

International Small Companies Equity



Quarterly Report | Year End 2023

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International small caps rallied as economic data left investors feeling sanguine in the face of rising geopolitical tensions. The IT sector and Emerging Markets were the stars of the year.

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Japan's economic reforms exacerbated our style headwinds this year. Over time, though, the country's push to step up corporate governance and growth may result in a larger assortment of companies meeting our investing criteria.

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Composite Performance

Total Return (%) — Periods Ended December 31, 2023

	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
HL International Small Cos. (Gross)	11.57	13.91	-0.12	9.46	6.56	8.02
HL International Small Cos. (Net)	11.31	12.83	-1.07	8.35	5.46	6.86
MSCI All Country World ex US Small Cap Index	10.20	16.23	1.96	8.35	5.30	4.84

The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. International Small Cos. composite inception date: December 31, 2006. MSCI All Country World ex US Small Cap Index, the benchmark index, is shown gross 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	Index	Under / Over
Comm Services	12.6	3.7	8.9
Info Technology	20.4	11.9	8.5
Health Care	10.6	7.0	3.6
Cons Staples	8.8	6.2	2.6
Cash	2.1	—	2.1
Industrials	20.6	20.8	-0.2
Utilities	1.9	3.0	-1.1
Energy	1.6	4.0	-2.4
Materials	8.5	11.3	-2.8
Financials	7.9	11.0	-3.1
Cons Discretionary	4.5	11.9	-7.4
Real Estate	0.5	9.2	-8.7

Geography	HL	Index	Under / Over
Europe ex EMU	32.0	19.5	12.5
Europe EMU	24.1	12.7	11.4
Frontier Markets	7.3	—	7.3
Cash	2.1	—	2.1
Other	1.5	—	1.5
Middle East	2.2	1.8	0.4
Canada	1.0	6.6	-5.6
Pacific ex Japan	0.5	8.8	-8.3
Emerging Markets	20.0	28.9	-8.9
Japan	9.3	21.7	-12.4

"HL": International Small Companies model portfolio. "Index": MSCI All Country World ex US Small Cap Index.

"Frontier Markets": Includes countries with less-developed markets outside the index. "Other": Includes 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, FactSet, MSCI Inc. 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.

What Happened

International small-cap stocks rallied 10.2% in the fourth quarter. They ended the year up 16.2%, matching the performance of their large-cap counterparts.

Lower interest rates, slowing inflation, and signs of an economic “soft landing” allowed the year to close on an optimistic note, as earlier worries over the health of the banking system (stemming from the failure of three US regional banks) faded from memory. Artificial intelligence (AI) captivated investors, given the technology’s potential to drive long-term productivity gains and growth. However, concerns persisted throughout the year over the potential economic fallout of worsening geopolitical strain.

The US Federal Reserve maintained the federal funds rate at a steady 5.25% to 5.5% for a third consecutive meeting, with hints of three rate reductions in 2024. The European Central Bank also left rates unchanged, reflecting a newly cautious approach to monetary policy. In Asia, where high inflation is less of a concern, monetary policies remained more accommodative. China’s central bank continued its supportive stance, while news reports suggested the country may pursue additional measures to stimulate its slowing economy. The Bank of Japan maintained negative policy rates, citing subdued wage growth, lackluster housing investment, and steady government spending.

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

Sector	4Q 2023	Trailing 12 Months
Communication Services	8.9	12.1
Consumer Discretionary	7.7	12.8
Consumer Staples	7.5	9.7
Energy	-0.5	10.4
Financials	10.6	19.4
Health Care	10.3	8.8
Industrials	10.2	21.1
Information Technology	14.2	34.7
Materials	10.6	13.1
Real Estate	15.0	6.4
Utilities	10.0	10.3
Geography	4Q 2023	Trailing 12 Months
Canada	5.8	8.3
Emerging Markets	9.0	24.5
Europe EMU	13.1	19.0
Europe ex EMU	15.5	16.2
Japan	7.5	13.8
Middle East	6.4	-0.4
Pacific ex Japan	9.7	4.8
MSCI ACWI ex US Small Cap Index	10.2	16.2

Source: FactSet, MSCI Inc. Data as of December 31, 2023.

The Information Technology (IT) sector led the benchmark, surging 14% during the quarter and nearly 35% for the year, propelled by enthusiasm over AI, as well as earnings growth. Energy was the only sector to decline for the quarter, as robust oil production in North America offset lower supply elsewhere, pushing down crude prices. Consumer Staples also underperformed during the quarter and year as sales growth fell short of investors’ expectations. The positive effect that inflation has had on pricing for Consumer Staples businesses is now fading as inflation slows, and sales volumes have yet to pick up in response to the lower prices.

