

International Equity



Monthly Update | August 2023

Composite Performance (% Total Return)

Periods ended August 31, 2023	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
HL International Equity (Gross)	-6.06	7.14	13.09	2.97	4.13	6.92	7.97
HL International Equity (Net)	-6.10	6.69	12.38	2.32	3.48	6.25	7.19
MSCI All Country World ex US Index	-4.50	9.22	12.49	4.49	3.83	4.87	5.01
MSCI EAFE Index	-3.82	11.35	18.55	6.58	4.64	5.43	4.85

The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. International Equity composite inception date: December 31, 1989. MSCI All Country World ex US Index, the benchmark index, and MSCI EAFE Index, the supplemental index, are shown gross of withholding taxes. Please read the above performance in conjunction with the disclosures on the last page of this report.

Portfolio Positioning (% Weight)

Sector	HL	Index	Under / Over
Cons Staples	14.0	8.6	5.4
Cash	4.1	-	4.1
Health Care	13.6	9.7	3.9
Info Technology	14.2	11.6	2.6
Industrials	15.1	13.2	1.9
Materials	8.7	7.8	0.9
Financials	20.6	20.7	-0.1
Real Estate	0.0	2.1	-2.1
Utilities	0.8	3.1	-2.3
Comm Services	2.6	5.4	-2.8
Energy	2.1	5.7	-3.6
Cons Discretionary	4.2	12.1	-7.9

Geography	HL	Index	Under / Over
Europe ex EMU	25.2	20.6	4.6
Cash	4.1	-	4.1
Other	1.6	-	1.6
Frontier Markets	0.0	-	0.0
Middle East	0.0	0.4	-0.4
Pacific ex Japan	6.8	7.3	-0.5
Europe EMU	21.0	21.7	-0.7
Japan	13.6	14.7	-1.1
Canada	5.1	7.5	-2.4
Emerging Markets	22.6	27.8	-5.2

"HL": International Equity model portfolio. "Index": MSCI All Country World ex US Index.
 "Frontier Markets": Includes countries with less-developed markets outside the index. "Other": Includes companies classified in countries outside the index.

Investment Perspectives

Market

All regions declined, with emerging markets lagging developed markets. China dropped 9% on renewed property market stress and weak economic data, including lower retail sales, rising youth unemployment, and softening exports. Europe also declined (although not as much), despite signs of falling inflation. Energy was the only positive sector. Oil prices rose for the third consecutive month on tighter supplies, which outweighed concerns over weak demand. Consumer Discretionary and Communications Services fell the most, dragged down by the weak performance from large Chinese internet and ecommerce firms. The ACWI ex US Growth Index has underperformed its value counterpart for three months in a row, resulting in a 475-basis point handicap over this time period for growth investors relative to value. This contrasts with style performance in the United States, where growth outperformed value by over 200 basis points.

Portfolio

Shares of Dutch payment processing firm **Adyen** fell after the company missed its mid-year revenue target. In its recent earnings report, the company said its growth halved in its US domestic e-commerce business to a still-rapid 23%, as customers switched to lower-priced competing service offerings. Margins also compressed as Adyen has hired aggressively to expand capacity and functionality in its payments offering. While Adyen's single platform across geographies and channels and strong technological edge are still desirable attributes, there is now more uncertainty about the level of future growth the company can sustain as competitors bundle services at lower prices and customers appear more willing to switch. We continue to monitor Adyen's expansion into new business areas, progress assimilating new hires, and ability to navigate rising competition in the US.

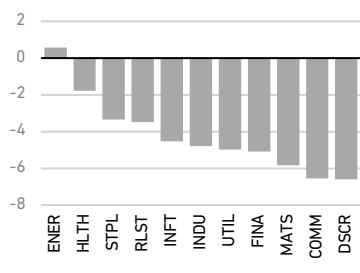
Ten Largest Holdings

Company	Market	Sector
Samsung Electronics	South Korea	Info Technology
Schneider Electric	France	Industrials
Chugai Pharmaceutical	Japan	Health Care
Infineon Technologies	Germany	Info Technology
DBS Group	Singapore	Financials
Allianz	Germany	Financials
FEMSA	Mexico	Cons Staples
L'Oréal	France	Cons Staples
SE Banken	Sweden	Financials
Manulife	Canada	Financials

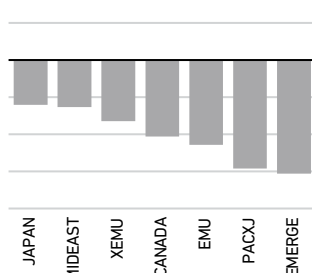
Ten Largest Holdings are the top ten holdings by weight. Please read the disclosures on the last page, which are an integral part of this presentation.

Benchmark Performance | Aug.

