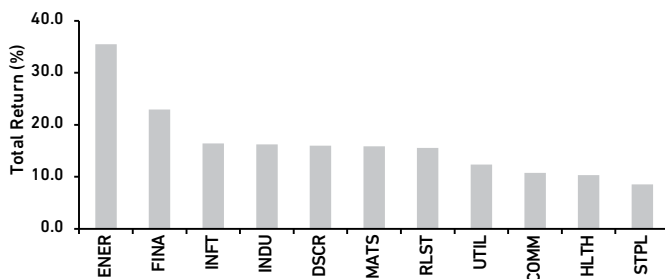


Overshadowed by election coverage and excitement over vaccine breakthroughs, the postponed IPO of China's Ant Group was news investors could be grappling with for some time. Ant, a spinoff of e-commerce giant **Alibaba**, in a challenge to state domination of China's banking system, rose to prominence by making digital payments, loans, insurance, and investments accessible to hundreds of millions of Chinese via their smart phones. Ant's IPO, which had been forecast to be the world's biggest ever, was called off just days before the planned listing, following the Chinese government's publication of prospective online lending guidelines that could require Ant to hold substantially more capital. Disturbingly, it was unclear whether the move reflected regulators' prudential concerns about the stability of the financial system and levels of consumer debt, or if it was designed to put outspoken Alibaba founder Jack Ma in his place. The listing delay caused Alibaba's share price to drop 8%, nearly the entire value of its 33% Ant stake.

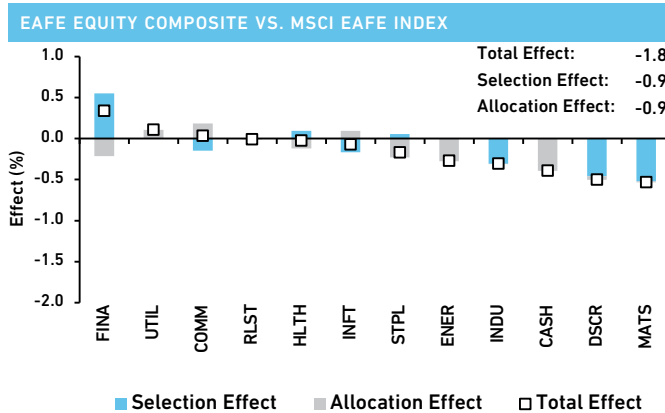
While the Chinese market has been rising, many have become complacent about its political risks. Disruptive businesses like Alibaba and Ant are capitalizing on market opportunities previously overlooked by incumbents and thus by regulators. However, in a system like China's—where policies can shift on a dime—their position is never entirely secure. That said, Alibaba's most recent earnings report showed its core e-commerce business and explosively growing cloud-computing segment remain exceptionally strong.

**PERFORMANCE (% TOTAL RETURN) FOR THE PERIODS ENDED NOVEMBER 30, 2020<sup>1</sup>**

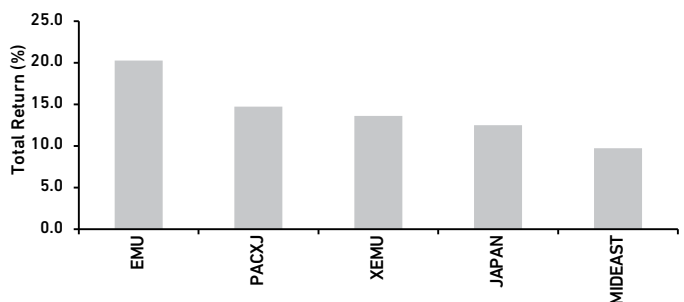
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL EAFE EQUITY (GROSS OF FEES)	13.71	16.71	21.07	9.83	12.10	9.62	10.33
HL EAFE EQUITY (NET OF FEES)	13.70	16.12	20.45	9.25	11.51	9.00	9.70
MSCI EAFE INDEX <sup>4,5</sup>	15.51	3.45	6.83	3.76	6.70	6.34	6.40

