

What's Inside

What Happened →

Global small caps gained in the second quarter, although not as much as their large-cap counterparts, which rode a wave of sudden enthusiasm related to artificial intelligence.

How We Did →

Sources of relative return by sector and region.

What's On Our Minds →

The portfolio experienced more stocks being affected by acquisition offers than usual despite a broader slowdown in global dealmaking. We think it has something to do with the type of companies we invest in.

Portfolio Holdings →

Information about the companies held in the portfolio.

Portfolio Facts →

Contributors, detractors, characteristics, and completed transactions.

Get More Online

Insights →

View other reports.

Composite Performance

Total Return (%) — Periods Ended June 30, 2023¹

| | 3 Months | YTD | 1 Year | 3 Years ² | Since Inception ^{2,3} |
|---|----------|------|--------|----------------------|--------------------------------|
| HL Global Small Companies Equity (Gross of Fees) | 3.09 | 8.11 | 15.40 | 7.38 | 11.28 |
| HL Global Small Companies Equity (Net of Fees) | 2.88 | 7.65 | 14.42 | 6.44 | 10.30 |
| MSCI All Country World Small Cap Index ^{4,5} | 3.79 | 8.32 | 13.60 | 11.32 | 9.58 |

¹The composite performance returns shown are preliminary. ²Annualized returns. ³Inception Date: December 31, 2018. ⁴The benchmark index. ⁵Gross of withholding taxes.

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

Portfolio Positioning (% Weight)

| Sector | HL | Index | Under / Over |
|--------------------|------|-------|--------------|
| Cons Staples | 11.3 | 4.9 | 6.4 |
| Comm Services | 8.2 | 3.1 | 5.1 |
| Industrials | 23.1 | 19.6 | 3.5 |
| Info Technology | 15.9 | 12.4 | 3.5 |
| Health Care | 13.9 | 10.5 | 3.4 |
| Cash | 2.9 | — | 2.9 |
| Utilities | 1.0 | 2.9 | -1.9 |
| Energy | 1.9 | 4.4 | -2.5 |
| Financials | 10.3 | 13.2 | -2.9 |
| Cons Discretionary | 9.5 | 12.8 | -3.3 |
| Materials | 2.0 | 8.2 | -6.2 |
| Real Estate | 0.0 | 8.0 | -8.0 |

| Geography | HL | Index | Under / Over |
|-------------------------------|------|-------|--------------|
| Europe ex EMU | 22.7 | 9.3 | 13.4 |
| Japan | 14.1 | 10.0 | 4.1 |
| Europe EMU | 9.9 | 6.6 | 3.3 |
| Cash | 2.9 | — | 2.9 |
| Frontier Markets ⁶ | 2.1 | — | 2.1 |
| Middle East | 1.7 | 0.8 | 0.9 |
| Canada | 0.5 | 3.5 | -3.0 |
| Pacific ex Japan | 0.8 | 4.6 | -3.8 |
| Emerging Markets | 9.4 | 13.3 | -3.9 |
| United States | 35.9 | 51.9 | -16.0 |

⁶Includes countries with less-developed markets outside the index.

"HL": Global Small Companies model portfolio. "Index": MSCI All Country World Small Cap Index. Sector and geographic allocations are supplemental information only and complement the fully compliant Global Small Companies Equity Composite GIPS Presentation. Source: Harding Loevner Global 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

Global equity markets gained during the quarter, buoyed by declining inflation and a surge in enthusiasm for the prospects of artificial intelligence (AI). Most regions and sectors rose. Global small caps gained, although not as much as their large-cap counterparts.

While concerns lingered over US regional banks, generative AI took center stage after the release of an updated version of ChatGPT, OpenAI's large language model. The AI fervor kicked into overdrive after US chipmaker NVIDIA announced better-than-expected results and increased guidance based on strong demand for its graphics processing units (GPUs) used to accelerate the training of AI models. As a result, global returns were concentrated among large US tech-affiliated stocks.

