

What's Inside

What Happened →

Inflation, rising interest rates, and geopolitical tensions weighed on international small-cap stocks for much of 2022; however, investors turned more sanguine about the economy in the fourth quarter, sparking an end-of-year rally.

How We Did →

Sources of relative return by sector and region.

What's On Our Minds →

When a company's manufacturing process and products are supported by proprietary intellectual property—which is the case for our sensor-technology companies Vaisala, TOMRA, and LEM—it's easier to keep competition at bay and sustain profitable growth in times of macroeconomic stress.

Portfolio Holdings →

Information about the companies held in the 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 December 31, 2022¹

	3 Months	1 Year	3 Years ²	5 Years ²	10 Years ²	Since Inception ^{2,3}
HL International Small Cos. (Gross of Fees)	12.94	-23.74	1.67	2.90	7.84	7.66
HL International Small Cos. (Net of Fees)	12.67	-24.46	0.65	1.82	6.71	6.50
MSCI All Country World ex US Small Cap Index ^{4,5}	13.39	-19.57	1.49	1.08	5.64	4.16

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	22.8	10.7	12.1
Comm Services	12.3	3.7	8.6
Health Care	11.7	7.2	4.5
Cash	2.9	—	2.9
Cons Staples	8.5	6.3	2.2
Utilities	2.3	3.5	-1.2
Energy	2.1	4.3	-2.2
Financials	8.4	11.1	-2.7
Industrials	17.2	20.2	-3.0
Materials	7.5	11.6	-4.1
Cons Discretionary	3.7	11.5	-7.8
Real Estate	0.6	9.9	-9.3

Geography	HL ISC	ACWI ex US SC	Under / Over
Europe ex EMU	31.8	19.8	12.0
Europe EMU	18.8	13.3	5.5
Frontier Markets ⁶	5.5	—	5.5
Cash	2.9	—	2.9
Other ⁷	1.9	—	1.9
Middle East	1.7	1.8	-0.1
Emerging Markets	23.4	26.2	-2.8
Canada	2.0	7.3	-5.3
Japan	11.6	21.1	-9.5
Pacific ex Japan	0.4	10.5	-10.1

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

While deteriorating macroeconomic conditions made 2022 a difficult year for all investors, it was especially so for small-cap investors. International small-cap stocks fell 19.6%, underperforming the MSCI ACWI ex US Index by 400 basis points (bps).

Sharply rising inflation caused many central banks around the world to hike interest rates, which disproportionately hurt the valuations of small, fast-growing companies—whose cash flows are projected to be higher in the distant future—and prompted investors to more highly discount those future cash flows. Rising rates can also make gaining access to credit more difficult and costly for businesses.

The US Federal Reserve's aggressive rate action also seemed to supercharge the dollar against other currencies for most of the year. Weaker foreign currencies were responsible for slightly more than a third of the decline in international small caps for dollar-based investors.

Russia's attack on Ukraine created a sour mood in financial markets for much of the year, as the war helped trigger an energy crisis in Europe, which exacerbated the problem of rising costs

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

Sector	4Q 2022	Trailing 12 Months
Communication Services	12.5	-30.8
Consumer Discretionary	13.5	-22.9
Consumer Staples	13.9	-12.3
Energy	12.5	27.6
Financials	19.3	-9.4
Health Care	10.5	-32.0
Industrials	15.2	-16.9
Information Technology	11.6	-32.0
Materials	13.1	-15.7
Real Estate	9.3	-26.3
Utilities	10.2	-7.6
Geography	4Q 2022	Trailing 12 Months
Canada	10.3	-11.9
Emerging Markets	8.3	-17.6
Europe EMU	22.8	-21.6
Europe ex EMU	19.6	-30.1
Japan	12.0	-11.7
Middle East	-5.6	-27.1
Pacific ex Japan	13.1	-15.2
MSCI ACWI ex US Small Cap Index	13.4	-19.6

Source: FactSet (as of December 31, 2022). MSCI Inc. and S&P.

for consumers and businesses. Surging fuel prices left Energy as the only small-cap sector with a positive return for the year. Every region also declined, led by Europe ex EMU.