**BENCHMARK PERFORMANCE BY SECTOR – NOVEMBER**


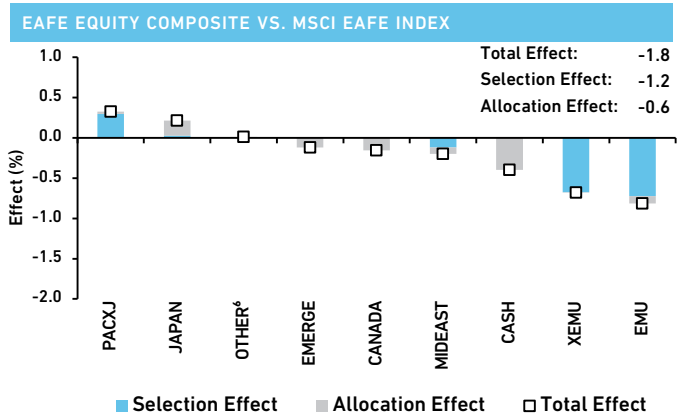
- Energy and Financials (banking stocks in particular) were the best-performing sectors as the market looked ahead to a speedy resumption of normal travel and spending patterns.
- Consumer Staples stocks lagged as the market preferred stocks of more cyclically exposed businesses.

**PERFORMANCE ATTRIBUTION BY SECTOR – NOVEMBER**


- Financials contributed to portfolio performance due to strong gains in German-based **Allianz** and Spanish-based **BBVA**.
- Stock selection was weak in Materials. **Symrise**, a German supplier of flavors and fragrances, trailed the returns of more cyclically exposed parts of the sector.

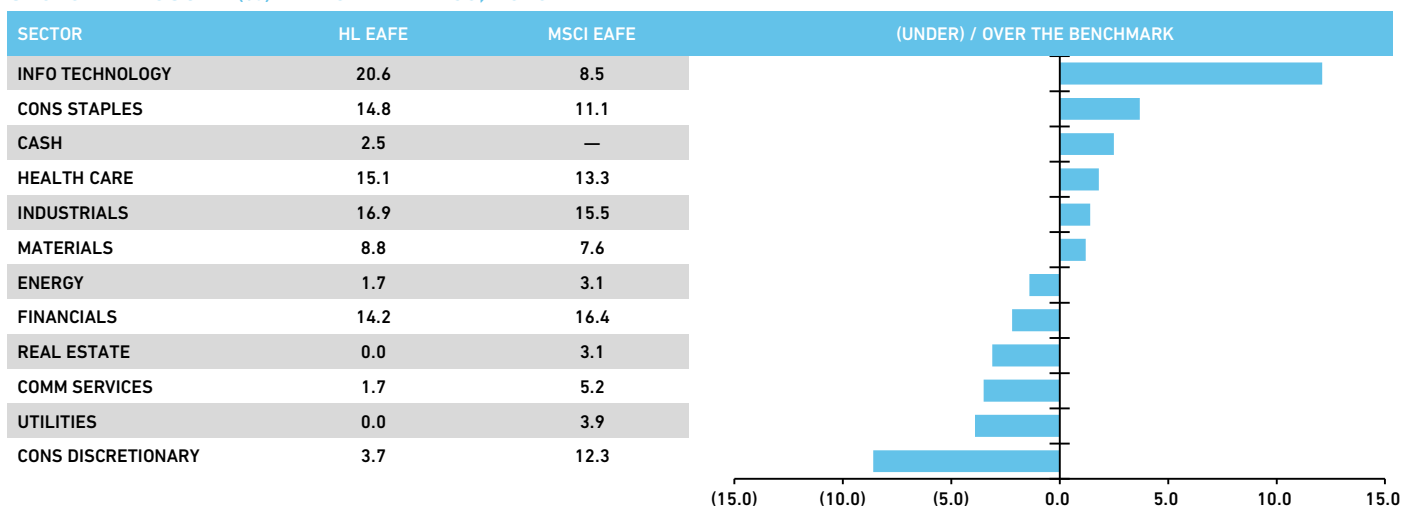
**BENCHMARK PERFORMANCE BY GEOGRAPHY – NOVEMBER**


- With the exception of the Middle East, all regions posted positive double-digit returns, as clinical trial results for COVID-19 vaccines suggested that a semblance of normalcy could be reached by mid-2021.
- The eurozone led as its COVID-19 cases appeared to peak after lockdowns were imposed.