Declining inflation in the US also bolstered investor sentiment, as the Consumer Price Index increased 4% year over year in May, its smallest rise in two years. The US Federal Reserve paused its rate-hiking campaign while suggesting that two more increases of 25 basis points (bps) later in the year may still be necessary. Monetary conditions in other parts of the world continued to tighten, however, with the European Central Bank opting for a

MSCI ACWI Small Cap Index Performance (USD %)

| Sector | 2Q 2023 | Trailing 12 Months |
|---------------------------|---------|--------------------|
| Communication Services | -1.6 | 0.2 |
| Consumer Discretionary | 3.7 | 19.7 |
| Consumer Staples | 0.1 | 8.8 |
| Energy | 2.5 | 15.3 |
| Financials | 3.4 | 5.5 |
| Health Care | 6.1 | 6.2 |
| Industrials | 6.7 | 25.7 |
| Information Technology | 7.3 | 26.6 |
| Materials | 0.1 | 16.6 |
| Real Estate | 0.0 | -5.5 |
| Utilities | 0.9 | 1.7 |
| Geography | 2Q 2023 | Trailing 12 Months |
| Canada | -0.3 | 9.4 |
| Emerging Markets | 6.5 | 13.9 |
| Europe EMU | 1.4 | 16.6 |
| Europe ex EMU | 0.0 | 9.0 |
| Japan | 1.3 | 13.0 |
| Middle East | 3.4 | -12.0 |
| Pacific ex Japan | 0.0 | 6.4 |
| United States | 5.3 | 15.4 |
| MSCI ACWI Small Cap Index | 3.8 | 13.6 |

Source: FactSet, MSCI Inc. Data as of June 30, 2023.

marginal increase in its main interest rate to address persistent regional inflation. Meanwhile, China's central bank, facing a stalled economic rebound, chose to loosen its key lending rates, and the Bank of Japan maintained its ultra-accommodative policy despite signs of nascent inflation.

A unique feature of the global small-cap benchmark—the MSCI ACWI Small Cap Index, which has 6,246 constituents—is that the largest weight for any single company is 0.18%, and among the 10 largest constituents five are tech stocks. While the Information Technology (IT) sector did have a strong showing among global small caps, returns for the Industrials and Health Care sectors were not far behind.

Communication Services was the weakest global small-cap sector, a contrast to the strong performance of its larger peers as investors became concerned that generative AI tools may harm media companies. Higher interest rates also weighed on Real Estate stocks.

While the IT sector did have a strong showing among global small caps, returns for the Industrials and Health Care sectors were not far behind.

By region, Emerging Markets (EMs) delivered the strongest performance, supported by good economic growth and improving sentiment related to economic reforms. They were led by larger markets such as Brazil and India, as well as smaller ones, including Poland and Saudi Arabia.

In terms of style effects, shares of the most expensive stocks and fastest-growing companies performed best.

How We Did

The Global Small Companies composite rose 3.1% gross of fees in the second quarter, compared with a 3.8 % gain in the MSCI ACWI Small Cap Index. Weak stock selection, largely in the US, was responsible for the underperformance.

By region, the portfolio's US holdings failed to keep pace with the large gains made by their benchmark peers. Financials holdings **MarketAxess** and **Commerce Bank** declined sharply, the latter a result of heightened concern over the health of the US banking system. Diminished volatility in fixed-income prices hurt sentiment for trading platform MarketAxess. These two holdings offset the

Companies held in the portfolio at the end of the quarter appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner. A complete list of holdings at June 30, 2023 is available on page 5 and 6 of this report.

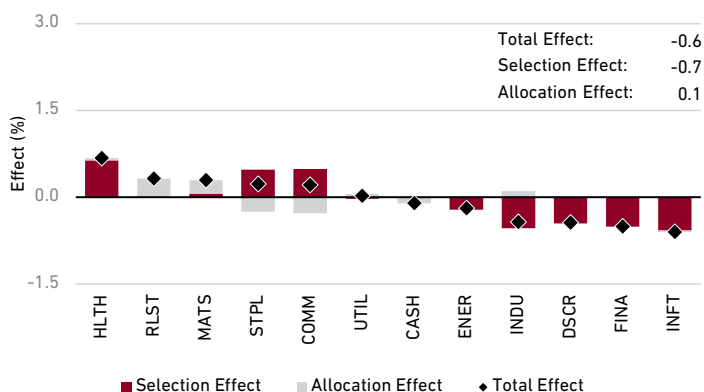
strong relative gains from Industrials battery provider **EnerSys**, which reported an increase in customer orders and issued a robust long-term outlook at its investor day.

