HARDING LOEVNER

EMERGING MARKETS EQUITY

2020 Third Quarter Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED SEPTEMBER 30, 2020[1]

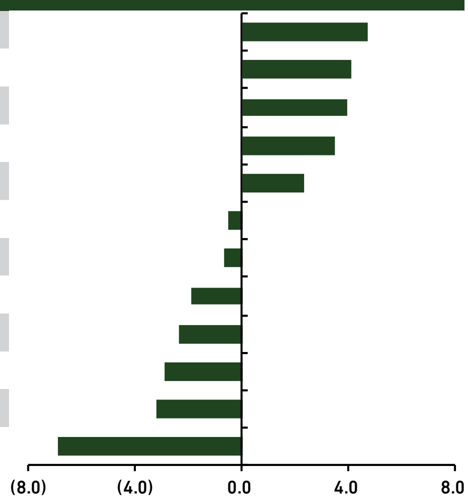
	3 MONTHS	YTD	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL EMERGING MARKETS (GROSS OF FEES)	9.32	-6.59	5.30	1.38	9.41	4.72	11.89
HL EMERGING MARKETS (NET OF FEES)	9.07	-7.23	4.34	0.47	8.44	3.79	10.98
MSCI EMERGING MARKETS INDEX (GROSS)[4,5]	9.70	-0.91	10.91	2.79	9.36	2.86	8.81

[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1998; [4]The Benchmark Index; [5]Gross of withholding taxes.

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.

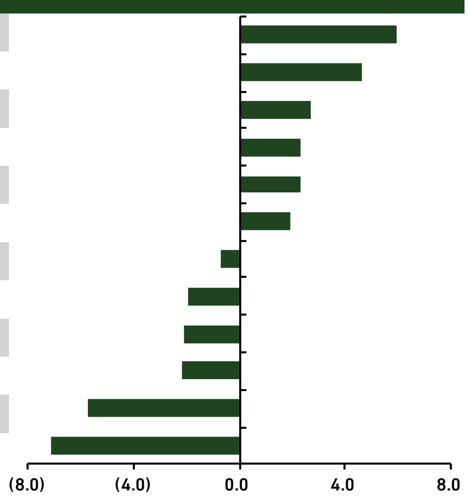
SECTOR EXPOSURE (%)

	HL EM	MSCI EM
FINANCIALS	21.8	17.1
INFO TECHNOLOGY	22.6	18.5
INDUSTRIALS	8.3	4.4
CONS STAPLES	9.6	6.1
CASH	2.3	—
ENERGY	4.9	5.4
UTILITIES	1.3	2.0
HEALTH CARE	2.4	4.3
REAL ESTATE	0.0	2.4
COMM SERVICES	9.8	12.7
CONS DISCRETIONARY	17.0	20.2
MATERIALS	0.0	6.9



GEOGRAPHIC EXPOSURE (%)

	HL EM	MSCI EM
DEVELOPED MARKET LISTED[6]	5.9	—
RUSSIA	7.6	3.0
MEXICO	4.3	1.6
BRAZIL	6.9	4.6
CASH	2.3	—
FRONTIER MARKETS[7]	1.9	—
INDIA	7.6	8.3
SOUTH AFRICA	1.6	3.5
SOUTH KOREA	10.0	12.1
TAIWAN	10.6	12.8
SMALL EMERGING MARKETS[8]	6.5	12.2
CHINA + HONG KONG[9]	34.8	41.9



[6]Emerging markets or frontier markets companies listed in developed markets; [7]Includes countries with less-developed markets outside the Index; [8]Includes the remaining emerging markets, which individually, comprise less than 5% of the Index; [9]The Harding Loevner Emerging Markets Model Portfolio's end weight in China is 28.0% and Hong Kong is 6.8%. The Benchmark does not include Hong Kong.

Sector and geographic allocations are supplemental information only and complement the fully compliant Emerging Markets Composite GIPS Presentation.

Source: Harding Loevner Emerging Markets 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.

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MARKET REVIEW

The strong recovery in Emerging Markets (EMs) that began in mid-March sustained through the third quarter with the MSCI EM Index registering a return of nearly 10%, outperforming Developed Markets by nearly 2%. EMs posted their strongest six-month return since 2009, recouping nearly all of first quarter's steep loss and leaving them down less than 1% year-to-date.

Companies that benefit from consumer habits shaped by lockdowns and social distancing, such as e-commerce and online services businesses, saw continued acceleration of demand into the third quarter. Investors clamoring for exposure to this select group of EM winners continued to fuel momentum in their shares, akin to the FAANG concentration effect we have witnessed in the US stock market. The combined index weight of Chinese internet and direct marketing retail companies, including heavyweights **Alibaba**, JD.com, and Meituan Dianping, has almost doubled year-to-date from 6% to 11%. E-commerce and semiconductors accounted for over 50% of the EM Index return during the quarter, by our calculation the greatest concentration in EM stock returns ever.

