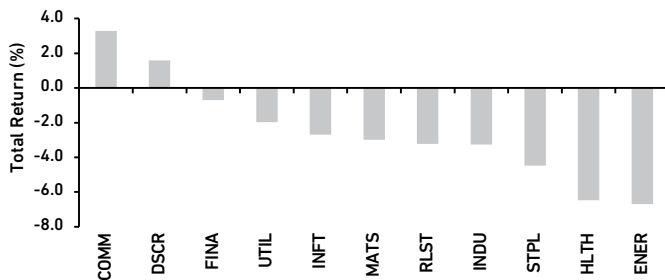


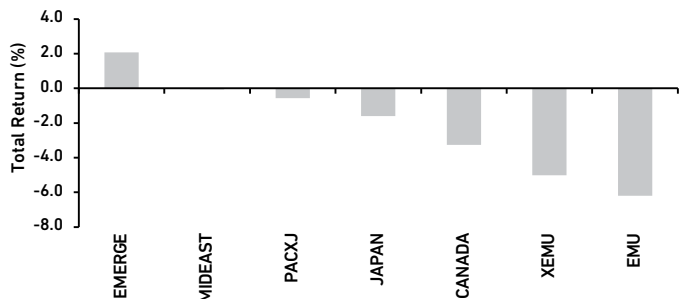
The 184-year-old French electrical equipment manufacturer **Schneider Electric** is almost a completely different company than it was 20 years ago, having acquired and built a portfolio of globally competitive businesses centered around easy-to-connect energy management and industrial control devices 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>**

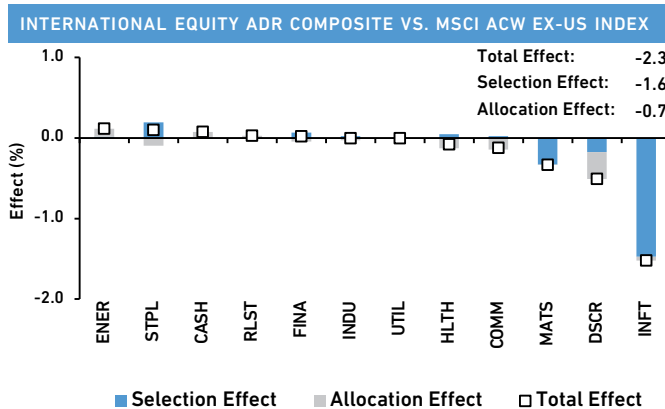
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL INTERNATIONAL EQUITY ADR (GROSS OF FEES)	-4.40	0.51	6.62	3.14	7.29	6.39	8.05
HL INTERNATIONAL EQUITY ADR (NET OF FEES)	-4.56	-0.16	5.91	2.44	6.56	5.65	7.19
MSCI ALL COUNTRY WORLD EX-US INDEX <sup>4,5</sup>	-2.13	-7.11	-2.19	0.29	4.76	3.90	4.87
MSCI EAFE INDEX <sup>5,6</sup>	-3.98	-10.44	-6.46	-0.76	3.34	4.31	4.43

**BENCHMARK PERFORMANCE BY SECTOR – OCTOBER**


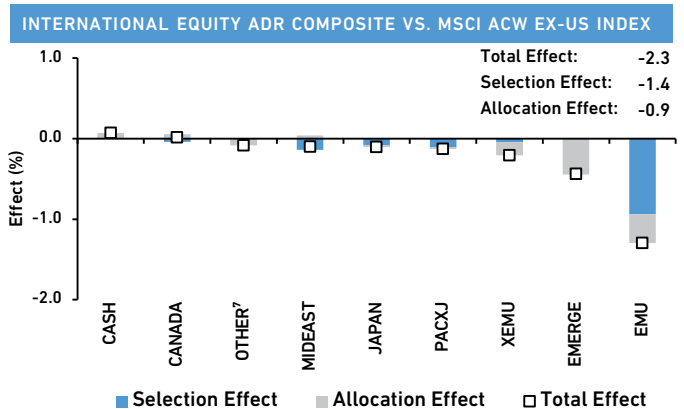
- Energy and Health Care were the month's weakest sectors. Oil prices continued to soften as another wave of COVID-19 infections rose in Europe and the US. Pharmaceutical companies were hurt by expectations of a US political shift towards Democrats, who historically have favored greater drug price regulation.
- 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.

