World Equity

Quarterly Report | Third Quarter 2021

HARDING LOEVNER

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Composite Performance

Total Return (%) — Periods Ended September 30, 2021[1]

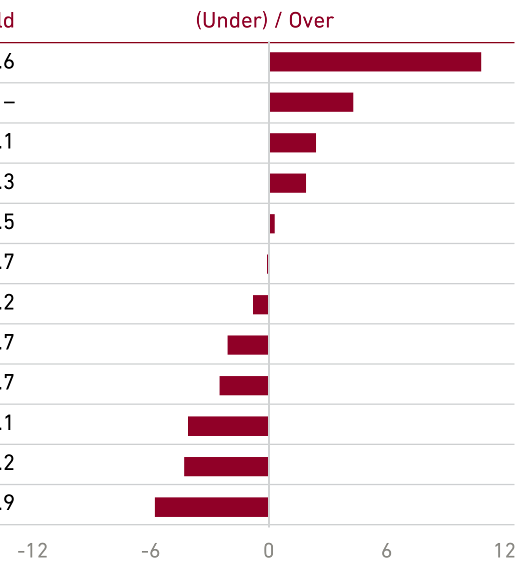
	3 Months	YTD	1 Year	3 Years[2]	5 Years[2]	Since Inception[2,3]
HL World Equity (Gross of Fees)	1.05	15.49	31.61	19.50	19.29	15.66
HL World Equity (Net of Fees)	0.96	15.15	31.09	19.02	18.81	15.20
MSCI World Index[4,5]	0.09	13.43	29.39	13.71	14.34	11.31
MSCI All Country World Index[5,6]	-0.95	11.49	27.98	13.13	13.76	10.68

[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: September 30, 2013; [4]The Benchmark Index; [5]Gross of withholding taxes; [6]Supplemental Index.

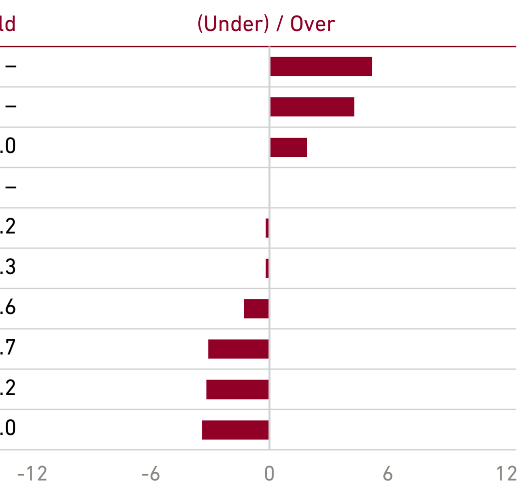
Please read the above performance in conjunction with the footnotes on the last page of this report. Past performance does not guarantee future results. All performance and data shown are in US dollar terms, unless otherwise noted.

Portfolio Positioning (% Weight)

Sector	HL World	MSCI World
Health Care	23.4	12.6
Cash	4.3	–
Comm Services	11.5	9.1
Industrials	12.2	10.3
Info Technology	22.8	22.5
Financials	13.6	13.7
Energy	2.4	3.2
Real Estate	0.6	2.7
Utilities	0.2	2.7
Materials	0.0	4.1
Cons Discretionary	7.9	12.2
Cons Staples	1.1	6.9



Geography	HL World	MSCI World
Emerging Markets	5.2	–
Cash	4.3	–
Europe ex-EMU	10.9	9.0
Frontier Markets[7]	0.0	–
Middle East	0.0	0.2
Pacific ex-Japan	3.1	3.3
Europe EMU	8.3	9.6
United States	64.6	67.7
Canada	0.0	3.2
Japan	3.6	7.0