For the full year, Real Estate had the worst showing, as high mortgage rates and shrinking demand for commercial properties took their toll. Health Care also underperformed, as biotechnology companies—a collection of largely unprofitable businesses—felt the pressures of a higher cost of funding.

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By region, the European Monetary Union (EMU) beat the index for the quarter and year, while Canada was dragged down by Energy’s poor performance in both periods. Stocks in the Middle East region, which includes only shares of Israeli companies, were hurt by the Israeli-Palestinian conflict and fears that it may spread.

Emerging Markets (EMs) posted the year’s best performance, with Brazil, Egypt, India, Mexico, Saudi Arabia, and Taiwan each returning more than 30%. India, among the largest EMs, did particularly well amid an improving growth outlook for small companies and as China’s economic slowdown shifted some investor appetite to India’s market.

Growth and valuation style headwinds were present throughout 2023. Stocks in the lowest quintile of growth outperformed those in the highest quintile by more than 300 basis points (bps), while the cheapest small caps outperformed the most expensive by about 600 bps. Style headwinds were especially strong in Japan, which we discuss below.

How We Did

The International Small Companies composite rose 11.6% gross of fees in the fourth quarter, compared with a 10.2% gain in the MSCI ACWI ex US Small Cap Index. For the full year, the composite rose 13.9% gross of fees, underperforming the index’s 16.2% return.

Companies held in the portfolio at the end of the year 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, 2023 is available on page 6 of this report.

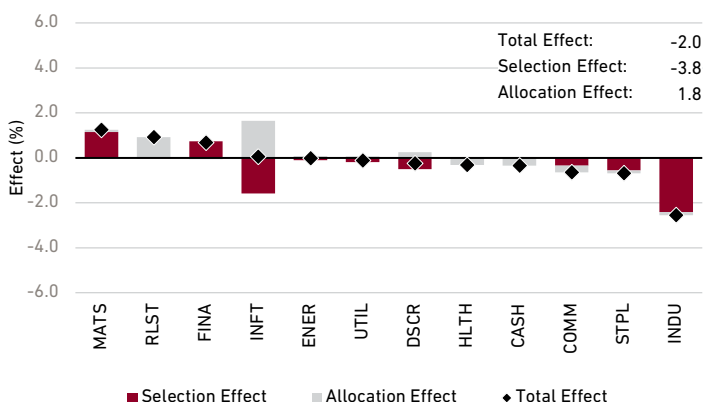
By sector, the portfolio's outperformance during the quarter was almost entirely due to good stocks, with a slightly positive impact from sector allocation.

UK-based **YouGov**, a market research and data analytics provider, was the top contributor. The company reported a 17% year-over-year increase in revenue and a 200-bp improvement in operating margins, allaying earlier concerns about its growth. **Chr. Hansen**, a Danish producer of cultures, enzymes, and probiotic products, was another strong performer. Novozymes, the market leader in industrial enzymes, is acquiring Chr. Hansen for an attractive premium; the all-stock deal was announced in late 2022 and is slated to close in early 2024.

IT led returns for the quarter and year. Software developer **Cyberark** reported a 25% jump in revenue as the company sold additional security solutions to existing customers.

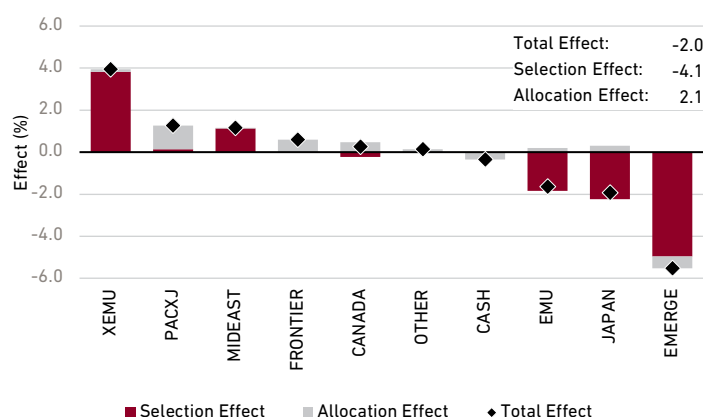
Trailing 12 Months Performance Attribution Sector

Intl. Small Cos. Equity Composite vs. MSCI ACWI ex US Small Cap Index



Geography

Intl. Small Cos. Equity Composite vs. MSCI ACWI ex US Small Cap Index



"FRONTIER": Includes countries with less-developed markets outside the index. "OTHER": Includes companies classified in countries outside the index.

