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Inflation, rising interest rates, and geopolitical tensions weighed on global small-cap stocks for much of 2022; however, investors turned more sanguine about the economy in the fourth quarter, sparking an end-of-year rally.

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When a company's manufacturing process and products are supported by proprietary intellectual property—which is the case for our sensor-technology companies Vaisala, TOMRA, and LEM—it's easier to keep competition at bay and sustain profitable growth in times of macroeconomic stress.

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Composite Performance

Total Return (%) — Periods Ended December 31, 2022¹

| | 3 Months | 1 Year | 3 Years ² | Since Inception ^{2,3} |
|---|----------|--------|----------------------|--------------------------------|
| HL Global Small Companies Equity (Gross of Fees) | 11.44 | -21.46 | 4.53 | 10.59 |
| HL Global Small Companies Equity (Net of Fees) | 11.21 | -22.14 | 3.60 | 9.61 |
| MSCI All Country World Small Cap Index ^{4,5} | 10.57 | -18.27 | 3.62 | 8.64 |

¹The Composite performance returns shown are preliminary; ²Annualized Returns; ³Inception Date: December 31, 2018; ⁴The benchmark index; ⁵Gross 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 footnotes on the last page of this report. All performance and data shown are in US dollar terms, unless otherwise noted.

Portfolio Positioning (% Weight)

| Sector | HL GSC | ACWI SC | Under / Over |
|--------------------|--------|---------|--------------|
| Info Technology | 16.2 | 11.5 | 4.7 |
| Cons Staples | 9.4 | 5.0 | 4.4 |
| Financials | 17.8 | 13.8 | 4.0 |
| Cash | 3.9 | — | 3.9 |
| Comm Services | 6.2 | 3.0 | 3.2 |
| Health Care | 12.4 | 10.5 | 1.9 |
| Industrials | 19.8 | 19.0 | 0.8 |
| Energy | 2.7 | 4.7 | -2.0 |
| Utilities | 0.6 | 3.2 | -2.6 |
| Cons Discretionary | 9.1 | 12.3 | -3.2 |
| Materials | 1.9 | 8.3 | -6.4 |
| Real Estate | 0.0 | 8.7 | -8.7 |

| Geography | HL GSC | ACWI SC | Under / Over |
|-------------------------------|--------|---------|--------------|
| Europe ex EMU | 16.2 | 9.6 | 6.6 |
| Europe EMU | 11.0 | 6.4 | 4.6 |
| Cash | 3.9 | — | 3.9 |
| Frontier Markets ⁶ | 2.2 | — | 2.2 |
| Japan | 11.3 | 10.2 | 1.1 |
| Middle East | 1.5 | 0.9 | 0.6 |
| Emerging Markets | 10.6 | 12.7 | -2.1 |
| Canada | 1.1 | 3.5 | -2.4 |
| Pacific ex Japan | 0.6 | 5.0 | -4.4 |
| United States | 41.6 | 51.7 | -10.1 |

⁶Includes countries with less-developed markets outside the Index.

Sector and geographic allocations are supplemental information only and complement the fully compliant Global Small Companies Equity Composite GIPS Presentation. Source: Harding Loevner Global Small Companies Equity Model; MSCI Inc. and S&P. 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.

What Happened

While deteriorating macroeconomic conditions made 2022 a difficult year for all investors, it was especially so for small-cap investors. Global small-cap stocks fell 18.3%, underperforming the MSCI ACWI Index by 30 basis points (bps).

Sharply rising inflation caused many central banks around the world to hike interest rates, which disproportionately hurt the valuations of small, fast-growing companies—whose cash flows are projected to be higher in the distant future—and prompted investors to more highly discount those future cash flows. Rising rates can also make gaining access to credit more difficult and costly for businesses.

The US Federal Reserve's aggressive rate action also seemed to supercharge the dollar against other currencies for most of the year. Weaker foreign currencies were responsible for about a fifth of the decline in global small caps for dollar-based investors. Russia's attack on Ukraine created a sour mood in financial markets for much of the year, as the war helped trigger an energy crisis in Europe, which exacerbated the problem of rising costs for consumers and businesses. Surging fuel prices left Energy as the only small-cap sector with a positive return for the year. Every region also declined, led by Europe ex EMU.