The market surge has been fueled in the lockdown period by a boom in local retail investing in domestic stocks by people stuck at home with lots of spare time to fill, helped by government COVID-19 income replacement programs, user-friendly trading platforms, disappearing trading commissions, and nominal interest rates in EM at all-time lows. The number of individual equity accounts in Brazil, for instance, has more than trebled since 2018, as savers-turned-speculators have abandoned low-yielding deposits or bonds for the allure of equities, particularly those of the fastest-growing companies. Notably, regulators in South Korea (where retail investors now make up about 70% of total volume) and China, two of the strongest markets in the recent rebound, have raised concerns about the increased use of margin loans by retail investors to participate in the equity rally.

On the economic front, wide disparities have opened up across regions. Among the "haves," China has been notable for the speed and strength of its economic recovery, having already returned to posting year-over-year growth. China's economic revival is being led by the old formula of fixed-asset investment—excavator sales have surged some 50% compared to last year—plus gushing supplies of credit, reflecting a hiatus in the long-term policy goal of deleveraging the shadow-banking sector. With a few exceptions, such as eating in restaurants, Chinese consumption remains robust. Lingering wariness about the health risks of public transport has pumped up auto sales after a three-year slump.

Relative to China's experience, the economic damage wrought by the pandemic in most other EMs has been significantly greater and their recoveries more halting. In the populous Southeast Asian countries of India and Indonesia, near-term expectations for growth have been further slashed as resurgent infection rates demand policy responses that hinder economic recovery. Brazil's economy has proven more resilient than one would have anticipated given the horrifying levels of infections and deaths it continues to experience. The magnitude of its government's extraordinary fiscal support, equating to 8% of GDP, has certainly helped, though potentially at a steep cost to future growth.

The strongest performing sectors by far were Consumer Discretionary and Information Technology (IT), followed by Materials, where deep cyclicals such as chemicals and paper stocks outperformed. High levels of Chinese investment have supported the global prices of industrial commodities, except energy, which remains stifled by lackluster demand and high inventories. Utilities was the weakest sector, followed by Energy and Financials. Financials received positive contributions from securities houses that saw a surge in trading volumes from the

MARKET PERFORMANCE (USD %)

REGION/COUNTRY	3Q 2020	TRAILING 12 MONTHS
AFRICA	3.8	-10.7
SOUTH AFRICA	3.7	-10.6
ASIA	12.1	21.9
CHINA	12.6	33.8
INDIA	15.1	0.7
SOUTH KOREA	12.9	19.2
TAIWAN	17.1	36.0
EUROPE	-4.9	-18.7
RUSSIA	-4.3	-15.2
LATIN AMERICA	-1.2	-29.1
BRAZIL	-3.3	-32.3
MEXICO	4.7	-20.3
MIDDLE EAST	8.6	-3.9
MSCI EM INDEX	9.7	10.9

SECTOR PERFORMANCE (USD %) OF THE MSCI EM INDEX

SECTOR	3Q 2020	TRAILING 12 MONTHS
COMMUNICATION SERVICES	2.5	25.6
CONSUMER DISCRETIONARY	26.9	48.5
CONSUMER STAPLES	4.4	-2.4
ENERGY	-0.2	-18.7
FINANCIALS	-0.3	-18.6
HEALTH CARE	2.0	47.1
INDUSTRIALS	3.0	-6.7
INFORMATION TECHNOLOGY	20.7	42.6
MATERIALS	11.8	8.5
REAL ESTATE	1.0	-7.6
UTILITIES	-4.3	-18.1

Source: FactSet (as of September 30, 2020). MSCI Inc. and S&P.

growing retail investor base, but the sector was dragged down by banks. The "Big Four" Chinese banks were particularly weak this quarter, their pandemic-related credit losses set to rise in the second half of the year.

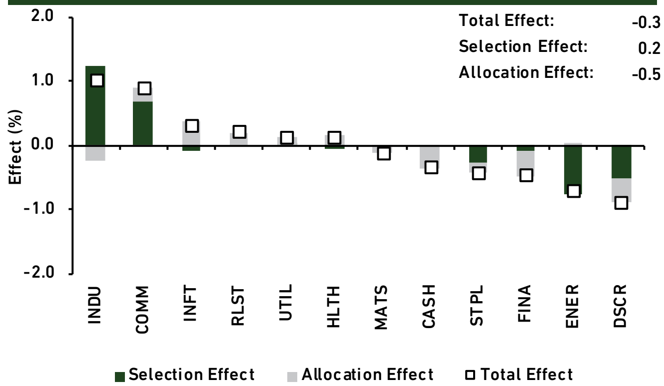
By geography, Asia continued its streak of outperformance this quarter, with returns in Taiwan, South Korea, and China enhanced by these markets' heavy weights in IT and Consumer Discretionary stocks. India also performed strongly led by IT services companies, which are benefitting from a global acceleration in the digital transformation of business, and the Consumer Discretionary sector, where, as in China, automotive companies witnessed a positive inflection in demand following a prolonged downcycle. The single largest contributor to India's returns was the conglomerate Reliance Industries, which rallied on the sale of a small stake in its multi-category and multi-channel retailing division valued at nearly US$60 billion.

The weakest region was Europe. Russia faced dual headwinds: a weak oil price and a rising geopolitical threat of a harsher US stance following the US presidential election in the wake of the poisoning of Kremlin critic Alexei Navalny. Turkey, the weakest EM, suffered a sharp fall in its currency following a spike in inflation expectations. Latin America underperformed primarily due to Brazil, as signs of fractures in its political leadership collided with fears over the rising costs of the pandemic.