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

Market Review

The MSCI World Index was essentially flat for the quarter as soaring consumer price indexes collided with growth prospects and higher interest rates. After bottoming out in May 2020, inflation expectations have ballooned, stoked by tight labor markets, pent-up consumer demand, and pandemic-mangled supply chains. The spread of the Delta variant, despite high vaccination rates in many developed economies, dampened the pace of recovery. But even with the ongoing effects of COVID-19 and decelerating global growth expectations, central banks have begun to signal the impending end of unprecedented monetary support and, in some cases, have already acted, by reducing bond buying (European Central Bank) or actually raising interest rates (Norway, Brazil, and Russia). The US Federal Reserve adopted a more hawkish tone following its September meeting, suggesting it could begin to scale back its monthly bond purchases as soon as this year, while its short-term interest forecasts now indicate a liftoff for rates as early as next year. US Treasury bond prices fell sharply late in the quarter, but their yields remain below levels reached in March. Oil prices marched higher, with Brent crude trading near US$80 per barrel for the first time since 2018.

Outside the benchmark, proliferating regulatory interventions and an impending debt default by Evergrande, China's second largest property company, savaged Chinese share prices. The regulatory crackdown, which began last November with the tabling of Ant Group's IPO, expanded with the adoption of anti-monopoly legislation aimed at the country's internet giants and new rules to strengthen the data security of social media platforms. Chinese President Xi Jinping's stated goal to tackle income inequality and promote "common prosperity," including the "reasonable adjustment of excessive incomes," raised questions about the future of many firms. The turbulence in the Chinese property market coupled with mandates to curb Chinese industrial carbon emissions led to a sharp selloff in iron ore, with spot prices falling over 50% since peaking in May, and along with it the share prices of mining stocks. Meanwhile, in the US, a major infrastructure spending bill—which if adopted would help offset falling Chinese demand for iron ore—fell victim to political gridlock as politicians were unable to reach consensus on the scale of a companion package focused on climate change and expanding the social safety net. Partisan gamesmanship around the US debt ceiling added to the general uncertainty.

September was the worst month for stocks since March 2020. Regional performance resembled a more muted version of the pattern in that early stage of the pandemic, marked by the outperformance of Japan and the US. Most major currencies declined against the US dollar, with the biggest falls seen in commodity-exposed currencies, including the Australian and Canadian dollars and the Brazilian real.

Sector performance was heavily influenced by the supply chain disruptions, rising Treasury yields, and the diverging fortunes of iron ore and oil prices. Industrial stocks slumped, as factories cut their utilization rates in the face of the global chip shortage and other bottlenecks. **Amazon.com** led Consumer Discretionary down as the company moved into negative territory for the year, a victim of the chilling effect of rising yields (and discount rates) on highly valued shares. Materials, heavily weighted towards mining stocks, fell in conjunction with the decline in ore prices. The Energy sector eked out positive gains on the back of pricier oil, while Financials also gained, *helped* by the prospect of higher rates and widening spreads.

Style effects were very mixed, with little divergence between or pattern visible in the returns of various slices of the market on quality, growth, and value metrics. However, the earlier "value rally" still affects year-to-date returns, despite being on hold since May. The cheapest quintile of stocks in terms of valuation have outperformed the most expensive by a staggering 1,400 basis points, and the MSCI World Value Index—up over 14% for the year-to-date—is still ahead of the 12% return for the MSCI World Growth.

MSCI World Index Performance (USD %)

Geography	3Q 2021	Trailing 12 Months
Canada	-2.4	34.9
Europe EMU	-1.8	29.6
Europe ex-EMU	-1.1	26.1
Japan	4.7	22.5
Middle East	2.9	28.6
Pacific ex-Japan	-4.4	25.9
United States	0.4	30.5
MSCI World Index (Gross)	0.1	29.4

Sector	3Q 2021	Trailing 12 Months
Communication Services	-0.1	35.0
Consumer Discretionary	-1.3	26.8
Consumer Staples	-1.8	10.4
Energy	1.6	72.4
Financials	2.2	53.7
Health Care	1.1	19.2
Industrials	-1.8	27.5
Information Technology	1.5	29.7
Materials	-4.9	22.9
Real Estate	-0.3	27.1
Utilities	-0.8	8.7