Source: Harding Loevner International Small Cos. composite, FactSet, MSCI Inc. 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.

Strong holdings in IT, Communication Services, and Materials together more than offset weakness in Consumer Staples holdings such as **Hello Fresh** during the fourth quarter. Just three weeks after releasing its third-quarter results, the meal-delivery service lowered its projections for sales growth and profit.

For the full year, poor stock selection was the source of the portfolio's underperformance. **Keywords Studios**, which tests video games and performs other outsourced work for game developers, was the biggest detractor. Although the company is expanding into more-profitable areas such as coding, investors are concerned that as developers increasingly use AI, they may have less of a need for Keywords Studios.

Our worst-performing sector for the year was Industrials, due to broad declines in shares of our capital-goods holdings. **TOMRA**, the world's leading manufacturer of recycling and sorting equipment, fell victim to a cyberattack, while investors were disappointed that a large Scottish collection scheme was delayed until 2025. Another weak Industrials holding, **SMS**, which provides recruitment services to hospitals and elderly-care facilities in Japan, reported seasonal weakness in its quarterly earnings.

Strong holdings in IT, Communication Services, and Materials together more than offset weakness in Consumer Staples holdings such as Hello Fresh during the fourth quarter.

By region, YouGov and Chr. Hansen helped make Europe ex EMU our top contributor to returns for both the quarter and year; it also helped that we are overweight the region. Emerging Markets was the biggest detractor from relative returns during the quarter and year, primarily due to poor stock picks. **Megacable**, a leading provider of cable and wireless communications services in Mexico, saw profit margins compress because of promotional pricing used to penetrate new markets. Our underweight in Japan helped for the quarter and year; however, the benefit was more than offset by weak stocks.

What's On Our Minds

Japan is the single-largest country weight in the international small-cap benchmark. It is also where our portfolio of quality growth stocks struggled most this year.

One reason for the poor performance is that style headwinds have been especially pronounced in Japan for the past several years. In fact, from 2021 through 2023, Japan was one of only two regions where shares of high-quality small companies underperformed those of low quality (by about 800 bps). Likewise, fast-growing small caps underperformed slow growers in Japan to a greater degree (more than 1,500 bps) than in any other region. And valuation has been the worst style headwind, with the cheapest stocks greatly outperforming the most expensive (by about 2,400

bps). Japanese stocks in our portfolio declined 17.6% over those three years, while the index gained 2.1%.

High valuations of quality-growth companies have been a facet of the Japanese market for much of the past five years: in all but two quarters during that period, the price-to-earnings ratio of Japanese stocks in the top two quintiles of quality and growth (which has also climbed for six straight quarters) was above that of the MSCI ACWI ex US Small Cap Index. The relative richness of higher-quality, growing Japanese stocks is one reason our portfolio weight in Japan is just 11%, substantially below the country's benchmark weight of 21%. In retrospect, our underweighting has helped relative performance at the margin (21 bps) over the past five years.

Overall economic growth in Japan also has been slow amid factors such as an aging population, tight labor conditions, chronic deflation, and, lately, a depreciating currency. However, as investors, we seek growth even in places where it isn't readily apparent. Our research process is geared to uncover companies that operate in industries with long-term demand growth, and which exhibit strong competitive advantages, managerial excellence, and sustained high profitability.

Because of the challenging environment in Japan, many companies there turn to overseas markets for growth. Such companies navigate increasingly strict cross-border trade policies in a deglobalizing world, as well as the financial effects of a volatile yen. While we have found plenty of Japanese exporters that offer long-term profitable growth, solid domestic growers without exposure to deglobalization and currency risks also can be attractive.

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One such company is SMS, a business that benefits from Japan's otherwise unfavorable demographics. As a leading recruitment agency for nurses and elderly-care providers in a country that desperately needs them, the company is seeing higher demand for its services. SMS also has added recruitment services in adjacent areas such as childcare (in a shrinking population, workers of all types get harder to find). Furthermore, the company has introduced other services for its customers, such as a software tool that helps elderly-care facilities navigate the insurance landscape. SMS is targeting 20% annual revenue growth over the next few years.

