

International Small Companies Equity



Quarterly Report | Third Quarter 2022

What's Inside

What Happened →

Europe's burgeoning energy crisis, Britain's radical fiscal measures, and the US Federal Reserve's aggressive rate hikes brought the prospect of a global recession into sharper view. International small-cap stocks tumbled in every sector and region.

How We Did →

Sources of relative return by sector and region.

What's On Our Minds →

We invest in companies, not countries, and our investment process is based upon bottom-up forecasts rather than macroeconomic forecasts. Because of this, we were able to find attractive opportunities in Germany and the UK.

Portfolio Holdings →

Information about the companies held in the portfolio.

Portfolio Facts →

Contributors, detractors, characteristics, and completed transactions.

Composite Performance

Total Return (%) — Periods Ended September 30, 2022¹

	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)	-5.53	-32.47	-30.60	1.68	1.55	7.04	6.96
HL International Small Cos. (Net of Fees)	-5.76	-32.95	-31.26	0.65	0.49	5.91	5.80
MSCI All Country World ex-US Small Cap Index ^{4,5}	-8.25	-29.07	-28.57	0.80	-0.16	4.83	3.40

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

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

Portfolio Positioning (% Weight)

Sector	HL ISC	ACWI ex-US SC	Under / Over
Info Technology	23.4	10.8	12.6
Comm Services	12.3	3.7	8.6
Health Care	12.2	6.9	5.3
Cons Staples	9.3	6.4	2.9
Cash	2.1	—	2.1
Utilities	2.1	3.7	-1.6
Industrials	17.3	19.6	-2.3
Energy	1.4	4.2	-2.8
Financials	7.7	11.1	-3.4
Materials	7.3	11.8	-4.5
Cons Discretionary	4.3	11.6	-7.3
Real Estate	0.6	10.2	-9.6

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Geography	HL ISC	ACWI ex-US SC	Under / Over
Europe ex-EMU	29.7	18.9	10.8
Europe EMU	18.5	12.4	6.1
Frontier Markets ⁶	5.9	—	5.9
Other ⁷	2.7	—	2.7
Cash	2.1	—	2.1
Middle East	2.2	2.1	0.1
Emerging Markets	24.7	27.0	-2.3
Canada	2.0	7.7	-5.7
Japan	11.8	21.2	-9.4
Pacific ex-Japan	0.4	10.7	-10.3

⁶Includes countries with less-developed markets outside the Index. ⁷Emerging markets or frontier markets companies listed in developed markets.

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.

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What Happened

Europe took center stage in the third quarter, as a burgeoning energy crisis emanating from the region threatened a deep global recession. The MSCI All Country World ex-US Index fell 9.8%. International small-cap stocks tumbled alongside it, finishing the period down 8.3% and bringing the year-to-date decline to 29.1%.

Russia's decision to strangle the supply of natural gas has kept inflation on the rise in Europe. Already-high prices of European natural gas were sent soaring by the sabotage of the Nord Stream subsea pipelines, which transport the fuel from Russia to Western Europe. European utilities are scrambling to boost gas inventories or secure alternative sources. Meanwhile, successive rate hikes by the Federal Reserve to contain inflation in the US stoked a rally in the dollar, precipitating multi-decade lows for several currencies, including the euro and the Japanese yen.

Another jolt was delivered to markets in the final days of September, when Britain's new government announced the most-sweeping tax cuts since 1972, a radical fiscal measure that clashed with the orthodox inflation-taming efforts of central bankers. The British pound collapsed to near parity with the dollar and yields on gilts spiked, prompting emergency intervention by the Bank of England to shore up pension funds.

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

Sector	3Q 2022	Trailing 12 Months
Communication Services	-12.8	-38.6
Consumer Discretionary	-7.2	-34.0
Consumer Staples	-9.1	-27.5
Energy	-0.5	11.8
Financials	-6.8	-23.7
Health Care	-11.1	-41.6
Industrials	-7.5	-27.4
Information Technology	-10.0	-34.8
Materials	-4.8	-23.9
Real Estate	-12.7	-29.4
Utilities	-8.8	-14.3
Geography	3Q 2022	Trailing 12 Months
Canada	-6.0	-17.0
Emerging Markets	-5.1	-22.8
Europe EMU	-15.1	-35.4
Europe ex-EMU	-14.3	-39.5
Japan	-4.4	-27.3
Middle East	-1.7	-12.0
Pacific ex-Japan	-5.9	-22.3
MSCI ACW ex-US Small Cap Index	-8.2	-28.6

Source: FactSet (as of September 30, 2022). MSCI Inc. and S&P.

