

What's Inside

Market Review →

The Delta variant and supply chain bottlenecks presented a big speed bump to the international stock market rally that began last fall. Small caps did outperform large, though, eking out a positive gain for the quarter.

Performance and Attribution →

Sources of relative return by sector and geography.

Perspective and Outlook →

Dramatic as the impact of the chip shortage has been on the auto industry, we're more focused on structural changes like electric vehicles and autonomous driving—both of which could work to the advantage of certain small cap component makers.

Portfolio Highlights →

In recent years, rich valuations of high-quality Chinese growth companies have been a big impediment to our adding to our exposure. Sharply lower valuations in the wake of recent regulatory actions have changed that picture.

Portfolio Holdings →

Information about the companies held in our portfolio.

Portfolio Facts →

Contributors, detractors, characteristics, and completed transactions.

Get More Online

Webcast →

Watch the International Small Companies Equity quarterly review.

Insights →

View other reports.

Composite Performance

Total Return (%) — Periods Ended September 30, 2021¹

| | 3 Months | YTD | 1 Year | 3 Years ² | 5 Years ² | 10 Years ² | Since Inception ^{2,3} |
|---|----------|-------|--------|----------------------|----------------------|-----------------------|--------------------------------|
| HL International Small Cos. (Gross of Fees) | 3.01 | 11.62 | 29.25 | 13.68 | 14.30 | 13.11 | 10.14 |
| HL International Small Cos. (Net of Fees) | 2.76 | 10.81 | 27.98 | 12.45 | 13.10 | 11.90 | 8.94 |
| MSCI All Country World ex-US Small Cap Index ^{4,5} | 0.09 | 12.57 | 33.54 | 10.75 | 10.68 | 9.83 | 6.03 |

¹The Composite performance returns shown are preliminary; ²Annualized Returns; ³Inception Date: December 31, 2006; ⁴The Benchmark Index; ⁵Gross of withholding taxes.

Please read the above performance in conjunction with the footnotes on the last page of this report. Past performance does not guarantee future results. All performance and data shown are in US dollar terms, unless otherwise noted.

Portfolio Positioning (% Weight)

| Sector | HL ISC | ACW ex-US SC | Under / Over |
|--------------------|--------|--------------|--------------|
| Info Technology | 26.2 | 11.9 | 14.3 |
| Health Care | 12.5 | 7.4 | 5.1 |
| Comm Services | 9.2 | 4.2 | 5.0 |
| Cons Staples | 9.2 | 5.6 | 3.6 |
| Cash | 2.1 | — | 2.1 |
| Energy | 1.4 | 2.7 | -1.3 |
| Utilities | 1.7 | 3.3 | -1.6 |
| Industrials | 18.1 | 21.2 | -3.1 |
| Materials | 7.4 | 10.6 | -3.2 |
| Financials | 6.8 | 10.6 | -3.8 |
| Cons Discretionary | 4.5 | 12.2 | -7.7 |
| Real Estate | 0.9 | 10.3 | -9.4 |

| Geography | HL ISC | ACW ex-US SC | Under / Over |
|-------------------------------|--------|--------------|--------------|
| Frontier Markets ⁶ | 7.7 | — | 7.7 |
| Europe ex-EMU | 30.5 | 23.4 | 7.1 |
| Europe EMU | 20.1 | 14.3 | 5.8 |
| Cash | 2.1 | — | 2.1 |
| Other ⁷ | 1.1 | — | 1.1 |
| Middle East | 1.6 | 2.0 | -0.4 |
| Emerging Markets | 20.3 | 24.6 | -4.3 |
| Canada | 2.0 | 6.5 | -4.5 |
| Japan | 14.1 | 19.9 | -5.8 |
| Pacific ex-Japan | 0.5 | 9.3 | -8.8 |

⁶Includes countries with less-developed markets outside the index; ⁷Includes companies classified in countries outside the index.

Sector and geographic allocations are supplemental information only and complement the fully compliant International Small Companies Equity Composite GIPS Presentation. Source: Harding Loevner International Small Companies Equity Model; MSCI Inc. and S&P. MSCI Inc. and S&P do not make any express or implied warranties or representations and shall have no liability whatsoever with respect to any GICS data contained herein.

Market Review

The global stock market rally that began with vaccine breakthroughs last November reversed course this quarter as the spread of the COVID-19 Delta variant and supply chain bottlenecks slowed the pace of recovery from the pandemic. For the quarter, international small caps outperformed large caps, eking out a positive return as gains earlier in the quarter withstood a late-September selloff.