MSCI ACWI Small Cap Index Performance (USD %)

| Sector | 4Q 2022 | Trailing 12 Months |
|---------------------------|---------|--------------------|
| Communication Services | 7.6 | -31.0 |
| Consumer Discretionary | 12.1 | -25.3 |
| Consumer Staples | 12.9 | -9.8 |
| Energy | 14.1 | 41.8 |
| Financials | 11.5 | -11.4 |
| Health Care | 2.6 | -28.9 |
| Industrials | 13.9 | -15.1 |
| Information Technology | 8.5 | -28.6 |
| Materials | 13.7 | -13.7 |
| Real Estate | 7.7 | -26.5 |
| Utilities | 9.6 | -4.2 |
| Geography | 4Q 2022 | Trailing 12 Months |
| Canada | 10.1 | -12.4 |
| Emerging Markets | 8.3 | -17.6 |
| Europe EMU | 22.8 | -21.6 |
| Europe ex EMU | 19.6 | -30.1 |
| Japan | 12.0 | -11.7 |
| Middle East | -5.6 | -27.1 |
| Pacific ex Japan | 13.1 | -15.2 |
| United States | 8.0 | -17.1 |
| MSCI ACWI Small Cap Index | 10.6 | -18.3 |

Source: FactSet (as of December 31, 2022). MSCI Inc. and S&P.

By far the worst-performing regions this quarter were the European Economic and Monetary Union (EMU), which includes Germany, France, and Italy—countries heavily reliant on Russian oil, gas, and coal—as well as Europe outside the EMU, which includes the UK. While still in negative territory, the US outperformed. Energy was the only sector that didn't fall.

Russia's attack on Ukraine created a sour mood in financial markets for much of the year, as the war helped trigger an energy crisis in Europe.

Even as investors became increasingly fearful of an economic downturn, a recession did not materialize, preventing shares of the highest-quality companies from potentially asserting their relative underlying competitive and financial strength. Instead, high-quality stocks carrying rich valuations generally suffered as value investing made a comeback, with small-cap value stocks outperforming small-cap growth stocks by 15%. Communication Services, Health Care, and Information Technology (IT)—given their concentration of expensive, high-quality stocks—performed the worst over the course of the year.

As the year came to an end, recession worries persisted, but Europe's natural-gas shortage at least looked to be less severe than initially feared and overall inflation showed signs of abating. Global small caps rebounded sharply, gaining 10.6% in the fourth quarter.

How We Did

The Global Small Companies Composite rose 11.4% gross of fees in the fourth quarter, compared with a 10.6% gain in the MSCI ACWI Small Cap Index. For the full year, the composite fell 21.5% gross of fees, underperforming the index's 18.3% decline.

During the fourth quarter, positive stock selection was partially offset by the negative impact from sector allocation, particularly the portfolio's overweight in Health Care. That said, our top performer was **Abiomed**, a US Health Care holding.

Abiomed, a leading provider of heart pumps, agreed in November to be acquired by Johnson & Johnson in an all-cash deal valued at US\$16.6 billion. The offer represented a premium of about 50% to Abiomed's unaffected stock price and includes additional payment should Abiomed meet certain milestones. Internationally, **Bank of Georgia** was a strong contributor to returns for a second consecutive quarter as well as for the full year. The company continued to benefit from an influx of spending by businesses and individuals fleeing nearby Russia because of the war.

Companies held in the portfolio at the end of the quarter appear in bold type; only the first reference to a particular holding appears in bold. 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 holdings for the past year, please contact Harding Loevner. A complete list of holdings at December 31, 2022 is available on page 5 and 6 of this report.

Meanwhile, Israeli security-software company **CyberArk** was the biggest detractor for the quarter despite reporting better-than-expected sales growth. Disappointing earnings results from larger peers such as Salesforce added to investors' concerns that demand for enterprise software was weakening.

