

## Performance (% Total Return)

| Periods ended July 31, 2022 <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)                     | 10.89   | -24.09 | -20.97 | 11.24                | 10.23                | 11.31                          |
| HL World Equity (Net)                       | 10.77   | -24.32 | -21.29 | 10.79                | 9.79                 | 10.86                          |
| MSCI World Index <sup>4,5</sup>             | 7.97    | -13.94 | -8.74  | 10.10                | 9.36                 | 9.26                           |
| MSCI All Country World Index <sup>5,6</sup> | 7.02    | -14.35 | -10.07 | 9.02                 | 8.39                 | 8.53                           |

## Portfolio Positioning (% Weight)

| Sector             | HL World | MSCI World | Under / Over |
|--------------------|----------|------------|--------------|
| Health Care        | 23.1     | 13.5       | 9.6          |
| Industrials        | 16.1     | 10.1       | 6.0          |
| Cash               | 3.9      | -          | 3.9          |
| Comm Services      | 8.3      | 7.2        | 1.1          |
| Info Technology    | 23.1     | 22.1       | 1.0          |
| Financials         | 13.3     | 13.2       | 0.1          |
| Real Estate        | 0.2      | 2.9        | -2.7         |
| Utilities          | 0.0      | 3.1        | -3.1         |
| Cons Discretionary | 8.0      | 11.3       | -3.3         |
| Energy             | 1.3      | 4.9        | -3.6         |
| Materials          | 0.0      | 4.1        | -4.1         |
| Cons Staples       | 2.7      | 7.6        | -4.9         |

| Geography                     | HL World | MSCI World | Under / Over |
|-------------------------------|----------|------------|--------------|
| Europe ex-EMU                 | 13.3     | 9.0        | 4.3          |
| Cash                          | 3.9      | -          | 3.9          |
| Emerging Markets              | 3.8      | -          | 3.8          |
| Europe EMU                    | 10.6     | 8.3        | 2.3          |
| Frontier Markets <sup>7</sup> | 0.0      | -          | 0.0          |
| Middle East                   | 0.0      | 0.2        | -0.2         |
| Pacific ex-Japan              | 3.0      | 3.4        | -0.4         |
| Japan                         | 2.9      | 6.1        | -3.2         |
| Canada                        | 0.0      | 3.5        | -3.5         |
| United States                 | 62.5     | 69.5       | -7.0         |

## Investment Perspectives

### Market

Global stocks, buoyed by strong company earnings results and better-than-feared guidance, posted their best monthly return in nearly two years. After driving markets lower for the first six months of the year, the Information Technology (IT) sector rebounded, gaining more than 13% as many companies within the sector reported resilient demand for their products and services. In contrast, the Materials sector lagged comparatively due to concerns over weak demand from China. By region, US stocks rose even as the Federal Reserve continued its well-signaled rate hikes. Chinese stocks declined as news of homeowners boycotting their mortgage payments fueled fears about the health of the property market.

### Portfolio

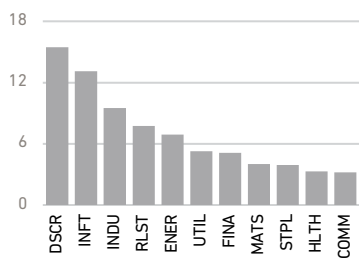
In this challenging environment for growth stocks, we are focused on distinguishing short-term volatility of stocks versus the long-term operating results of their underlying companies. **Netflix** is a good example of a portfolio holding where the share price has fallen further than its business fundamentals. The company's most recent report offered several reasons to be optimistic. Competitive pressures from industry peers have risen, but the company lost fewer subscribers than feared in the second quarter and expects a subscriber increase next quarter. Netflix's strong content library should enable the company to renew its customer growth even as management plans to reduce expenditures on new content with the goal of generating nearly US \$1 billion of additional free cash flow this year.

## Ten Largest Holdings

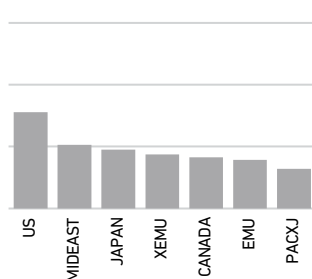
| Company                | Market | Sector             |
|------------------------|--------|--------------------|
| Alphabet               | US     | Comm Services      |
| First Republic Bank    | US     | Financials         |
| Vertex Pharmaceuticals | US     | Health Care        |
| Schneider Electric     | France | Industrials        |
| Amazon.com             | US     | Cons Discretionary |
| Microsoft              | US     | Info Technology    |
| John Deere             | US     | Industrials        |
| SVB Financial Group    | US     | Financials         |
| UnitedHealth Group     | US     | Health Care        |
| L'Oréal                | France | Cons Staples       |

## Benchmark Performance | Jul.

Total Return by Sector (%)

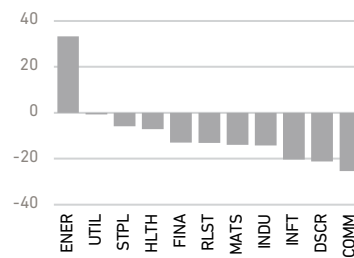


Total Return by Geography (%)

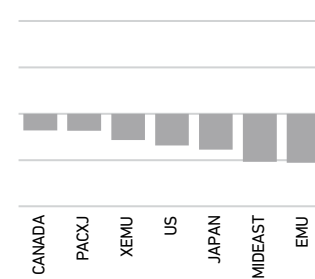


## Benchmark Performance | YTD

Total Return by Sector (%)