Supply chain problems and labor shortages stemming from the pandemic contributed to inflation and brought forward the inevitable prospect of higher interest rates, despite the ongoing effects of COVID-19 and decelerating global growth expectations. Central banks have begun to signal the impending end of unprecedented monetary support and, in some cases, have acted by reducing bond buying (European Central Bank) or directly raising interest rates (Norway, Brazil, and Russia). The US Federal Reserve adopted a more hawkish tone following its September meeting, suggesting it could begin to scale back its monthly bond purchases as soon as this year, while its short-term interest rate forecasts now indicate a liftoff for rates as early as next year. US Treasury bond prices fell sharply late in the quarter, but their yields remain below levels reached in March. Commodity prices were

MSCI ACW ex-US Small Cap Index Performance (USD %)

| Geography | 3Q 2021 | Trailing 12 Months |
|--------------------------------|---------|--------------------|
| Canada | -1.0 | 43.6 |
| Emerging Markets | -2.0 | 43.8 |
| Europe EMU | 0.2 | 37.9 |
| Europe ex-EMU | 0.2 | 36.3 |
| Japan | 3.5 | 14.8 |
| Middle East | 3.9 | 53.5 |
| Pacific ex-Japan | -2.0 | 28.6 |
| MSCI ACW ex-US Small Cap Index | 0.1 | 33.5 |

| Sector | 3Q 2021 | Trailing 12 Months |
|------------------------|---------|--------------------|
| Communication Services | 0.5 | 24.8 |
| Consumer Discretionary | -4.0 | 31.1 |
| Consumer Staples | -1.7 | 11.9 |
| Energy | 8.2 | 73.2 |
| Financials | 2.6 | 44.6 |
| Health Care | -3.3 | 13.2 |
| Industrials | 2.1 | 46.1 |
| Information Technology | 0.7 | 34.2 |
| Materials | -0.7 | 37.9 |
| Real Estate | -0.2 | 24.1 |
| Utilities | 0.8 | 29.0 |

Source: FactSet (as of September 30, 2021). MSCI Inc. and S&P.

wildly mixed in the quarter. Iron ore fell more than 50% after rolling power outages in China linked to its stiffening carbon emission targets and the default of a major property developer feeling the pinch of tightening credit policies presaged falling steel production. But oil continued to march higher, with Brent crude trading near US\$80 per barrel for the first time since 2018.

By region, Japan performed most strongly as the country continues to accelerate its vaccination efforts. It also elected a new prime minister, Fumio Kishida, who is expected to continue predecessor Shinzō Abe's fiscal stimulus, aggressive monetary policy, and structural reforms. Emerging Markets (EMs) and Pacific ex-Japan were the worst-performing regions, in large part due to China, where a raft of new governmental regulatory actions and the failure of heavily indebted property giant Evergrande led to a sharp sell-off in both Chinese and Hong Kong-listed shares. Ultimately, China and Hong Kong each trailed the MSCI All Country World ex-US Small Cap Index by more than 13 percentage points. Most major currencies declined against the US dollar, with the biggest falls seen in commodity-linked currencies, including the Australian and Canadian dollars and the Brazilian real.

By sector, the long-reeling Energy sector was the strongest outperformer, benefiting from the rise in oil prices. Consumer Discretionary stocks slumped on weakness in retailing and from severe bottlenecks in auto production due to ongoing semiconductor shortages.

Viewed by style, the high-priced stocks outperformed the cheapest by nearly 170 basis points. The highest-quality and fastest-growing quintiles of stocks, which often overlap with the high-priced cohort, also outperformed. For year-to-date returns, however, style effects are more mixed. The "value rally," on hold since May, has still left the cheapest quintile of stocks ahead of the most expensive by 560 basis points. But growth has been coming on and has now more than made up the ground it lost earlier in the year, with the fastest-growing quintile of stocks outperforming the slowest by 565 basis points.

Performance and Attribution

The International Small Companies Composite rose 3.0% in the quarter gross of fees, bettering the index's small 0.1% rise. The strategy's performance this quarter further narrowed its year-to-date deficit; the composite has now gained 11.6% (also gross of fees) versus the index's 12.6% rise. While style effects were largely supportive this quarter, stock selection, from both a sector and region perspective, was the main driver of relative returns.

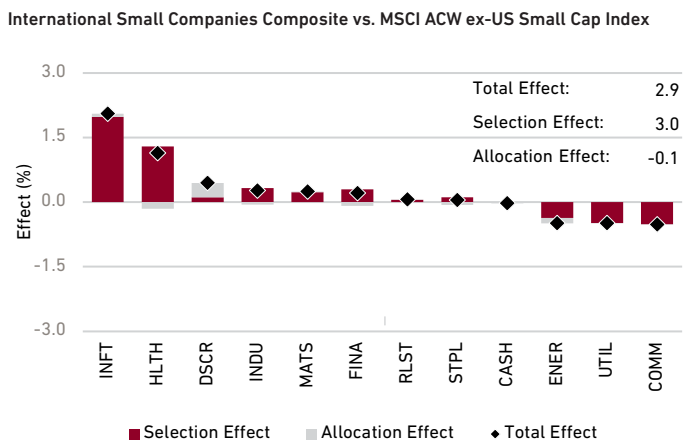
Companies held in the portfolio during the quarter appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner. A complete list of holdings at September 30, 2021 is available on page 6 of this report.