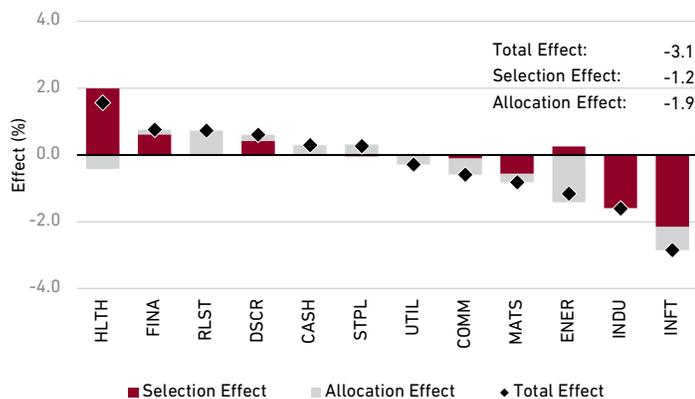
Bank of Georgia was a strong contributor to returns for a second consecutive quarter as well as for the full year.

Stock selection and allocation decisions were a hindrance to full-year relative returns. The sector allocation effect was most acute in Energy, a strong sector that we were underweight, and IT,

Trailing 12 Months Performance Attribution

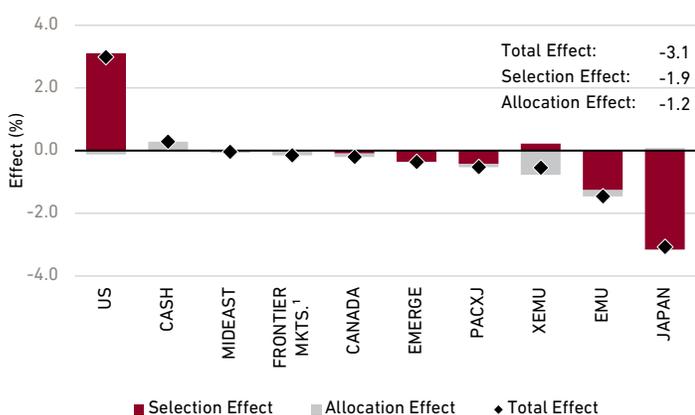
Sector

Global Small Companies Equity Composite vs. MSCI ACWI Small Cap Index



Geography

Global Small Companies Equity Composite vs. MSCI ACWI Small Cap Index



¹Includes countries with less-developed markets outside the index. Source: FactSet; Harding Loevner Global Small Companies Equity Composite; MSCI Inc. and S&P. 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.

a weak sector that we were overweight. By region, our overweight in Europe accounted for a third of our underperformance.

Dechra Pharmaceuticals, a maker of medicines for pets and farm animals, was our largest detractor for the year. Costs jumped as Dechra raised worker pay and returned to normal levels of spending following the business interruption caused by the COVID-19 pandemic. The company also faced new competition from generics, and its two recent acquisitions are expected to reduce profitability this year and next.

What's On Our Minds

As macroeconomic uncertainty plunged the broader market into a state of tumult, we continued to scrutinize our holdings and opportunity set for businesses with the characteristics necessary to weather a challenging environment. To maintain profitable growth regardless of economic conditions, it helps when a company's manufacturing process and products are supported by proprietary intellectual property and the ability to produce its own components—advantages that make it difficult for competition to enter the market.

This was reinforced during a recent research trip to visit some of our holdings in northern Europe and Switzerland. We spent time with senior executives at more than a dozen small-cap companies in the region, including **Vaisala's** head of R&D at its Helsinki facility, an engineer at **TOMRA's** headquarters in Oslo, and **LEM Holding's** factory-operations manager at its main plant in Geneva.

Vaisala, TOMRA, and LEM wouldn't seem to have much in common—one makes measurement instruments, another builds "reverse vending machines," and the third makes electrical transducers. But what became apparent during our visits is that there's a thread connecting these companies: the competitive advantages they gain from possessing in-house sensor technology.

Sensors are all around us. There's an optical sensor in your computer mouse and touch sensors in your smartphone. Your house probably has a smoke sensor, and your car uses sensors to gauge tire pressure. In the simplest terms, a sensor measures a parameter and transmits the information to a larger electronic widget.

