

## Performance (% Total Return)

Periods ended May 31, 2022 <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 (Gross)	-0.67	-17.51	-15.25	7.97	5.93	8.77	8.15
HL International Equity (Net)	-0.71	-17.73	-15.78	7.29	5.26	8.10	7.36
MSCI All Country World ex-US Index <sup>4,5</sup>	0.82	-10.49	-11.98	6.97	4.91	6.87	5.11
MSCI EAFE Index <sup>5,6</sup>	0.89	-11.02	-9.90	6.92	4.67	7.65	4.80

## Portfolio Positioning (% Weight)

Sector	HL Intl.	MSCI ACWI ex-US	Under / Over
Industrials	16.0	11.9	4.1
Health Care	13.4	9.4	4.0
Cons Staples	12.4	8.6	3.8
Cash	3.5	-	3.5
Info Technology	14.7	11.7	3.0
Materials	10.5	8.8	1.7
Utilities	1.5	3.3	-1.8
Comm Services	4.4	6.3	-1.9
Financials	18.2	20.4	-2.2
Real Estate	0.0	2.5	-2.5
Energy	2.2	6.1	-3.9
Cons Discretionary	3.2	11.0	-7.8

Geography	HL Intl.	MSCI ACWI ex-US	Under / Over
Europe ex-EMU	25.4	20.7	4.7
Cash	3.5	-	3.5
Other <sup>7</sup>	1.4	-	1.4
Pacific ex-Japan	9.1	8.0	1.1
Europe EMU	20.0	19.9	0.1
Frontier Markets <sup>8</sup>	0.0	-	0.0
Middle East	0.0	0.4	-0.4
Japan	12.9	13.9	-1.0
Emerging Markets	24.3	28.8	-4.5
Canada	3.4	8.3	-4.9

## Investment Perspectives

### Market

So far in 2022, markets have more harshly penalized companies with strong quality and growth attributes than slower-growing, lower-quality, and cheaper businesses. In May, some of these trends persisted. Based on our ranking by quality, valuation, and growth, the lowest quality quintile of companies outperformed the highest by about 400 basis points, and the cheapest quintile of stocks outperformed the most expensive by nearly 800. However, the winds may be shifting with regards to growth. In May, the performance difference between the fastest- and slowest-growing businesses was less than half a percent.

### Portfolio

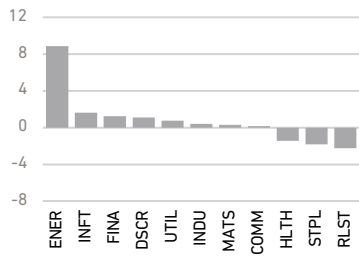
This year, the issues affecting China's economy have resulted in divergent impacts across the portfolio – some companies have benefitted while others are feeling the effects of slower growth. Both of our cosmetics and beauty products companies, France's **L'Oréal** and Japan's **Shiseido**, reported lower sales due to lockdowns in major Chinese cities. While both companies have geographically diverse revenue streams, their share prices suffered nevertheless. Conversely, pan-Asian life insurer **AIA Group** rose in May due to growing optimism for a rebound in China insurance sales. The company saw better growth in its Macau branch, which is currently the only avenue through which mainland Chinese can purchase life insurance policies outside the country (the Hong Kong border remains closed). Cross-border life insurance trends have historically been a good barometer for improving life insurance demand on the mainland.

## Ten Largest Holdings

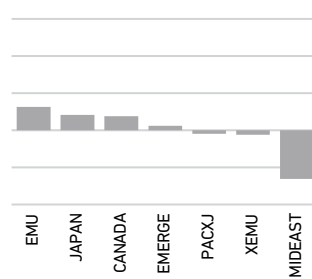
Company	Market	Sector
Samsung Electronics	South Korea	Info Technology
BHP	Australia	Materials
L'Oréal	France	Cons Staples
Atlas Copco	Sweden	Industrials
Roche	Switzerland	Health Care
AIA Group	Hong Kong	Financials
Tencent	China	Comm Services
DBS Group	Singapore	Financials
Infineon Technologies	Germany	Info Technology
Schneider Electric	France	Industrials

## Benchmark Performance | May

Total Return by Sector (%)

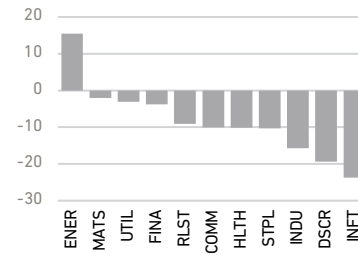


Total Return by Geography (%)

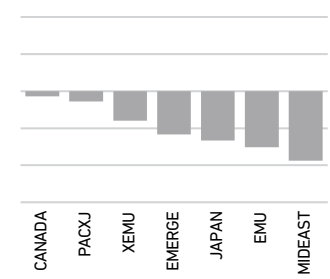


## Benchmark Performance | YTD

Total Return by Sector (%)