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

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

Performance and Attribution

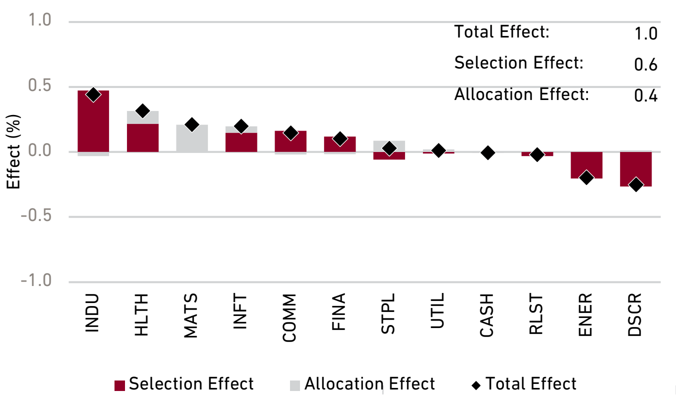
The World Equity Composite returned 1.1% gross of fees, compared to 0.1% for the MSCI World Index. For the year to date, the Composite has returned 15.5% (also gross of fees), ahead of the Index's 13.4% return.

Strong stock selection in both the United States and Europe ex-EMU lifted returns, while our off-benchmark exposure to China was the principal drag on relative performance this quarter. The biggest Chinese detractors included **Alibaba**, online gaming companies **Tencent** and **NetEase**, and property management company **Country Garden Services**, all of which fell by double digits.

Third Quarter 2021 Performance Attribution

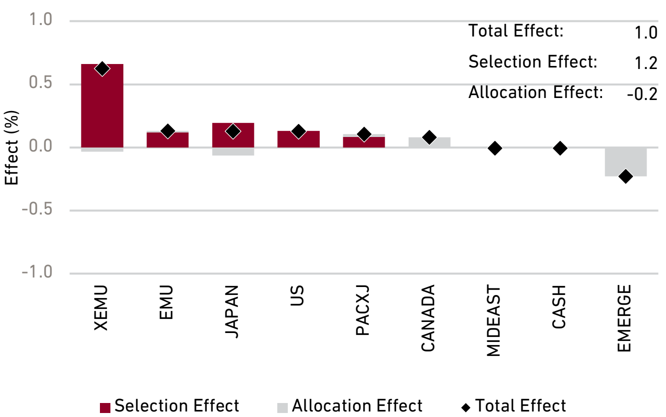
Sector

World Equity Composite vs. MSCI World Index



Geography

World Equity Composite vs. MSCI World Index



Source: FactSet; Harding Loevner World Equity 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.

When viewed by sector, our Chinese stocks contributed to our underperformance in Consumer Discretionary (Alibaba) and Real Estate (Country Garden Services). In Communication Services, Tencent and NetEase weren't the only problem spots. We purchased US-listed social media site **Pinterest** on share price weakness, but concerns have lingered about how much of its recent increase in sales will prove to have been pandemic-related. However, the impact of accelerating ad revenue at Google parent **Alphabet** offset the damage, making the sector a net positive for the quarter.

The portfolio's stock selection in Health Care was a notable positive contributor, where US companies **Align Technology** and **Intuitive Surgical** reported strong sales growth and volume growth respectively. Both businesses continue to appear well-positioned in their industries as product volumes and demand accelerate in both the orthodontics and medical equipment domains. In the Industrials sector, the portfolio's stock selection also benefitted performance; specialized Japanese industrial company **MISUMI Group**, a niche supplier of manufacturing components, was a particular standout.

Perspective and Outlook

In our 2020 Global Equity first quarter letter, at the early stage of the global pandemic, we marveled at the resiliency of the Chinese stock market, which we ascribed to the country's success in containing the domestic spread of the coronavirus through draconian lockdowns, whose efficacy was made possible by its authoritarian political system. Eighteen months later, a similarly authoritarian intervention has left investors reeling. While government intervention is not uncommon in China, the scale and pace of this latest crop of reforms is unprecedented. Is Xi Jingping, China's most powerful leader since Chairman Mao, revealing his allegiance to a collectivist ideology long thought to be discredited? Or is he boldly grasping the nettle of reform to redress economic imbalances and social ills before they become more entrenched and undermine the Chinese Communist Party's legitimacy?