The sensor technology in Vaisala's devices is far from simple though, as companies in fields as varied as aviation, chemicals, data centers, life science, and weather forecasting use the technology to take indoor and outdoor environmental readings. The company got its start nearly 90 years ago making radiosondes—meteorological instruments that are carried into the atmosphere by a weather balloon—which are still part of its business today. Often, the company's devices must be ultra-precise yet rugged enough to withstand harsh conditions—whether they are monitoring lightning and wind shear for an airport, measuring methane levels

in a wastewater-treatment facility, assessing pavement conditions when mounted to a snowplow, or operating an automatic weather station during a storm.

What makes all these products so complex is that they process both analog and digital signals, technology that can take decades to perfect given that analog sensing involves real-world phenomena for which the range of values is infinite and not discrete. To make these specialized tools, most everything at Vaisala is done in-house, right down to the design and manufacturing of the semiconductor chips used in its sensors and even some of the machinery. Having its own chip technology and production capabilities—compared with rivals that must purchase commercial components—helps the Finnish company not only control its supply chain, but also broaden its expertise and ensure more accurate and durable instruments than competitors.

To make these specialized tools, most everything at Vaisala is done in-house, right down to the design and manufacturing of the semiconductor chips used in its sensors and even some of the machinery.

Precise readings are important for customers such as pharmaceutical labs, which require specific humidity levels and temperatures for storing drugs that are costly to replace, such as cancer treatments. For other customers, it's crucial that the device doesn't corrode or malfunction in severe environments, and so Vaisala puts its products through various tests, exposing them to chemicals, extreme temperatures, radiation, vibrations, water, and wind. During our tour, the company demonstrated some of these tests. The most dramatic experiment simulated many days of intense rainfall by releasing water from three stories above the device. The demonstration also included extreme temperature changes—dropping from 60 degrees Celsius to minus 60 degrees Celsius within five seconds—and a vibration test to show how a device would perform in an earthquake. A testament to its robustness, Vaisala's sensor technology is used on NASA's Perseverance rover, which landed on Mars in early 2021.



Inside a TOMRA reverse vending machine

TOMRA's sensors power more earthly pursuits—primarily recycling. They sit inside so-called reverse vending machines (RVMs), contraptions roughly the size of airport baggage scanners that quickly sort empty plastic and glass bottles and aluminum cans so retailers such as supermarkets can accept and store recyclables.

(Next, government or third-party services transfer the bottles to a processing facility, which determines whether the materials can be used to make new containers.) The first automated RVM, invented by TOMRA's founders, was installed at a Norwegian supermarket in 1972. Decades of R&D later, TOMRA's speedy and precise optical sensing has made it the dominant player in RVMs, with its 70% market share, extensive service network, and patents on most of its core sensor technology forming a large barrier to entry to potential competitors.

The demand for RVMs is set to rise as European countries introduce bottle-deposit schemes to encourage recycling and comply with a European Union directive on single-use plastics: by 2025, 77% of plastic bottles placed on the market must be recycled, rising to 90% by 2029. Part of the appeal of TOMRA's machines is their proprietary ATM-like functionality for receiving refunds and the convenience of the myTOMRA app, which allows recyclers who prefer digital payment to connect their PayPal account.

Like TOMRA, LEM's sensors may see increased demand because of climate-related initiatives. LEM makes transducers, specialized sensors in electric vehicles (EVs) and EV charging ports, as well as other applications, to convert energy from one form to another. Each EV requires up to 10 current and voltage sensors for battery management, electrical safety, motor control, and power conversion. Like Vaisala, LEM designs not only its sensors but also the chips that are connected to the sensors, and even some of the machines that produce the sensors. Its in-house capabilities and expertise designing sensors that, like Vaisala's, can process both complex analog signals measuring real-world phenomena as well as digital signals make it difficult for rivals to enter LEM's core markets. Since we purchased Vaisala and LEM in 2018 and TOMRA in 2019, each has significantly outperformed the benchmark. This year, however, their stocks fell alongside other high-quality growth small caps. That performance belies each company's technological prowess and the competitive insulation it provides. It seems

By 2025, 77% of plastic bottles placed on the European market must be recycled, rising to 90% by 2029.

the investment world has focused on ephemeral themes, such as central bankers' next moves and the unknowable outcome of geopolitical strain. While such unpredictable issues do affect markets—they certainly roiled small caps this year—our focus remains on discovering lasting competitive advantages such as those that Vaisala, TOMRA, and LEM have adeptly carved out to safeguard their sales growth and profit margins.