By region, we outperformed in Europe outside the eurozone as three companies drew takeover interest. Shares of UK Health Care holding **Abcam**, a supplier of antibodies and other essential tools for life scientists, rallied more than 80%. The company is reportedly attracting potential suitors while an activist investor—who is also the company’s retired founder—puts pressure on the board to improve performance. Veterinary drugmaker Dechra, another UK holding, received an all-cash offer from Swedish private-equity firm EQT, which has made other acquisitions in animal health. German stock exchange operator Deutsche Boerse agreed to buy Danish financial-software company SimCorp to bolster its analytics offerings.

Second Quarter 2023 Performance Attribution

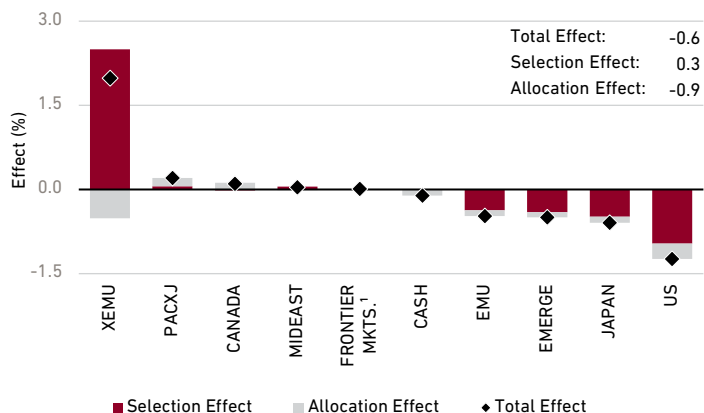
Sector

Global Small Companies Equity Composite vs. MSCI ACWI Small Cap Index



Geography

Global Small Companies Equity Composite vs. MSCI ACWI Small Cap Index



¹Includes countries with less-developed markets outside the index. Source: Harding Loevner Global Small Companies Equity 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.

Japanese holdings detracted from our performance. The portfolio is overweight the region, which lagged in US dollar terms due to a weaker yen. **MISUMI Group**, an industrial components distributor specializing in parts used for maintenance, repair, and operations (MRO), highlighted increasing competition in its largest overseas market, China, where local rivals have emerged amid US-China trade tensions. Concerns about the strength of the Chinese economy also weighed on its stock price. Hair-products company **Milbon** posted weak results in China. Demand ebbed following the lifting of the country’s COVID-19 restrictions while larger marketing events with hairstylists resumed, pressuring margins.

By region, we outperformed in Europe outside the eurozone as three companies drew takeover interest.

By sector, we lagged in IT. **Keywords Studios**, an Irish provider of technical services for the video-game industry, fell on the concerns of some investors that generative AI will be negative for certain lines of business. The market remained skeptical even as management attempted to highlight how AI can help improve margins. UK IT services company **Endava** lowered guidance due to shrinking demand from financial services and VC-backed customers. Germany-based **Bechtle** said its margins shrank due to continued wage inflation. The declines in these three holdings more than offset the strong performance by US-based real estate software provider **Appfolio**, which reported sustained robust demand for its property-management solutions.

Materials holding **Hoa Phat Group**, Vietnam’s largest producer of steel used in construction, benefited from improving gross margins amid reduced prices of coking coal as well as expectations of a pickup in sales volumes as the country’s infrastructure spending increases.

