

## Performance (% Total Return)

Periods ended November 30, 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)	13.76	-18.37	-14.40	4.36	3.83	6.93	7.99
HL International Equity (Net)	13.71	-18.85	-14.95	3.70	3.17	6.27	7.20
MSCI All Country World ex-US Index <sup>4,5</sup>	11.82	-14.97	-11.43	2.21	1.96	4.71	4.86
MSCI EAFE Index <sup>5,6</sup>	11.28	-14.11	-9.70	2.39	2.34	5.48	4.61

## Portfolio Positioning (% Weight)

Sector	HL Intl.	MSCI ACWI ex-US	Under / Over
Cons Staples	11.9	8.8	
Health Care	12.7	9.6	
Cash	3.0	-	
Industrials	15.2	12.3	
Info Technology	14.1	11.3	
Materials	9.9	8.4	
Financials	20.8	20.7	
Utilities	1.4	3.3	
Comm Services	3.7	5.7	
Real Estate	0.0	2.3	
Energy	2.6	6.3	
Cons Discretionary	4.7	11.3	

Geography	HL Intl.	MSCI ACWI ex-US	Under / Over
Europe ex-EMU	24.1	20.8	
Cash	3.0	-	
Pacific ex-Japan	9.6	8.0	
Other <sup>7</sup>	1.4	-	
Europe EMU	21.1	20.4	
Frontier Markets <sup>8</sup>	0.0	-	
Japan	13.7	13.9	
Middle East	0.0	0.5	
Canada	4.0	8.1	
Emerging Markets	23.1	28.3	

## Investment Perspectives

### Market

Markets recovered from October lows, with international equities rising 12% and emerging markets rising 15%. While the Federal Reserve and the Bank of England raised policy rates, market sentiment improved on better-than-expected inflation data in the United States during October, fueling hopes that US inflation has peaked. In China, equity markets rallied nearly 30% as policymakers eased some control measures and increased efforts to vaccinate the elderly, re-igniting hopes that the country is moving incrementally towards the end of its zero-COVID policy. All sectors generated positive returns, with Consumer Discretionary, Real Estate, Materials, and Information Technology each rising more than 15%.

### Portfolio

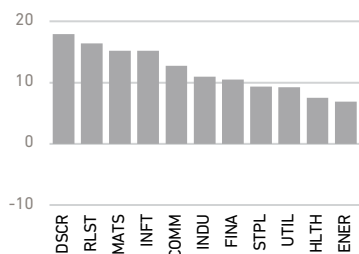
While heightened risk aversion roiled stock markets this year, many of our economically sensitive portfolio companies have experienced far more resiliency in their operating fundamentals than implied by their share prices. One such company is **Komatsu**, a global manufacturer of construction and mining machines based in Japan. The company recently reported good earnings results, supported by strong demand in North and Latin America, and Asia outside of Japan and China. Management also raised both full-year operating profit guidance and the dividend, noting that the weaker yen is expected to boost reported operating profit by more than a quarter this year (more than 90% of Komatsu's sales are overseas). We expect continued growth in infrastructure and energy-related investments to drive Komatsu's earnings over the long-term, along with rising demand for high-margin mining solutions and smart construction.

## Ten Largest Holdings

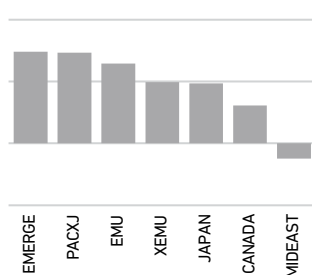
Company	Market	Sector
Samsung Electronics	South Korea	Info Technology
L'Oréal	France	Cons Staples
Atlas Copco	Sweden	Industrials
DBS Group	Singapore	Financials
BHP	Australia	Materials
AIA Group	Hong Kong	Financials
Infineon Technologies	Germany	Info Technology
Roche	Switzerland	Health Care
Schneider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

## Benchmark Performance | Nov.

Total Return by Sector (%)

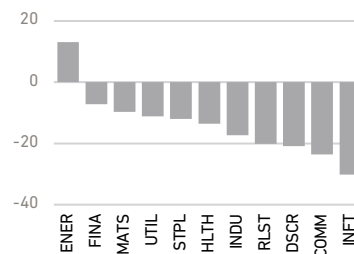


Total Return by Geography (%)

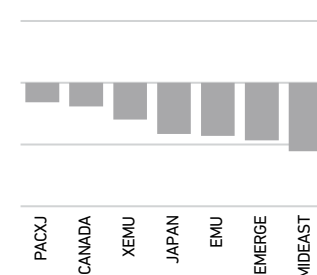


## Benchmark Performance | YTD

Total Return by Sector (%)