Harding Loevner's Quality, Growth, and Value rankings are proprietary measures determined using objective data. Quality rankings are based on the stability, trend, and level of profitability, as well as balance sheet strength. Growth rankings are based on historical growth of earnings, sales, and assets, as well as expected changes in earnings and profitability. Value rankings are based on several valuation measures, including price ratios.

Global Small Companies Holdings (as of December 31, 2022)

| Communication Services | Market | End Wt. (%) |
|--|--------------|-------------|
| Bengo4.com (Lawyer and accountant listings services) | Japan | 0.1 |
| Cable One (Cable operator) | US | 0.4 |
| Cheil Worldwide (Marketing and advertising services) | South Korea | 0.9 |
| Domain (Online property listings operator) | Australia | 0.6 |
| Kakaku.com (E-commerce retailer) | Japan | 0.3 |
| Megacable (Cable operator) | Mexico | 0.8 |
| Paradox Interactive (Video game publisher) | Sweden | 0.5 |
| Rightmove (Online property listings operator) | UK | 0.5 |
| Sarana Menara Nusantara (Telecom tower operator) | Indonesia | 0.6 |
| TIME dotCom Berhad (Telecom services) | Malaysia | 0.7 |
| YouGov (Market research and data analytics services) | UK | 0.8 |
| Consumer Discretionary | | |
| BorgWarner (Automotive parts manufacturer) | US | 2.0 |
| Eclat Textile (Technology-based textile manufacturer) | Taiwan | 0.5 |
| Five Below (Discount consumer products retailer) | US | 1.2 |
| Malibu Boats (Boat manufacturer) | US | 1.6 |
| Ollie's Bargain Outlet (Discount cons. products retailer) | US | 1.4 |
| Planet Fitness (Fitness centers operator) | US | 0.7 |
| Rinnai (Consumer appliances manufacturer) | Japan | 0.5 |
| Stanley Electric (Automotive lighting manufacturer) | Japan | 0.8 |
| Thule Group (Lifestyle consumer products manufacturer) | Sweden | 0.5 |
| Consumer Staples | | |
| Agthia (Foods and beverages manufacturer) | UAE | 0.2 |
| Ariake (Natural seasonings manufacturer) | Japan | 0.7 |
| Cosmos Pharmaceutical (Drugstores operator) | Japan | 1.1 |
| MGP Ingredients (Alcoholic beverage ingredients mfr.) | US | 2.5 |
| Pigeon (Consumer products manufacturer) | Japan | 1.1 |
| Reynolds (Consumer products manufacturer) | US | 2.1 |
| Robinsons Retail (Foods & consumer products retailer) | Philippines | 1.0 |
| Sugi Holdings (Drugstores operator) | Japan | 0.7 |
| Energy | | |
| Dialog Group Berhad (Petrochemical services) | Malaysia | 1.1 |
| Helmerich & Payne (Oil driller) | US | 1.6 |
| Financials | | |
| Bank of Georgia (Commercial bank) | UK | 1.4 |
| Bankinter (Commercial bank) | Spain | 1.5 |
| BTPN Syariah (Commercial bank) | Indonesia | 0.9 |
| Commerce Bank (Commercial bank) | US | 1.5 |
| Discovery Holdings (Insurance provider) | South Africa | 0.7 |
| FinecoBank (Banking and financial services) | Italy | 0.6 |
| Lakeland Financial (Commercial bank) | US | 1.6 |
| Lazard (Financial advisory) | US | 0.5 |
| Linea Directa (Insurance provider) | Spain | 0.6 |
| MarketAxess (Electronic trading platform) | US | 1.0 |
| Max Financial (Financial services & insurance provider) | India | 1.2 |
| Rathbones (Wealth manager) | UK | 0.6 |

