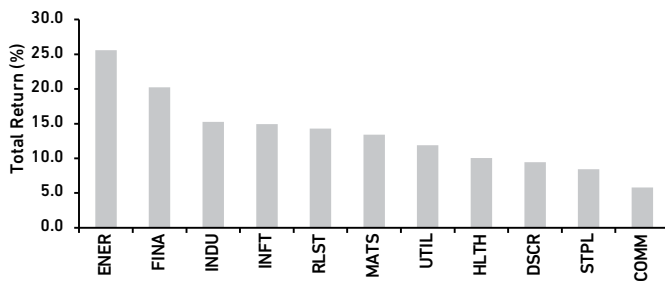


Overshadowed by election coverage and excitement over vaccine breakthroughs, the postponed IPO of China's Ant Group was news investors could be grappling with for some time. Ant, a spinoff of e-commerce giant **Alibaba**, in a challenge to state domination of China's banking system, rose to prominence 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.

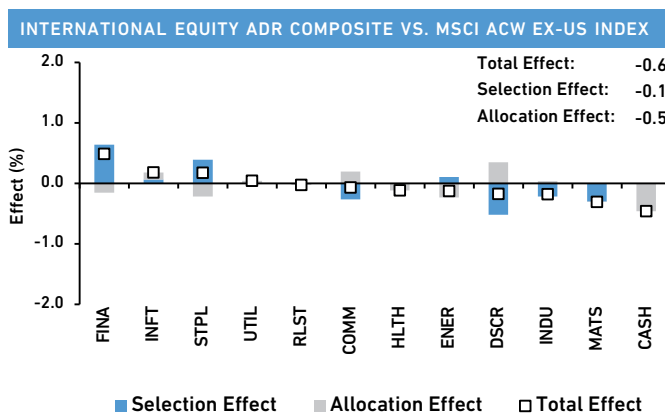
While the Chinese market has been rising, many have become complacent about its political risks. Disruptive businesses like Alibaba and Ant are capitalizing on market opportunities previously overlooked by incumbents and thus by regulators. However, in a system like China's—where policies can shift on 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>**

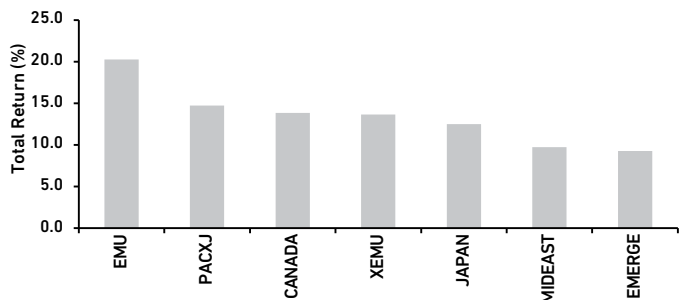
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL INTERNATIONAL EQUITY ADR (GROSS OF FEES)	12.88	13.46	18.35	7.08	9.83	8.00	8.45
HL INTERNATIONAL EQUITY ADR (NET OF FEES)	12.88	12.71	17.56	6.35	9.09	7.24	7.59
MSCI ALL COUNTRY WORLD EX-US INDEX <sup>4,5</sup>	13.46	5.40	10.00	4.31	7.88	5.64	5.29
MSCI EAFE INDEX <sup>5,6</sup>	15.51	3.45	6.83	3.76	6.70	6.34	4.90

**BENCHMARK PERFORMANCE BY SECTOR – NOVEMBER**


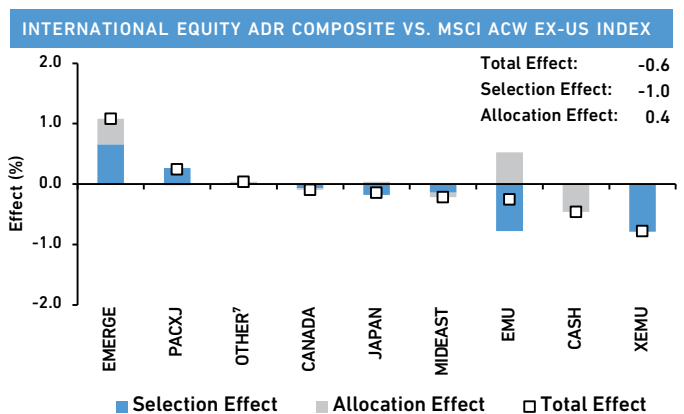
- Energy and Financials (banking stocks in particular) were the best-performing sectors as the market looked ahead to a speedy resumption of normal travel and spending patterns.
- Utilities stocks lagged as the market preferred stocks of more cyclically exposed businesses.