Despite headlines conjuring memories of the CCP's gruesome past, we accept that on balance the policy changes are intended to benefit the long-term health of Chinese society and economy, especially its middle class. The message the Party is sending to business leaders across China is clear: compete on a level playing field and pay a fair wage. For instance, much of the coverage of Ant Group's canceled IPO focused on the ostensible desire of the CCP to clip the wings of its tech oligarchs. More persuasive in our view is that having observed and learned from the West's subprime debacle a decade prior, Chinese financial regulators are not keen to allow loan origination to be divorced from the underlying credit risks of the loans—a source of moral hazard that would potentially destabilize a financial system still dominated by lumbering state-owned banks with weak credit cultures and poor management systems. Antitrust interventions targeting the largest e-commerce platforms echo the statements (if not yet the achievements) of many Western policymakers to improve competition by increasing the bargaining power of smaller businesses versus the giants.

Meanwhile, although the gutting of the private educational tutoring sector may seem disproportionate, it has with the stroke of a pen stigmatized one of the educational advantages of affluence while inhibiting the exam preparation arms race that many middle-class families feel has spiraled out of control. Actions taken to strengthen the data privacy protections of social media companies, enforce local ownership of Macau casinos, and rein in speculation in the high-end liquor market would not be out of place in Europe or the US. Not to minimize the serious consequences of these abrupt and radical reforms for private businesses; as investors we are viewing these actions mainly as problems requiring further analysis rather than as an indication that China has become too unpredictable to be investable.

More troubling for China's long-term prospects, although less of an immediate danger to our portfolio, is the looming default of Evergrande. For years, the Chinese government has promised to wean the economy from fixed asset investments in favor of consumption, with little to show for the rhetoric. Regional governments have continued to rely on a red-hot property sector to provide their funding and achieve their mandated growth targets. Alarmed by the outsized role of property development in the economy, and the associated risks to the financial system of too much property speculation, the central government pushed through a series of policies last year to force the property sector to deleverage. Evergrande's plight looks like the direct consequence of those blunt top-down mandates as the heavily indebted company started to find itself cut off from its usual credit lines. While the government may be happy to make an example of the company, the probable spillover effects to the rest of the economy will be hard to contain and likely to require yet more interventions.

Equally disturbing to us are the rolling power outages afflicting as many as 20 provinces. Dueling top-down mandates with competing objectives seem to be playing a role here. Earlier in the year, the central government renewed its commitment to "dual control," a mandate to curb carbon emissions by limiting both energy usage and the intensity (i.e., the amount of energy used per unit of GDP). That directive was issued, however, without anticipating this year's spike in industrial output, whose emissions far exceed those from less energy-intensive sectors. Now that they have met their local growth targets, regional administrators are rushing to institute power shutdowns to avoid breaching stipulated emission ceilings. Woe be to the regional leaders who fail to shrink their carbon footprint before President Xi goes before the UN Climate Change Conference in early November determined to show that China is no climate backslider. We should note there are other factors contributing to the power crisis—not least, skyrocketing coal prices whose rise was exacerbated by China's boycott of Australian coal imports in retaliation for that country's insistence on re-opening the inquiry into the origins of the COVID-19 virus.

Nobel Prize-winning economist Friedrich Hayek would have predicted that the Chinese government would ultimately fail to manage its economy by mandate, because officials can't foresee and prevent every unintended consequence of their own actions. If China's growth slows further, more such shortcomings are likely to surface. The Chinese authorities exhibited competence at virus management, but even when their intentions are good, leaders inevitably miscalculate. When the views of authoritarians are subjected to little debate and their mandates are implemented without checks and balances, miscalculations can have outsized consequences. It's unclear to us when a greater trust in the spontaneous order spawned by private actors and market forces, however well-mitigated by regulation and taxation, will take hold in China. Likely not as soon as we had hoped.