Meanwhile, what began as a push by former Prime Minister Shinzo Abe to improve corporate governance in Japan has gained more momentum in recent years. This has led to a recent flurry of government reforms as well as new mandates from the Tokyo Stock Exchange (TSE), which is working in tandem with regulators.

The potential impact on companies in our portfolio and portfolio returns is complex.

The TSE, for example, will begin requiring all listed companies to develop plans to improve returns on capital. While this is welcome news, the announcement has primarily benefited shares of lower-quality companies that had been trading below book value, where there is presumably more room for improvement than for high-quality firms. Beginning in January 2024, the exchange will start publishing a monthly list of companies that aren't cooperating with its mandate, a move that some investors are calling "TSE shaming."

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This pressure to improve corporate governance and increase shareholder returns would seem to be a break from the business culture that formed in the wake of the country's economic turmoil in the late 1990s. Since then, during an era known as Japan's "lost decades," businesses (and households) have tended to hoard cash rather than invest for future growth. Even activist hedge funds, which haven't been shy about agitating for significant changes to ignite growth at companies in the US and Europe, were less active in Japan for many years, given that businesses were often perceived as too resistant to change. The TSE's plan to end this perception includes compiling feedback from investors, and corporate responses thereto, making this information public every six months. The TSE's efforts are a step in the right direction but will likely take time to render fundamental improvements in companies.

Other changes concern taxes. To stoke dealmaking, small and medium enterprises (SMEs) can now write off up to 100% of their acquisition costs as losses for tax purposes if they acquire another SME, which may mean more mergers and acquisitions of small caps. Tax incentives also have been created to encourage individual investors to buy riskier assets. Other tax-related reforms could offer more immediate advantages to some of our holdings. For example, **Solasto** may be poised to benefit from a new preferential tax rate available to firms that give their employees a pay raise above a minimum threshold.

Solasto operates in a duopoly for medical administration outsourcing services for hospitals and clinics in Japan. Because of its scale, the company has the capital necessary to make key investments in technology. These investments have increased employee productivity by allowing Solasto to manage more outsourcing services without adding staff. The company has

been sharing these productivity gains with its workers through continual pay increases (which have helped reduce employee turnover to half the rate of its main rival). Considering its propensity to offer workers added financial rewards, and its recent push to raise prices to cover further potential increases in compensation, Solasto is more likely than most companies to qualify for the new preferential tax treatment.

Over the long term, the changes in Japanese business policy and mindset should be positive developments.

JCU, the world's top supplier of plating chemicals used in printed circuit boards and chips, may also benefit from some of the upcoming tax changes. The company is positioned to take

advantage of a new tax break to boost domestic production in certain sectors considered to be essential for Japan, such as semiconductor devices. The incentive will last for 10 years from the time of approval and is based on the level of production of qualifying products.

Over the long term, the changes in Japanese business policy and mindset should be positive developments. As management teams digest the recent revisions, we'll learn more of the specifics of how they see the reforms potentially impacting their businesses. In the short run, some of the changes will mainly benefit lower-quality, slower-growing companies, an expectation that has clearly exacerbated, and could prolong, the style headwinds our investments in Japan have faced. Over time, though, as more businesses raise their standards, the number of high-quality companies in Japan is likely to increase.

International Small Companies Holdings (as of December 31, 2023)