Even as investors became increasingly fearful of an economic downturn, a recession did not materialize, preventing shares of the highest-quality companies from potentially asserting their relative underlying competitive and financial strength. Instead, high-quality stocks carrying rich valuations generally suffered as value investing made a comeback, with small-cap value stocks outperforming small-cap growth stocks by 13%. Communication Services, Health Care, and Information Technology (IT)—given their concentration of expensive, high-quality stocks—performed the worst over the course of the year.

Russia's attack on Ukraine created a sour mood in financial markets for much of the year, as the war helped trigger an energy crisis in Europe.

As the year came to an end, recession worries persisted, but Europe's natural-gas shortage at least looked to be less severe than initially feared and overall inflation showed signs of abating. International small caps rebounded sharply, gaining 13% in the fourth quarter.

How We Did

The International Small Companies Composite rose 12.9% gross of fees in the fourth quarter, compared with a 13.4% gain in the MSCI ACWI ex US Small Cap Index. For the full year, the composite fell 23.7% gross of fees, underperforming the index's 19.6% decline.

During the fourth quarter, positive stock selection was offset by a negative impact from sector allocation.

Bank of Georgia was the top contributor to returns for a second consecutive quarter as well as for the full year. The company continued to benefit from an influx of spending by businesses and individuals fleeing nearby Russia because of the war. Another strong holding during the quarter was **Chr. Hansen**, a Danish producer of cultures, enzymes, and probiotic products for customers in the food, nutritional, pharmaceutical, and agricultural industries. The company's prospects for long-term profitable growth drew the attention of Novozymes, the market leader in industrial enzymes. In December, Novozymes made a bid to acquire Chr. Hansen for 87.1 billion kroner (US\$12.3 billion), valuing the company at 25 times EBITDA, a premium to other recent transactions in the space.

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 December 31, 2022 is available on page 6 of this report.

Meanwhile, Vietnamese steel producer **Hoa Phat Group** was the biggest detractor for both the quarter and year. Margins were squeezed by high prices for coking coal—a vital ingredient in its steelmaking process—and weak steel prices related to reduced construction activity in Vietnam and flagging export volumes.

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Allocation decisions were the biggest hindrance to full-year relative returns. Regional allocation accounted for three-quarters of our underperformance, particularly our underweight in Japan, which is

often viewed as a safe haven in times of economic and geopolitical unease and whose central bank for the most part resisted the year's monetary tightening trend. The sector allocation effect was most acute in IT, in which we were overweight, although it was slightly offset by favorable stock picks in the sector.

After Hoa Phat, **Dechra Pharmaceuticals**, a maker of medicines for pets and farm animals, was our next largest detractor for the year. Costs jumped as Dechra raised worker pay and returned to normal levels of spending following the business interruption caused by the COVID-19 pandemic. The company also faced new competition from generics, and its two recent acquisitions are expected to reduce profitability this year and next.

What's On Our Minds

As macroeconomic uncertainty plunged the broader market into a state of tumult, we continued to scrutinize our holdings and opportunity set for businesses with the characteristics necessary to weather a challenging environment. To maintain profitable growth regardless of economic conditions, it helps when a company's manufacturing process and products are supported by proprietary intellectual property and the ability to produce its own components—advantages that make it difficult for competition to enter the market.

This was reinforced during a recent research trip to visit some of our holdings in northern Europe and Switzerland. We spent time with senior executives at more than a dozen small-cap companies in the region, including **Vaisala's** head of R&D at its Helsinki facility, an engineer at **TOMRA's** headquarters in Oslo, and **LEM Holding's** factory-operations manager at its main plant in Geneva.

Vaisala, TOMRA, and LEM wouldn't seem to have much in common—one makes measurement instruments, another builds "reverse vending machines," and the third makes electrical transducers. But what became apparent during our visits is that there's a thread connecting these companies: the competitive advantages they gain from possessing in-house sensor technology.

