

Global Developed Markets Equity



Monthly Update | April 2023

Performance (% Total Return)

Periods ended April 30, 2023 ¹	1 Month	YTD	1 Year	3 Years ²	5 Years ²	Since Inception ^{2,3}
HL Global Developed Markets Equity (Gross)	1.20	8.65	-0.82	10.10	8.27	10.51
HL Global Developed Markets Equity (Net)	1.10	8.45	-1.21	9.67	7.84	10.06
MSCI World Index ^{4,5}	1.80	9.82	3.72	13.64	8.69	9.06
MSCI All Country World Index ^{5,6}	1.48	9.04	2.59	12.56	7.56	8.33

Portfolio Positioning (% Weight)

Sector	HL GDM	MSCI World	Under / Over
Health Care	21.8	13.6	8.2
Industrials	18.1	10.6	7.5
Cash	3.9	—	3.9
Comm Services	10.6	7.0	3.6
Info Technology	23.9	22.3	1.6
Real Estate	0.1	2.5	-2.4
Cons Staples	4.9	7.8	-2.9
Utilities	0.0	3.0	-3.0
Energy	1.7	5.1	-3.4
Materials	0.5	4.3	-3.8
Financials	8.9	13.2	-4.3
Cons Discretionary	5.6	10.6	-5.0

Geography	HL GDM	MSCI World	Under / Over
Cash	3.9	—	3.9
Europe EMU	13.4	9.8	3.6
Europe ex EMU	13.1	9.5	3.6
Emerging Markets	3.5	—	3.5
Frontier Markets ⁷	0.0	—	0.0
Middle East	0.0	0.2	-0.2
Pacific ex Japan	3.2	3.4	-0.2
Japan	3.5	6.1	-2.6
Canada	0.0	3.3	-3.3
United States	59.4	67.7	-8.3

Investment Perspectives

Market

Markets gained as investors turned their focus to resilient economic data and better-than-expected quarterly earnings reports, led by large tech-related companies such as **Meta Platforms** and **Microsoft**. By sector, Energy rose thanks to OPEC+ production cuts, while evidence of pricing power boosted Consumer Staples stocks. Concerns about demand hit automotive stocks, dragging down the Consumer Discretionary sector. By region, Europe led the way while negative returns in most major Asian countries pulled emerging markets lower. Disappointing factory activity in China offset increased consumer demand following the removal of pandemic restrictions.

Portfolio

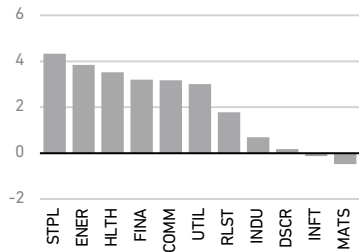
Open AI launched its artificial intelligence chat bot ChatGPT in late 2022, sparking both excitement and trepidation about the impact of AI on our lives, as well as on the competitive positioning and growth prospects of companies. Chipmakers, such as **NVIDIA**, expect rising demand for their products to power evermore complex systems. Microsoft highlighted that the AI arms race is boosting use of its Azure cloud computing infrastructure and management hopes its recently launched AI-powered Bing search engine can capture share from Google. AI is also creating challenges. **Adobe** faces more competition in content creation from new AI-based text-to-image applications such as Dall-E and Stable Diffusion. Adobe unveiled its own AI image generator, Adobe Firefly, and aims to differentiate itself from rivals by only using licensed content from its stock image portfolio to safeguard against potential copyright violations that plague other AI tools.

Ten Largest Holdings

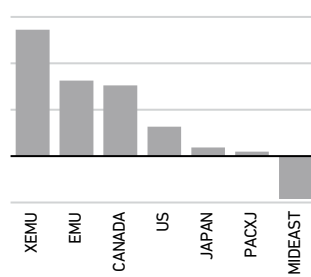
Company	Market	Sector
Schneider Electric	France	Industrials
Vertex Pharmaceuticals	US	Health Care
Alphabet	US	Comm Services
Meta Platforms	US	Comm Services
John Deere	US	Industrials
Microsoft	US	Info Technology
Amazon.com	US	Cons Discretionary
UnitedHealth Group	US	Health Care
CME Group	US	Financials
Rockwell Automation	US	Industrials

Benchmark Performance | Apr.

Total Return by Sector (%)

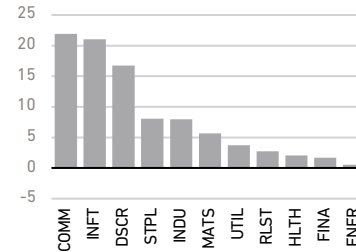


Total Return by Geography (%)

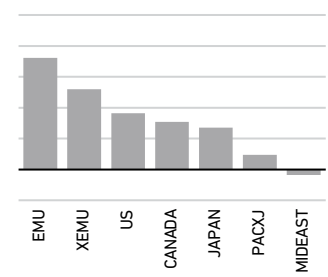


Benchmark Performance | YTD

Total Return by Sector (%)

