EMERGING MARKETS EQUITY

2020 Year End Report

HARDING LOEVNER

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED DECEMBER 31, 2020[1]

	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL EMERGING MARKETS (GROSS OF FEES)	23.57	15.43	6.60	13.73	6.34	12.82
HL EMERGING MARKETS (NET OF FEES)	23.29	14.37	5.65	12.72	5.39	11.90
MSCI EMERGING MARKETS INDEX (GROSS)[4,5]	19.77	18.69	6.56	13.20	3.99	9.60

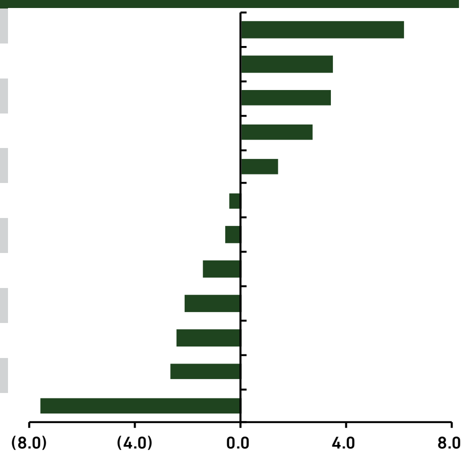
[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1998; [4]The Benchmark Index; [5]Gross of withholding taxes.

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	24.2	18.0
INDUSTRIALS	7.8	4.3
CONS STAPLES	9.3	5.9
CASH	2.7	—
INFO TECHNOLOGY	21.9	20.5
ENERGY	4.6	5.0
UTILITIES	1.4	2.0
CONS DISCRETIONARY	16.9	18.3
REAL ESTATE	0.0	2.1
COMM SERVICES	9.2	11.6
HEALTH CARE	2.0	4.7
MATERIALS	0.0	7.6

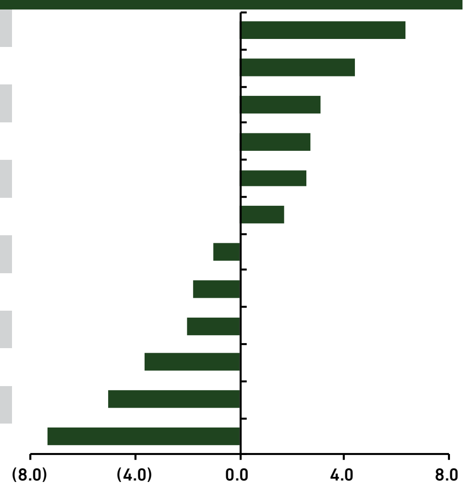
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL EM	MSCI EM
DEVELOPED MARKET LISTED[6]	6.3	—
RUSSIA	7.3	2.9
MEXICO	4.8	1.7
CASH	2.7	—
BRAZIL	7.6	5.1
FRONTIER MARKETS[7]	1.7	—
INDIA	8.2	9.2
SOUTH AFRICA	1.7	3.5
TAIWAN	10.8	12.8
SOUTH KOREA	9.9	13.5
SMALL EMERGING MARKETS[8]	7.2	12.2
CHINA + HONG KONG[9]	31.8	39.1

(UNDER) / OVER THE BENCHMARK



[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 25.3% and Hong Kong is 6.5%. 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

Stocks in Emerging Markets (EMs) extended their astonishing rally from the depths of the March free-fall, posting a fourth quarter return of 19.8%, eclipsing the second quarter's market recovery and completing the strongest nine-month return of the MSCI EM Index since 2009. EMs outpaced Developed Markets during the quarter and for the year as a whole.

News that not one, but four, vaccines had demonstrated good to exceptional levels of efficacy in final trials, and that universal immunization programs were ready to launch, provided the catalyst for upgrading of global growth expectations and renewal of interest in those markets and industries worst hit by the COVID-19 pandemic. The prospect of a stronger, broader-based recovery combined with China's continued economic health propelled commodity prices higher. This, in turn, also boosted EM currencies, with the majority making significant gains versus a persistently weak dollar. The sharp recovery in stocks most battered by the virus, including EM banks, did not come at significant expense to the year's winners, however. Information Technology (IT) stocks made further gains, led by semiconductor and other hardware manufacturers, while the appetite for stocks in more speculative areas like electronic vehicles (EVs) showed no sign of wavering. In short, this was a quarter for EM stocks where all cylinders were firing.