Communication Services	Market	End Wt. (%)	Industrials	Market	End Wt. (%)
Airtel Africa (Telecom services)	UK	1.8	Belimo (HVAC manufacturer)	Switzerland	1.2
Baltic Classifieds (Online classifieds portal operator)	UK	0.6	Bossard (Industrial components supplier)	Switzerland	1.6
Cheil Worldwide (Marketing and advertising services)	South Korea	1.2	Burckhardt Compression (Compressor manufacturer)	Switzerland	1.4
Megacable (Cable operator)	Mexico	1.7	Clarkson (Shipping services)	UK	1.5
NCSOFT (Video game developer)	South Korea	0.3	Copa Holdings (Airline operator)	Panama	1.3
Paradox Interactive (Video game publisher)	Sweden	0.9	Diploma (Specialized technical services)	UK	2.0
Rightmove (Online property listings operator)	UK	0.3	Grafton (Construction products distributor)	UK	1.3
Sarana Menara Nusantara (Telecom tower operator)	Indonesia	1.4	Haitian International (Injection-molding machines mfr.)	China	1.0
Scout24 (Real estate information services)	Germany	1.2	Hanbell Precise Machinery (Compressor manufacturer)	China	1.1
TIME dotCom Berhad (Telecom services)	Malaysia	0.8	Localiza (Automobile rental services)	Brazil	1.2
YouGov (Market research and data analytics services)	UK	2.5	Meyer Optoelectronic (Optical machine manufacturer)	China	0.7
Consumer Discretionary			MISUMI Group (Machinery-parts supplier)	Japan	0.5
Eclat Textile (Technology-based textile manufacturer)	Taiwan	0.6	Pfeiffer Vacuum (Vacuum pump manufacturer)	Germany	0.8
Jarir Marketing (Consumer products retailer)	Saudi Arabia	0.4	Senior (Aerospace and auto parts manufacturer)	UK	2.3
Stanley Electric (Automotive lighting manufacturer)	Japan	1.5	Sensata Technologies (Industrial sensors mfr.)	US	0.5
Thule Group (Lifestyle consumer products manufacturer)	Sweden	1.2	SMS (Health care employment services)	Japan	1.5
TravelSky (Aviation IT services)	China	0.7	TOMRA (Industrial sensors manufacturer)	Norway	0.9
Consumer Staples			Information Technology		
Ariake (Natural seasonings manufacturer)	Japan	1.4	Advantech (Industrial PCs manufacturer)	Taiwan	0.6
Cranswick (Foods manufacturer)	UK	1.7	Alten (Technology consultant and engineer)	France	1.8
Grupo Herdez (Processed foods manufacturer)	Mexico	1.0	ASM Pacific Technology (Semiconductor eqpt. mfr.)	Hong Kong	0.5
Hello Fresh (Food delivery services)	Germany	0.6	Bechtle (IT services and IT products reseller)	Germany	1.7
KWS SAAT (Agricultural products producer)	Germany	1.6	Chipbond Technology (Electronic chip packager)	Taiwan	0.8
Lotus Bakeries (Confectionery snack manufacturer)	Belgium	0.8	Cyberark (Cybersecurity software developer)	Israel	2.2
Pigeon (Consumer products manufacturer)	Japan	0.5	Friendess (Laser control system manufacturer)	China	0.7
Robinsons Retail (Foods & consumer products retailer)	Philippines	0.5	Globant (Software developer)	US	1.1
Yantai China Pet Foods (Pet food manufacturer)	China	0.7	Keywords Studios (Video game technical services)	UK	1.8
Energy			Kinaxis (Supply chain software developer)	Canada	1.0
Dialog Group Berhad (Petrochemical services)	Malaysia	1.0	LEM Holdings (Electrical components manufacturer)	Switzerland	2.2
Romgaz (Natural gas producer)	Romania	0.5	Nemetschek (Engineering software developer)	Germany	1.7
Financials			Reply (IT consultant)	Italy	1.9
Bank of Georgia (Commercial bank)	UK	1.5	TeamViewer (Remote connectivity software developer)	Germany	1.1
Bankinter (Commercial bank)	Spain	0.8	Vaisala (Atmospheric measuring devices manufacturer)	Finland	1.4
Linea Directa (Insurance provider)	Spain	1.2	Materials		
Max Financial (Financial services & insurance provider)	India	2.0	Chr. Hansen (Natural ingredients developer)	Denmark	2.0
Rathbones (Wealth manager)	UK	0.4	Fuchs Petrolub (Lubricants manufacturer)	Germany	1.9
Siauliu Bankas (Commercial bank)	Lithuania	1.8	Hoa Phat Group (Steel producer)	Vietnam	2.7
Health Care			JCU (Industrial coating manufacturer)	Japan	1.2
BML (Clinical testing and information services)	Japan	0.7	SH Kelkar (Fragrances and flavors manufacturer)	India	0.7
CellaVision (Medical device manufacturer)	Sweden	1.4	Real Estate		
DiaSorin (Reagent kits developer)	Italy	1.1	Mabane (Real estate developer and manager)	Kuwait	0.5
Evotec (Drug discovery and developer)	Germany	1.1	Utilities		
Prodia (Medical laboratory services)	Indonesia	0.5	Rubis (Liquid chemical storage and distribution)	France	1.9
Santen Pharmaceutical (Pharma manufacturer)	Japan	0.6	Cash		
Solasto (Medical admin outsourcing)	Japan	1.2			2.1
Square Pharmaceuticals (Pharma manufacturer)	Bangladesh	0.9			
STRATEC (Life science products manufacturer)	Germany	1.6			
Tecan (Life science products and services)	Switzerland	1.5			

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.