Our holdings in Europe outside of the monetary union were the largest sources of outperformance. **Reply**, an Italian IT services provider, is now a top contributor year-to-date. The company's cloud computing and mobile payments solutions continue to attract customers, enabling the company to grow topline sales by 16% so far this year. However, Swedish videogame maker **Paradox Interactive** dragged on returns as it continued to work through the repercussions from delayed and cancelled games. Another concern was an internal survey describing a toxic male-dominated workplace culture that mirrored recent reports about similar problems at high-profile rivals Activision Blizzard and Ubisoft. It didn't help that Paradox founder and former CEO Fredrik Wester, who had recently returned to the role to refocus the company on its core expertise of strategy games, was soon apologizing for an incident of self-described "inappropriate behavior" of his own from 2018. He took pains to say an outside auditor would have free rein in investigating all the complaints and recommending solutions.

Beyond Europe ex-EMU, our Japanese holdings also contributed to outperformance. **SMS**, a recruiting service for workers in Japanese hospitals and elder care settings, has experienced a bounce-back in its core business while benefiting from robust demand for new digital offerings for elder care operations and pharmaceutical marketing.

By sector, Information Technology (IT) led the way, while Utilities was a drag. **Globant**, an Argentine IT services provider, reported 48% organic revenue growth in the first half on broad-based demand from the consumer retail, manufacturing, and financial services sectors. **Rubis**, a French storage terminal and petroleum product distributor, was the portfolio's largest detractor as sales fell in several regions, especially the Caribbean, where tourism rates remain low due to the pandemic. The slow recovery in commercial air travel also impacts its jet fuel business, which has slipped from 15% of its fuel volumes to 8%.

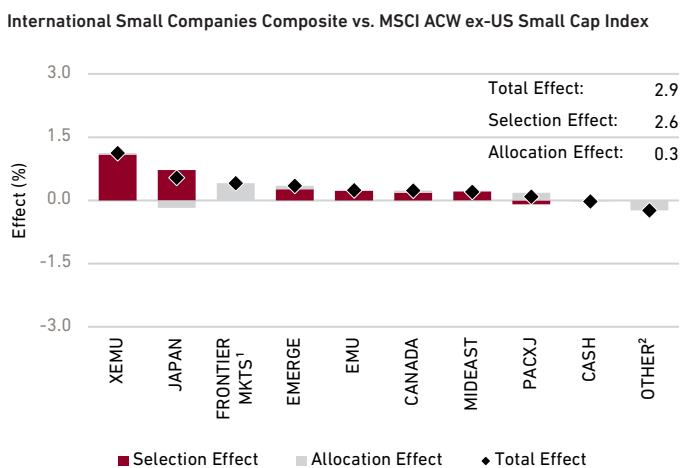
Third Quarter 2021 Performance Attribution Sector



Perspective and Outlook

Semiconductor chip shortages have resulted in automotive production cuts around the globe. Toyota's recently announced 40% cut in production follows similar cuts by established carmakers Volkswagen, General Motors, and Nissan, as well as newer entrants such as China's Nio. As dramatic as its effects have been, the chip shortage should be transitory; we expect that the worst of the backlogs should be cleared by mid-2022. We are more focused on fundamental changes like the adoption of electric vehicles (EVs) and autonomous driving that could impact the structure of the industry.

Geography



The legacy auto industry has benefited from massive economies of scale, including steep capital requirements, learning curves, and design costs, which historically have represented significant barriers to entry for new auto component suppliers. But the shift to EVs, while creating opportunity for existing suppliers, also opens the door to new entrants specializing in components previously not used in cars. The pace of adoption of autonomous driving is hard to predict given its earlier stage of development, but we estimate that increasingly stringent emissions regulations could drive EV unit sales to 50% of total industry sales within 15 years. Suppliers stand to benefit from a combination of faster overall segment growth and increased fragmentation in their customer base as aspirants seek to enter the auto manufacturing business.

As small cap investors looking for durable growth, we focus on identifying leading makers of components that are critical but nonetheless represent only a small portion of an end-product's total bill of materials, which better insulates them from pricing pressure. We insist on management foresight and financial strength since they underpin a company's ability to navigate significant market changes.

Fuchs Petrolub is an example of a longtime auto supplier whose management is investing to extend its competitive advantage. The company, headquartered in Germany, makes lubricants for

¹Includes countries with less-developed markets outside the index. ²Includes companies classified in countries outside the index. Source: FactSet; Harding Loevner International Small Companies Composite; MSCI Inc. and S&P. The total effect shown here may differ from the variance of the Composite performance and benchmark performance shown on the first page of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS Presentation.

automotive and other industrial applications and is the largest wholly dedicated lubricant supplier in the world. Fuchs's legacy automotive products, which represent about 30% of its total sales, were developed for use in internal combustion engines (ICEs). While EVs do not require engine oil, they do require new, higher-value lubricants. For example, grease used in the drivetrain of an EV must be able to withstand higher temperatures than those in an ICE. Because EVs are much quieter than cars with ICEs, their auxiliary systems—windows, windshield wipers, heating, and cooling—require new, noise-reducing greases since the sound from such systems is clearly audible. In March, Fuchs opened a new plant in Germany to focus on the production of polyurea grease, a specialty product with high-temperature, noise-reducing properties needed in EVs.