Across EMs on average, stocks of companies that score highest on Growth and Quality measures significantly outperformed the broad index.

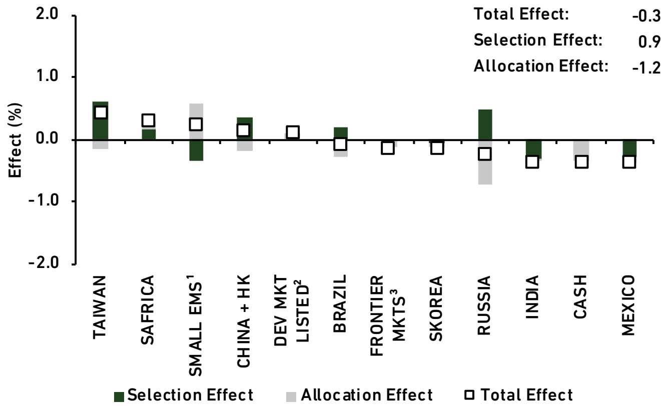
SECTOR PERFORMANCE ATTRIBUTION
THIRD QUARTER 2020

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
THIRD QUARTER 2020

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



[1]Includes the remaining emerging markets, which individually, comprise less than 5% of the Index; [2]Emerging markets or frontier markets companies listed in developed markets; [3]Includes countries with less-developed markets outside the Index. Source: FactSet; Harding Loevner Emerging Markets 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 page 1 of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS presentation.

PERFORMANCE AND ATTRIBUTION

The Emerging Markets composite rose 9.3% in the third quarter, just behind the 9.7% rise of the MSCI Emerging Markets Index. Our continued pursuit of diversification and commitment to investing in high-quality, growing, *and* reasonably priced companies put us at odds with the huge concentration of returns from the biggest "COVID-19 winners." Unfavorable allocations relative to the benchmark were the key source of underperformance, particularly our underweight in Consumer Discretionary, where we had relatively lower exposure to COVID-19-winning e-commerce and online services stocks, and our overweight in Financials.

In Consumer Discretionary we also had poor stock selection in the automobile industry. Indonesia's **Astra International** reported weak second-quarter results and temporarily closed its auto manufacturing and sales operations due to the country's re-imposition of social-distancing measures. By contrast, Chinese auto glass manufacturer **Fuyao Glass Industry** was a notable outperformer, a sign of an improving growth outlook for China's auto sector. Weak stocks in Energy were also a detractor. Shares of Russian oil producer **Lukoil** were weighed down by the low oil price and concerns that a new proposal from within the Russian government to cancel certain mineral extraction tax breaks may cut into the company's returns.

We strongly outperformed in Industrials, led by Hong Kong-based power tool manufacturer **Techtronic Industries**, a big beneficiary of the COVID-19-era do-it-yourself trend, and Brazilian electric motor manufacturer **WEG**, an emerging leader in internet-connected industrial equipment. Both

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, 2020 is available on page 9 of this report.

companies announced strong second-quarter earnings and offered encouraging growth outlooks.

Russia's online-search leader **Yandex** contributed to good returns in Communication Services after posting strong second-quarter results. The advertising market in Russia, as in many markets, has been soft due to the fallout of the pandemic, hurting Yandex's online search segment revenue. However, Yandex's grocery delivery business, which it launched just before Russians began to social distance, could not have started at a better time. Towards the end of the quarter the market also cheered Yandex's announcement that it would acquire Russian online bank Tinkoff.

By geography, again, our allocations detracted from relative returns, notably our overweight in Europe and Latin America and underweight to North Asia. We also underperformed in India, with poor returns from our Financials stocks as a rise in coronavirus cases through the quarter heightened worries about further deterioration of the economy that could lead to a higher percentage of non-performing loans. We also lagged in Mexico. **FEMSA**, the country's largest convenience store operator and controlling stakeholder in one of the world's largest Coca-Cola bottlers, has been hurt by pandemic-related business interruptions. However, the company is recovering with an increasing number of stores now operating under normal hours.

We had good stock selection in China (Fuyao Glass among others) and Taiwan, where the growth outlook for **TSMC** looks solid due to rising demand for its advanced chips used in 5G devices and high-performance computing. TSMC's competitive position also appears to have improved at the expense of US rival Intel, which has been experiencing manufacturing struggles with the most-advanced technology and now may look to TSMC to outsource more of the production of the chips it designs to TSMC.