4Q23 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight		Effect
		HL	Index	
YouGov	COMM	2.1	<0.1	0.93
Chr. Hansen	MATS	1.9	–	0.46
Cyberark	INFT	2.1	–	0.45
Reply	INFT	1.7	0.1	0.42
CellaVision	HLTH	1.1	<0.1	0.40

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight		Effect
		HL	Index	
Cyberark	INFT	1.9	–	0.83
Abcam	HLTH	1.5	–	0.83
Bank of Georgia	FINA	1.7	<0.1	0.77
Senior	INDU	2.5	<0.1	0.69
SimCorp	INFT	0.6	0.1	0.69

4Q23 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight		Effect
		HL	Index	
Hello Fresh	STPL	0.8	–	-0.70
TeamViewer	INFT	1.3	0.1	-0.25
Hanbell Precise Machinery	INDU	1.2	–	-0.24
Ariake	STPL	1.5	<0.1	-0.22
Prodia	HLTH	0.6	–	-0.17

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight		Effect
		HL	Index	
Keywords Studios	INFT	1.8	<0.1	-1.08
STRATEC	HLTH	1.4	<0.1	-0.99
SMS	INDU	1.4	<0.1	-0.60
Megacable	COMM	2.0	<0.1	-0.58
Cheil Worldwide	COMM	1.3	<0.1	-0.53

"HL": International Small Companies composite. "Index": MSCI All Country World ex US Small Cap Index.

Portfolio Characteristics

Quality and Growth	HL	Index
Profit Margin ¹ (%)	10.6	7.6
Return on Assets ¹ (%)	8.0	5.3
Return on Equity ¹ (%)	15.0	10.5
Debt/Equity Ratio ¹ (%)	25.1	49.2
Std. Dev. of 5 Year ROE ¹ (%)	3.5	5.1
Sales Growth ^{1,2} (%)	8.5	5.4
Earnings Growth ^{1,2} (%)	9.0	7.9
Cash Flow Growth ^{1,2} (%)	7.7	6.9
Dividend Growth ^{1,2} (%)	8.0	4.7
Size and Turnover	HL	Index
Wtd. Median Mkt. Cap. (US \$B)	2.7	2.2
Wtd. Avg. Mkt. Cap. (US \$B)	3.8	2.6
Turnover ³ (Annual %)	17.0	–

Risk and Valuation	HL	Index
Alpha ² (%)	1.59	–
Beta ²	0.94	–
R-Squared ²	0.9	–
Active Share ³ (%)	97	–
Standard Deviation ² (%)	19.74	19.90
Sharpe Ratio ²	0.38	0.32
Tracking Error ² (%)	6.3	–
Information Ratio ²	0.18	–
Up/Down Capture ²	103/99	–
Price/Earnings ⁴	18.2	13.6
Price/Cash Flow ⁴	11.7	8.1
Price/Book ⁴	2.4	1.4
Dividend Yield ⁵ (%)	2.2	2.8

¹Weighted median. ²Trailing five years, annualized. ³Five-year average. ⁴Weighted harmonic mean. ⁵Weighted mean. Source: (Risk characteristics): Harding Loevner International Small Companies composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics): Harding Loevner International Small Companies model based on the underlying holdings, FactSet (Run Date: January 4, 2024) based on the latest available data in FactSet on this date., MSCI Inc.

Completed Portfolio Transactions

Positions Established	Market	Sector
Copa Holdings	Panama	INDU

Positions Sold	Market	Sector
Cosmos Pharmaceutical	Japan	STPL
Infomart	Japan	INDU
Marel	Iceland	INDU

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

	HL ISC Gross (%)	HL ISC Net (%)	MSCI ACWI ex US Small Cap ¹ (%)	HL ISC 3-yr. Std. Deviation ² (%)	MSCI ACWI ex US Small Cap 3-yr. Std. Deviation ² (%)	Internal Dispersion ³ (%)	No. of Accounts	Composite Assets (\$M)	Firm Assets (\$M)
2023 ⁴	13.91	12.83	16.23	18.05	16.98	N.M.	1	537	43,926
2022	-23.74	-24.46	-19.57	21.96	22.72	N.M.	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

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 2023 performance returns and assets shown are preliminary. N.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 99-9,803 million (as of December 31, 2023). 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, 2023.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The International Small Companies Equity composite has had a performance examination for the periods January 1, 2007 through September 30, 2023. 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.