**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.

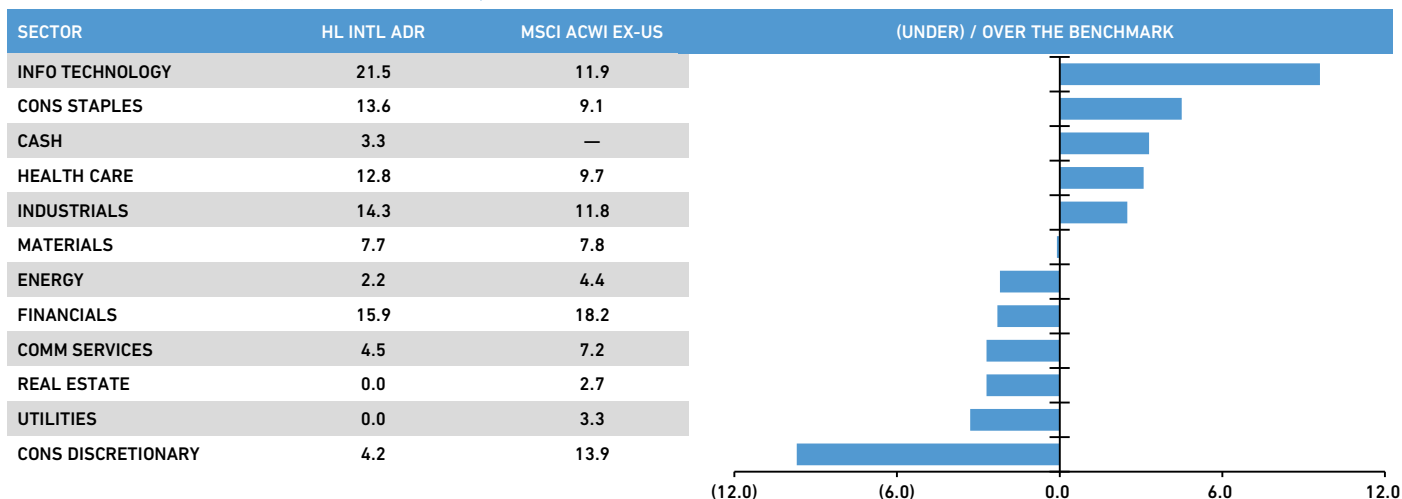
**BENCHMARK PERFORMANCE BY GEOGRAPHY – NOVEMBER**


- The eurozone led market returns as its COVID-19 cases appeared to peak after lockdowns were imposed, and clinical trial results suggested that a semblance of normalcy could be reached by mid-2021.
- China lagged, dragging down the performance of Emerging Markets (EMs) overall.

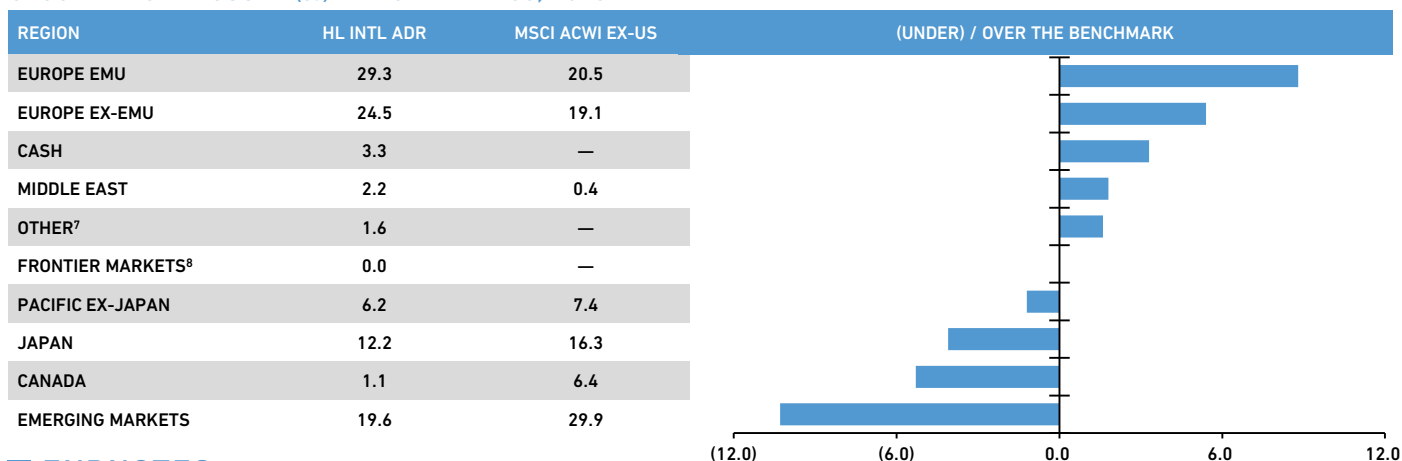
**PERFORMANCE ATTRIBUTION BY GEOGRAPHY – NOVEMBER**


- Stock selection was positive in EMs, led in part by India's **HDFC Bank** and **ICICI Bank** and Brazil's **Itaú Unibanco**, whose aggressive loan provisioning positions them to be among the biggest beneficiaries of a post-vaccine recovery.
- Stock selection was weak in Europe both inside and outside the eurozone. Outside, Swiss-based **Nestlé** trailed companies 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: December 31, 1989 corresponds to that of the linked International Equity Composite (4) The Benchmark Index (5) Gross of withholding taxes (6) Supplemental Index (7) Includes companies classified in countries outside the Index (8) Includes countries with less-developed markets outside the Index.

## SOURCES

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

## DISCLOSURES

The International Equity ADR Composite contains fully discretionary, fee-paying accounts investing in non-US equity and equity-equivalent securities and cash reserves. 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 ex-US Total Return Index. From 1999 (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 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®). Harding Loevner 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 International Equity ADR Composite has been examined for the periods January 1, 1990 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 International 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 ex-US Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. The Index consists of 48 developed and emerging market countries. 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 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 International 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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