While EVs do not require engine oil, they do require new, higher-value lubricants. For example, because EVs are so quiet, their auxiliary systems—windows, windshield wipers, etc.—require special noise-reducing greases since the sound is clearly audible.

Historically, the company's competitive advantages have been its dense distribution networks around its plants and its close relationships with customers in niche product areas too small to attract big rivals like the major oil companies. Fuchs has invested to secure this advantage in recent years. Its new German plant is the final piece of a US\$350 million investment program launched in 2016 to expand and update its manufacturing and R&D facilities worldwide, including in the US, China, Australia, and Sweden.

Not everything changes in the transition to EVs: all cars need things like tires and lights. Japan-based **Stanley Electric** has been manufacturing headlamps and tail lamps for 100 years. Originally part of the vertically integrated auto supply chain for Honda (which still owns 5.3% of Stanley and buys 40% of its output), Stanley has diversified its customer base over the years. It now ranks second (with a 26% share) in the Japanese car lamp market.

A rule of thumb among automotive suppliers is that prices for their products decline 5% a year on average. But car lamps are one of the few components that have risen in average price as light sources have evolved for greater energy efficiency and, more recently, for features such as adaptive driving beams (ADB) that rotate or shine brighter in the direction the car signals it is about to turn. Stanley's key competitive advantages—its relationships with auto manufacturers and its technical know-how—position it as a partner to its customers as they seek to develop the next generation of head and tail lamps. For example, in order to optimize EVs' battery life, there will be great pressure for the lights to get smaller and even more efficient. ADBs, already valued by safety-conscious end consumers, should become an important frontier in the development of self-driving cars, since lights occupy the four corners of a vehicle, meaning that future generations of lights could also incorporate sensors.

Where headlamps help the driver see better, sensors help the car see better. **Sensata Technologies** is a leader in the US\$10 billion automotive market for high-value sensors, where it has about 20% market share. In some niches within the sensor market, Sensata has extremely high market share, such as its 70% share of the market for tire pressure sensors, which are still needed in EVs. In the short term, Sensata expects the number of its existing sensors per vehicle to increase as car makers respond to stricter fuel standards and the rising demand for safety and comfort-related control systems including electronic stability control and driver assistance.

The US-based¹ company also plans to meet the need for new products and already has more content per vehicle on EVs than it does on ICE cars. For example, the transition from traditional hydraulic brakes to EVs' electromechanical braking and regenerative braking systems requires more, and different types of, pressure and force sensing. The company recently acquired adjacent technologies with which it can expand its product line. In 2018, it acquired Gigavac, a leading manufacturer of high-voltage contactors, a mechanical device used in EV powertrains. The acquisition gives Sensata visibility at the early stage of EV development into new sensor types and enabling technologies—and an additional route to engage in that process.

LEM Holdings, though not widely viewed as an "automotive supplier," is taking advantage of its core competency to grab a share of what it, too, sees as a major long-term growth opportunity. The Swiss company's main product, transducers, are used for measuring and regulating electrical parameters such as current and voltage. They have a wide range of applications, including renewable energy systems, but the automotive industry represents about 30% of LEM's sales, of which transducers for electric and hybrid powertrains represent the vast majority of revenues. EVs are full of transducers: motor control transducers calibrate the voltage and current sent to the motor, while other transducers help manage the high voltages of the battery. In 2020, LEM introduced transducers for EV charging stations that support advanced integrated functions, including more accurate measurement—for billing purposes—of the amount of electricity used. Charging infrastructure represents a large, addressable market for LEM, as most countries are just beginning to address the coming need.

Portfolio Highlights

Beside the global chip shortage and its impact on supply chains, another issue of focus for global investors during the quarter was China. Following several years of rapid economic growth and expansion of its property and internet sectors, which have led China's stock market to be among the world's best performing, the recent spate of national policy changes has rattled Chinese stocks. But the sell-off has mostly affected large cap stocks, especially those directly in the regulatory crosshairs. There has been less of

¹Though headquartered in the US, Sensata's extensive operations and share of its revenue generated in Brazil, Europe, and Asia qualify it for classification in our rubric as "international."