UK Prime Minister Liz Truss, succumbing to the humiliating backlash, has since abandoned plans to abolish the country's top tax rate for the highest earners.

By far the worst-performing regions this quarter were the European Economic and Monetary Union (EMU), which includes Germany, France, and Italy—countries heavily reliant on Russian oil, gas, and coal—as well as Europe outside the EMU, which includes the UK. While negative, returns were less bad in Emerging Markets, such as Brazil and Saudi Arabia, and Pacific Ex-Japan, which features Australia. Sector returns mirrored these dynamics, with Energy and Materials as the best of a bad lot.

How We Did

The International Small Companies Composite fell 5.5%, gross of fees, compared with an 8.3% drop in the MSCI ACWI ex-US Small Cap Index. Year to date, the composite has fallen 32.5% (also gross of fees), underperforming the index's 29.1% decline.

Even though we were overweight the poorly performing EMU and ex-EMU regions of Europe, favorable stock selection in those areas (and for the portfolio overall) helped us beat the benchmark in the quarter. **Bank of Georgia** was the biggest contributor to our outperformance. It has prospered not just despite, but also *because of* its proximity to the Ukrainian conflict, as businesses and workers fleeing nearby Russia have led to more money flowing through Georgia's economy, including into restaurants and real estate. We decided to take advantage of the run-up and reduce our holding to pursue more attractively priced opportunities, which we discuss below.

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Scout24, the largest online real estate portal in Germany, was another regional outperformer despite its currently fraught descriptors: "real estate" and "German." Pouncing on an industry trend, Scout24 has quickly expanded to become a full real estate business services company, including listings, lead generation, back-office support, property management, and other ways of helping agents and landlords operate more efficiently. An oversupply of real estate in Germany amid a slowdown in homebuying is forcing agents to promote properties for sale more heavily. A tight rental market contributed to a 57% increase in subscriptions to Scout24's service for renters, which speeds up the search-and-approval process.

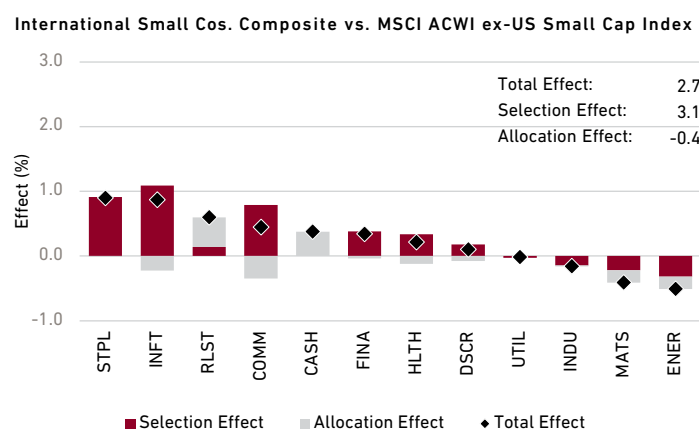
Companies held in the portfolio at the end of the quarter appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. A complete list of holdings at September 30, 2022 is available on page 6 of this report.

The biggest relative detractor was **Dechra**, a UK-based maker of animal pharmaceuticals that is experiencing cost inflation and increased competition from generics. Dechra also completed two acquisitions that will be dilutive to earnings this year and next. The drug pipelines in both deals look promising for Dechra's growth outlook, which is underpinned by rising demand in the US for pet medicines.

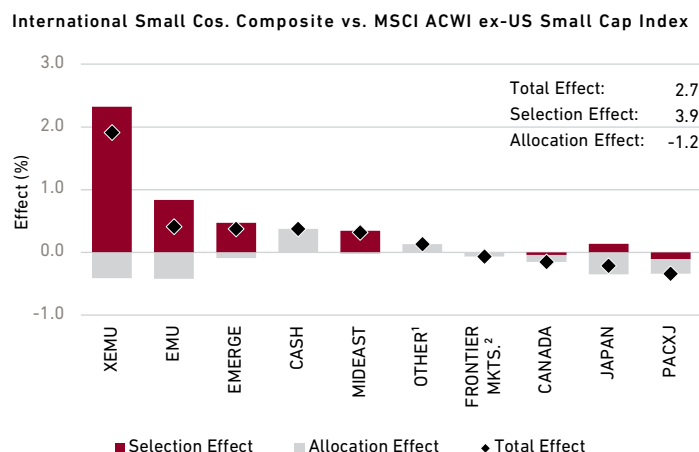
Our sector returns in most cases were aided by stock picking, but Energy was a big exception. Even as some energy producers have been buttressed by higher natural gas prices, one of our holdings, **Romgaz** of Romania, was encumbered by the nation's windfall tax, which limited profitability.