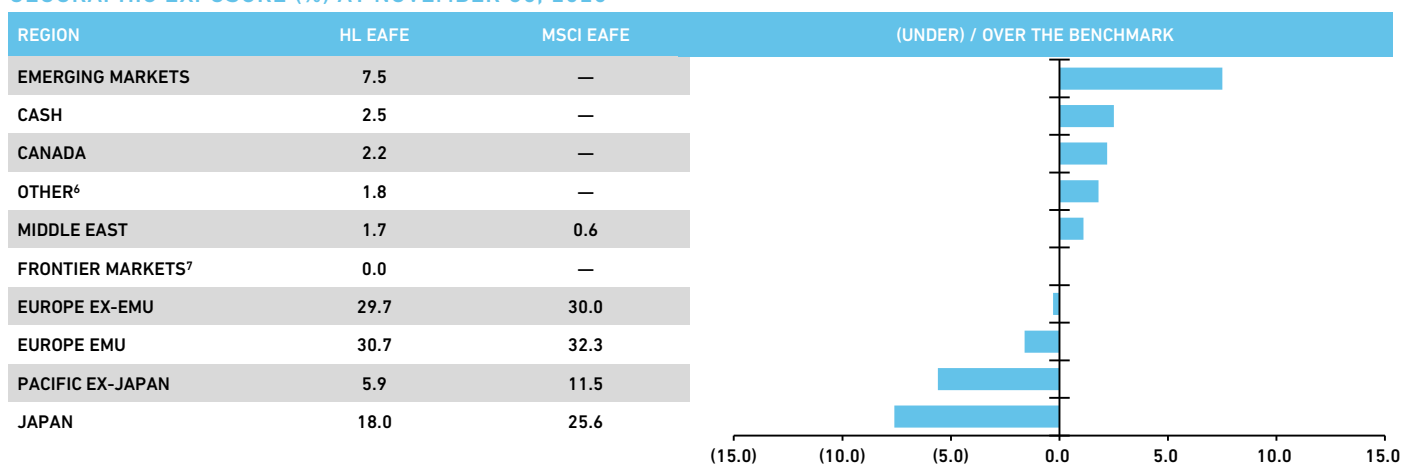
**PERFORMANCE ATTRIBUTION BY GEOGRAPHY – NOVEMBER**


- Stock selection was positive in Pacific ex-Japan, led in part by Singapore's **DBS Group** and Hong Kong's **AIA Group**, which won regulatory approval to start business in China's Sichuan province.
- Stock selection was weak in Europe inside the eurozone, as our French holdings **L'Oréal** and engineering software producer **Dassault Systèmes** are less likely to see a larger immediate boost from an economic upturn.

## SECTOR EXPOSURE (%) AT NOVEMBER 30, 2020



## GEOGRAPHIC EXPOSURE (%) AT NOVEMBER 30, 2020



## ENDNOTES

(1) The November 2020 Composite performance shown is preliminary (2) Annualized returns (3) Inception date: February 28, 2010 (4) The Benchmark Index (5) Gross of withholding taxes (6) Includes companies classified in the United States (7) Includes countries with less-developed markets outside the Index.

## SOURCES

Benchmark Performance: FactSet; MSCI Inc. and S&P.  
Sector/Geographic Attribution: FactSet; Harding Loevner EAFE Equity Composite; MSCI Inc. and S&P.  
Sector/Geographic Exposure: FactSet; Harding Loevner EAFE Equity Model; MSCI Inc. and S&P.

## DISCLOSURES

For comparison purposes the Composite return is measured against MSCI EAFE 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®). 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 has been independently verified for the period November 1, 1989 through June 30, 2020. 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 EAFE Equity Composite has been examined for the periods March 1, 2010 through June 30, 2020. The verification and performance examination reports are available upon request. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the EAFE Equity Composite, please contact Harding Loevner at (908) 218-7900 or visit [www.hardingloevner.com](http://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.

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 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. To request a complete list of holdings for the past year, please contact Harding Loevner.

Portfolio holdings, portfolio attribution, and sector/geographic allocations are supplemental information only and complement a fully compliant EAFE 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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