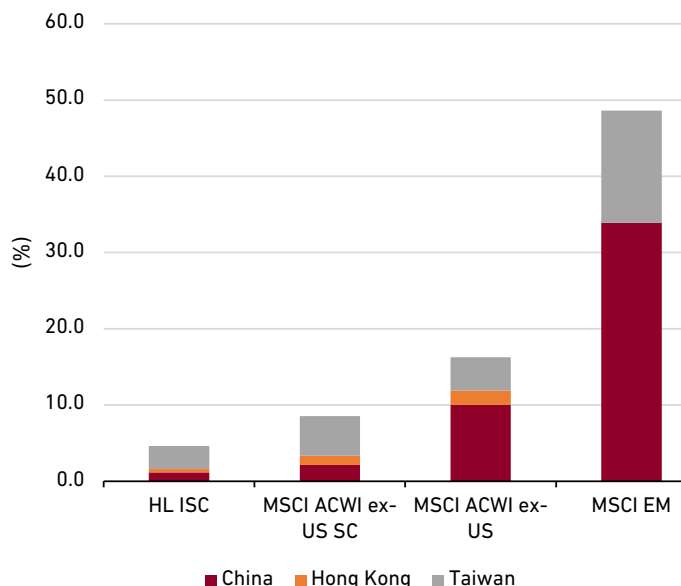
an impact on small cap stocks, where China represents a smaller portion globally. In our own small cap portfolio, the exposure to China is lower still.

Most small cap companies listed on Chinese domestic exchanges do not have ADRs or secondary listings in offshore markets like Hong Kong. It wasn't until the creation of the China Stock Connect program in 2014, which gave foreign investors access to Chinese-listed shares, that we were able to consider investing in any but a handful of Chinese small cap companies. Poor governance commonplace among smaller Chinese companies listed offshore was another obstacle. As the Stock Connect program has expanded, our opportunity set of Chinese small companies with solid governance and favorable quality and growth characteristics has widened. Recently, the Chinese government announced the creation of a new stock exchange in Beijing to help smaller businesses raise capital. It joins the Shanghai Stock Exchange's Science and Technology (STAR) Board and the Shenzhen Stock Exchange's ChiNext Board as the third such platform with lower size requirements for early-stage businesses to list. Our investible universe will expand further as companies on these new exchanges enter the Stock Connect program.

In recent years, rich valuations of high-quality Chinese growth companies, both in an absolute and relative sense, have been the biggest impediment to our adding to our exposure. Sharply lower valuations in the wake of the recent regulatory actions have caused us to reassess the trade-offs between risk and prospective returns for existing and new holdings, potentially changing that picture. In most cases, the reforms have little direct adverse impact on small companies and may even improve their competitive positioning vis-a-vis larger rivals. But that is not to say small companies aren't feeling adverse indirect effects. **Haitian International** is the leading plastic injection molding equipment company in China. The company has been gaining market share from higher-end German and Japanese firms through steady improvement of its machines, whose increasing energy efficiency also aligns nicely with China's carbon emission reduction goals. Yet, knock-on effects of recent policy changes like the rolling power curbs and the Evergrande collapse have dented consumer and manufacturer confidence. After a sharp uptick in new orders over the past year, Haitian's business may cool down and could be in for a few bumpy quarters, a concern that has weighed on its stock price.

Our aim is to construct a well-diversified portfolio that can withstand the full spectrum of unknowns. We do this by investing in businesses, like Haitian, that have durable competitive advantages in industries we understand, the financial strength to weather unforeseen challenges, and management teams that operate with incentives that are aligned with sustained long-term returns. With their valuations looking more attractive, we expect to add more such businesses in China. In the meantime, we have raised the ceiling for permitted exposure to China, from 10% to 20%.

Greater China Exposure



Source: FactSet, Data as of September 30, 2021.

International Small Companies Holdings (as of September 30, 2021)