Third Quarter 2022 Performance Attribution

Sector



Geography



¹Includes countries with less-developed markets outside the Index; ²Includes countries with less-developed markets outside the Index. Source: FactSet; Harding Loeven International Small Cos. 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.

Consumer Staples was a bright spot, led by **Edita Food Industries**, an Egyptian producer of the iconic Twinkies and HoHos snacks for consumers in the Middle East and North Africa. Edita reported soaring demand for both treats last quarter, resulting in a 65% jump in revenue, year over year, in its largest segment. Price increases made up for weaker volumes in other product lines, and net income more than doubled. Edita isn't immune to the revenue and cost pressures stemming from the war, including the absence of Russian and Ukrainian tourists. Still, the inexorable urbanization of the company's home market bodes well for growth in on-the-go snacking.

What's On Our Minds

Our exposure to Europe warrants a closer look. Although the portfolio remains diversified across 10 countries and many sectors, compared with the index it has a strikingly high presence in Germany. The notional overweight to the UK is deceptive, as it includes four London-listed companies—roughly 3% of portfolio weight—that don't generate meaningful sales or profits in the country: telecommunications carrier **Airtel Africa**, Lithuania-based **Baltic Classifieds**, the aforementioned Bank of Georgia, and payments company **Network International**, which generates most of its revenue in the Middle East and Africa.

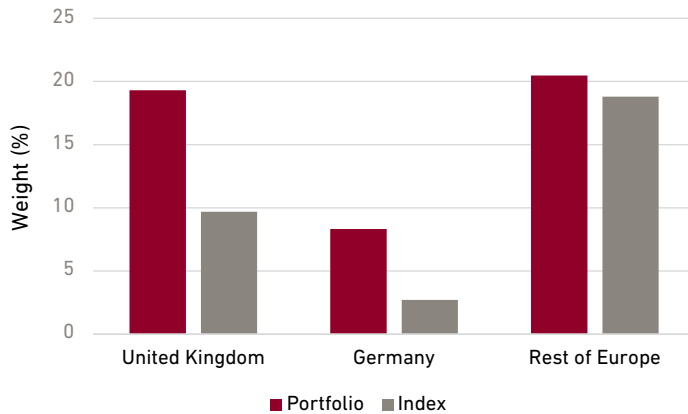
That said, we haven't neglected the UK itself. During the quarter, we added **Grafton**, the parent of the Woodie's chain of retail home improvement stores and construction materials distributors such as Selco and Chadwicks. In a competitive market the company's edge comes from its knowledgeable staff and large product selection. In recent years, it has expanded into Finland, Ireland, and the Netherlands, and could stand to benefit from the weaker pound. As a skilled capital allocator armed with a net-cash balance sheet in a deteriorating economy, Grafton may successfully unearth more businesses ripe for acquisition.

The Grafton purchase illustrates that we invest in companies, not countries, and that our investment process is based upon bottom-up business forecasts rather than macroeconomic forecasts. Focusing on businesses that are growing on the back of durable competitive advantages, well led by properly incentivized management teams, financially strong, and reasonably valued has helped us generate excess returns through past economic cycles.

As a skilled capital allocator armed with a net-cash balance sheet in a deteriorating economy, Grafton may successfully unearth more businesses ripe for acquisition.

That last criterion—valuation—caused us to reduce some holdings this quarter in favor of more attractively priced alternatives. As investors' fears of a collapse in the UK housing market weigh on **Rightmove**, the country's dominant online real estate platform, we decided to reduce this holding to make room for Rightmove's

HL ISC Portfolio and MSCI AC World ex-US Small Cap Weights in Europe



Source: FactSet, MSCI Inc. Data as of September 30, 2022.