| Financials | Market | End Wt. (%) |
|--|-------------|-------------|
| RGA (Reinsurance provider) | US | 2.4 |
| Siauliu Bankas (Commercial bank) | Lithuania | 1.1 |
| Signature Bank (Commercial bank) | US | 0.5 |
| Stock Yards (Commercial bank) | US | 1.6 |
| Health Care | | |
| Abcam (Life science services) | UK | 1.5 |
| Ambu (Medical device manufacturer) | Denmark | 0.2 |
| BML (Clinical testing and information services) | Japan | 0.5 |
| Dechra (Veterinary pharma manufacturer) | UK | 1.2 |
| DiaSorin (Reagent kits developer) | Italy | 0.9 |
| Elanco (Animal health care products) | US | 0.1 |
| LeMaitre Vascular (Medical device manufacturer) | US | 0.6 |
| Neurocrine Biosciences (Biopharmaceutical mfr.) | US | 2.9 |
| Repligen (Biopharma equipment supplier) | US | 0.5 |
| Santen Pharmaceutical (Pharma manufacturer) | Japan | 0.7 |
| Simulations Plus (Simulation software developer) | US | 0.9 |
| Square Pharmaceuticals (Pharma manufacturer) | Bangladesh | 0.6 |
| STRATEC (Life science products manufacturer) | Germany | 0.5 |
| Tecan (Life science products and services) | Switzerland | 1.2 |
| Industrials | | |
| AAON (HVAC manufacturer) | US | 1.0 |
| Alfa Laval (Industrial equipment manufacturer) | Sweden | 0.4 |
| Allegion (Security equipment manufacturer) | US | 0.5 |
| Atkore (Electrical conduit manufacturer) | US | 1.6 |
| Bossard (Industrial components supplier) | Switzerland | 0.8 |
| Clarkson (Shipping services) | UK | 0.3 |
| Diploma (Specialized technical services) | UK | 1.5 |
| EnerSys (Industrial-battery manufacturer) | US | 2.4 |
| Exponent (Engineering and scientific consultant) | US | 2.0 |
| Haitian International (Injection-molding machines mfr.) | China | 0.9 |
| HEICO (Aerospace parts manufacturer) | US | 1.5 |
| MISUMI Group (Machinery-parts supplier) | Japan | 1.4 |
| MonotaRO (Factory materials supplier) | Japan | 0.4 |
| Nihon M&A Center Inc. (Financial advisory) | Japan | 0.3 |
| Rational (Commercial kitchen equipment manufacturer) | Germany | 0.8 |
| Senior (Aerospace and auto parts manufacturer) | UK | 1.6 |
| Sensata Technologies (Industrial sensors mfr.) | US | 0.4 |
| SMS (Health care employment services) | Japan | 0.6 |
| Spirax-Sarco (Industrial components manufacturer) | UK | 0.5 |
| TOMRA (Industrial sensors manufacturer) | Norway | 0.3 |
| UT Group (Manufacturing staffing services) | Japan | 0.8 |
| Information Technology | | |
| Advantech (Industrial PCs manufacturer) | Taiwan | 0.8 |
| Altair Engineering (Industrial design software developer) | US | 1.8 |
| Alten (Technology consultant and engineer) | France | 1.1 |

Global Small Companies Holdings (as of December 31, 2022)

| Information Technology | Market | End Wt. (%) |
|---|-------------|-------------|
| Appfolio (Real estate information services) | US | 1.1 |
| Bechtle (IT services and IT products reseller) | Germany | 1.1 |
| Cognex (Machine vision systems manufacturer) | US | 0.7 |
| Cyberark (Cybersecurity software developer) | Israel | 1.5 |
| Guidewire Software (Insurance software developer) | US | 0.7 |
| Infomart (Restaurant supply chain operator) | Japan | 0.6 |
| Keywords Studios (Video game technical services) | UK | 0.5 |
| Kinaxis (Supply chain software developer) | Canada | 1.1 |
| LEM Holdings (Electrical components manufacturer) | Switzerland | 1.0 |
| Nemetschek (Engineering software developer) | Germany | 0.6 |
| Rakus (IT employment and cloud services) | Japan | 0.4 |
| Reply (IT consultant) | Italy | 0.9 |
| Silergy (Electronics chips manufacturer) | Taiwan | 0.2 |
| SimCorp (Asset management software provider) | Denmark | 0.9 |
| Temenos Group (Banking software developer) | Switzerland | 0.2 |
| Vaisala (Atmospheric measuring devices manufacturer) | Finland | 0.9 |
| Materials | | |
| Fuchs Petrolub (Lubricants manufacturer) | Germany | 0.9 |
| Hoa Phat Group (Steel producer) | Vietnam | 0.5 |
| JCU (Industrial coating manufacturer) | Japan | 0.5 |
| Real Estate | | |
| No Holdings | | |
| Utilities | | |
| Rubis (Liquid chemical storage and distribution) | France | 0.6 |
| Cash | | 3.9 |