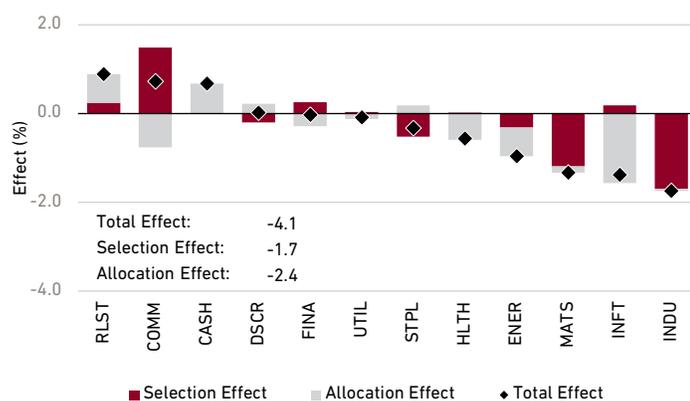
Sensors are all around us. There's an optical sensor in your computer mouse and touch sensors in your smartphone. Your house probably has a smoke sensor, and your car uses sensors to gauge tire pressure. In the simplest terms, a sensor measures a parameter and transmits the information to a larger electronic widget.

The sensor technology in Vaisala's devices is far from simple though, as companies in fields as varied as aviation, chemicals, data centers, life science, and weather forecasting use the technology to take indoor and outdoor environmental readings. The company got its start nearly 90 years ago making radiosondes—meteorological instruments that are carried into the atmosphere by a weather balloon—which are still part of its business today. Often, the company's devices must be ultra-precise yet rugged enough to withstand harsh conditions—whether they are monitoring

Trailing 12 Months Performance Attribution

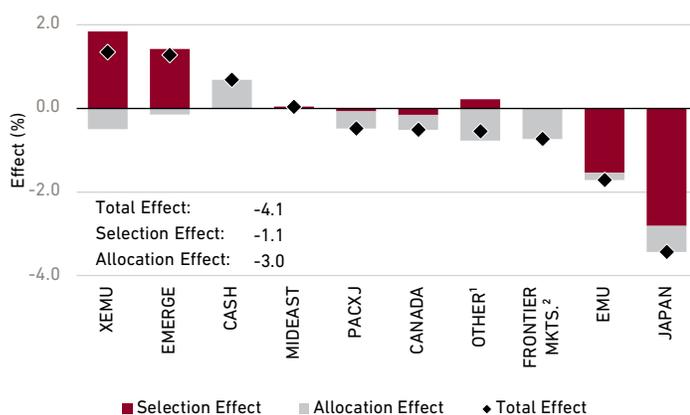
Sector

International Small Cos. Composite vs. MSCI ACWI ex US Small Cap Index



Geography

International Small Cos. Composite vs. MSCI ACWI ex US Small Cap Index



¹Includes countries with less-developed markets outside the Index; ²Includes countries with less-developed markets outside the Index. Source: FactSet; Harding Loevner 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.

lightning and wind shear for an airport, measuring methane levels in a wastewater-treatment facility, assessing pavement conditions when mounted to a snowplow, or operating an automatic weather station during a storm.

What makes all these products so complex is that they process both analog and digital signals, technology that can take decades to perfect given that analog sensing involves real-world phenomena for which the range of values is infinite and not discrete. To make these specialized tools, most everything at Vaisala is done in-house, right down to the design and manufacturing of the semiconductor chips used in its sensors and even some of the machinery. Having its own chip technology and production capabilities—compared with rivals that must purchase commercial components—helps the Finnish company not only control its supply chain, but also broaden its expertise and ensure more accurate and durable instruments than competitors.

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Precise readings are important for customers such as pharmaceutical labs, which require specific humidity levels and temperatures for storing drugs that are costly to replace, such as cancer treatments. For other customers, it's crucial that the device doesn't corrode or malfunction in severe environments, and so Vaisala puts its products through various tests, exposing them to chemicals, extreme temperatures, radiation, vibrations, water, and wind. During our tour, the company demonstrated some of these tests. The most dramatic experiment simulated many days of intense rainfall by releasing water from three stories above the device. The demonstration also included extreme temperature changes—dropping from 60 degrees Celsius to minus 60 degrees Celsius within five seconds—and a vibration test to show how a device would perform in an earthquake. A testament to its robustness, Vaisala's sensor technology is used on NASA's Perseverance rover, which landed on Mars in early 2021.