| | Market | End Wt. (%) | | Market | End Wt. (%) |
|--|--------------|-------------|--|-------------|-------------|
| Communication Services | | | Health Care | | |
| CD Projekt (Video game developer) | Poland | 0.5 | Square Pharmaceuticals (Pharma manufacturer) | Bangladesh | 0.8 |
| Cheil Worldwide (Marketing and advertising services) | South Korea | 1.3 | STRATEC (Life science products manufacturer) | Germany | 2.5 |
| Megacable (Cable operator) | Mexico | 0.9 | Industrials | | |
| Paradox Interactive (Video game publisher) | Sweden | 1.1 | Bossard (Industrial components supplier) | Switzerland | 1.6 |
| Rightmove (Online property listings operator) | UK | 0.8 | Clarkson (Shipping services) | UK | 1.3 |
| Sarana Menara Nusantara (Telecom tower operator) | Indonesia | 1.7 | Diploma (Specialized technical services) | UK | 1.8 |
| TIME dotCom Berhad (Telecom services) | Malaysia | 0.6 | Haitian International (Injection-molding machines mfr.) | China | 1.2 |
| Tower Bersama (Telecom infrastructure provider) | Indonesia | 0.6 | HomeServe (Emergency repair services) | UK | 0.6 |
| YouGov (Market research and data analytics services) | UK | 1.6 | Intrum Justitia (Credit management services) | Sweden | 1.0 |
| Consumer Discretionary | | | LISI (Industrial components manufacturer) | France | 0.7 |
| ABC-Mart (Footwear retailer) | Japan | 0.3 | MISUMI Group (Machinery-parts supplier) | Japan | 0.5 |
| Eclat Textile (Technology-based textile manufacturer) | Taiwan | 0.6 | Nihon M&A Center Inc. (Financial advisory) | Japan | 0.6 |
| Jarir Marketing (Consumer products retailer) | Saudi Arabia | 1.0 | Pfeiffer Vacuum (Vacuum pump manufacturer) | Germany | 0.8 |
| Rinnai (Consumer appliances manufacturer) | Japan | 0.7 | Senior (Aerospace and auto parts manufacturer) | UK | 2.4 |
| Stanley Electric (Automotive lighting manufacturer) | Japan | 1.3 | Sensata Technologies (Industrial sensors manufacturer) | US | 0.6 |
| Thule Group (Lifestyle consumer products manufacturer) | Sweden | 0.6 | SMS (Health care employment services) | Japan | 1.9 |
| Consumer Staples | | | TOMRA (Industrial sensors manufacturer) | Norway | 2.0 |
| Agthia (Foods and beverages manufacturer) | UAE | 0.8 | VAT Group (Vacuum valve manufacturer) | Switzerland | 1.0 |
| Ariake (Natural seasonings manufacturer) | Japan | 1.6 | Information Technology | | |
| Clicks Group (Drugstores operator) | South Africa | 0.3 | Advantech (Industrial PCs manufacturer) | Taiwan | 0.5 |
| Cosmos Pharmaceutical (Drugstores operator) | Japan | 1.4 | Alten (Technology consultant and engineer) | France | 2.3 |
| Cranswick (Foods manufacturer) | UK | 0.7 | ASM Pacific Technology (Semiconductor eqpt. mfr.) | Hong Kong | 0.5 |
| Edita Food Industries (Foods & cons. products retailer) | Egypt | 0.8 | Bechtle (IT services and IT products reseller) | Germany | 2.1 |
| Grupo Herdez (Processed foods manufacturer) | Mexico | 0.9 | Chipbond Technology (Electronic chip packager) | Taiwan | 1.0 |
| Kernel (Foods and agricultural products manufacturer) | Ukraine | 0.8 | Cyberark (Cybersecurity software developer) | Israel | 1.6 |
| KWS SAAT (Agricultural products producer) | Germany | 1.2 | Globant (Software developer) | Argentina | 2.0 |
| Pigeon (Consumer products manufacturer) | Japan | 0.2 | Infomart (Restaurant supply chain operator) | Japan | 1.2 |
| Rohto Pharmaceutical (Health & consumer products mfr.) | Japan | 0.6 | Keywords Studios (Video game technical services) | UK | 2.0 |
| Energy | | | Kinaxis (Supply chain software developer) | Canada | 2.0 |
| Core Laboratories (Oilfield services) | US | 0.5 | LEM Holdings (Electrical components manufacturer) | Switzerland | 1.8 |
| Dialog Group Berhad (Petrochemical services) | Malaysia | 0.5 | Network International (Electronic payment services) | UK | 1.2 |
| Romgaz (Natural gas producer) | Romania | 0.3 | Reply (IT consultant) | Italy | 3.8 |
| Financials | | | Silergy (Electronics chips manufacturer) | Taiwan | 0.9 |
| Bank of Georgia (Commercial bank) | UK | 1.7 | SimCorp (Asset management software provider) | Denmark | 0.6 |
| Bankinter (Commercial Bank) | Spain | 0.7 | TeamViewer (Remote connectivity software developer) | Germany | 1.2 |
| Discovery Holdings (Insurance provider) | South Africa | 0.3 | Vaisala (Atmospheric measuring devices manufacturer) | Finland | 1.6 |
| Max Financial (Financial services and insurance provider) | India | 1.6 | Materials | | |
| Rathbone Bros (Wealth manager) | UK | 0.8 | Fuchs Petrolub (Lubricants manufacturer) | Germany | 1.6 |
| Siauliu Bankas (Commercial bank) | Lithuania | 1.8 | Hoa Phat Group (Steel producer) | Vietnam | 3.9 |
| Health Care | | | JCU (Industrial coating manufacturer) | Japan | 1.2 |
| Abcam (Life science services) | UK | 2.0 | SH Kelkar (Fragrances and flavors manufacturer) | India | 0.7 |
| BML (Oil distributor) | Japan | 0.8 | Real Estate | | |
| Dechra (Veterinary pharma manufacturer) | UK | 2.4 | Mabaneer (Real estate developer and manager) | Kuwait | 0.9 |
| EMIS Group (Health care software developer) | UK | 1.4 | Utilities | | |
| Integrated Diagnostics (Medical laboratory services) | Egypt | 0.7 | Rubis (Liquid chemical storage and distribution) | France | 1.7 |
| Santen Pharmaceutical (Pharma manufacturer) | Japan | 1.3 | Cash | | |
| Solasto (Medical admin outsourcing) | Japan | 0.6 | | | 2.1 |

Model Portfolio holdings are supplemental information only and complement the fully compliant International Small Companies Composite Composite GIPS Presentation. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of portfolio holdings for the past year contact Harding Loevner.