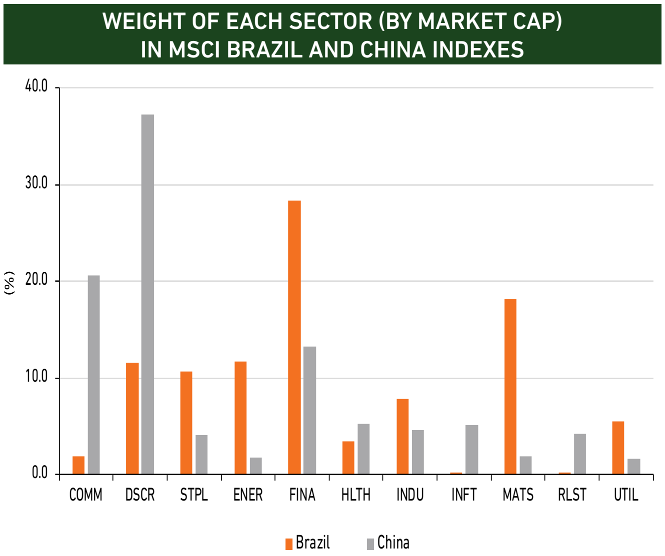
PERSPECTIVE AND OUTLOOK

Viewed superficially, that the EM Index returned to pre-pandemic levels during the third quarter might suggest that the effects of the pandemic are now behind the EMs and their commercial life is back to normal. Unfortunately, nothing could be further from the truth. To see how much has changed, look below the surface of the EM Index at the colossal divergence of sectors within. While the IT and Consumer Discretionary sectors rose 20% and 27%, respectively, for the year-to-date, Financials fell 26%. Country performance has been similarly disparate. The year-to-date spread in returns between China (up 17%) and Brazil (down 41%) is an eye-watering 58%.

The difference between China and Brazil owes in part to their respective gearing to global growth and their opposite roles in the global commodity trade, and in part to how effectively each country has handled the pandemic. Once it recognized the seriousness of the initial outbreak of the disease in Wuhan, Chinese authorities were relatively quick to impose severe and widescale lockdowns, along with instituting comprehensive tracing and testing. By contrast, Brazil's President Jair Bolsonaro has consistently dismissed the seriousness of the virus, and his administration's uneven approach to containing it has left 5 million reportedly infected and 150,000 dead, a close second behind only the US, whose population is considerably larger.

But the disparity in their stock markets' performance ultimately also comes down to the relative makeup, in terms of company membership, of each countries' sleeve of the EM Index. China has an especially large weighting in technology-related companies that in many cases have directly benefitted from the pandemic. Some of these are great companies whose long-term growth prospects have been pulled forward as changes in consumer habits accelerated over the past several months, but some, like many in a recent rash of IPOs to hit the market, are considerably more speculative. Brazil's stock market, by comparison, tends to represent a more diversified mix of sectors, with larger market weights in Financials, Materials, and Energy, one-tenth the weight of China in Communications Services, and almost no weight in IT (see chart below). The largest EM outside Asia, Brazil nonetheless continues to have the profile of a traditional developing market, with a large proportion of listed companies engaged in traditional activities, e.g., basic banking, infrastructure construction, and food and commodity production.

Pursuing growth opportunities among banking, industrials, oil and gas, and the like may not be as exciting as the latest pure technology sensation such as NIO, a Chinese electronic vehicle producer, currently valued at over 10 times estimated 2020 sales. While the company has tremendous growth potential, it also has a short history, significant operating losses, and is not expected to breakeven until 2022. Examples of growing,



Source: MSCI Inc.; End weights as of September 30, 2020.

expensive, but profitless companies currently abound in EMs. We are attracted to what may appear more boring: well-established companies with technological and other competitive advantages that offer consistent profitability, strong management, and sound finances, along with prospects for above average, if not always rocketing, growth.

Our Brazilian holdings, which range across the Financials, Consumer, Energy, and Industrials sectors, illustrate our ability to uncover growth in diverse industries. Among our selection criteria, management quality is key, and especially relevant at stressed times like these because foresight and skill enable companies to navigate unanticipated challenges successfully. So far, their managements have done a good job of navigating this crisis; not only have they sustained their businesses, they have been laying foundations for future growth by investing in leading edge technology to improve their digital capabilities and better adapt to potential changes in a post-COVID-19 world. Their success at sustaining their businesses has not in every case been reflected in their share prices, especially our bank holdings. Nevertheless, over time, good businesses are good investments and, overall, our stock selection in Brazil has been a positive contributor to returns this year.

Management quality is key, and especially relevant at stressed times like these, because foresight and skill enable companies to navigate unanticipated challenges successfully.

A great example of skillful management and growth in a prosaic industry is **Localiza**, the country's largest rental car company. It was the first rental car company in Brazil to adopt dynamic pricing, adjusting the price based on short-term supply and demand, an innovation that was only possible after digitizing core processes. Localiza has been working on improving customer satisfaction and stickiness with new digital interfaces including a WhatsApp-based booking and customer assistance service-bot and the first rental solution in Brazil that is 100% mobile and eliminates human interaction through the entire rental experience. Localiza's management seems to be handling the crisis well, further evidence that it is one of the best in the industry. While its retail car rental volumes declined 8% in the second quarter, they rebounded in June and July almost back to last year's levels despite continuing low demand in airports. Its business of renting fleets to corporate clients grew revenues 15% year-over-year in the second quarter and has a strong long-term growth opportunity as less than a tenth of corporate fleets are outsourced currently. To take advantage of rising demand for private transport as a substitute for mass transit when the pandemic recedes, Localiza has begun to offer flexible long-term subscriptions to individuals as well.

