

## Performance (% Total Return)

Periods ended July 31, 2021 <sup>1</sup>	1 Month	YTD	1 Year	3 Years <sup>2</sup>	5 Years <sup>2</sup>	Since Inception <sup>2,3</sup>
HL World Equity (Gross)	2.91	17.61	39.43	21.09	20.22	16.29
HL World Equity (Net)	2.81	17.26	38.88	20.60	19.74	15.82
MSCI World Index <sup>4,5</sup>	1.82	15.38	35.67	15.08	14.89	11.80
MSCI All Country World Index <sup>5,6</sup>	0.72	13.37	33.75	14.25	14.38	11.16

## Portfolio Positioning (% Weight)

Sector	HL World	MSCI World	(Under) / Over
Health Care	22.5	12.8	9.7
Cash	3.6	–	3.6
Industrials	12.3	10.5	1.8
Info Technology	23.9	22.5	1.4
Financials	14.1	13.3	0.8
Comm Services	9.5	9.1	0.4
Energy	2.2	2.9	-0.7
Cons Discretionary	9.4	11.9	-2.5
Utilities	0.2	2.8	-2.6
Real Estate	0.0	2.8	-2.8
Materials	0.0	4.4	-4.4
Cons Staples	2.3	7.0	-4.7

Geography	HL World	MSCI World	(Under) / Over
Emerging Markets	4.9	–	4.9
Cash	3.6	–	3.6
Europe ex-EMU	10.8	9.2	1.6
Pacific ex-Japan	3.7	3.3	0.4
Frontier Markets <sup>7</sup>	0.0	–	0.0
Middle East	0.0	0.2	-0.2
Europe EMU	8.5	9.7	-1.2
Japan	4.5	6.6	-2.1
Canada	0.0	3.3	-3.3
United States	64.0	67.7	-3.7

## Investment Perspectives

### Market

Markets posted modest gains in July, recovering from a mid-month swoon over concerns about the COVID-19 Delta variant. Information Technology and Health Care led, perhaps in anticipation of a new normal in which many people could be receiving booster shots and continuing to work via remote platforms indefinitely—even as they move on with other parts of their lives, including instore shopping. Consistent with that view, shares of e-commerce companies, among the biggest peak stay-at-home winners, declined. Of particular relevance to our off-benchmark holdings, Chinese regulators' crackdowns on online education and other tech-related industries sank Chinese stocks nearly 14%.

### Portfolio

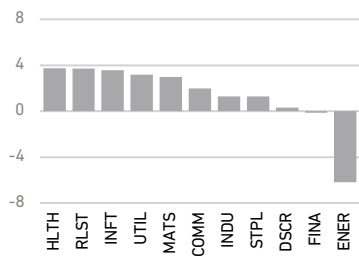
The portfolio's two US banks, **First Republic Bank** and **SVB Financial Group**, have powered through times that have challenged other banks. Both are differentiated by the deep client relationships they have developed in their niche markets over time. Net promoter scores (NPS) measure the likelihood a company's customers would recommend its offerings; the high-net-worth-focused First Republic has NPS higher than **Apple's**. Silicon Valley-based SVB doesn't release its NPS but has a 50% share of venture-backed tech and life science banking in the US. Both banks' high-touch customer service allows them to grow through referrals and cross selling irrespective of the rate environment. The approach also makes customers less likely to switch to other banks, insulating the pair from competition from larger rivals or fintech players.

## Ten Largest Holdings

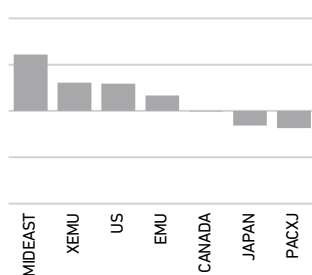
Company	Market	Sector
Alphabet	US	Comm Services
First Republic Bank	US	Financials
Facebook	US	Comm Services
SVB Financial Group	US	Financials
Amazon.com	US	Cons Discretionary
Illumina	US	Health Care
John Deere	US	Industrials
Microsoft	US	Info Technology
PayPal	US	Info Technology
Nike	US	Cons Discretionary

## Benchmark Performance | July

Total Return by Sector (%)

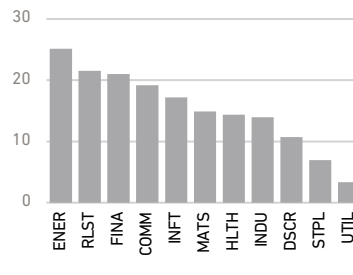


Total Return by Geography (%)

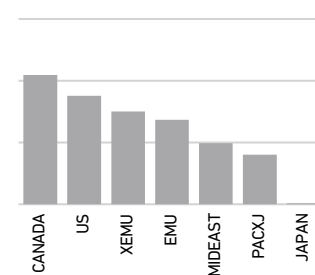


## Benchmark Performance | YTD

Total Return by Sector (%)



Total Return by Geography (%)