Total Return by Sector (%)

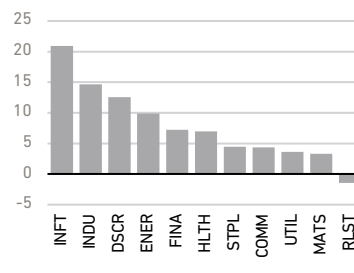


Total Return by Geography (%)

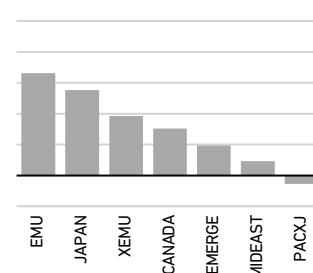


Benchmark Performance | YTD

Total Return by Sector (%)



Total Return by Geography (%)



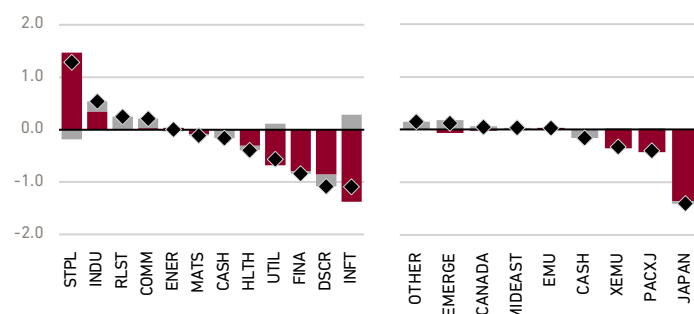
Performance Attribution | Aug.

Effect (%)	Selection	Allocation	Total
Sector	-1.9	0.3	-1.6
Geography	-1.9	0.3	-1.6



Performance Attribution | YTD

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



"OTHER": Includes companies classified in countries outside the index.

- Style patterns were mixed--high-quality companies outperformed while high-growth companies lagged.
- We underperformed in Financials. Shares of Dutch payment processing firm Adyen fell sharply.
- Our holdings in Europe lagged. Power semiconductor manufacturer **Infineon Technologies** posted a solid quarterly earnings result but backlog was slightly weaker, raising concerns that some customers may be decreasing orders.

- The Consumer Discretionary and Information Technology (IT) sectors have been our biggest detractors. Within IT, shares of Chinese solar panel maker **LONGi** fell due to concerns of industry overcapacity.
- In Japan, beauty company **Shiseido** saw share price declines as competition intensified while shares of pharma manufacturer **Shionogi** fell on concerns that revenue guidance was ambitious.
- In Consumer Staples, shares of Mexican bottler and convenience store operator **FEMSA** rose due to improved margins and a strategic refocus on its strongest businesses.

Top Five Contributors/Detractors (%) | Aug. to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
Chugai Pharmaceutical	Japan	HLTH	0.1	0.20
Unicharm	Japan	STPL	0.1	0.15
Sanhua Intelligent Controls	China	INDU	<0.1	0.15
Allianz	Germany	FINA	0.4	0.12
Couche-Tard	Canada	STPL	0.2	0.10
Detractors				
Adyen	Netherlands	FINA	0.1	-0.90
Infineon Technologies	Germany	INFT	0.2	-0.48
ENN Energy	China	UTIL	<0.1	-0.32
Novo Nordisk*	Denmark	HLTH	1.2	-0.21
Sysmex	Japan	HLTH	<0.1	-0.16

Top Five Contributors/Detractors (%) | YTD to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
FEMSA	Mexico	STPL	0.1	0.67
BBVA	Spain	FINA	0.2	0.40
L'Oréal	France	STPL	0.4	0.37
Schneider Electric	France	INDU	0.4	0.37
XP	Brazil	FINA	–	0.35
Detractors				
LONGi	China	INFT	<0.1	-1.07
ENN Energy	China	UTIL	<0.1	-0.73
Adyen	Netherlands	FINA	0.1	-0.73
AIA Group	Hong Kong	FINA	0.5	-0.58
CSPC Pharmaceutical Group	China	HLTH	<0.1	-0.35

*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.

Sources

Benchmark Performance: FactSet, MSCI Inc.

Sector/Geographic Attribution: Harding Loevner International Equity composite, FactSet, MSCI Inc.

Sector/Geographic Positioning and Ten Largest Holdings: Harding Loevner International Equity model, FactSet, MSCI Inc.

Disclosures

Past performance does not guarantee future results. Invested capital is at risk of loss.

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 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 March 31, 2023. 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 March 31, 2023. 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 invest@hlmnnet.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. Performance of contributors and detractors is net of fees, which is calculated by taking the difference between net and gross composite performance for the International Equity strategy prorated by asset weight in the portfolio and subtracted from each security's return. 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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