Inside a TOMRA reverse vending machine

TOMRA's sensors power more earthly pursuits—primarily recycling. They sit inside so-called reverse vending machines (RVMs), contraptions roughly the size of airport baggage scanners that quickly sort empty plastic and glass bottles and aluminum cans so retailers such as supermarkets can accept and store recyclables. (Next, government or third-party services transfer the bottles

to a processing facility, which determines whether the materials can be used to make new containers.) The first automated RVM, invented by TOMRA's founders, was installed at a Norwegian supermarket in 1972. Decades of R&D later, TOMRA's speedy and precise optical sensing has made it the dominant player in RVMs, with its 70% market share, extensive service network, and patents on most of its core sensor technology forming a large barrier to entry to potential competitors.

The demand for RVMs is set to rise as European countries introduce bottle-deposit schemes to encourage recycling and comply with a European Union directive on single-use plastics: by 2025, 77% of plastic bottles placed on the market must be recycled, rising to 90% by 2029. Part of the appeal of TOMRA's machines is their proprietary ATM-like functionality for receiving refunds and the convenience of the myTOMRA app, which allows recyclers who prefer digital payment to connect their PayPal account.

Like TOMRA, LEM's sensors may see increased demand because of climate-related initiatives. LEM makes transducers, specialized sensors in electric vehicles (EVs) and EV charging ports, as well as other applications, to convert energy from one form to another. Each EV requires up to 10 current and voltage sensors for battery management, electrical safety, motor control, and power conversion. Like Vaisala, LEM designs not only its sensors but also the chips that are connected to the sensors, and even some of the machines that produce the sensors. Its in-house capabilities and expertise designing sensors that, like Vaisala's, can process both complex analog signals measuring real-world phenomena as well as digital signals make it difficult for rivals to enter LEM's core markets.

By 2025, 77% of plastic bottles placed on the European market must be recycled, rising to 90% by 2029.

Since we purchased Vaisala and LEM in 2008 and TOMRA in 2015, each has significantly outperformed the benchmark. This year, however, shares of all three companies fell alongside other high-quality growth small caps, with TOMRA ending up as one of the year's biggest detractors from our relative returns. That performance belies each company's technological prowess and the competitive insulation it provides. It seems the investment world has focused on ephemeral themes, such as central bankers' next moves and the unknowable outcome of geopolitical strain. While such unpredictable issues do affect markets—they certainly roiled small caps this year—our focus remains on discovering lasting competitive advantages such as those that Vaisala, TOMRA, and LEM have adeptly carved out to safeguard their sales growth and profit margins.

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 December 31, 2022)