The huge relief flowing from the vaccine news allowed EMs outside China, Taiwan, and South Korea to recover some of the significant ground they lost to the North Asia trio over the year. Latin America led the resurgence, with all regional countries posting returns above 20%. Brazil, the largest market, contributed heavily through its commodity-related and Financials sectors. Although the country's outlook remains clouded by political spats and the massive fiscal costs it has incurred combatting the virus, Brazil's equity market has been buoyed by an economic recovery that has actually outpaced most EM nations beyond North Asia. Mexico was led by its Materials producers, notably Grupo Mexico, one of the world's lowest-cost copper producers, and its banks, which demonstrated remarkable resilience in the third quarter. Eastern European markets also performed strongly led by Hungary and the Czech Republic, while Russia posted "just" a 20% return as Joe Biden's US presidential victory led to speculation around further sanctions.

After demonstrating such might during the first nine months of the year, China lagged in the fourth quarter, but still generated a double-digit return and, given its dominant weight, contributed more in absolute terms to the benchmark's rise than any other country. The primary brake on China's market leadership was a steep drop in shares of **Alibaba**, which alone comprised 9% of the Index (and over 20% of China's weight) at the start of the quarter. Euphoria building for the planned IPO of the company's Ant Financial Group turned into anguish overnight when Chinese regulators raised concerns about the lack of oversight of Ant's rapidly growing online loan brokerage business, ultimately causing Alibaba to pull the projected US$37 billion offering. The likelihood that Ant will, at a minimum, have to carry substantial capital reserves more akin to a bank challenges its growth outlook. Adding salt to the wound, in late December the Chinese government announced a full regulatory review of alleged monopolistic practices at Alibaba's core e-commerce business. What, if any, real impact that will have on Alibaba's operations will take time to play out. The company has previously demonstrated an ability to dance with regulatory change and adapt its model without diluting its competitive supremacy—but policy risk is starting to be priced into Alibaba's shares.

For the year, China and its two North Asia neighbors still contributed 130% of the aggregate Index return and were the only countries to outperform the benchmark. India (16%)

MARKET PERFORMANCE (USD %)

REGION/COUNTRY	4Q 2020	TRAILING 12 MONTHS
AFRICA	21.4	-4.1
SOUTH AFRICA	22.2	-3.5
ASIA	18.9	28.8
CHINA	11.2	29.7
INDIA	21.2	15.9
SOUTH KOREA	38.6	45.2
TAIWAN	23.2	42.0
EUROPE	22.7	-11.9
RUSSIA	22.0	-11.6
LATIN AMERICA	34.9	-13.5
BRAZIL	37.1	-18.9
MEXICO	31.2	-1.6
MIDDLE EAST	6.4	0.3
MSCI EM INDEX	19.8	18.7

SECTOR PERFORMANCE (USD %) OF THE MSCI EM INDEX

SECTOR	4Q 2020	TRAILING 12 MONTHS
COMMUNICATION SERVICES	11.6	27.7
CONSUMER DISCRETIONARY	7.6	36.8
CONSUMER STAPLES	16.8	11.0
ENERGY	15.0	-15.0
FINANCIALS	24.5	-7.7
HEALTH CARE	19.2	53.6
INDUSTRIALS	21.4	4.9
INFORMATION TECHNOLOGY	34.3	60.9
MATERIALS	30.0	25.3
REAL ESTATE	6.1	-16.7
UTILITIES	21.2	-4.8

Source: FactSet (as of December 31, 2020). MSCI Inc. and S&P.

only narrowly underperformed, boosted by its Health Care and IT Services companies. Latin America and Europe trailed significantly, having plunged so dramatically in March, and with relatively puny weights in tech-related industries to bail them out before the year-end rally.

By sector, the spread between IT (+61%) and Real Estate (-17%) was a staggering 78% for the year. Health Care (+54%) and Consumer Discretionary (+37%) also shone while Financials (-8%) and Energy (-15%) were bruised by the economic dislocation and uncertainty as to when a full recovery would prevail.