Portfolio Highlights

Since its inception eight years ago, our World portfolio has maintained a continuous exposure to China, with that exposure sourced in both Hong Kong and China itself. We have done so because China's fast-growing economy produced an increasing number of companies with strong competitive advantages in their industries, supported by capable management teams and prudent balance sheets. To be sure, China has been a volatile market, but over the years, the high-quality growing companies we have found there have been an integral part of our achievement of our long-term outperformance objectives.

Although our Chinese holdings represent our largest single regional off-benchmark weight, they comprise only 1% of the portfolio—2.5% counting our longtime holding in Hong Kong-based insurer **AIA Group**, with its significant exposure to the mainland Chinese life insurance market. Thus, compared to our International, Global, or Emerging Market strategies (not to mention our dedicated Chinese Equity Strategy), the World strategy has been somewhat removed from the heated internal discourse and disproportionate share of clients' questions that the market has generated in recent months. But, in many ways, we face the same daunting paradox when it comes to China as our firm's other strategies do. Despite disquieting regulatory changes, we are finding more high-quality growing businesses that meet our investment criteria in China than ever before.

Fittingly in a quarter where the China paradox was front and center, we sold Alibaba and bought **Baidu**. Alibaba has withstood several rounds of regulatory change in the past, but the expanded regulatory focus now puts almost every aspect of its business in the line of fire. Smaller, faster-growing competitors such as JD.com, Meituan, and Pinduoduo have been quick to adapt to the new standards while continuing to grow their market share at Alibaba's expense. Rivalry, in both its core e-commerce business and in new business areas such as community-based purchasing, it seems, will only be getting fiercer.

In contrast, Baidu undertook and is now emerging from a much needed branching out from its original business of internet search, which has faced waves of regulatory threats and ferocious competition from other new online ad formats. Over the past several years, it has invested heavily in the next long-term growth opportunities in AI, what it sees as its real core competency. After racking up over 12 million kilometers (7.5 million miles) of testing, Baidu's autonomous driving system (ADS), Apollo, is now being deployed on certain less congested designated parts of the cities. In July, it introduced its robo-electric taxi services, Apollo Go, in Guangzhou (population 15 million), the fourth city where the service has launched, and it expects to roll out to 30 more cities over the next three years. Several Chinese carmakers such as Great Wall have announced plans to integrate Baidu's system into their vehicles. Baidu's AI initiatives should be viewed favorably by regulators because they align with overarching central government objectives around technology leadership and reducing carbon emissions.

Baidu's technological innovation in internet search, AI, and ADS are made possible by accelerating advancement in semiconductors, a trend of considerable significance to our portfolio. The broad adoption of the internet of things (IoT) and fifth-generation (5G) mobile networks, the growing importance of AI and machine learning applications, and the mass uptake of electric vehicles (EVs)—all enabled by advanced semiconductors—are transforming a host of industries. Taiwan-based semiconductor manufacturer **TSMC** is so confident of sustained demand for its products that it plans to invest US$100 billion over the next three years to expand its capacity and maintain its lead over its archrival Samsung Electronics, with whom it shares the market for bleeding-edge chips.

To keep innovating, foundries like those operated by TSMC and Samsung rely on capital equipment made by **ASML**, a Dutch company that enjoys a near-monopoly in lithography, a specialized process that allows for an increase in the density of transistors and their connections on each silicon wafer. The chips, in addition to getting denser, are also getting architecturally more complex, which presents a challenge for both chip designer and fabricator alike. Computer-aided design (CAD) software from US-based **Synopsys** not only allows circuits to be modelled down to their most microscopic elements but also offers the capability to verify their functionality and ease of manufacturing and to optimize the performance all virtually before the design is completed. US-based **Applied Materials**, a new investment this quarter, makes the equipment that helps construct thinner, taller structures on the surface of the silicon.

The proliferation of devices using chips, whether EVs, "things" in IoT, or embedded systems more generally, results in the generation of oceans of data potentially needing to be stored, processed, and analyzed. **NVIDIA**, the leading chip designer well-known for its graphic processing units and its complementary CUDA software ecosystem, is at the forefront of the effort to provide the analytical platform needed to unlock the full potential of such specialist processors.