Another Brazilian company leading its industry in technological investment and innovation is the electric motors, generator, and transformer manufacturer WEG. The company is one of Brazil's most successful industrial exporters, generating about 60% of revenues from outside its home market. In the second quarter, WEG's domestic revenue grew 24% and foreign revenues 23% year-over-year despite a tough economic backdrop. Some of the growth has come from growing sales to wind and solar energy producers, as demand for energy from green sources has bucked the overall energy downturn. Looking forward, an even bigger area of opportunity relates to its integration of smart technology across its installed base of energy and other industrial equipment. Before and throughout the pandemic, WEG's management has pursued a strategy to enhance its digital and automation capabilities to enable the company to serve customers better. The foundation for this initiative is the embedded sensor technology that is already incorporated into much of the equipment WEG sells. The company has a trove of data captured by these embedded sensors. After a string of recent acquisitions, it now also has a portfolio of measurement, reporting, and artificial intelligence technologies for harnessing and interpreting that data. Its goal is to create an information service offering that customers will value, for example, for its ability to reduce equipment downtime. That WEG is using its strong balance sheet to continue this development during the pandemic to enhance its competitive positioning is the latest example of the kind of forward thinking we have come to expect from its management.

Perhaps nowhere has management skill in navigating the pandemic come more into play than in Brazil's banking industry. Bankers' ability to assess the damage done to their loans by the pandemic has been clouded by temporary moratoriums on repayments of certain loans. These moratoriums have been imposed by governments in Brazil and elsewhere as a relief measure to forestall a large-scale financial crisis. As long as the moratoriums remain in effect, bankers' visibility into which of their borrowers will be left standing is limited. Conservative bankers at well-capitalized banks have taken provisions for loan losses aggressively to ensure they can withstand worst-case scenarios. Generally, such provisioning, whether undertaken in an abundance of caution or fully warranted, has heightened investors' concerns about asset quality, leading to indiscriminate pressure on bank shares. Brazil's moratorium is expected to end in October, following which banks will get to see which of their borrowers have been swimming naked, and investors will get to see which of their banks have an abundance of such borrowers.

Bankers' ability to assess the damage done to their loans by the pandemic has been clouded by temporary moratoriums on repayments of certain loans.

We hold two Brazilian banks, **Banco Bradesco** and **Itaú Unibanco**. Itaú's second quarter results were dragged down by its provisions. However, compared to competitors, the percentage of its loans covered by the moratoriums represents but a small fraction (8%) of its total loan book. Moreover, of those loans, 58% are fully collateralized. The risk of actual losses arising from the repayment deferral, in other words, is far lower than that which appears priced into its shares.

Itaú's management is committed to improving efficiencies and customer satisfaction through investment in financial technology. To attract and retain younger customers, Itaú released a mobile app and digital wallet called Iti that works well on cheaper smart phones. Management plans to add more functionality to Iti over time, with the goal of making it a multipurpose platform, like the "super apps" prevalent in China. More broadly, the bank has been aggressive in growing its online banking channel to reduce reliance on physical branches where the cost of servicing customers is higher. COVID-19-related shutdowns have accelerated the transformation: in the second quarter the company experienced 131% year-over-year growth in opening of online accounts, reaching one million new online accounts in a quarter for the first time. We think Itaú's management team is farsighted and nimble and is adapting well to the challenges presented by the pandemic. The company's deep experience in credit underwriting and debt collection is a competitive advantage that has helped it survive through many previous credit cycles, emerging stronger each time.

PORTFOLIO HIGHLIGHTS

Across the entire EM universe, we continued to seek compelling opportunities in high-quality, growing businesses while avoiding what we considered unsustainable share prices. Our belief in the benefits of diversification meant we also kept within reasonable bounds the portfolio's exposure to China's large opportunity set. Valuation concerns led us to trim some positions, including Chinese delivery businesses **SF Express** and **ZTO Express** and Russian online search leader Yandex, all of which have posted strong performance as the pandemic boosted demand for their services. We took advantage of price volatility to buy four new stocks (two in China, one in Poland, and one in Brazil) and added to several existing holdings (nearly all of them outside China) at improved valuations. Our transactions modestly increased our exposures to Financial, Health Care, and Consumer Discretionary and lowered our exposures to Industrials and IT. Our overall portfolio profile versus the benchmark—including overweights in Financials and IT and underweights in Consumer Discretionary and Materials—did not change.

While the ongoing economic impact of the pandemic undeniably heightens the uncertainty surrounding banks, we see encouraging signs across our high-quality bank holdings.

Holding roughly one-sixth of the portfolio (by weight) in banks has not been good for returns this year, but we saw no reason to shrink from our bank investments. Flailing share prices are not necessarily a signal of weak businesses. While ongoing economic impact of the pandemic undeniably heightens the uncertainty surrounding banks, we see encouraging signs across our high-quality bank holdings. Itaú Unibanco is not the only one of our banks whose asset quality has held up better than its share price. Only about 9% of the loans held by India's **HDFC Bank** are under moratorium as of the end of June, and 97% of these were not even due yet based on their original repayment schedule. HDFC as well as Indonesia's **Bank Central Asia** have recently reported good growth in new business via their digital channels. Nimble and well-managed, many of these holdings may end up gaining more market share coming out of this crisis.