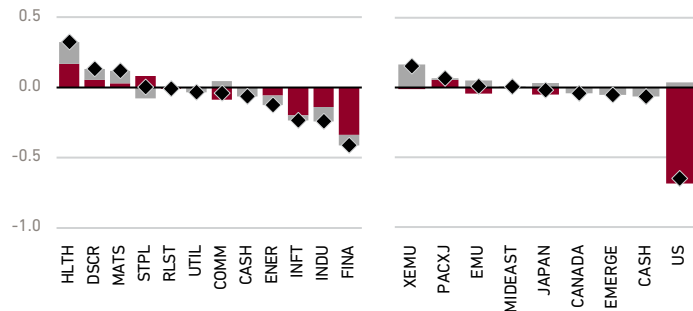


Total Return by Geography (%)



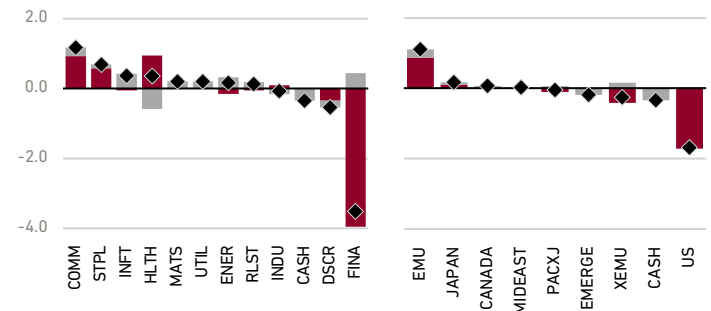
Performance Attribution | Apr.

	Effect (%)	Selection	Allocation	Total
Sector	-0.5	-0.1	-0.6	-0.6
Geography	-0.7	0.1	-0.6	-0.6



Performance Attribution | YTD

	Effect (%)	Selection	Allocation	Total
Sector	-2.0	0.8	-1.2	-1.2
Geography	-1.3	0.1	-1.2	-1.2



- Performance was weak in Financials. Fixed income marketplace **Tradeweb** reported lower-than-expected revenue despite rapid volume growth as the business mix shifted to lower-fee, investment-grade bonds.
- US stock selection suffered. Agricultural equipment manufacturer **John Deere** declined on concerns that falling agriculture commodity prices would weaken demand for its products.
- Health Care was a bright spot. Among our holdings, shares in Danish biotechnology company **Genmab** rose as it announced it would be collaborating with Dutch peer argenx to develop new cancer and immunology drugs.

- Exposure to **SVB Financial Group** and **First Republic Bank** was the largest detractor. SVB was placed into receivership in mid-March following accelerated deposit withdrawals. We sold First Republic, but not before its shares fell drastically in the wake of SVB's collapse.
- The portfolio's eurozone holdings outperformed. **L'Oréal** delivered strong sales growth despite challenging macroeconomic conditions in much of the world. **Schneider Electric** reported strong quarterly results and issued 2023 projections that exceeded expectations, driven by strong demand for energy-management products and improving supply-chain fluidity.
- Growth stocks returned to favor—the MSCI World Growth Index outperformed the MSCI World Index by over 400 basis points.

Top Five Contributors/Detractors (%) | Apr. to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
Abcam	UK	HLTH	—	0.24
Tesla*	US	DSCR	0.9	0.23
Vertex Pharmaceuticals	US	HLTH	0.2	0.22
Meta Platforms	US	COMM	0.9	0.21
Intuitive Surgical	US	HLTH	0.2	0.18
Detractors				
John Deere	US	INDU	0.2	-0.32
Pinterest	US	COMM	<0.1	-0.23
Illumina	US	HLTH	0.1	-0.20
Tradeweb	US	FINA	<0.1	-0.18
ASML	Netherlands	INFT	0.5	-0.13

Top Five Contributors/Detractors (%) | YTD to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
Meta Platforms	US	COMM	0.8	1.00
Schneider Electric	France	INDU	0.2	0.56
L'Oréal	France	STPL	0.2	0.44
Align Technology	US	HLTH	<0.1	0.36
Salesforce	US	INFT	0.3	0.28
Detractors				
First Republic Bank	US	FINA	<0.1	-2.38
SVB Financial Group	US	FINA	<0.1	-1.81
John Deere	US	INDU	0.2	-0.74
Apple	US	INFT	4.6	-0.63
Schlumberger	US	ENER	0.1	-0.33

*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.

Endnotes

(1) The April 2023 Composite performance shown is preliminary (2) Annualized returns
(3) Inception date: September 30, 2013 (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 Developed Markets Equity Composite; MSCI Inc. and S&P.

Sector/Geographic Positioning and Ten Largest Holdings: FactSet; Harding Loevner Global Developed Markets 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 World 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 December 31, 2022. 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 December 31, 2022. 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 Global Developed Markets Equity Composite, please contact Harding Loevner at (908) 218-7900 or invest@hlmn.net. 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. As of October 1, 2022, the World Equity Composite was renamed Global Developed Markets Equity Composite.

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.

Companies held in the portfolio at the end of 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 Global Developed Markets Equity Composite GIPS Presentation, which is available upon request. Performance of contributors and detractors is net of fees, which is calculated by taking the difference between net and gross composite performance for the Global Developed Markets Equity Strategy prorated by asset weight in the portfolio and subtracted from each security's return. 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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