3Q21 Contributors to Relative Return (%)

| Largest Contributors | Sector | Avg. Weight | | Effect |
|----------------------|--------|-------------|--------------|--------|
| | | HL ISC | ACW ex-US SC | |
| Globant | INFT | 1.8 | 0.0 | 0.44 |
| Reply | INFT | 3.7 | 0.1 | 0.42 |
| SMS | INDU | 1.6 | <0.1 | 0.32 |
| Cyberark | INFT | 1.4 | - | 0.27 |
| Keywords Studios | INFT | 2.0 | 0.0 | 0.25 |

Last 12 Mos. Contributors to Relative Return (%)

| Largest Contributors | Sector | Avg. Weight | | Effect |
|----------------------|--------|-------------|--------------|--------|
| | | HL ISC | ACW ex-US SC | |
| Hoa Phat Group | MATS | 3.4 | - | 3.00 |
| Senior | INDU | 1.7 | <0.1 | 1.80 |
| Tower Bersama | COMM | 1.0 | <0.1 | 0.68 |
| Silergy | INFT | 0.9 | 0.0 | 0.67 |
| Reply | INFT | 3.1 | 0.1 | 0.59 |

3Q21 Detractors from Relative Return (%)

| Largest Detractors | Sector | Avg. Weight | | Effect |
|---------------------|--------|-------------|--------------|--------|
| | | HL ISC | ACW ex-US SC | |
| Rubis | UTIL | 2.0 | 0.1 | -0.45 |
| Paradox Interactive | COMM | 1.3 | <0.1 | -0.33 |
| Cheil Worldwide | COMM | 1.5 | - | -0.21 |
| TeamViewer | INFT | 1.0 | 0.0 | -0.20 |
| Core Laboratories | ENER | 0.6 | 0.0 | -0.20 |

Last 12 Mos. Detractors from Relative Return (%)

| Largest Detractors | Sector | Avg. Weight | | Effect |
|---------------------|--------|-------------|--------------|--------|
| | | HL ISC | ACW ex-US SC | |
| Paradox Interactive | COMM | 1.9 | <0.1 | -2.24 |
| STRATEC | HLTH | 2.8 | <0.1 | -1.10 |
| Kinaxis | INFT | 2.2 | 0.1 | -0.96 |
| Ariake | STPL | 1.8 | <0.1 | -0.80 |
| Bechtle | INFT | 2.4 | <0.1 | -0.78 |

Portfolio Characteristics

| Quality and Growth | HL ISC | ACW ex-US SC |
|--|--------|--------------|
| Profit Margin ¹ (%) | 8.6 | 6.0 |
| Return on Assets ¹ (%) | 7.6 | 4.0 |
| Return on Equity ¹ (%) | 14.0 | 7.9 |
| Debt/Equity Ratio ¹ (%) | 26.3 | 53.5 |
| Std. Dev. of 5 Year ROE ¹ (%) | 4.0 | 4.9 |
| Sales Growth ^{1,2} (%) | 7.7 | 4.8 |
| Earnings Growth ^{1,2} (%) | 6.0 | 5.5 |
| Cash Flow Growth ^{1,2} (%) | 12.1 | 8.5 |
| Dividend Growth ^{1,2} (%) | 6.4 | 5.1 |
| Size and Turnover | HL ISC | ACW ex-US SC |
| Wtd. Median Mkt. Cap. (US \$B) | 3.9 | 2.5 |
| Wtd. Avg. Mkt. Cap. (US \$B) | 4.4 | 3.0 |
| Turnover ³ (Annual %) | 21.1 | - |

| Size and Valuation | HL ISC | ACW ex-US SC |
|-------------------------------------|--------|--------------|
| Alpha ² (%) | 4.20 | - |
| Beta ² | 0.92 | - |
| R-Squared ² | 0.88 | - |
| Active Share ³ (%) | 97 | - |
| Standard Deviation ² (%) | 16.60 | 16.93 |
| Sharpe Ratio ² | 0.80 | 0.56 |
| Tracking Error ² (%) | 5.8 | - |
| Information Ratio ² | 0.63 | - |
| Up/Down Capture ² | 105/89 | - |
| Price/Earnings ⁴ | 22.5 | 15.0 |
| Price/Cash Flow ⁴ | 15.9 | 9.6 |
| Price/Book ⁴ | 3.4 | 1.6 |
| Dividend Yield ⁵ (%) | 1.4 | 2.0 |

¹Weighted median; ²Trailing five years, annualized; ³Five-year average; ⁴Weighted harmonic mean; ⁵Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner International Small Companies Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: October 4, 2021, based on the latest available data in FactSet on this date.); Harding Loevner International Small Companies Model, based on the underlying holdings; MSCI Inc.