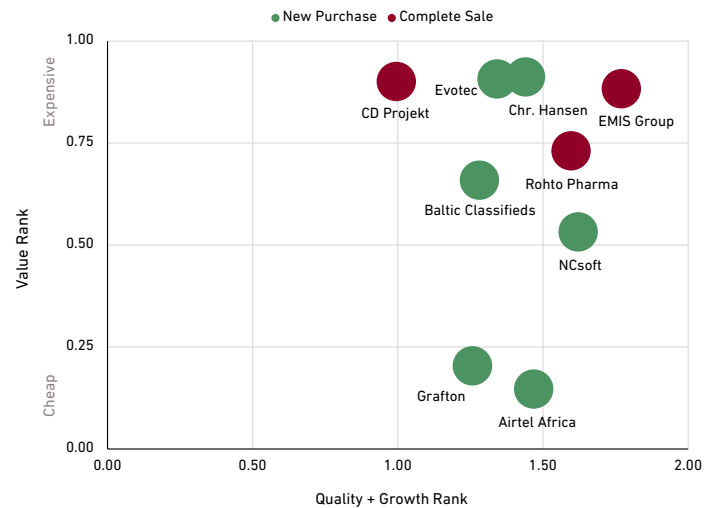
Lithuanian counterpart, Baltic Classifieds, which was the cheapest stock in the online-classifieds industry despite posting the fastest growth and facing low competitive threats. We also added to **Cranswick**, a UK chicken and pork processor, following a tour of its new processing facility. Cranswick's focus on both low-cost and premium cuts is advantageous in a period of economic uncertainty.

In Germany, a crucible in the European energy crisis, none of our holdings directly faces natural gas supply risks. Pressure can be felt in electricity costs, but generally these are a small component of overall costs. One company that warrants our watching closely is **Fuchs Petrolub**, the world's top producer of lubricants, used to grease everything from vehicle steering wheels and transmission systems to wind turbines. Lubricants are made from base oils, a byproduct of the oil-refining process. Should Fuchs's German suppliers experience production cuts that force it to tap the global market for raw materials, it would suffer higher costs and perhaps lower margins. So far, though, Fuchs has exhibited tremendous pricing power in an inflationary environment. Looking further ahead, Fuchs is poised to benefit from the growing interest in wind energy and the shift to electric vehicles, which require specialized greases.

In Germany, a crucible in the European energy crisis, none of our holdings directly faces natural gas supply risks.

We have continued to be net buyers in Germany, most recently adding **Evotec**, shares of which had gotten cheaper relative to historical levels. Evotec is a contract research company focused on discovering new drug candidates for its clients. The company provides a differentiated offering through its extensive experience with pluripotent stem cells (which can self-renew and develop into other cells in the body), genomics (the study of genes), and proteomics (the systematic study of proteins). Evotec also utilizes

3Q22 ISC Portfolio Transactions



Source: Harding Loevner, HOLT database, FactSet. HOLT and MSCI data as of September 2022.

its platforms to discover its own drug candidates, and then partners with biopharmaceutical companies at the point of clinical trial. Revenue increased 24% in the first half of the year, and the factors currently hurting its stock price—a global pullback in biotech funding and Europe's energy crisis—appear to be temporary.

Harding Loevner's Quality, Growth, and Value rankings are proprietary measures determined using objective data. Quality rankings are based on the stability, trend, and level of profitability, as well as balance sheet strength. Growth rankings are based on historical growth of earnings, sales, and assets, as well as expected changes in earnings and profitability. Value rankings are based on several valuation measures, including price ratios.

International Small Companies Holdings (as of September 30, 2022)