Communication Services	Market	End Wt. (%)	Health Care	Market	End Wt. (%)
Airtel Africa (Telecom services)	UK	0.6	Solasto (Medical admin outsourcing)	Japan	0.9
Baltic Classifieds (Online classifieds portal operator)	UK	0.7	Square Pharmaceuticals (Pharma manufacturer)	Bangladesh	1.0
Cheil Worldwide (Marketing and advertising services)	South Korea	1.7	STRATEC (Life science products manufacturer)	Germany	1.6
Megacable (Cable operator)	Mexico	2.2	Tecan (Life science products and services)	Switzerland	1.9
NCSOFT (Video game developer)	South Korea	0.6	Industrials		
Paradox Interactive (Video game publisher)	Sweden	1.8	Bossard (Industrial components supplier)	Switzerland	1.4
Rightmove (Online property listings operator)	UK	0.3	Clarkson (Shipping services)	UK	1.3
Sarana Menara Nusantara (Telecom tower operator)	Indonesia	1.7	Diploma (Specialized technical services)	UK	2.1
Scout24 (Real estate information services)	Germany	0.5	Grafton (Construction products distributor)	UK	1.2
TIME dotCom Berhad (Telecom services)	Malaysia	0.8	Haitian International (Injection-molding machines mfr.)	China	1.9
Tower Bersama (Telecom infrastructure provider)	Indonesia	0.2	Intrum Justitia (Credit management services)	Sweden	0.6
YouGov (Market research and data analytics services)	UK	1.1	Localiza (Automobile rental services)	Brazil	1.3
Consumer Discretionary			Meyer Optoelectronic (Optical machine manufacturer)	China	1.0
Eclat Textile (Technology-based textile manufacturer)	Taiwan	0.6	MISUMI Group (Machinery-parts supplier)	Japan	0.4
Jarir Marketing (Consumer products retailer)	Saudi Arabia	0.5	Pfeiffer Vacuum (Vacuum pump manufacturer)	Germany	0.9
Rinnai (Consumer appliances manufacturer)	Japan	0.6	Senior (Aerospace and auto parts manufacturer)	UK	2.0
Stanley Electric (Automotive lighting manufacturer)	Japan	1.8	Sensata Technologies (Industrial sensors mfr.)	US	0.5
Thule Group (Lifestyle consumer products manufacturer)	Sweden	0.3	SMS (Health care employment services)	Japan	1.7
Consumer Staples			TOMRA (Industrial sensors manufacturer)	Norway	1.0
Ariake (Natural seasonings manufacturer)	Japan	1.1	Information Technology		
Clicks Group (Drugstores operator)	South Africa	0.3	Advantech (Industrial PCs manufacturer)	Taiwan	0.6
Cosmos Pharmaceutical (Drugstores operator)	Japan	1.1	Alten (Technology consultant and engineer)	France	2.0
Cranswick (Foods manufacturer)	UK	1.5	ASM Pacific Technology (Semiconductor eqpt. mfr.)	Hong Kong	0.4
Grupo Herdez (Processed foods manufacturer)	Mexico	0.9	Bechtle (IT services and IT products reseller)	Germany	1.4
KWS SAAT (Agricultural products producer)	Germany	1.3	Chipbond Technology (Electronic chip packager)	Taiwan	0.7
Pigeon (Consumer products manufacturer)	Japan	0.8	Cyberark (Cybersecurity software developer)	Israel	1.7
Robinsons Retail (Foods & consumer products retailer)	Philippines	0.7	Globant (Software developer)	US	0.8
Yantai China Pet Foods (Pet food manufacturer)	China	0.7	Infomart (Restaurant supply chain operator)	Japan	0.9
Energy			Keywords Studios (Video game technical services)	UK	2.2
Core Laboratories (Oilfield services)	US	0.5	Kinaxis (Supply chain software developer)	Canada	2.0
Dialog Group Berhad (Petrochemical services)	Malaysia	1.1	LEM Holdings (Electrical components manufacturer)	Switzerland	1.9
Romgaz (Natural gas producer)	Romania	0.4	Network International (Electronic payment services)	UK	1.1
Financials			Reply (IT consultant)	Italy	2.1
Bank of Georgia (Commercial bank)	UK	1.5	SimCorp (Asset management software provider)	Denmark	1.4
Bankinter (Commercial Bank)	Spain	1.0	TeamViewer (Remote connectivity software developer)	Germany	1.1
Commercial International Bank (Commercial bank)	Egypt	0.9	TravelSky (Aviation IT services)	China	1.0
Discovery Holdings (Insurance provider)	South Africa	0.3	Vaisala (Atmospheric measuring devices manufacturer)	Finland	1.6
Linea Directa (Insurance provider)	Spain	1.0	Materials		
Max Financial (Financial services & insurance provider)	India	1.2	Chr. Hansen (Natural ingredients developer)	Denmark	1.9
Rathbones (Wealth manager)	UK	0.5	Fuchs Petrolub (Lubricants manufacturer)	Germany	1.7
Siauliu Bankas (Commercial bank)	Lithuania	2.0	Hoa Phat Group (Steel producer)	Vietnam	2.0
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 (Clinical testing and information services)	Japan	0.7	Real Estate		
Dechra (Veterinary pharma manufacturer)	UK	1.5	Mabaneer (Real estate developer and manager)	Kuwait	0.6
Evotec (Drug discovery and developer)	Germany	0.3	Utilities		
Integrated Diagnostics (Medical laboratory services)	Egypt	0.6	Rubis (Liquid chemical storage and distribution)	France	2.3
Prodia (Medical laboratory services)	Indonesia	0.6	Cash		2.9
Santen Pharmaceutical (Pharma manufacturer)	Japan	0.6			

Model Portfolio holdings are supplemental information only and complement the fully compliant International Small Companies 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.