We added to two bank positions this quarter, including Mexico's **GF Banorte**. Banorte's second-quarter results were better than generally expected. Fee income fell, and net income was down 25% overall, but total revenue was up 8%, net interest income grew 6%, and loans actually grew slightly year-over-year. About 16% of its loans by value are backed by Mexico's moratorium program, and Banorte expects this percentage will remain under 20%.

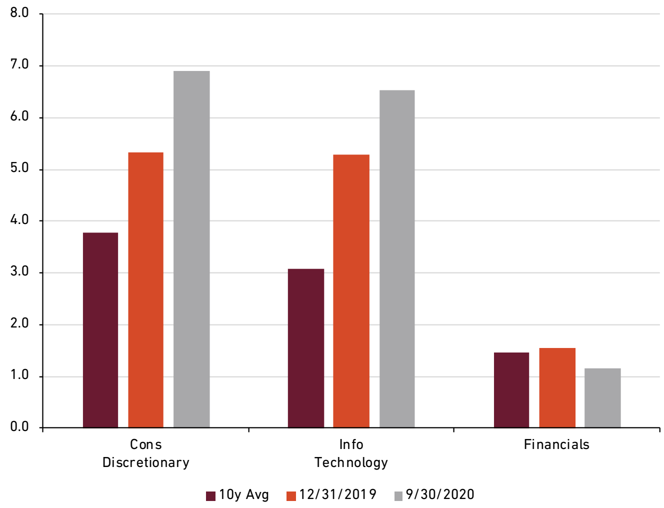
China has around 200 million K–12 students while the number of available admission slots at top-tier universities is relatively lower than in many other countries, increasing the value of effective tutoring services.

We increased our Consumer Discretionary exposure with the purchase of **New Oriental** (EDU), a Chinese private education provider focusing on foreign language training, after-school K-12 tutoring, and test preparation. The company is a good example of the kind of durable growth found in China outside its altitudinous e-commerce segment. New Oriental has become a leading Chinese brand due to its reputation for high-quality instructors, well-designed curricula, and a track record of good results for students. The company's size and scale are important advantages: it can spend more than competitors on developing curricula at a low cost per student. China's highly competitive education system should support strong long-term growth in demand for EDU's services. The country has around 200 million K–12 students while the number of available admission slots at top-tier universities is relatively lower than in many other countries, increasing the value of effective tutoring services. EDU's long-term revenue growth and margin expansion should also be strengthened by its online-merge-offline strategy that integrates online and classroom-based instruction. Currently 10–20% of teaching takes place online with the rest conducted in the company's vast network of physical locations.

In Communication Services, we purchased **CD Projekt**, an intensely creative and entrepreneurial Poland-based video game company, with a strong balance sheet and net cash position to boot. The company's focused product line, including the hugely popular *The Witcher* series of role-playing games, emphasizes visually stunning games for consoles and PCs that feature complex plots that attract millions of loyal gamers worldwide. CD Projekt's competitive advantage is its low-cost locale, where game developer talent is on par with that of competitors in the US, western Europe, and Japan but wages are significantly lower. The company's highly anticipated next game, *Cyberpunk 2077*, is slated for release in November 2020 after several years of development involving over 500 staff developers. Whether *Cyberpunk 2077* will meet its high expectations awaits the verdict of gamers. Regardless, CD Projekt is a leader in an industry that is producing ever more immersive games, which, through digital distribution, are accessible to millions of gamers worldwide who spend increasing amounts of time playing them.

Our sales this quarter included Chinese smartphone-component manufacturer **AAC Technologies** due to concerns that its core business making speakers and microphones faces rising competition that may compress margins. Moreover, AAC's newer business lines in handset lenses and camera modules face competition from well-entrenched established producers, so its growing capacity in these areas could lead to price wars.

EM VALUATIONS - P/B CURRENT VS. HISTORY
SELECT SECTORS IN THE MSCI EM INDEX



Source: FactSet and MSCI Inc.; Data as of September 30, 2020.