Completed Portfolio Transactions

| Positions Established | Market | Sector |
|---|--------|--------|
| There were no completed purchases this quarter. | | |

| Positions Sold | Market | Sector |
|--|--------|--------|
| There were no complete sales this quarter. | | |

The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. The following information is available upon request: (1) information describing the methodology of the contribution data in the tables above; and (2) a list showing the weight and relative contribution of all holdings during the quarter and the last 12 months. Past performance does not guarantee future results. In the tables above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall relative performance over the period. Contributors and detractors exclude cash and securities in the Composite not held in the Model Portfolio. Quarterly data is not annualized. Portfolio attribution and characteristics are supplemental information only and complement the fully compliant International Small Companies Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

International Small Companies Equity Composite Performance (as of September 30, 2021)

| | HL ISC Gross (%) | HL ISC Net (%) | ACWI ex-US Small Cap ¹ (%) | HL ISC 3-yr. Std. Deviation ² (%) | ACWI ex-US Small Cap 3-yr Std. Deviation ² (%) | Internal Dispersion ³ (%) | No. of Accounts | Composite Assets (\$M) | Firm Assets (\$M) |
|-----------------------|------------------------|----------------------|---|--|---|--|--------------------|---------------------------|-------------------------|
| 2021 YTD ⁴ | 11.62 | 10.81 | 12.57 | 20.18 | 20.82 | N.A. ⁵ | 1 | 580 | 73,857 |
| 2020 | 20.14 | 18.81 | 14.67 | 19.78 | 20.97 | N.M. ⁶ | 1 | 454 | 74,496 |
| 2019 | 31.30 | 29.83 | 22.93 | 12.36 | 11.60 | N.M. | 1 | 350 | 64,306 |
| 2018 | -16.39 | -17.34 | -17.89 | 12.47 | 12.36 | N.M. | 1 | 165 | 49,892 |
| 2017 | 37.61 | 36.34 | 32.12 | 10.76 | 11.54 | N.M. | 3 | 323 | 54,003 |
| 2016 | 0.79 | -0.22 | 4.29 | 10.78 | 12.15 | N.M. | 2 | 154 | 38,996 |
| 2015 | 5.83 | 4.63 | 2.95 | 10.26 | 11.32 | N.M. | 1 | 95 | 33,296 |
| 2014 | -2.12 | -3.14 | -3.69 | 12.30 | 13.13 | N.M. | 3 | 157 | 35,005 |
| 2013 | 28.37 | 26.92 | 20.13 | 16.41 | 16.65 | N.M. | 3 | 166 | 33,142 |
| 2012 | 25.73 | 24.31 | 18.96 | 19.24 | 19.96 | N.M. | 2 | 119 | 22,658 |
| 2011 | -11.90 | -12.80 | -18.21 | 23.37 | 23.89 | N.M. | 2 | 84 | 13,597 |

¹Benchmark Index; ²Variability of the Composite, gross of fees, and the index returns over the preceding 36-month period, annualized; ³Asset-weighted standard deviation (gross of fees); ⁴The 2021 YTD performance returns and assets shown are preliminary; ⁵N.A.—Internal dispersion less than a 12-month period; ⁶N.M.—Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year.

The International Small Companies Equity Composite contains fully discretionary, fee-paying accounts investing primarily in non-US equity and equity-equivalent securities of companies with market capitalizations that fall within the range of the Composite's benchmark index and cash reserves. For comparison purposes, the Composite is measured against the MSCI All Country World ex-US Small Cap Total Return Index (Gross). Returns include the effect of foreign currency exchange rates. The exchange rate source of the benchmark is Reuters. The exchange rate source of the Composite is Bloomberg. Additional information about the benchmark, including the percentage of composite assets invested in countries or regions not included in the benchmark, is available upon request.

The MSCI All Country World ex-US Small Cap Index is a free-float market capitalization index that is designed to measure small cap developed and emerging market equity performance. The index consists of 49 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 34-12,128 million (as of September 30, 2021). You cannot invest directly in this index.

Harding Loevner LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Harding Loevner has been independently verified for the period November 1, 1989 through June 30, 2021. 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.

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 Small Companies Equity Composite has had a performance examination for the periods January 1, 2007 through June 30, 2021. The verification and performance examination reports are available upon request.

Harding Loevner LP 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. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Additional information is available upon request. Past performance does not guarantee future results. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate International Small Companies accounts is 1.00% annually of the market value up to \$20 million; 0.80% of amounts above \$20 million. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The International Small Companies Equity Composite was created on December 31, 2006 and the performance inception date is January 1, 2007.