Communication Services	Market	End Wt. (%)	Health Care	Market	End Wt. (%)
Airtel Africa (Telecom services)	UK	0.7	Square Pharmaceuticals (Pharma manufacturer)	Bangladesh	1.2
Baltic Classifieds (Online classifieds portal operator)	UK	0.7	STRATEC (Life science products manufacturer)	Germany	1.7
Cheil Worldwide (Marketing and advertising services)	South Korea	1.6	Tecan (Life science products and services)	Switzerland	1.7
Megacable (Cable operator)	Mexico	1.9	Industrials		
NCSOFT (Video game developer)	South Korea	0.5	Bossard (Industrial components supplier)	Switzerland	1.3
Paradox Interactive (Video game publisher)	Sweden	1.6	Clarkson (Shipping services)	UK	1.1
Rightmove (Online property listings operator)	UK	0.3	Diploma (Specialized technical services)	UK	1.8
Sarana Menara Nusantara (Telecom tower operator)	Indonesia	2.2	Grafton (Construction products distributor)	UK	1.0
Scout24 (Real estate information services)	Germany	0.6	Haitian International (Injection-molding machines mfr.)	China	1.5
TIME dotCom Berhad (Telecom services)	Malaysia	0.8	Intrum Justitia (Credit management services)	Sweden	0.7
Tower Bersama (Telecom infrastructure provider)	Indonesia	0.4	Localiza (Automobile rental services)	Brazil	2.5
YouGov (Market research and data analytics services)	UK	1.0	Meyer Optoelectronic (Optical machine manufacturer)	China	1.0
Consumer Discretionary			MISUMI Group (Machinery-parts supplier)	Japan	0.4
Eclat Textile (Technology-based textile manufacturer)	Taiwan	0.5	Pfeiffer Vacuum (Vacuum pump manufacturer)	Germany	0.7
Jarir Marketing (Consumer products retailer)	Saudi Arabia	1.2	Senior (Aerospace and auto parts manufacturer)	UK	1.9
Rinnai (Consumer appliances manufacturer)	Japan	0.7	Sensata Technologies (Industrial sensors mfr.)	US	0.6
Stanley Electric (Automotive lighting manufacturer)	Japan	1.6	SMS (Health care employment services)	Japan	1.5
Thule Group (Lifestyle consumer products manufacturer)	Sweden	0.4	TOMRA (Industrial sensors manufacturer)	Norway	1.2
Consumer Staples			Information Technology		
Ariake (Natural seasonings manufacturer)	Japan	1.3	Advantech (Industrial PCs manufacturer)	Taiwan	0.6
Clicks Group (Drugstores operator)	South Africa	0.4	Alten (Technology consultant and engineer)	France	2.0
Cosmos Pharmaceutical (Drugstores operator)	Japan	1.2	ASM Pacific Technology (Semiconductor eqpt. mfr.)	Hong Kong	0.4
Cranswick (Foods manufacturer)	UK	1.3	Bechtle (IT services and IT products reseller)	Germany	1.6
Edita Food Industries (Foods & cons. products retailer)	Egypt	1.2	Chipbond Technology (Electronic chip packager)	Taiwan	0.6
Grupo Herdez (Processed foods manufacturer)	Mexico	0.9	Cyberark (Cybersecurity software developer)	Israel	2.2
KWS SAAT (Agricultural products producer)	Germany	1.2	Globant (Software developer)	US	1.8
Pigeon (Consumer products manufacturer)	Japan	0.8	Infomart (Restaurant supply chain operator)	Japan	1.2
Yantai China Pet Foods (Pet food manufacturer)	China	1.0	Keywords Studios (Video game technical services)	UK	1.9
Energy			Kinaxis (Supply chain software developer)	Canada	2.0
Core Laboratories (Oilfield services)	US	0.3	LEM Holdings (Electrical components manufacturer)	Switzerland	1.7
Dialog Group Berhad (Petrochemical services)	Malaysia	0.6	Network International (Electronic payment services)	UK	1.2
Romgaz (Natural gas producer)	Romania	0.5	Reply (IT consultant)	Italy	2.2
Financials			SimCorp (Asset management software provider)	Denmark	0.4
Bank of Georgia (Commercial bank)	UK	2.0	TeamViewer (Remote connectivity software developer)	Germany	0.7
Bankinter (Commercial Bank)	Spain	0.9	TravelSky (Aviation IT services)	China	0.8
Discovery Holdings (Insurance provider)	South Africa	0.3	Vaisala (Atmospheric measuring devices manufacturer)	Finland	2.0
Linea Directa (Insurance provider)	Spain	0.9	Materials		
Max Financial (Financial services & insurance provider)	India	1.6	Chr. Hansen (Natural ingredients developer)	Denmark	1.5
Rathbones (Wealth manager)	UK	0.5	Fuchs Petrolub (Lubricants manufacturer)	Germany	1.4
Siauliu Bankas (Commercial bank)	Lithuania	1.6	Hoa Phat Group (Steel producer)	Vietnam	2.6
Health Care			JCU (Industrial coating manufacturer)	Japan	0.9
Abcam (Life science services)	UK	2.2	SH Kelkar (Fragrances and flavors manufacturer)	India	0.8
BML (Clinical testing and information services)	Japan	0.7	Real Estate		
Dechra (Veterinary pharma manufacturer)	UK	1.6	Mabane (Real estate developer and manager)	Kuwait	0.6
Evotec (Drug discovery and developer)	Germany	0.4	Utilities		
Integrated Diagnostics (Medical laboratory services)	Egypt	0.6	Rubis (Liquid chemical storage and distribution)	France	2.1
Prodia (Medical laboratory services)	Indonesia	0.6	Cash		
Santen Pharmaceutical (Pharma manufacturer)	Japan	0.5			2.1
Solasto (Medical admin outsourcing)	Japan	1.1			

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.