EMERGING MARKETS HOLDINGS (AS OF SEPTEMBER 30, 2020)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMM SERVICES		
AUTOHOME Automotive information services	China	0.5
BAIDU Internet products and services	China	0.8
CD PROJEKT Video game developer	Poland	0.5
SAFARICOM Mobile network operator	Kenya	1.0
TENCENT Internet and IT services	China	5.2
YANDEX Internet products and services	Russia	1.9
CONSUMER DISCRETIONARY		
ALIBABA E-commerce retailer	China	5.9
ASTRA INTERNATIONAL Auto business operator	Indonesia	0.5
COWAY Consumer appliances manufacturer	South Korea	0.9
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	1.2
FUYAO GLASS INDUSTRY Automotive glass manufacturer	China	0.9
LOJAS RENNER Department stores operator	Brazil	0.5
MARUTI SUZUKI Automobile manufacturer	India	1.1
MIDEA GROUP Consumer appliances manufacturer	China	1.9
NEW ORIENTAL Private education services	China	0.7
SANDS CHINA Integrated resorts and casinos operator	Hong Kong	1.5
SHENZHOU INTERNATIONAL Textile manufacturer	China	1.2
TRIP.COM GROUP Online travel services	China	0.7
CONSUMER STAPLES		
AMBEV Alcoholic beverages manufacturer	Brazil	0.9
AMOREPACIFIC Cosmetics manufacturer	South Korea	0.7
CBD Foods and consumer products retailer	Brazil	0.3
COCA-COLA HBC Coca-Cola bottler	UK	1.8
EAST AFRICAN BREWERIES Alcoholic beverages manufacturer	Kenya	0.2
FEMSA Beverages manufacturer and retail operator	Mexico	1.1
JIANGSU YANGHE BREWERY Alcoholic beverages manufacturer	China	0.4
LG HOUSEHOLD & HEALTH CARE Cons products manufacturer	South Korea	2.7
WALMART DE MÉXICO Foods and consumer products retailer	Mexico	1.4
ENERGY		
CNOOC Oil and gas producer	China	0.3
LUKOIL Oil and gas producer	Russia	1.8
NOVATEK Natural gas producer	Russia	1.9
TENARIS Steel-pipe manufacturer	Italy	0.4
ULTRAPAR Fuel distributor and chemicals producer	Brazil	0.4
FINANCIALS		
AIA GROUP Insurance provider	Hong Kong	2.6
B3 Clearing house and exchange	Brazil	1.0
BANCO BRADESCO Commercial bank	Brazil	1.0
BANCO SANTANDER CHILE Commercial bank	Chile	0.2
BANCOLOMBIA Commercial bank	Colombia	0.6
BANK CENTRAL ASIA Commercial bank	Indonesia	0.9
BANK OF GEORGIA Commercial bank	UK	0.2
BANK RAKYAT Commercial bank	Indonesia	1.0

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMERCIAL INTERNATIONAL BANK Commercial bank	Egypt	0.7
CREDICORP Commercial bank	Peru	0.8
DISCOVERY HOLDINGS Insurance provider	South Africa	0.9
GF BANORTE Commercial bank	Mexico	1.1
HDFC BANK Commercial bank	India	1.0
HDFC CORP Mortgage lender	India	2.0
ITAÚ UNIBANCO Commercial bank	Brazil	1.0
KOMERČNÍ BANKA Commercial bank	Czech Rep.	0.5
KOTAK MAHINDRA BANK Commercial bank	India	1.2
PING AN INSURANCE Insurance provider	China	1.7
SBERBANK Commercial bank	Russia	2.1
SIAM COMMERCIAL BANK Commercial bank	Thailand	0.7
STANDARD BANK Commercial bank	South Africa	0.7
HEALTH CARE		
CSPC PHARMACEUTICAL GROUP Pharma manufacturer	China	1.4
JIANGSU HENGRUI MEDICINE Pharma manufacturer	China	0.5
SINO BIOPHARMACEUTICAL Pharma manufacturer	China	0.5
INDUSTRIALS		
51JOB INC. Online human resource services	China	1.0
AIRTAC Pneumatic-equipment manufacturer	Taiwan	1.1
ASUR Airport operator	Mexico	0.8
COPA HOLDINGS Airline operator	Panama	0.7
LOCALIZA Automobile rental services	Brazil	1.1
SF EXPRESS Delivery services	China	0.8
TECHTRONIC INDUSTRIES Power tool manufacturer	Hong Kong	2.0
WEG Industrial equipment manufacturer	Brazil	0.7
ZTO EXPRESS (CAYMAN), INC.	China	0.2
INFORMATION TECHNOLOGY		
ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.6
EPAM IT consultant	US	3.5
HANGZHOU HIKVISION Surveillance camera manufacturer	China	1.2
HON HAI PRECISION Electronics manufacturer	Taiwan	1.3
LARGAN PRECISION Smartphone lens modules producer	Taiwan	1.2
SAMSUNG ELECTRONICS Electronics manufacturer	South Korea	5.7
SUNNY OPTICAL Optical component manufacturer	China	1.0
TATA CONSULTANCY SERVICES IT consultant	India	2.3
TSMC Semiconductor manufacturer	Taiwan	5.8
MATERIALS		
No Holdings		
REAL ESTATE		
No Holdings		
UTILITIES		
ENN ENERGY Gas pipeline operator	China	1.2
CASH		2.3

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.

3Q20 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
TSMC	INFT	5.9	2.15
ALIBABA	DSCR	5.6	1.66
SAMSUNG ELECTRONICS	INFT	5.2	0.73
EPAM	INFT	2.9	0.71
YANDEX	COMM	2.1	0.56

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
TSMC	INFT	5.7	3.36
ALIBABA	DSCR	5.2	2.97
TENCENT	COMM	5.1	2.71
EPAM	INFT	2.2	1.56
YANDEX	COMM	1.3	1.38

3Q20 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
LUKOIL	ENER	2.2	-0.38
LARGAN PRECISION	INFT	1.4	-0.21
ITAÚ UNIBANCO	FINA	1.2	-0.16
AMBEV	STPL	0.9	-0.14
TENARIS	ENER	0.5	-0.12

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
BANCO BRADESCO	FINA	1.4	-1.00
ITAÚ UNIBANCO	FINA	1.3	-0.77
COPA HOLDINGS	INDU	0.8	-0.70
BANK RAKYAT	FINA	1.3	-0.69
GF BANORTE	FINA	1.1	-0.69