What’s On Our Minds

The portfolio experienced more stocks being affected by acquisition offers than usual. Three holdings, Dechra, SimCorp, and Abiomed have received takeover offers in just the past eight months, while Abcam also seems to be in play. This flurry of potential M&A comes on the heels of United Healthcare’s attempt to acquire EMIS Group in June 2022. This is a significant amount of dealmaking: on average, only one or two portfolio holdings have been acquired each year since 2018.

What makes this M&A spurt all the more intriguing is that our companies are drawing interest at a time when broader dealmaking has pulled back significantly in the face of higher borrowing rates and recession fears. The volume of acquisitions for global small caps fell 11% in the first half of 2023 compared with the same period of 2022, amid an almost 40% slowdown in all dealmaking, Bloomberg data show.

In our fourth-quarter review in January, we noted the compressed valuations for small caps, whose underlying businesses delivered significant earnings growth in 2021 and 2022 (a reversal from the first year of the pandemic when earnings fell and valuations swelled). The price-to-earnings ratio for our portfolio was 19 at year-end, down from a high of 31 in 2021. Prices for small caps were also looking particularly attractive relative to large caps.

What makes this M&A spurt all the more intriguing is that our companies are drawing interest at a time when broader dealmaking has pulled back significantly in the face of higher borrowing rates and recession fears.

It's difficult to extrapolate meaning from a small number of transactions and say why our holdings are getting scooped up when, despite enticing valuations, lots of M&A is on ice. But we think it has at least something to do with the type of companies we invest in. While high interest rates and a slowdown in economic growth can have a chilling effect on dealmaking, these conditions can also highlight the attractiveness of fast-growing, cash-generating businesses led by skillful managers who are committed to protecting their company's competitive edge and financial health.

Many of our holdings possess strong competitive advantages in niche areas that would be time-consuming and costly for other companies to enter. In some cases, the specialized expertise and intellectual property involved can present barriers to entry so high that the only option to enter the market is to acquire one's way in. Behind those barriers may be a business that strongly complements the acquirer's own existing products or services.

For example, SimCorp's software for asset managers and allocators is one of only four services like it globally, and it took decades to develop, suggesting any new entrants would need to make significant investments to catch up. Deutsche Boerse, the German stock-exchange operator, offered in April to buy SimCorp for €3.9 billion (US\$4.35 billion), calling the business "highly complementary" to its own data and analytics offerings, Qontigo and Institutional Shareholder Services. The deal, should it close, will give Deutsche Boerse an almost immediate opportunity to cross-sell the three products or combine them into a single platform, potentially boosting its subscription revenues from the investment-management industry.

The strong financial health of our holdings makes them ripe for private-equity deals as well, particularly when valuations look cheap. Our companies typically have low levels of debt and have strong long-term cash-flow visibility, ideal attributes for any target of a leveraged buyout. For small companies, which have more-limited resources and financial flexibility than larger ones, a strong balance sheet can also become a source of competitive advantage in periods when interest rates increase the cost of debt. A buyer thus gains a management team that not only has deep expertise in a growing niche but also is adept at managing a tight budget.

Dechra, which specializes in niche therapeutic drugs for animals, became a target of private equity this year. In June, the company agreed to sell itself for £4.5 billion (US\$5.9 billion) to EQT, which is building a portfolio of pet-related businesses, a growing and resilient segment that's benefiting from higher rates of pet ownership. We suspect a large part of the attraction was Dechra's durable cash flows given the high switching costs for medicines and its focus on solutions for companion animals, where there are fewer rivals and substitutes. The company's recent update on its pipeline showed improving visibility for products such as a promising cat antibiotic and Laverdia, which is used to treat lymphoma in dogs. Both therapies are expected to be approved next year.

In the deals recently struck for our holdings, the takeover price was, on average, 48% higher than our analysts' estimate of fair value for each company. They also commanded an average trailing 12-month Ebitda multiple of 27, a premium valuation for acquisitions in the space. The median takeover multiple for global small-cap companies over the past five years was only 11.8. It's always nice to see acquirers endorse our investment view and have it pay off for our clients.

In the deals recently struck for our holdings, the takeover price was, on average, 48% higher than our analysts' estimate of fair value for each company.