Model Portfolio holdings are supplemental information only and complement the fully compliant Global Small Companies 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.

4Q22 Contributors to Relative Return (%)

| Largest Contributors | Sector | Avg. Weight | | Effect |
|----------------------|--------|-------------|---------|--------|
| | | HL GSC | ACWI SC | |
| Abiomed | HLTH | 0.6 | - | 0.50 |
| Atkore | INDU | 1.5 | 0.1 | 0.42 |
| Bank of Georgia | FINA | 1.2 | <0.1 | 0.36 |
| EnerSys | INDU | 2.3 | <0.1 | 0.34 |
| BorgWarner | DSCR | 2.0 | - | 0.32 |

4Q22 Detractors from Relative Return (%)

| Largest Detractors | Sector | Avg. Weight | | Effect |
|------------------------|--------|-------------|---------|--------|
| | | HL GSC | ACWI SC | |
| Cyberark | INFT | 1.8 | - | -0.50 |
| Simulations Plus | HLTH | 1.1 | <0.1 | -0.48 |
| Max Financial | FINA | 1.3 | <0.1 | -0.36 |
| Ollie's Bargain Outlet | DSCR | 1.7 | <0.1 | -0.35 |
| MGP Ingredients | STPL | 2.7 | <0.1 | -0.29 |

Portfolio Characteristics

| Quality and Growth | HL GSC | ACWI SC |
|--|--------|---------|
| Profit Margin ¹ (%) | 10.2 | 8.4 |
| Return on Assets ¹ (%) | 7.1 | 5.2 |
| Return on Equity ¹ (%) | 14.4 | 11.5 |
| Debt/Equity Ratio ¹ (%) | 30.6 | 60.8 |
| Std. Dev. of 5 Year ROE ¹ (%) | 3.5 | 5.1 |
| Sales Growth ^{1,2} (%) | 10.3 | 7.5 |
| Earnings Growth ^{1,2} (%) | 12.7 | 11.5 |
| Cash Flow Growth ^{1,2} (%) | 8.8 | 6.8 |
| Dividend Growth ^{1,2} (%) | 7.7 | 5.3 |
| Size and Turnover | HL GSC | ACWI SC |
| Wtd. Median Mkt. Cap. (US \$B) | 3.9 | 2.8 |
| Wtd. Avg. Mkt. Cap. (US \$B) | 4.6 | 3.5 |
| Turnover ³ (Annual %) | 18.5 | - |

¹Weighted median; ²Trailing five years, annualized; ³Three-year average; ⁴Weighted harmonic mean; ⁵Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner Global Small Companies Composite, based on the Composite returns, gross of fees; MSCI Inc. Source (other characteristics): FactSet (Run Date: January 4, 2023, based on the latest available data in FactSet on this date.); Harding Loevner Global Small Companies Model, based on the underlying holdings; MSCI Inc.

