Return Index (Gross). Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner has been independently verified for the period November 1, 1989 through June 30, 2021. 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. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the Chinese Equity Composite, please contact Harding Loevner at (908) 218-7900 or visit www.hardingloevner.com. The firm maintains a complete list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds, which are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The MSCI China All Shares Index is a free float-adjusted market capitalization index that is designed to measure large and mid-cap China share classes listed in Hong Kong, Shanghai, Shenzhen, and outside of China. You cannot invest directly in this index.

Companies held in the portfolio during the month appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings may not be current. They should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the securities identified has been or will be profitable. The portfolio holdings identified above do not represent all of the securities held in the portfolio. To request a complete list of holdings for the past year, please contact Harding Loevner. The following information is available upon request: (1) information describing the methodology of the contribution data and (2) a list showing the weight and relative contribution to return of all holdings during the month.

Portfolio holdings, portfolio attribution, contributors and detractors, and sector/geographic portfolio positioning are supplemental information only and complement a fully compliant Chinese Equity Composite GIPS Presentation, which is available upon request. The Composite and Attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is obtained from Harding Loevner's accounting system and Attribution returns are obtained from the FactSet portfolio analysis system. Please note returns from FactSet are not audited for GIPS compliance and are for reference only.

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