Abiomed's US\$16.6 billion sale to Johnson & Johnson closed in December. Meanwhile, we have exited Dechra and SimCorp. In the case of Dechra, management recently reduced its near-term outlook, and any further downgrades in expectations could impact the price its buyer is willing to pay. Given that Deutsche Boerse and SimCorp operate in related markets, their transaction may face some regulatory risks as well. As we learned from our past sale of EMIS Group, after it received the bid from United Healthcare last year, exiting at an attractive price before a deal closes has its advantages. Regulators have since decided to further scrutinize the combination, increasing the odds that the deal may be scuttled and causing EMIS's share price to collapse. Furthermore, the deals for SimCorp and Dechra both carry some form of financing risk. They are expected to close later this year and early next year, respectively.

Global Small Companies Holdings (as of June 30, 2023)

| Communication Services | Market | End Wt. (%) | Financials | Market | End Wt. (%) |
|--|--------------|-------------|--|-------------|-------------|
| Airtel Africa (Telecom services) | UK | 0.5 | RGA (Reinsurance provider) | US | 2.2 |
| Bengo4.com (Lawyer and accountant listings services) | Japan | 0.1 | Siauliu Bankas (Commercial bank) | Lithuania | 1.0 |
| Cable One (Cable operator) | US | 0.4 | Health Care | | |
| Cheil Worldwide (Marketing and advertising services) | South Korea | 0.6 | Abcam (Life science services) | UK | 1.9 |
| Domain (Online property listings operator) | Australia | 0.8 | Ambu (Medical device manufacturer) | Denmark | 0.3 |
| Kakaku.com (E-commerce retailer) | Japan | 1.0 | BML (Clinical testing and information services) | Japan | 0.6 |
| Megacable (Cable operator) | Mexico | 0.7 | CellaVision (Medical device manufacturer) | Sweden | 0.6 |
| Paradox Interactive (Video game publisher) | Sweden | 0.6 | DiaSorin (Reagent kits developer) | Italy | 1.1 |
| Rightmove (Online property listings operator) | UK | 0.6 | Elanco (Animal health care products) | US | 0.8 |
| Sarana Menara Nusantara (Telecom tower operator) | Indonesia | 0.5 | LeMaitre Vascular (Medical device manufacturer) | US | 0.9 |
| TIME dotCom Berhad (Telecom services) | Malaysia | 0.7 | Neurocrine Biosciences (Biopharmaceutical mfr.) | US | 2.1 |
| YouGov (Market research and data analytics services) | UK | 1.7 | Repligen (Biopharma equipment supplier) | US | 0.7 |
| Consumer Discretionary | | | Santen Pharmaceutical (Pharma manufacturer) | Japan | 1.3 |
| BorgWarner (Automotive parts manufacturer) | US | 2.3 | Simulations Plus (Simulation software developer) | US | 1.0 |
| Eclat Textile (Technology-based textile manufacturer) | Taiwan | 0.5 | Square Pharmaceuticals (Pharma manufacturer) | Bangladesh | 0.5 |
| Five Below (Discount consumer products retailer) | US | 1.2 | Tecan (Life science products and services) | Switzerland | 2.0 |
| Malibu Boats (Boat manufacturer) | US | 1.7 | Industrials | | |
| Ollie's Bargain Outlet (Discount cons. products retailer) | US | 1.6 | AAON (HVAC manufacturer) | US | 1.2 |
| Planet Fitness (Fitness centers operator) | US | 0.5 | Alfa Laval (Industrial equipment manufacturer) | Sweden | 0.4 |
| Rinnai (Consumer appliances manufacturer) | Japan | 0.4 | Allegion (Security equipment manufacturer) | US | 1.2 |
| Stanley Electric (Automotive lighting manufacturer) | Japan | 0.8 | Atkore (Electrical conduit manufacturer) | US | 2.1 |
| Thule Group (Lifestyle consumer products manufacturer) | Sweden | 0.6 | Bossard (Industrial components supplier) | Switzerland | 0.7 |
| Consumer Staples | | | Burckhardt Compression (Compressor manufacturer) | Switzerland | 0.6 |
| Agthia (Foods and beverages manufacturer) | UAE | 0.2 | Clarkson (Shipping services) | UK | 0.6 |
| Ariake (Natural seasonings manufacturer) | Japan | 1.4 | Daifuku (Material-handling equipment manufacturer) | Japan | 1.0 |
| Cosmos Pharmaceutical (Drugstores operator) | Japan | 1.0 | Diploma (Specialized technical services) | UK | 1.6 |
| Cranswick (Foods manufacturer) | UK | 1.6 | EnerSys (Industrial-battery manufacturer) | US | 3.3 |
| MGP Ingredients (Alcoholic beverage ingredients mfr.) | US | 2.4 | Exponent (Engineering and scientific consultant) | US | 1.7 |
| Milbon (Hair care products manufacturer) | Japan | 1.2 | Haitian International (Injection-molding machines mfr.) | China | 0.7 |
| Pigeon (Consumer products manufacturer) | Japan | 0.8 | Infomart (Restaurant supply chain operator) | Japan | 0.4 |
| Reynolds (Consumer products manufacturer) | US | 1.8 | MISUMI Group (Machinery-parts supplier) | Japan | 1.2 |
| Robinsons Retail (Foods & consumer products retailer) | Philippines | 1.0 | MonotaRO (Factory materials supplier) | Japan | 0.3 |
| Energy | | | Nihon M&A Center Inc. (Financial advisory) | Japan | 0.2 |
| Dialog Group Berhad (Petrochemical services) | Malaysia | 0.8 | Rational (Commercial kitchen equipment manufacturer) | Germany | 0.9 |
| Helmerich & Payne (Oil driller) | US | 1.1 | Senior (Aerospace and auto parts manufacturer) | UK | 2.2 |
| Financials | | | SMS (Health care employment services) | Japan | 0.4 |
| Bank of Georgia (Commercial bank) | UK | 1.0 | Spirax-Sarco (Industrial components manufacturer) | UK | 0.5 |
| BTPN Syariah (Commercial bank) | Indonesia | 0.6 | TOMRA (Industrial sensors manufacturer) | Norway | 0.9 |
| Commerce Bank (Commercial bank) | US | 1.0 | UT Group (Manufacturing staffing services) | Japan | 0.9 |
| Discovery Holdings (Insurance provider) | South Africa | 0.7 | Information Technology | | |
| Lazard (Financial advisory) | US | 0.5 | Advantech (Industrial PCs manufacturer) | Taiwan | 0.9 |
| Linea Directa (Insurance provider) | Spain | 0.5 | Alten (Technology consultant and engineer) | France | 1.3 |
| MarketAxess (Electronic trading platform) | US | 0.9 | Appfolio (Real estate information services) | US | 1.6 |
| Max Financial (Financial services & insurance provider) | India | 1.4 | Bechtle (IT services and IT products reseller) | Germany | 1.2 |
| Rathbones (Wealth manager) | UK | 0.6 | Cognex (Machine vision systems manufacturer) | US | 0.8 |