4Q22 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight		
		HL ISC	ACWI ex US SC	Effect
Bank of Georgia	FINA	2.1	<0.1	0.60
Chr. Hansen	MATS	1.7	-	0.51
Siauliu Bankas	FINA	1.8	-	0.41
Haitian International	INDU	1.6	-	0.41
TeamViewer	INFT	0.9	<0.1	0.35

4Q22 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight		
		HL ISC	ACWI ex US SC	Effect
Hoa Phat Group	MATS	2.0	-	-0.72
Cyberark	INFT	2.0	-	-0.59
Sarana Menara Nusantara	COMM	1.9	-	-0.58
Max Financial	FINA	1.3	0.1	-0.39
Yantai China Pet Foods	STPL	0.8	-	-0.37

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight		
		HL ISC	ACWI ex US SC	Effect
Bank of Georgia	FINA	1.9	<0.1	1.03
Localiza	INDU	2.0	-	0.59
EMIS Group	HLTH	0.9	<0.1	0.55
Tecan	HLTH	1.2	0.1	0.41
Chr. Hansen	MATS	0.5	-	0.35

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight		
		HL ISC	ACWI ex US SC	Effect
Hoa Phat Group	MATS	2.8	-	-0.96
Dechra	HLTH	2.0	0.1	-0.89
Reply	INFT	2.8	0.1	-0.83
Bechtle	INFT	1.7	-	-0.64
Infomart	INFT	0.9	<0.1	-0.56

Portfolio Characteristics

Quality and Growth	HL ISC	ACWI ex US SC
Profit Margin ¹ (%)	10.2	8.3
Return on Assets ¹ (%)	7.9	5.6
Return on Equity ¹ (%)	14.7	11.4
Debt/Equity Ratio ¹ (%)	31.7	49.5
Std. Dev. of 5 Year ROE ¹ (%)	3.4	4.7
Sales Growth ^{1,2} (%)	10.0	6.5
Earnings Growth ^{1,2} (%)	9.3	9.1
Cash Flow Growth ^{1,2} (%)	9.0	6.4
Dividend Growth ^{1,2} (%)	6.0	4.8
Size and Turnover	HL ISC	ACWI ex US SC
Wtd. Median Mkt. Cap. (US \$B)	2.7	2.0
Wtd. Avg. Mkt. Cap. (US \$B)	3.1	2.3
Turnover ³ (Annual %)	17.0	-

Risk and Valuation	HL ISC	ACWI ex US SC
Alpha ² (%)	1.95	-
Beta ²	0.93	-
R-Squared ²	0.9	-
Active Share ³ (%)	97	-
Standard Deviation ² (%)	19.13	19.50
Sharpe Ratio ²	0.09	-0.01
Tracking Error ² (%)	6.2	-
Information Ratio ²	0.30	-
Up/Down Capture ²	99/94	-
Price/Earnings ⁴	17.0	10.3
Price/Cash Flow ⁴	11.2	7.0
Price/Book ⁴	2.3	1.2
Dividend Yield ⁵ (%)	2.4	3.1

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, gross of fees; MSCI Inc. Source (other characteristics): FactSet (Run Date: January 4, 2023, 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
Commercial International Bank	Egypt	FINA
Robinsons Retail	Philippines	STPL

Positions Sold	Market	Sector
Edita Food Industries	Egypt	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 December 31, 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 ⁴	-23.74	-24.46	-19.57	21.96	22.72	N.M. ⁵	1	523	47,607
2021	14.71	13.60	13.36	18.81	19.85	N.M.	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 performance returns and assets shown are preliminary; ⁵N.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-adjusted 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 126-8,504 million (as of December 31, 2022). 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 September 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 Small Companies Equity Composite has had a performance examination for the periods January 1, 2007 through September 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.