3Q22 Contributors to Relative Return (%)

Largest Contributors	Sector	HL ISC	Avg. Weight		Effect
			ACWI	ex-US SC	
Bank of Georgia	FINA	2.2	<0.1	0.85	
Localiza	INDU	2.3	–	0.46	
Cyberark	INFT	1.9	–	0.45	
Network International	INFT	0.9	<0.1	0.41	
Sarana Menara Nusantara	COMM	2.0	–	0.35	

3Q22 Detractors from Relative Return (%)

Largest Detractors	Sector	HL ISC	Avg. Weight		Effect
			ACWI	ex-US SC	
Dechra	HLTH	2.0	0.1	-0.45	
Haitian International	INDU	1.7	–	-0.33	
Intrum Justitia	INDU	0.9	<0.1	-0.24	
Linea Directa	FINA	1.0	<0.1	-0.22	
LEM Holdings	INFT	1.8	<0.1	-0.17	

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	HL ISC	Avg. Weight		Effect
			ACWI	ex-US SC	
Localiza	INDU	1.7	–	0.73	
Bank of Georgia	FINA	1.8	<0.1	0.67	
EMIS Group	HLTH	1.3	<0.1	0.48	
Cyberark	INFT	1.8	–	0.38	
Edita Food Industries	STPL	0.9	–	0.33	

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	HL ISC	Avg. Weight		Effect
			ACWI	ex-US SC	
Hoa Phat Group	MATS	3.2	–	-0.75	
Dechra	HLTH	2.2	0.1	-0.60	
TeamViewer	INFT	1.0	<0.1	-0.60	
Reply	INFT	3.2	0.1	-0.44	
Infomart	INFT	1.0	<0.1	-0.43	

Portfolio Characteristics

Quality and Growth	HL ISC	ACWI ex-US SC
Profit Margin ¹ (%)	10.1	8.3
Return on Assets ¹ (%)	8.0	5.5
Return on Equity ¹ (%)	15.1	11.0
Debt/Equity Ratio ¹ (%)	32.8	49.1
Std. Dev. of 5 Year ROE ¹ (%)	3.7	5.2
Sales Growth ^{1,2} (%)	10.0	6.5
Earnings Growth ^{1,2} (%)	9.4	8.5
Cash Flow Growth ^{1,2} (%)	9.1	6.6
Dividend Growth ^{1,2} (%)	7.1	5.2
Size and Turnover	HL ISC	ACWI ex-US SC
Wtd. Median Mkt. Cap. (US \$B)	2.4	1.7
Wtd. Avg. Mkt. Cap. (US \$B)	3.0	2.0
Turnover ³ (Annual %)	16.9	–

Risk and Valuation	HL ISC	ACWI ex-US SC
Alpha ² (%)	1.76	–
Beta ²	0.93	–
R-Squared ²	0.89	–
Active Share ³ (%)	97	–
Standard Deviation ² (%)	18.69	19.07
Sharpe Ratio ²	0.02	-0.07
Tracking Error ² (%)	6.2	–
Information Ratio ²	0.28	–
Up/Down Capture ²	99/94	–
Price/Earnings ⁴	15.3	9.8
Price/Cash Flow ⁴	10.1	6.7
Price/Book ⁴	2.3	1.2
Dividend Yield ⁵ (%)	2.5	3.3

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 5, 2022, 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
Airtel Africa	UK	COMM
Baltic Classifieds	UK	COMM
Chr. Hansen	Denmark	MATS
Evotec	Germany	HLTH
Grafton	UK	INDU
NCSOFT	South Korea	COMM

Positions Sold	Market	Sector
CD Projekt	Poland	COMM
EMIS Group	UK	HLTH
Rohto Pharmaceutical	Japan	STPL

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, 2022)

	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)
2022 YTD ⁴	-32.47	-32.95	-29.07	21.59	22.30	N.A. ⁵	1	473	44,705
2021	14.71	13.60	13.36	18.81	19.85	N.M. ⁶	1	594	75,084
2020	20.14	18.81	14.67	19.78	20.97	N.M.	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

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 2022 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, excluding the US. The Index consists of 46 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 17-8,751 million (as of September 30, 2022). You cannot invest directly in this Index.

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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, 2022. The verification and performance examination reports 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.

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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 for the first \$20 million; 0.80% for the next \$80 million; 0.70% above \$100 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.



**HARDING
LOEVNER**

400 Crossing Blvd, 4th Floor, Bridgewater, NJ 08807

T: (908)218-7900

F: (908)218-1915

HardingLoevner.com

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