Model portfolio holdings are supplemental information only and complement the fully compliant Global Small Companies 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.

Global Small Companies Holdings (as of June 30, 2023)

| Information Technology | Market | End Wt. (%) |
|---|-------------|-------------|
| Cyberark (Cybersecurity software developer) | Israel | 1.7 |
| Endava (Software developer) | UK | 1.2 |
| Guidewire Software (Insurance software developer) | US | 0.8 |
| Keywords Studios (Video game technical services) | UK | 1.0 |
| Kinaxis (Supply chain software developer) | Canada | 0.6 |
| LEM Holdings (Electrical components manufacturer) | Switzerland | 1.2 |
| Nemetschek (Engineering software developer) | Germany | 1.3 |
| Rakus (IT employment and cloud services) | Japan | 0.5 |
| Reply (IT consultant) | Italy | 0.8 |
| Vaisala (Atmospheric measuring devices manufacturer) | Finland | 0.9 |
| Materials | | |
| Fuchs Petrolub (Lubricants manufacturer) | Germany | 0.9 |
| Hoa Phat Group (Steel producer) | Vietnam | 0.6 |
| JCU (Industrial coating manufacturer) | Japan | 0.5 |
| Real Estate | | |
| No Holdings | | |
| Utilities | | |
| Rubis (Liquid chemical storage and distribution) | France | 1.0 |
| Cash | | 2.9 |

Model portfolio holdings are supplemental information only and complement the fully compliant Global Small Companies 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.