We sold cosmetic producer **Estée Lauder**, which we bought last March. At the time, the market reflected a dire outlook for retail demand, especially tourist-related; however, we found its Chinese business attractive and admired its agility across social media and other digital channels. The stock has appreciated since our purchase, and the resulting valuation now leaves no room for error, such as a potential shift of Chinese consumers' tastes away from US brands.

A new holding is US-based **CoStar**, the dominant player in information services for the commercial real estate industry and online classified ads for commercial property. Its data and analytics business, which has over 90% market share in the US, mines a proprietary database of commercial real estate that spans office, industrial, retail, multi-family, and land. Its online marketplace business, with over 50% market share, owns valuable websites including Apartments.com for apartment listings and LoopNet for business property listings. Over 80% of its revenue is recurring, as its offerings are typically integrated with the workflow of its customers: brokers, owners, developers, and property managers.

World Equity Holdings (as of September 30, 2021)

Communication Services	Market	End Wt. (%)
Alphabet (Internet products and services)	US	3.9
Baidu (Internet products and services)	China	0.4
CD Projekt (Video game developer)	Poland	0.3
Disney (Diversified media and entertainment provider)	US	1.1
Facebook (Social network)	US	2.8
NetEase (Gaming and internet services)	China	0.4
Netflix (Entertainment provider)	US	1.2
Pinterest (Social network)	US	1.1
Tencent (Internet and IT services)	China	0.4
Consumer Discretionary		
Amazon.com (E-commerce retailer)	US	3.1
eBay (E-commerce retailer)	US	1.8
Etsy (E-commerce retailer)	US	1.1
Nike (Athletic footwear and apparel retailer)	US	1.9
Consumer Staples		
L'Oréal (Cosmetics manufacturer)	France	1.1
Energy		
Neste (Oil refiner and engineering services)	Finland	1.1
Schlumberger (Oilfield services)	US	1.4
Financials		
AIA Group (Insurance provider)	Hong Kong	1.5
Bank Central Asia (Commercial bank)	Indonesia	0.4
CME Group (Derivatives exchange and trading services)	US	1.4
DBS Group (Commercial bank)	Singapore	1.0
First Republic Bank (Private bank and wealth manager)	US	4.0
HDFC Bank (Commercial bank)	India	0.5
Itaú Unibanco (Commercial bank)	Brazil	0.4
SVB Financial Group (Commercial bank)	US	3.1
Tradeweb (Electronic financial trading services)	US	1.2
Health Care		
Abcam (Life science services)	UK	1.5
Alcon (Eye care products manufacturer)	Switzerland	1.4
Align Technology (Orthodontics products manufacturer)	US	1.6
Chugai Pharmaceutical (Pharma manufacturer)	Japan	1.0
Danaher (Diversified science & tech. products & svcs.)	US	1.4
Edwards Lifesciences (Medical device manufacturer)	US	1.1
Genmab (Biotechnology producer)	Denmark	1.3
Illumina (Life science products and services)	US	2.2
Intuitive Surgical (Medical equipment manufacturer)	US	1.0
IQVIA (Health care services)	US	0.8
Lonza (Life science products manufacturer)	Switzerland	1.5
Roche (Pharma and diagnostic equipment manufacturer)	Switzerland	1.4
Sysmex (Clinical laboratory equipment manufacturer)	Japan	1.7