The calendar year was marked by extreme concentration in stock contributions to returns. This is due to two equally powerful effects: strong returns from large index weights in the technology and internet consumer space and ballistic returns from a select cohort of smaller stocks (at least they were relatively small at the start of the year) in hot areas such as EVs, e-commerce, and biologics. Ten stocks that in aggregate were less than 1.5% of the index by weight at the start of 2020 ended up contributing almost 30% of the index return. Concentration in returns also translated into out-sized style effects, with extreme outperformance by the fastest-growing and most-expensive stocks. The spread between the priciest and cheapest quintiles was over 40% for the year, and the most expensive decile returned 67%! No, this was not a year where investors were rewarded for valuation sensitivity.

PERFORMANCE AND ATTRIBUTION

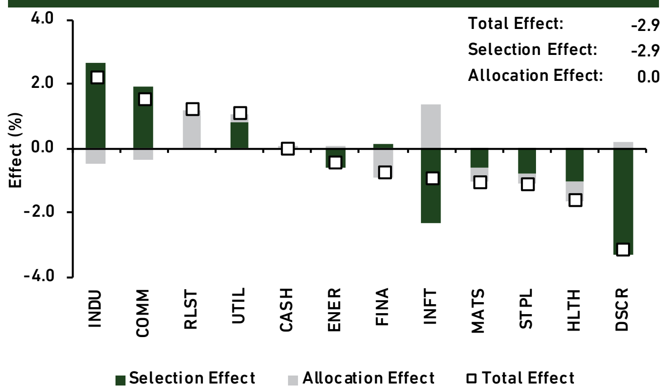
The Emerging Markets composite returned 23.6% in the fourth quarter, outpacing the 19.8% return of the MSCI EM Index. Our solid quarterly outperformance did not quite close the gap for the calendar year, however. The portfolio returned 15.4% in 2020 while the index rose 18.7%.

The fourth-quarter pattern of relative performance was broadly a reversal of the first's, with Financials holdings providing the largest positive contribution to relative returns. Our banks generally reported better-than-expected third-quarter results, lowering concerns about their asset quality. The portfolio's bank stocks in India, Mexico, Brazil, and Russia were particularly strong. India's **Kotak Mahindra Bank** experienced strong profit growth in the third quarter as the company's cost management and expansion of its digital banking services offset the headwinds to loan growth. Mexico's **GF Banorte** also posted strong results, reporting resilient corporate loan growth and a resumption of normal repayments by 90% of its borrowers following the lapse of an official moratorium.

Companies held in the portfolio during the year 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 December 31, 2020 is available on page 9 of this report.

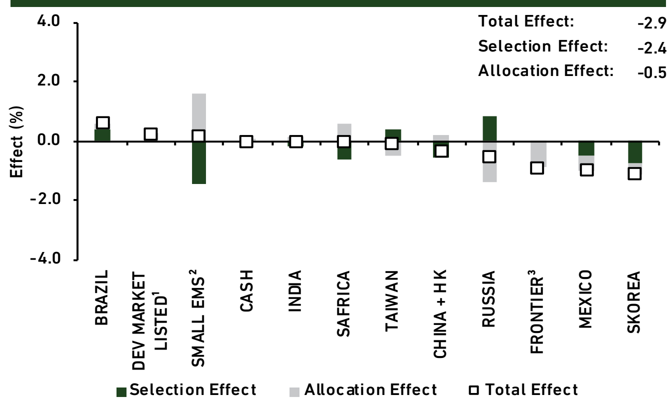
SECTOR PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



[1]Emerging markets or frontier markets companies listed in developed markets; [2]Includes the remaining emerging markets, which individually, comprise less than 5% of the Index; [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.

Positive contributions also came from good stock selection in Consumer Staples and Energy. In Staples, the re-mobilization of consumers in Latin America and EM Europe helped to revive the shares of three beverage businesses: UK-based **Coca-Cola HBC**, Mexico's **FEMSA**, and Brazil's **Ambev**. **Jiangsu Yanghe Brewery**, a Chinese white liquor maker, revived lagging sales growth with a successful marketing campaign and improved management of its distributors. In Energy, higher oil prices spurred a strong rebound in oil-services company **Tenaris**, which surprised the market with strong third-quarter profits despite the weak capital expenditure levels in the sector.