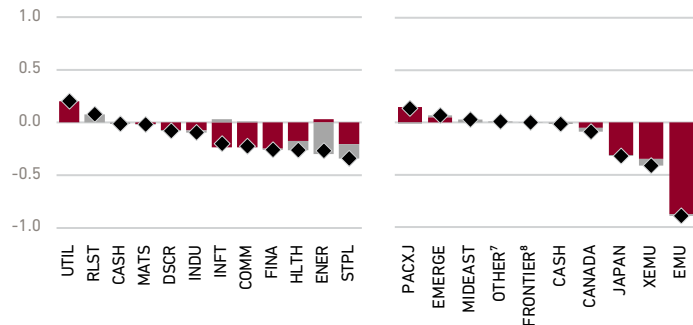


Total Return by Geography (%)



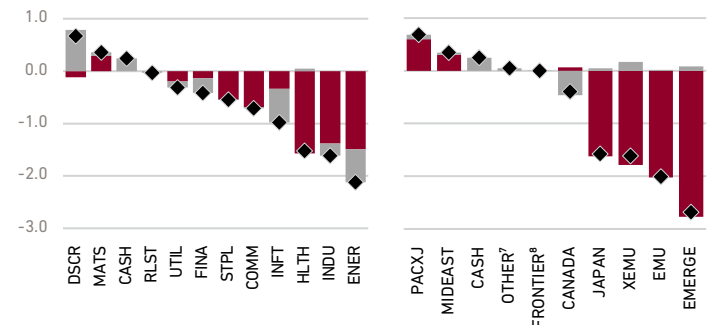
## Performance Attribution | May

Effect (%)	Selection	Allocation	Total
Sector	-1.0	-0.5	-1.5
Geography	-1.4	-0.1	-1.5



## Performance Attribution | YTD

Effect (%)	Selection	Allocation	Total
Sector	-6.2	-0.8	-7.0
Geography	-7.3	0.3	-7.0



- Consumer Staples was the weakest performing sector, led by L'Oréal. The stock fell due to concerns that lockdowns in China would slow revenue growth.
- Our underweight to oil and gas stocks also hurt performance, as Energy posted the strongest sector returns this month.
- From a geographic perspective, European stocks weighed on performance. Payment processor **Adyen** suffered as the market's disdain for high-quality stocks persisted.
- On a positive note, miner **BHP** had a strong month. The company is benefitting from record potash prices, driven higher by sanctions that have curtailed supply from Russia and Belarus, which together comprise 40% of global supply.

- Energy was the strongest benchmark sector so far this year. The negative impact of our underweight was further compounded by the write-down of **Lukoil**.
- Capital goods companies like **Atlas Copco** and **Schneider Electric** are among the worst performers in 2022 as concerns about decelerating economic growth continues to hurt sentiment for cyclical stocks. These stocks contributed to the widespread underperformance of our European holdings.
- Our two Russian holdings, Lukoil and **Yandex**, led to weak performance in the Emerging Markets region.

## Top Five Contributors/Detractors (%) | May

to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
ENN Energy	China	UTIL	<0.1	0.19
Infineon Technologies	Germany	INFT	0.2	0.15
Standard Chartered	UK	FINA	0.1	0.12
BHP	Australia	MATS	0.7	0.12
Komatsu	Japan	INDU	0.1	0.11
<b>Detractors</b>				
DBS Group	Singapore	FINA	0.2	-0.22
Roche	Switzerland	HLTH	1.1	-0.20
Adyen	Netherlands	INFT	0.1	-0.19
L'Oréal	France	STPL	0.4	-0.15
Telkom Indonesia	Indonesia	COMM	0.1	-0.13

## Top Five Contributors/Detractors (%) | YTD

to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
BHP	Australia	MATS	0.6	0.60
Rio Tinto	UK	MATS	0.3	0.38
Shopify*	Canada	INFT	0.3	0.35
Royal Dutch Shell	UK	ENER	0.8	0.34
Check Point	Israel	INFT	0.1	0.30
<b>Detractors</b>				
Lukoil	Russia	ENER	0.1	-1.45
Atlas Copco	Sweden	INDU	0.2	-0.83
Symex	Japan	HLTH	0.1	-0.71
Adyen	Netherlands	INFT	0.1	-0.70
Infineon Technologies	Germany	INFT	0.2	-0.69

\*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 May 2022 Composite performance shown is preliminary (2) Annualized returns
- (3) Inception date: December 31, 1989 (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 Composite; MSCI Inc. and S&P.

Sector/Geographic Positioning and Ten Largest Holdings: FactSet; Harding Loevner International 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 All Country World ex-US 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, 2021. 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 International Equity Composite has had a performance examination for the periods January 1, 1990 through December 31, 2021. 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 Composite, please contact Harding Loevner at (908) 218-7900 or visit [www.hardingloevner.com](http://www.hardingloevner.com). 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.

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 46 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 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 International Equity 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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