Health Care	Market	End Wt. (%)
Thermo Fisher Scientific (Health care products & svcs.)	US	1.8
UnitedHealth Group (Health care support services)	US	1.0
Vertex Pharmaceuticals (Pharma manufacturer)	US	1.5
WuXi Biologics (Biopharma manufacturer)	China	1.1
Industrials		
Ametek (Electronic instruments manufacturer)	US	0.8
Atlas Copco (Industrial equipment manufacturer)	Sweden	1.2
CoStar (Real estate information services)	US	1.0
Epiroc (Industrial equipment manufacturer)	Sweden	0.9
John Deere (Industrial equipment manufacturer)	US	2.6
MISUMI Group (Machinery-parts supplier)	Japan	0.9
Roper (Diversified technology businesses operator)	US	0.8
Schneider Electric (Energy management products)	France	1.6
Spirax-Sarco (Industrial components manufacturer)	UK	0.7
VAT Group (Vacuum valve manufacturer)	Switzerland	1.0
Verisk (Risk analytics and assessment services)	US	0.8
Information Technology		
Accenture (Professional services consultant)	US	1.2
Adobe (Software developer)	US	2.0
Adyen (Payment processing services)	Netherlands	1.5
Apple (Consumer electronics and software developer)	US	1.0
Applied Materials (Semiconductor & display eqpt. mfr.)	US	0.9
ASML (Semiconductor equipment manufacturer)	Netherlands	1.9
EPAM (IT consultant)	US	1.2
Mastercard (Electronic payment services)	US	0.8
Microsoft (Consumer electronics and software developer)	US	2.3
NVIDIA (Semiconductor chip designer)	US	1.1
PayPal (Electronic payment services)	US	2.1
salesforce.com (Customer relationship mgmt. software)	US	1.1
Samsung Electronics (Electronics manufacturer)	South Korea	0.4
Synopsys (Chip-design software developer)	US	1.4
TeamViewer (Remote connectivity software developer)	Germany	1.0
The Trade Desk (Digital advertising management svcs.)	US	0.9
TSMC (Semiconductor manufacturer)	Taiwan	0.4
Workday (Enterprise resource planning software)	US	1.0
Xero (Accounting software developer)	Australia	0.6
Materials		
No Holdings		
Real Estate		
Country Garden Services (Residential property mgr.)	China	0.5
Utilities		
ENN Energy (Gas pipeline operator)	China	0.2
Cash		4.3

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

3Q21 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL World	Avg. Weight MSCI World	Effect
SVB Financial Group	FINA	3.4	<0.1	0.42
EPAM	INFT	1.8	<0.1	0.20
Adyen	INFT	1.6	0.1	0.19
Keyence	INFT	1.3	0.2	0.19
Alphabet	COMM	4.1	2.7	0.18

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL World	Avg. Weight MSCI World	Effect
SVB Financial Group	FINA	3.1	<0.1	2.02
First Republic Bank	FINA	4.1	<0.1	1.42
Align Technology	HLTH	1.6	0.1	0.84
Protolabs	INDU	0.4	0.0	0.60
Alphabet	COMM	3.8	2.4	0.58

3Q21 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL World	Avg. Weight MSCI World	Effect
Illumina	HLTH	2.6	0.1	-0.34
TeamViewer	INFT	1.3	<0.1	-0.30
PayPal	INFT	2.5	0.5	-0.24
Vertex Pharmaceuticals	HLTH	1.7	0.1	-0.16
CME Group	FINA	1.6	0.1	-0.14

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL World	Avg. Weight MSCI World	Effect
Vertex Pharmaceuticals	HLTH	2.0	0.1	-1.54
TeamViewer	INFT	0.9	<0.1	-0.99
Symrise	MATS	0.8	<0.1	-0.83
Mastercard	INFT	1.5	0.6	-0.47
Kone	INDU	0.7	0.1	-0.44

Portfolio Characteristics

Quality and Growth	HL World	MSCI World
Profit Margin[1] (%)	19.6	12.6
Return on Assets[1] (%)	9.2	6.4
Return on Equity[1] (%)	19.0	14.7
Debt/Equity Ratio[1] (%)	46.4	70.8
Std. Dev. of 5 Year ROE[1] (%)	4.6	6.1
Sales Growth[1,2] (%)	12.5	5.3
Earnings Growth[1,2] (%)	20.7	8.2
Cash Flow Growth[1,2] (%)	18.4	10.0
Dividend Growth[1,2] (%)	8.7	8.5
Size and Turnover	**HL World**	**MSCI World**
Wtd. Median Mkt. Cap. (US $B)	69.5	97.5
Wtd. Avg. Mkt. Cap. (US $B)	331.0	386.0
Turnover[3] (Annual %)	30.2	–