While our overweight to IT was helpful, our stock selection in the sector detracted. IT services company **EPAM** reported strong earnings in third quarter, but its stock still trailed the sector, which was led by a rally in semiconductor and other tech hardware companies. In Health Care, our Chinese drug manufacturers remained under pressure from expectations of further price cuts under government purchasing policies. Our zero exposure to the strong Materials sector also hurt.

By region, we had especially good stock selection in India, China, and smaller EMs. Financials holdings were the primary positive contributors in India and smaller EMs like Indonesia (**Bank Rakyat**) and Thailand (**Siam Commercial Bank**). In China, we had positive contributions from stocks in a broad range of industries, including appliance manufacturer **Midea Group**, Jiangsu Yanghe Brewery, natural-gas utility **ENN Energy**, and duty-free retailer **China Tourism Group Duty Free**. Also helpful was our underweight versus the benchmark in newly embattled Alibaba.

For the full year, the strategy lagged the benchmark following severe underperformance in the first half. The relative performance picture changed during the second half, with the negative contribution from Financials narrowing significantly, helped by the portfolio additions we made at the height of the market crisis in March. One key exposure that continued to hurt throughout the year, however, was our unwillingness to hold more of the most-expensive cohort of fast-growing stocks. This drag manifested itself mostly in the Consumer Discretionary sector (where we had a relatively low weight in online commerce and services businesses and zero weight in the highest-flying EV-related stocks), and in Health Care (where we did not invest in Chinese and South Korean research and development companies).

We had strong stock selection in Industrials, with contributions from Hong Kong-based power-tool manufacturer **Techtronic Industries**, Chinese express delivery company **SF Express**, Taiwanese pneumatic equipment manufacturer **AirTAC**, and Brazilian industrial equipment producer **WEG**. We also outperformed in Communication Services with help from Russia-based internet search business **Yandex**.

Our skew away from North Asia and toward Latin America and EM Europe also cost relative performance, nearly 400 basis points.

PERSPECTIVE AND OUTLOOK

No region of the world escaped the terrible human cost of COVID-19 this year, but the North Asian countries of China, South Korea, and Taiwan managed to control its spread relatively rapidly and to suffer less economic damage than most as a result. This success is due to many factors, some unique to each country, others, like their citizens' equanimity about wearing masks, shared. But we'd argue that one important factor that helped North Asia manage the pandemic was its relatively deep level of digitization compared to the less-developed EM countries, or indeed even most developed ones.

As the invisible threat of the virus made physical spaces suddenly fraught with risk and led to nationwide lockdowns, societies globally relied intensely (to the extent they could) on digital infrastructure to sustain economic and social life and to implement pandemic-control measures. Demand accelerated for online services such as e-commerce, media, and social engagement. In such an environment, China, South Korea, and Taiwan had clear advantages. In China, for example, e-commerce penetration was 27% in 2019, compared to 15% for the US and mid-single digits in places such as Russia and India.

The higher degree of digitization in China, Taiwan, and South Korea also contributed to one of this year's most notable investing phenomena: the vivid polarity in equity market returns between EMs in North Asia and EMs everywhere else. The pandemic has been a boon to what can be called Extended Information Technology (EIT) industries: IT, internet retail, and online media and entertainment. Shares of EIT companies represent over half of the market capitalization of North Asian EMs, compared to just 10% in the rest of EMs.

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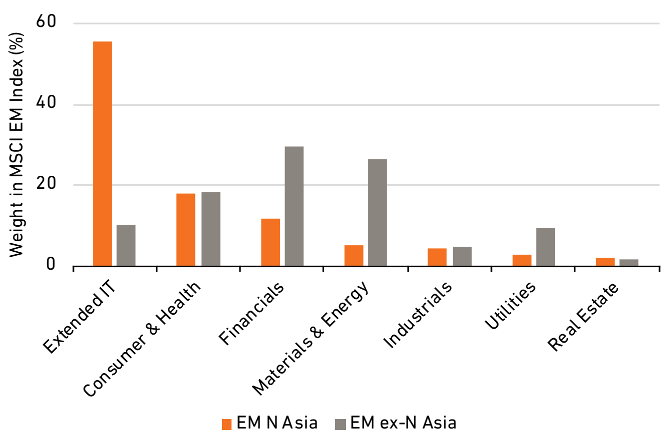
With the relative advantage of specific countries and business models so clear, and with uncertainties elsewhere so elevated, North Asian EIT stocks exerted a strong attraction; investors could be excused for concluding they were the only rational game in town. At the height of the market collapse in other EMs, portfolio flows to China remained relatively robust, including into high-flying smaller companies with little to no track record of profitability.