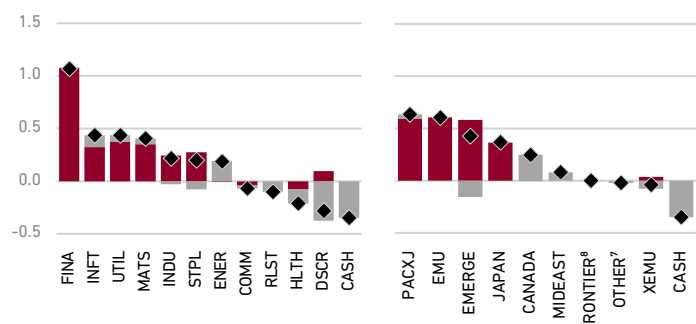


Total Return by Geography (%)



## Performance Attribution | Nov.

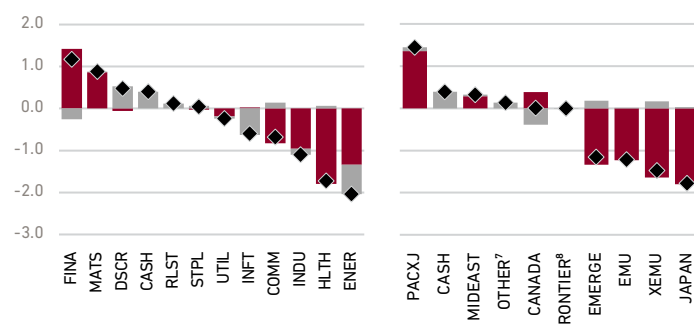
Effect (%)	Selection	Allocation	Total
Sector	2.6	-0.7	1.9
Geography	2.2	-0.3	1.9



- Style patterns were mixed. Although faster growing companies outperformed this month, higher quality and more expensive companies lagged.
- In Financials, **AIA Group** and **Ping An Insurance** boosted relative returns. Shares rose on better visibility into new business growth as China relaxed zero-COVID policies.
- Within Pacific ex-Japan, diversified miner **BHP Group** outperformed as iron and copper prices rose.
- Our Swiss healthcare companies dragged performance in Europe ex-EMU. Shares of pharma and diagnostic equipment maker **Roche** fell as the company's Alzheimer's antibody drug failed to slow cognitive decline during clinical trials. **Lonza**, a life sciences product manufacturer, declined on worries that a fundraising slowdown would cut the number of biologic drugs manufactured for research and development.

## Performance Attribution | YTD

Effect (%)	Selection	Allocation	Total
Sector	-2.9	-0.4	-3.3
Geography	-4.0	0.7	-3.3



- High-quality, fast-growing, expensive companies have significantly underperformed year-to-date.
- Within Energy—the strongest performing sector this year—our underweight hurt performance as did the write-down to zero of our **Lukoil** position.
- The portfolio benefitted from its underweight in the poorly performing Consumer Discretionary sector.
- On a relative basis, Japan is our weakest region this year. Part of the weakness is attributed to the yen, which has fallen throughout 2022. Among our holdings, **Sysmex**, the maker of diagnostic testing equipment, was the biggest detractor as supply chain issues and rolling lockdowns in China impacted sales.

## Top Five Contributors/Detractors (%) | Nov.

to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
Infineon Technologies	Germany	INFT	0.2	0.50
Ping An Insurance	China	FINA	0.2	0.50
AIA Group	Hong Kong	FINA	0.5	0.42
BHP	Australia	MATS	0.7	0.41
ENN Energy	China	UTIL	<0.1	0.34
<b>Detractors</b>				
Telkom Indonesia	Indonesia	COMM	0.1	-0.34
Roche	Switzerland	HLTH	1.1	-0.31
Lonza	Switzerland	HLTH	0.2	-0.23
Ambev	Brazil	STPL	0.1	-0.16
Couche-Tard	Canada	STPL	0.2	-0.15

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

to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
BHP	Australia	MATS	0.6	0.80
DBS Group	Singapore	FINA	0.2	0.58
ICICI Bank	India	FINA	0.2	0.54
CSPC Pharmaceutical Group	China	HLTH	<0.1	0.41
Rio Tinto	UK	MATS	0.3	0.37
<b>Detractors</b>				
Lukoil	Russia	ENER	<0.1	-1.38
Sysmex	Japan	HLTH	<0.1	-0.70
Adyen	Netherlands	INFT	0.1	-0.63
Yandex	Russia	COMM	<0.1	-0.54
Lonza	Switzerland	HLTH	0.2	-0.52

## Endnotes

(1) The November 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 June 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. The International Equity Composite has had a performance examination for the periods January 1, 1990 through June 30, 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 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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