Completed Portfolio Transactions

| Positions Established | Market | Sector |
|-----------------------|--------|--------|
| Commerce Bank | US | FINA |

Last 12 Mos. Contributors to Relative Return (%)

| Largest Contributors | Sector | Avg. Weight | | Effect |
|------------------------|--------|-------------|---------|--------|
| | | HL GSC | ACWI SC | |
| Neurocrine Biosciences | HLTH | 2.4 | - | 0.98 |
| RGA | FINA | 2.1 | 0.1 | 0.72 |
| MGP Ingredients | STPL | 2.3 | <0.1 | 0.68 |
| Helmerich & Payne | ENER | 1.3 | 0.1 | 0.62 |
| EMIS Group | HLTH | 0.6 | <0.1 | 0.56 |

Last 12 Mos. Detractors from Relative Return (%)

| Largest Detractors | Sector | Avg. Weight | | Effect |
|--------------------|--------|-------------|---------|--------|
| | | HL GSC | ACWI SC | |
| Dechra | HLTH | 1.5 | 0.1 | -0.75 |
| Altair Engineering | INFT | 2.2 | <0.1 | -0.57 |
| Signature Bank | FINA | 1.0 | - | -0.51 |
| Nemetschek | INFT | 0.8 | - | -0.49 |
| UT Group | INDU | 1.0 | <0.1 | -0.48 |

| Risk and Valuation | HL GSC | ACWI SC |
|-------------------------------------|--------|---------|
| Alpha ² (%) | 1.24 | - |
| Beta ² | 0.86 | - |
| R-Squared ² | 0.88 | - |
| Active Share ³ (%) | 98 | - |
| Standard Deviation ² (%) | 21.86 | 23.83 |
| Sharpe Ratio ² | 0.17 | 0.12 |
| Tracking Error ² (%) | 8.1 | - |
| Information Ratio ² | 0.11 | - |
| Up/Down Capture ² | 88/91 | - |
| Price/Earnings ⁴ | 19.0 | 11.2 |
| Price/Cash Flow ⁴ | 13.7 | 7.5 |
| Price/Book ⁴ | 2.8 | 1.5 |
| Dividend Yield ⁵ (%) | 1.6 | 2.3 |

Model Portfolio holdings are supplemental information only and complement the fully compliant Global Small Companies 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. 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 last 12 months. Past performance does not guarantee future results. 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. Contributors and detractors exclude cash and securities in the Composite not held in the Model Portfolio. Quarterly data is not annualized. Portfolio attribution and characteristics are supplemental information only and complement the fully compliant Global Small Companies Equity Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

Global Small Companies Composite Performance (as of December 31, 2022)

| | HL Global Small Cos. Gross (%) | HL Global Small Cos. Net (%) | MSCI ACWI Small Cap Index ¹ (%) | HL Global Small Cos. 3-yr. Std. Deviation ² (%) | MSCI ACWI Small Cap Index 3-yr. Std. Deviation ² (%) | Internal Dispersion ³ (%) | No. of Accounts | Composite Assets (\$M) | Firm Assets (M) |
|-------------------|---|---------------------------------------|--|---|--|--|--------------------|------------------------------|-----------------------|
| 2022 ⁴ | -21.46 | -22.14 | -18.27 | 21.86 | 23.83 | N.M. ⁵ | 1 | 1 | 47,607 |
| 2021 | 12.53 | 11.52 | 16.54 | 18.58 | 21.27 | N.M. | 1 | 2 | 75,084 |
| 2020 | 29.24 | 28.09 | 16.83 | + | + | N.M. | 1 | 2 | 74,496 |
| 2019 | 30.99 | 29.82 | 25.23 | + | + | N.M. | 1 | 1 | 64,306 |

¹Benchmark Index; ²Variability of the Composite, gross of fees, and the Index returns over the preceding 36-month period, annualized; ³Asset-weighted standard deviation (gross of fees); ⁴The 2022 performance returns and assets shown are preliminary; ⁵N.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 Small Companies Composite contains fully discretionary, fee-paying accounts investing primarily in US and non-US equity and equity-equivalent securities of companies with market capitalizations that fall within the range of the Composite's benchmark index and cash reserves, and is measured against the MSCI All Country World Small Cap 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 All Country World Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 47 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 9-14,856 million (as of December 31, 2022). You cannot invest directly in this Index.

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 September 30, 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. 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 LP 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. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

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. 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 Small Companies Equity accounts is 1.00% annually of the market value for the first \$20 million; 0.80% for the next \$80 million; 0.70% above \$100 million. 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 Small Companies Composite was created on December 31, 2018 and the performance inception date is January 1, 2019.