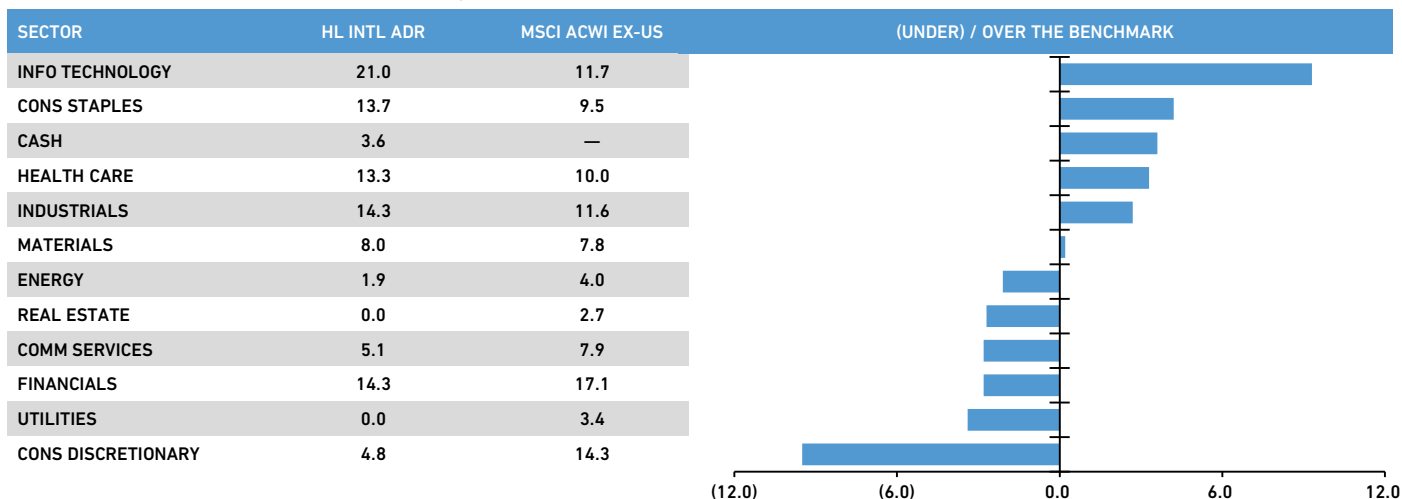
**PERFORMANCE ATTRIBUTION BY SECTOR – OCTOBER**


- The portfolio lost ground in Information Technology due to weakness of German-based software developer **SAP**. The company lowered its outlook after renewed lockdowns and in recognition of the challenges faced by customers in adopting its cloud services.
- Energy was our strongest contributor, a combination of our underweight and **Royal Dutch Shell**, which performed better than peers and reported improving profitability and raised its dividend.

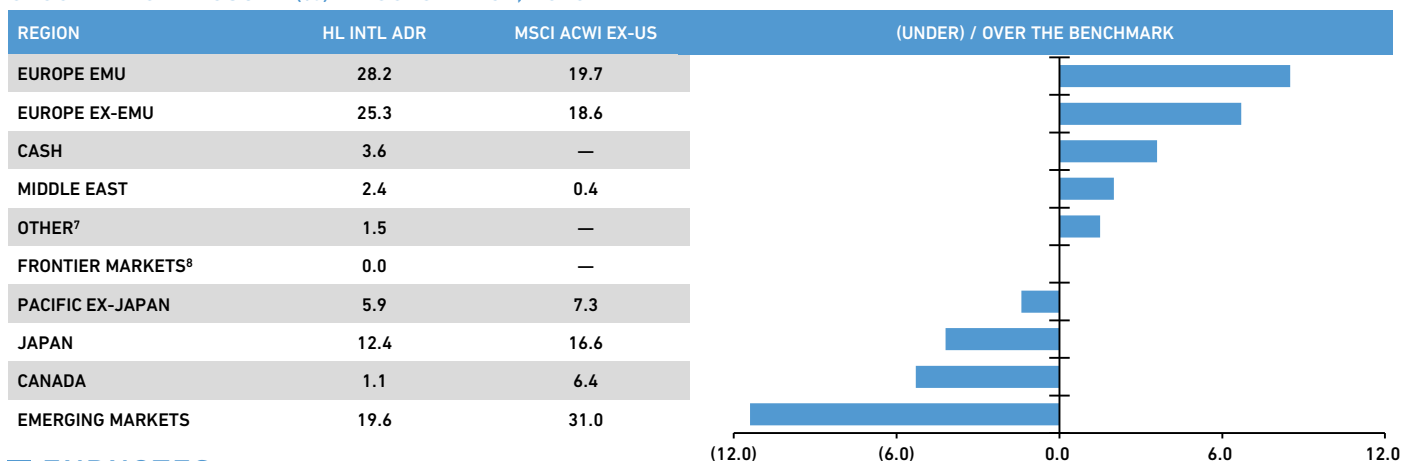
**PERFORMANCE ATTRIBUTION BY GEOGRAPHY – OCTOBER**


- With SAP leading the way down, the European Monetary Union was the primary regional driver of underperformance.
- The portfolio did not add value in any geographic region this month, although **HDFC Bank** was a source of strength in Emerging Markets. The Indian lender reported solid third-quarter results as the quality of its loan book has held up better than expected.

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



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



## ENDNOTES

(1) The October 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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