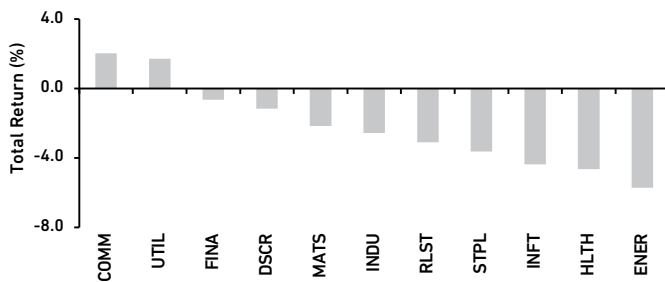


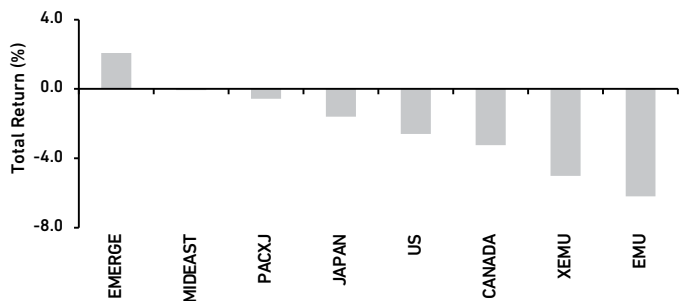
The 184-year-old French electrical equipment manufacturer **Schneider Electric** is almost a completely different company than it was 20 years ago, having acquired and built a portfolio of globally competitive businesses centered around easy-to-connect energy management and industrial control devices and integrated software. Diversifying its customer base away from heavy manufacturing and utilities, it now provides digital solutions for efficiency and sustainability to end uses spanning factory floors, commercial and residential buildings, data centers, and EV charging stations. A fall in capital spending since the start of the pandemic has unsurprisingly lowered Schneider's full-year earnings expectations. Longer-term uncertainty around commercial real estate has also emerged as a potential headwind for its sizeable smart office business. However, Schneider is a far more resilient business than it was at this last turn of the century, well prepared to meet customers' needs to monitor facilities remotely and build energy efficient cloud computing. If most high-quality industrial companies are sometimes colloquially referred to as "GDP-plus" companies, able to grow slightly faster than their economies as a whole, today's Schneider, with a steady high rate of cash flow return on investment, would appear to be a GDP-plus-plus.

**PERFORMANCE (% TOTAL RETURN) FOR THE PERIODS ENDED OCTOBER 31, 2020<sup>1</sup>**

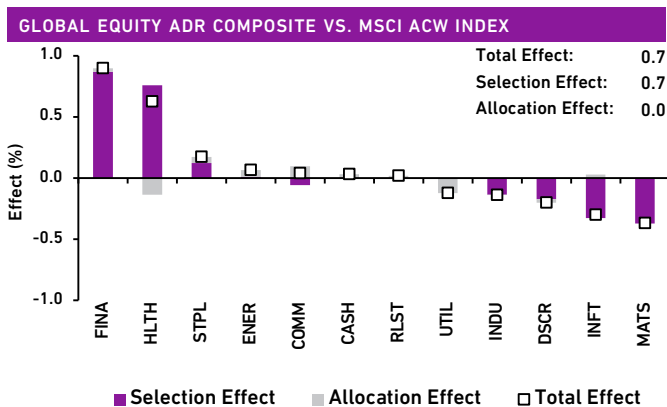
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL GLOBAL EQUITY ADR (GROSS OF FEES)	-1.69	12.49	19.73	10.81	12.51	10.77	9.72
HL GLOBAL EQUITY ADR (NET OF FEES)	-1.86	11.60	18.78	9.90	11.60	9.88	8.83
MSCI ALL COUNTRY WORLD INDEX <sup>4,5</sup>	-2.41	-0.68	5.42	6.07	8.69	8.47	7.08
MSCI WORLD INDEX <sup>5,6</sup>	-3.04	-0.98	4.91	6.54	8.72	9.24	7.15

**BENCHMARK PERFORMANCE BY SECTOR – OCTOBER**


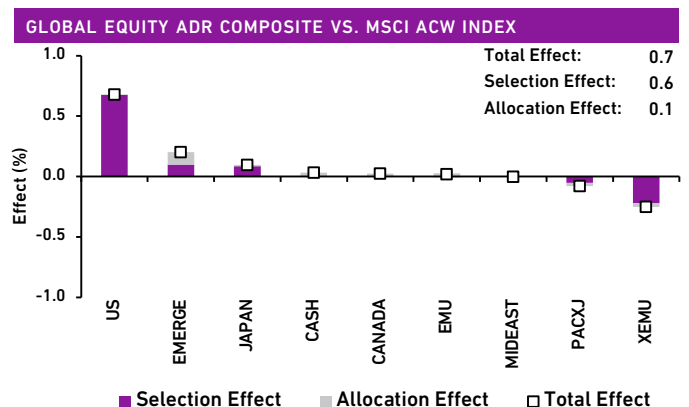
- Energy and Health Care were the month's weakest sectors. Oil prices continued to soften as another wave of COVID-19 infections rose in Europe and the US. Pharmaceutical companies were hurt by expectations of a US political shift towards Democrats, who historically have favored greater drug price regulation.
- Communication Services led the way on the upside, again paced by COVID-19 winners e-commerce and social media companies.