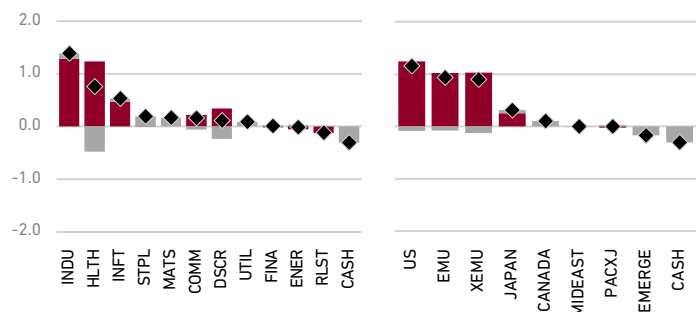


Total Return by Geography (%)



## Performance Attribution | Jul.

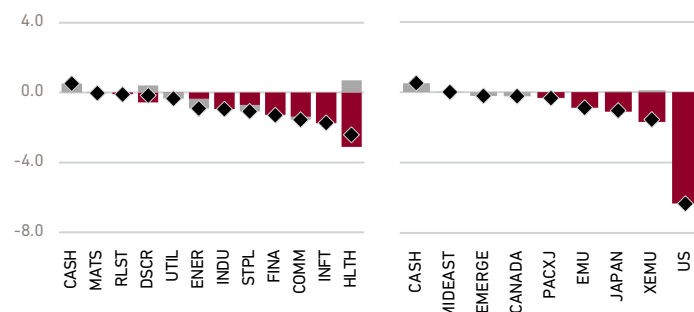
| Effect (%) | Selection | Allocation | Total |
|------------|-----------|------------|-------|
| Sector     | 3.4       | -0.4       | 3.0   |
| Geography  | 3.5       | -0.5       | 3.0   |



- The portfolio's recent additions in the Industrials sector performed well. **Schneider Electric** and **Rockwell Automation** rebounded on better-than-expected earnings reports.
- In Health Care, shares of US biotechnology company **illumina** rose after it reached an out-of-court settlement with Chinese genomics rival BGI. A Delaware jury previously ordered illumina to pay more than US \$333 million in damages after ruling that the company's DNA-sequencing systems infringed upon two of BGI's patents.
- US holdings performed well, reversing a recent trend. Relative returns were strong in Industrials and IT, where **Synopsys**, a key provider of software used to design computer chips, rose with renewed enthusiasm for semiconductors.

## Performance Attribution | YTD

| Effect (%) | Selection | Allocation | Total |
|------------|-----------|------------|-------|
| Sector     | -10.3     | 0.2        | -10.1 |
| Geography  | -10.3     | 0.2        | -10.1 |



- Despite the recent reversal, high-quality, fast-growing, expensive companies have still significantly underperformed year-to-date, with the most expensive quintile underperforming the least expensive by over 1,800 bps. The severity of these style headwinds has contributed to portfolio underperformance across all sectors and regions.
- In Health Care, US manufacturer of orthodontic devices **Align Technology** withdrew its guidance for 2022 after seeing some reduced demand from consumers cutting back on discretionary health spending in the face of rising inflation and recession fears.
- In the US, **Vertex Pharmaceuticals** has been a bright spot; it reported progress on its drug pipeline while competitor efforts to develop a rival to its cystic fibrosis treatment fell short.

## Top Five Contributors/Detractors (%) | Jul.

to Relative Returns

| Contributors        | Market      | Sector | Index Weight | Effect |
|---------------------|-------------|--------|--------------|--------|
| Schneider Electric  | France      | INDU   | 0.1          | 0.27   |
| Rockwell Automation | US          | INDU   | <0.1         | 0.26   |
| Synopsys            | US          | INFT   | 0.1          | 0.25   |
| Adyen               | Netherlands | INFT   | 0.1          | 0.24   |
| ASML                | Netherlands | INFT   | 0.4          | 0.19   |

### Detractors

|                        |         |      |      |       |
|------------------------|---------|------|------|-------|
| Apple                  | US      | INFT | 4.8  | -0.35 |
| Tesla*                 | US      | DSCR | 1.3  | -0.30 |
| Vertex Pharmaceuticals | US      | HLTH | 0.1  | -0.28 |
| CME Group              | US      | FINA | 0.1  | -0.15 |
| HelloFresh             | Germany | STPL | <0.1 | -0.15 |

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

to Relative Returns

| Contributors           | Market | Sector | Index Weight | Effect |
|------------------------|--------|--------|--------------|--------|
| Vertex Pharmaceuticals | US     | HLTH   | 0.1          | 0.71   |
| Schlumberger           | US     | ENER   | 0.1          | 0.55   |
| John Deere             | US     | INDU   | 0.2          | 0.35   |
| UnitedHealth Group     | US     | HLTH   | 0.9          | 0.30   |
| Synopsys               | US     | INFT   | 0.1          | 0.22   |

### Detractors

|                     |       |      |      |       |
|---------------------|-------|------|------|-------|
| SVB Financial Group | US    | FINA | 0.1  | -0.87 |
| Sysmex              | Japan | HLTH | <0.1 | -0.78 |
| Align Technology    | US    | HLTH | 0.1  | -0.71 |
| Meta Platforms      | US    | COMM | 0.9  | -0.67 |
| illumina            | US    | HLTH | 0.1  | -0.54 |

\*Company was not held in the portfolio; its absence had an impact on the portfolio's return relative to the Index.

Index weight is the average weight of the security in the index over the MTD and YTD periods. Please read the disclosures on the last page, which are an integral part of this presentation.

## Endnotes

(1) The July 2022 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 Ten Largest 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, 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 World Equity Composite has had a performance examination for the periods October 1, 2013 through March 31, 2022. 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 47 developed and emerging market countries. You cannot invest directly in these indexes.

Companies held in the portfolio at the end of 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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