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL EM	MSCI EM
PROFIT MARGIN[1] (%)	15.8	16.1
RETURN ON ASSETS[1] (%)	9.0	6.4
RETURN ON EQUITY[1] (%)	19.7	15.7
DEBT/EQUITY RATIO[1] (%)	27.3	40.4
STD DEV OF 5 YEAR ROE[1] (%)	3.6	3.7
SALES GROWTH[1,2] (%)	7.9	6.6
EARNINGS GROWTH[1,2] (%)	12.5	9.7
CASH FLOW GROWTH[1,2] (%)	13.6	11.0
DIVIDEND GROWTH[1,2] (%)	16.3	11.3
SIZE & TURNOVER	**HL EM**	**MSCI EM**
WTD MEDIAN MKT CAP (US $B)	34.0	37.0
WTD AVG MKT CAP (US $B)	146.4	178.6
TURNOVER[3] (ANNUAL %)	18.1	—

RISK AND VALUATION	HL EM	MSCI EM
ALPHA[2] (%)	-0.02	—
BETA[2]	1.02	—
R-SQUARED[2]	0.95	—
ACTIVE SHARE[3] (%)	71	—
STANDARD DEVIATION[2] (%)	18.05	17.23
SHARPE RATIO[2]	0.46	0.48
TRACKING ERROR[2] (%)	3.90	—
INFORMATION RATIO[2]	0.01	—
UP/DOWN CAPTURE[2]	101/101	—
PRICE/EARNINGS[4]	20.5	16.8
PRICE/CASH FLOW[4]	14.1	10.3
PRICE/BOOK[4]	2.7	1.8
DIVIDEND YIELD[5] (%)	2.4	2.4

[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 Emerging Markets Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: October 4, 2020, based on the latest available data in FactSet on this date.); Harding Loevner Emerging Markets Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
CD PROJEKT	POLAND	COMM
JIANGSU HENGRUI MEDICINE	CHINA	HLTH
NEW ORIENTAL	CHINA	DSCR
ULTRAPAR	BRAZIL	ENER

POSITIONS SOLD	COUNTRY	SECTOR
AAC TECHNOLOGIES	CHINA	INFT
DP WORLD*	UAE	INDU

*Taken private

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 charts above; and (2) a list showing the weight and contribution of all holdings during the quarter and the last 12 months. Past performance does not guarantee future results. In the charts above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall 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 Emerging Markets Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

EMERGING MARKETS EQUITY COMPOSITE PERFORMANCE (AS OF SEPTEMBER 30, 2020)

	HL EM GROSS (%)	HL EM NET (%)	MSCI EM INDEX[1] (%)	HL EM 3-YR STD DEVIATION[2] (%)	MSCI EM INDEX 3-YR STD DEVIATION[2] (%)	INTERNAL DISPERSION[3] (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS ($M)	FIRM ASSETS (%)
2020 YTD[4]	-6.59	-7.24	-0.91	20.24	18.69	N.A.[5]	15	15,766	24.79
2019	26.90	25.78	18.88	14.64	14.17	0.4	17	19,045	29.62
2018	-17.29	-18.03	-14.25	13.94	14.62	0.4	21	15,114	30.07
2017	36.81	35.64	37.75	13.90	15.36	0.3	23	19,177	35.51
2016	14.84	13.85	11.60	15.00	16.07	0.4	22	13,629	34.95
2015	-12.85	-13.59	-14.60	13.61	14.04	1.2	20	9,670	29.04
2014	0.74	-0.11	-1.82	14.06	14.99	0.5	14	8,212	23.46
2013	5.74	4.80	-2.27	17.56	19.03	0.6	12	5,649	17.04
2012	23.92	22.79	18.63	20.15	21.49	0.4	10	3,772	16.65
2011	-15.55	-16.36	-18.17	24.72	25.76	0.5	9	3,136	23.06
2010	22.22	21.06	19.20	31.54	32.59	0.1	7	3,881	35.25

[1]Benchmark Index; [2]Variability of the Composite and the Index returns over the preceding 36-month period, annualized; [3]Asset-weighted standard deviation (gross of fees); [4]The 2020 YTD performance returns and assets shown are preliminary; [5]N.A.–Internal dispersion less than a 12-month period.

The Emerging Markets Equity Composite contains fully discretionary, fee-paying accounts investing in non-US equity and equity-equivalent securities of companies domiciled predominately in emerging markets and cash reserves, and is measured against the MSCI Emerging Markets 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 Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Index consists of 26 emerging market countries. 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 June 30, 2020.

Verification assesses whether (1) the firm has complied with all composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policy and procedures are designed to calculate and present performance in compliance with GIPS standards. The Emerging Markets Equity Composite has been examined for the periods December 1, 1998 through June 30, 2020. 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. The firm maintains a complete list and description of composites, which is 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 portfolios, calculating performance, and preparing compliant presentations 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 Emerging Markets Equity accounts is 1.15% annually of the market value up to $20 million; 0.80% of amounts from $20 million to $100 million; 0.75% of amounts from $100 million to $200 million; above $200 million upon 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 Emerging Markets Equity Composite was created on November 30, 1998.

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