2Q23 Contributors to Relative Return (%)

| Largest Contributors | Sector | Avg. Weight | | Effect |
|----------------------|--------|-------------|-------|--------|
| | | HL | Index | |
| Abcam | HLTH | 1.6 | - | 0.99 |
| EnerSys | INDU | 2.7 | <0.1 | 0.55 |
| Dechra | HLTH | 0.4 | 0.1 | 0.51 |
| SimCorp | INFT | 0.4 | 0.1 | 0.41 |
| Appfolio | INFT | 1.4 | <0.1 | 0.40 |

2Q23 Detractors from Relative Return (%)

| Largest Detractors | Sector | Avg. Weight | | Effect |
|--------------------|--------|-------------|-------|--------|
| | | HL | Index | |
| MarketAxess | FINA | 1.0 | - | -0.48 |
| Endava | INFT | 1.2 | - | -0.41 |
| MISUMI Group | INDU | 1.5 | - | -0.38 |
| Keywords Studios | INFT | 0.8 | <0.1 | -0.36 |
| Bechtle | INFT | 1.4 | - | -0.29 |

"HL": Global Small Companies composite. "Index": MSCI All Country World Small Cap Index.

Last 12 Mos. Contributors to Relative Return (%)

| Largest Contributors | Sector | Avg. Weight | | Effect |
|----------------------|--------|-------------|-------|--------|
| | | HL | Index | |
| EnerSys | INDU | 2.4 | <0.1 | 1.40 |
| Bank of Georgia | FINA | 1.2 | <0.1 | 1.01 |
| Atkore | INDU | 1.5 | 0.1 | 0.95 |
| Abcam | HLTH | 1.5 | <0.1 | 0.93 |
| Appfolio | INFT | 1.2 | <0.1 | 0.71 |

Last 12 Mos. Detractors from Relative Return (%)

| Largest Detractors | Sector | Avg. Weight | | Effect |
|------------------------|--------|-------------|-------|--------|
| | | HL | Index | |
| Commerce Bank | FINA | 0.9 | 0.1 | -0.64 |
| Cable One | COMM | 0.6 | <0.1 | -0.62 |
| Signature Bank | FINA | 0.5 | - | -0.53 |
| Endava | INFT | 0.3 | - | -0.46 |
| Neurocrine Biosciences | HLTH | 2.5 | - | -0.42 |

Portfolio Characteristics

| Quality and Growth | HL | Index |
|--|------|-------|
| Profit Margin ¹ (%) | 9.4 | 7.6 |
| Return on Assets ¹ (%) | 7.5 | 5.0 |
| Return on Equity ¹ (%) | 13.8 | 11.2 |
| Debt/Equity Ratio ¹ (%) | 23.3 | 60.4 |
| Std. Dev. of 5 Year ROE ¹ (%) | 4.3 | 6.4 |
| Sales Growth ^{1,2} (%) | 9.6 | 7.5 |
| Earnings Growth ^{1,2} (%) | 9.0 | 10.1 |
| Cash Flow Growth ^{1,2} (%) | 6.7 | 7.1 |
| Dividend Growth ^{1,2} (%) | 7.9 | 5.3 |
| Size and Turnover | | |
| Wtd. Median Mkt. Cap. (US \$B) | 4.4 | 3.1 |
| Wtd. Avg. Mkt. Cap. (US \$B) | 4.5 | 3.8 |
| Turnover ³ (Annual %) | 22.1 | - |