**BENCHMARK PERFORMANCE BY GEOGRAPHY – OCTOBER**


- Plans for new lockdowns in Germany, France, Italy, and elsewhere weighed on the economic outlook and stock markets across Europe.
- Emerging Markets were the bright spot in October, with Asian markets lifted by momentum of the many e-commerce and social media companies in the region.

**PERFORMANCE ATTRIBUTION BY SECTOR – OCTOBER**


- Financials was our best-performing sector, driven mostly by US banks **First Republic Bank** and **SVB Financial Group**, both of which reported robust loan and deposit growth along with stable credit costs.
- Fragrances and flavors maker **Symrise** contributed to underperformance in the Materials sector as it experienced slower organic sales growth in its beverage and sweets segments.

**PERFORMANCE ATTRIBUTION BY GEOGRAPHY – OCTOBER**


- Tencent** helped lead our Emerging Markets holdings higher. The Information Technology services company rose on optimism about its payment business as the valuation of its rival Ant Financial soared before its IPO was scuttled by regulators just after the month's end.
- Vertex Pharmaceuticals** hurt our holdings in the US. The company ended development of a formerly promising treatment for a rare liver disease following poor results in Phase II trials.

## SECTOR EXPOSURE (%) AT OCTOBER 31, 2020

SECTOR	HL GLOBAL ADR	MSCI ACWI	(UNDER) / OVER THE BENCHMARK
HEALTH CARE	19.1	12.3	7.8
COMM SERVICES	12.2	9.7	2.5
INDUSTRIALS	12.0	9.6	2.4
FINANCIALS	15.0	12.7	2.3
CASH	1.7	—	1.7
MATERIALS	4.8	4.8	0.0
INFO TECHNOLOGY	19.8	21.2	-1.4
ENERGY	1.1	2.8	-1.7
REAL ESTATE	0.0	2.7	-2.7
CONS DISCRETIONARY	9.9	13.1	-3.2
UTILITIES	0.0	3.2	-3.2
CONS STAPLES	4.4	7.9	-3.5

## GEOGRAPHIC EXPOSURE (%) AT OCTOBER 31, 2020

REGION	HL GLOBAL ADR	MSCI ACWI	(UNDER) / OVER THE BENCHMARK
EMERGING MARKETS	15.5	13.0	2.5
CASH	1.7	—	1.7
EUROPE EX-EMU	9.3	7.8	1.5
US	59.2	58.1	1.1
FRONTIER MARKETS <sup>7</sup>	0.0	—	0.0
MIDDLE EAST	0.0	0.2	-0.2
EUROPE EMU	7.1	8.2	-1.1
JAPAN	5.8	6.9	-1.1
PACIFIC EX-JAPAN	1.4	3.1	-1.7
CANADA	0.0	2.7	-2.7

## ENDNOTES

(1) The October 2020 Composite performance shown is preliminary (2) Annualized returns (3) Inception date: November 30, 1989 corresponds to that of the linked Global Equity Composite (4) The Benchmark Index (5) Gross of withholding taxes (6) Supplemental Index (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 Global Equity ADR Composite; MSCI Inc. and S&P.

Sector/Geographic Exposure: FactSet; Harding Loevner Global Equity ADR Model; MSCI Inc. and S&P.

## DISCLOSURES

The Global Equity ADR Composite contains fully discretionary, dual contract, fee-paying accounts that may also pay a wrap fee to their custodian investing in US and non-US equity and equity-equivalent securities and cash reserves. The Composite was re-defined in March 2018 to allow for the inclusion of dual contract wrap portfolios. Securities are held in Depository Receipt (DR) form, including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), or are otherwise traded on US exchanges. For comparison purposes the Composite return is measured against the MSCI All Country World Total Return Index. From 2001 (when the net index first became available) through December 30, 2012, the index return is presented net of foreign withholding taxes. Beginning December 31, 2012, Harding Loevner LP presents the gross version of the index to conform the benchmark's treatment of dividend withholding with that of the Composite. Harding Loevner is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS<sup>®</sup>) and has been independently verified for the period November 1, 1989 through June 30, 2020. Verification assesses whether (1) the firm has complied with all composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policy and procedures are designed to calculate and present performance in compliance with GIPS standards. The Global Equity ADR Composite has been examined for the periods December 1, 1989 through June 30, 2020; 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 Global Equity ADR Composite, please contact Harding Loevner at 908-218-7900 or visit [www.hardingloevner.com](http://www.hardingloevner.com). The firm maintains a complete list and description of composites, which is available upon request.

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 49 developed and emerging market countries. 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. You cannot invest directly in these Indices.

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 Global Equity ADR 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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