Size and Valuation	HL World	MSCI World
Alpha[2] (%)	4.92	–
Beta[2]	0.97	–
R-Squared[2]	0.91	–
Active Share[3] (%)	85	–
Standard Deviation[2] (%)	14.87	14.68
Sharpe Ratio[2]	1.22	0.90
Tracking Error[2] (%)	4.5	–
Information Ratio[2]	1.11	–
Up/Down Capture[2]	113/92	–
Price/Earnings[4]	32.1	21.2
Price/Cash Flow[4]	26.3	14.4
Price/Book[4]	6.2	3.0
Dividend Yield[5] (%)	0.6	1.7

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

Completed Portfolio Transactions

Positions Established	Market	Sector
Applied Materials	US	INFT
Baidu	China	COMM
CoStar	US	INDU
Netflix	US	COMM
Pinterest	US	COMM

Positions Sold	Market	Sector
Alibaba	China	DSCR
Estée Lauder	US	STPL
Keyence	Japan	INFT
Trip.com Group	China	DSCR
VF Corporation	US	DSCR

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 World Equity Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

World Equity Composite Performance (as of September 30, 2021)

	HL World Equity Gross (%)	HL World Equity Net (%)	MSCI World[1] (%)	MSCI ACWI[2] (%)	Hl World Equity 3-yr. Std. Deviation[3] (%)	MSCI World 3-yr. Std. Deviation[3] (%)	MSCI ACWI 3-yr. Std. Deviation[3] (%)	Internal Dispersion[4] (%)	No. Of Accounts	Composite Assets ($M)	Firm Assets ($M)
2021 YTD[5]	15.49	15.15	13.43	11.49	18.31	18.20	17.94	N.A.[6]	5	3,083	73,857
2020	35.09	34.55	16.50	16.82	17.94	18.26	18.12	N.M.[7]	5	3,140	74,496
2019	30.60	30.07	28.40	27.30	12.28	11.13	11.21	N.M.	5	2,431	64,306
2018	-8.79	-9.16	-8.20	-8.93	11.53	10.39	10.48	N.M.	4	1,688	49,892
2017	30.93	30.41	23.07	24.62	10.66	10.24	10.37	1.1	7	3,933	54,003
2016	7.59	7.14	8.15	8.48	10.91	10.94	11.07	0.6	7	3,092	38,996
2015	5.94	5.48	-0.32	-1.84	+	+	+	N.M.	7	2,903	33,296
2014	7.49	7.04	5.50	4.71	+	+	+	N.M.	5	2,138	35,005
2013[8]	7.49	7.48	8.11	7.42	+	+	+	N.A.	3	1,540	33,142

[1]Benchmark Index; [2]Supplemental Index; [3]Variability of the composite, gross of fees, and the index returns over the preceding 36-month period, annualized; [4]Asset-weighted standard deviation (gross of fees); [5]The 2021 YTD performance returns and assets shown are preliminary; [6]N.A.–Internal dispersion less than a 12-month period; [7]N.M.–Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year; [8]2013 represents the partial year October 1, 2013 to December 31, 2013 +Less than 36 months of return data.

The World Equity Composite contains fully discretionary, fee-paying accounts investing in US and non-US equity and equity-equivalent securities and cash reserves, and is measured against the MSCI World Total Return Index (Gross) for comparison purposes. 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 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 Indices.

Harding Loevner LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Harding Loevner has been independently verified for the period November 1, 1989 through June 30, 2021. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The World Equity Composite has been examined for the periods October 1, 2013 through June 30, 2021. The verification and performance examination reports are available upon request.

Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

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

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate World Equity accounts is 1.00% annually of the market value up to $20 million; 0.50% of amounts from $20 million to $100 million; 0.45% of amounts from $100 million to $250 million; 0.40% of amounts from $250 million to $500 million; above $500 million on request. 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 World Equity Composite was created on September 30, 2013 and the performance inception date is October 1, 2013.