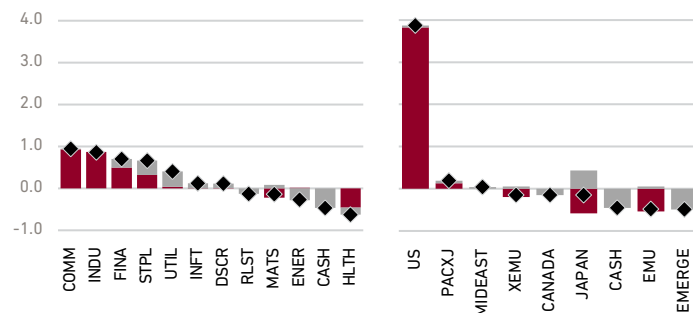
## Performance Attribution | July

Effect (%)	Selection	Allocation	Total
Sector	1.0	0.1	1.1
Geography	1.3	-0.2	1.1



## Performance Attribution | YTD

Effect (%)	Selection	Allocation	Total
Sector	2.0	0.2	2.2
Geography	2.6	-0.4	2.2



- In the US, **Alphabet** reported stronger-than-anticipated advertising growth, driven in part by the recovery in travel, a top category for search and display ads. **Align Technology** raised its guidance for the year due to increased demand for its clear trays over more-in-office-intensive orthodontic treatments.
- In the Netherlands, semiconductor equipment maker **ASML** reported strong order growth as its chip manufacturing customers race to increase capacity to meet robust end-market demand.
- Off-benchmark, nearly all our holdings in China declined after the government announced sweeping regulatory changes. Property manager **Country Garden Services**, biologics manufacturer **WuXi Biologics**, and **Trip.com Group** fell sharply.

- Stocks in the US have contributed strongly to returns, particularly Alphabet and **illumina**, the latter of which benefitted from strong demand for its genetic sequencing equipment.
- SVB Financial and First Republic Bank also outperformed, with margins benefitting from the steepening yield curve over the past year and their low rates of credit defaults.
- In our off-benchmark holdings in Emerging Markets, Brazil's COVID-19 struggles weighed on **Itaú Unibanco**. Polish video game developer **CD Projekt** detracted after its botched *Cyberpunk 2077* launch.
- In Germany, remote work software company **TeamViewer** declined on market concerns that growth will slow as more employees in its dominant industrial niche will return to the factory floor

## Top Five Contributors/Detractors (%) | July

to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
Align Technology	US	HLTH	0.1	0.17
Alphabet	US	COMM	2.5	0.15
VAT Group	Switzerland	INDU	0.0	0.14
EPAM	US	INFT	0.1	0.13
Adyen	Netherlands	INFT	0.1	0.12
<b>Detractors</b>				
PayPal	US	INFT	0.6	-0.18
TeamViewer	Germany	INFT	<0.1	-0.17
Schlumberger	US	ENER	0.1	-0.15
Etsy	US	DSCR	<0.1	-0.14
Apple	US	INFT	4.0	-0.14

## Top Five Contributors/Detractors (%) | YTD

to Relative Returns

Contributors	Market	Sector	Index Weight	Effect
SVB Financial Group	US	FINA	0.1	0.71
First Republic Bank	US	FINA	0.1	0.70
Protolabs	US	INDU	0.0	0.55
EPAM	US	INFT	<0.1	0.51
Alphabet	US	COMM	2.3	0.47
<b>Detractors</b>				
TeamViewer	Germany	INFT	<0.1	-0.88
Vertex Pharmaceuticals	US	HLTH	0.1	-0.61
Abcam	UK	HLTH	0.0	-0.44
Sysmex	Japan	HLTH	<0.1	-0.39
Chugai Pharmaceutical	Japan	HLTH	0.1	-0.37

## Endnotes

(1) The July 2021 Composite performance shown is preliminary (2) Annualized returns  
(3) Inception date: September 30, 2013 (4) The benchmark index (5) Gross of withholding taxes  
(6) Supplemental index (7) Includes countries with less-developed markets outside the index.

## Sources

Benchmark Performance: FactSet; MSCI Inc. and S&P.

Sector/Geographic Attribution: FactSet; Harding Loevner World Equity Composite; MSCI Inc. and S&P.

Sector/Geographic Positioning and Top Ten Holdings: FactSet; Harding Loevner World Equity Model; MSCI Inc. and S&P.

## Disclosures

Past performance does not guarantee future results. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients.

For comparison purposes the Composite return is measured against the MSCI World Total Return Index (Gross). Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner has been independently verified for the period November 1, 1989 through March 31, 2021. 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 World Equity Composite has had a performance examination for the periods October 1, 2013 through March 31, 2021. The verification and performance examination reports are available upon request. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the World Equity Composite, please contact Harding Loevner at (908) 218-7900 or visit [www.hardingloevner.com](http://www.hardingloevner.com). The firm maintains a complete list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds, which are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The Index consists of 23 developed market countries. The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Index consists of 50 developed and emerging market countries. You cannot invest directly in these indexes.

Companies held in the portfolio during the month appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings may not be current. They should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the securities identified has been or will be profitable. The portfolio holdings identified above do not represent all of the securities held in the portfolio. To request a complete list of holdings for the past year, please contact Harding Loevner. The following information is available upon request: (1) information describing the methodology of the contribution data and (2) a list showing the weight and relative contribution to return of all holdings during the month.

Portfolio holdings, portfolio attribution, contributors and detractors, and sector/geographic portfolio positioning are supplemental information only and complement a fully compliant World Equity Composite GIPS Presentation, which is available upon request. The Composite and Attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is obtained from Harding Loevner's accounting system and Attribution returns are obtained from the FactSet portfolio analysis system. Please note returns from FactSet are not audited for GIPS compliance and are for reference only.

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