| Risk and Valuation | HL | Index |
|-------------------------------------|-------|-------|
| Alpha ² (%) | -2.27 | - |
| Beta ² | 0.88 | - |
| R-Squared ² | 0.87 | - |
| Active Share ³ (%) | 98 | - |
| Standard Deviation ² (%) | 17.51 | 18.61 |
| Sharpe Ratio ² | 0.35 | 0.54 |
| Tracking Error ² (%) | 6.7 | - |
| Information Ratio ² | -0.59 | - |
| Up/Down Capture ² | 82/96 | - |
| Price/Earnings ⁴ | 18.9 | 12.8 |
| Price/Cash Flow ⁴ | 14.0 | 8.1 |
| Price/Book ⁴ | 2.7 | 1.6 |
| Dividend Yield ⁵ (%) | 1.5 | 2.2 |

¹Weighted median. ²Trailing five years, annualized. ³Three-year average. ⁴Weighted harmonic mean. ⁵Weighted mean. Source: (Risk characteristics): Harding Loevner Global Small Companies composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics): Harding Loevner Global Small Companies model based on the underlying holdings, FactSet (Run Date: July 5, 2023 based on the latest available data in FactSet on this date.), MSCI Inc.

Completed Portfolio Transactions

| Positions Established | Market | Sector |
|------------------------|-------------|--------|
| Airtel Africa | UK | COMM |
| Burckhardt Compression | Switzerland | INDU |
| Cellavision | Sweden | HLTH |
| Daifuku | Japan | INDU |
| Milbon | Japan | STPL |

| Positions Sold | Market | Sector |
|----------------------|---------|--------|
| Altair Engineering | US | INFT |
| Dechra | UK | HLTH |
| Sensata Technologies | US | INDU |
| SimCorp | Denmark | INFT |
| STRATEC | Germany | HLTH |
| Sugi Holdings | Japan | STPL |

Model Portfolio holdings are supplemental information only and complement the fully compliant Global Small Companies 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. 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 Global 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 Global Small Companies Equity Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

Global Small Companies Composite Performance (as of June 30, 2023)

| | HL Global Small Cos. Gross (%) | HL Global Small Cos. Net (%) | MSCI ACWI Small Cap Index ¹ (%) | HL Global Small Cos. 3-yr. Std. Deviation ² (%) | MSCI ACWI Small Cap Index 3-yr. Std. Deviation ² (%) | Internal Dispersion ³ (%) | No. of Accounts | Composite Assets (\$M) | Firm Assets (\$M) |
|-----------------------|---|---------------------------------------|--|---|--|--|--------------------|------------------------------|-------------------------|
| 2023 YTD ⁴ | 8.11 | 7.65 | 8.32 | 17.50 | 18.61 | N.A. | 1 | 1 | 46,871 |
| 2022 | -21.46 | -22.14 | -18.27 | 21.86 | 23.83 | N.M. | 1 | 1 | 47,607 |
| 2021 | 12.53 | 11.52 | 16.54 | 18.58 | 21.27 | N.M. | 1 | 2 | 75,084 |
| 2020 | 29.24 | 28.09 | 16.83 | + | + | N.M. | 1 | 2 | 74,496 |
| 2019 | 30.99 | 29.82 | 25.23 | + | + | N.M. | 1 | 1 | 64,306 |

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 YTD performance returns and assets shown are preliminary. N.A.—Internal dispersion less than a 12-month period. N.M.—Information is not statistically significant due to an insufficient number of portfolios in the composite for the entire year. +Less than 36 months of return data.

The Global Small Companies composite contains fully discretionary, fee-paying accounts investing primarily in US and 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, and is measured against the MSCI All Country World Small Cap 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 All Country World Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance. The index consists of 47 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 81-30,150 million (as of June 30, 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 March 31, 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. Verification does not provide assurance on the accuracy of any specific performance report. The verification report is 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.

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. 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 Global Small Companies Equity accounts is 1.00% annually of the market value 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 Global Small Companies composite was created on December 31, 2018 and the performance inception date is January 1, 2019.