SECTOR COMPARISON BETWEEN EM NORTH ASIA AND EM EX-NORTH ASIA



Source: FactSet; Data as of December 31, 2020.

We, too, are attracted to growth, but we equally demand fundamental quality, and we are unwilling to abandon our valuation discipline just to participate in a momentum rally. Further, we are committed to diversification, not only for its risk benefits, but because we seek to take full advantage of the variety of long-term growth opportunities available across the EM universe, including investing in other regions' own progression up the socioeconomic digitization ladder. In many of these countries, like Brazil and Mexico, the foundation is there, and the fact that their digitization is on a lower level may herald even stronger growth in the future compared to North Asia.

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High business quality—including a strong competitive position and the financial resources to sustain it—is important for businesses in less-developed markets, especially in times of economic dislocation. Quality reflects resilience and an ability to adapt. When uncertainty spikes, customers are likely to migrate to such companies, and suppliers will jostle to work with them. For disciplined investors, a focus on quality businesses allows for an opportunistic response to volatility rather than a panicked reaction. In our opinion, the intense polarity in stock returns in 2020 reflected an overly optimistic profit outlook for many EIT businesses and, just as importantly, an underappreciation of the ability of high-quality non-ET businesses to harness technology and surmount the unanticipated challenges. Our portfolio turnover this year (16%) was our normal low level, our relative *in*action a reflection of our trust in the resilience and adaptability of our portfolio companies as the world confronted and eventually recovered from the pandemic.

Brazilian brewer Ambev, as an example, used its financial strength and digitization, as well as savvy marketing, to respond to the pandemic and lockdowns in ways that improved its long-term competitive advantage. Beer is a product that is traditionally marketed at large public events: from soccer games to concerts to Brazil's celebration of Carnival. What can a beer maker do when the economy is in a state of paralysis, the bars are shut, and large events are forbidden? Part of what Ambev did was strengthen its brand value, including making donations of water and masks as well as building a new hospital wing to treat COVID-19 patients in São Paolo. The company also shifted its marketing to hosting its own online concerts, gaining hundreds of millions of views.

A more long-lasting positive impact on the business should occur from Ambev's efforts to change its distribution strategy, both to end-consumers and to the traditional "mom-and-pop" retailers that are its main direct customers. Partnering with these small shops, Ambev created a website where consumers can order Ambev beer delivered to their homes ice-cold in 30 minutes. In addition, Ambev rolled out to retailers an app that allows them to re-order Ambev products 24/7, freeing up its salespeople to act more as marketers than order takers. While it will take time to see the impact of these changes, the early indications are positive. Ambev reported a sharp rise year-over-year in third-quarter sales and appears to be gaining market share in many of its markets inside and outside of Brazil.

High-quality EM banks have been other notable examples of resilience. Despite the dislocation in developing economies caused by lockdown policies, the asset quality of our bank holdings has been robust. It is now more certain that their strong capital buffers we highlighted during the early stages of the crisis will be sufficient to cover their credit losses. Also, the pandemic has accelerated migration to digital banking services. Digitization provides immediate cost savings as well as new platforms to service customers and grow relationships, helping offset the margin pressure associated with lower interest rates. In most cases, our banks should remain healthily profitable in 2020.

Mexico has offered a particularly challenging environment for banks. It was among the countries hardest hit by COVID-19 in terms of number of cases, fatalities, and economic cost, while its government has been among the stingiest in providing fiscal support. Yet our one Mexican bank holding, GF Banorte, has fared surprisingly well. Loan issuance has been strong, with corporate loans growing by double-digits in the third quarter year-on-year as companies tapped lines of credit, while Banorte's general banking-operation cost management has been effective. As a result, the company's return on equity in the first nine months of 2020 was above 17%, which is commendable in this environment. Non-performing loans are expected to increase in coming quarters, likely peaking in the middle of 2021, but Banorte's management believes it is sufficiently provisioned, a view supported by the high proportion of its borrowers previously covered by the loan moratorium that have resumed timely repayments.

Over the past five years, Banorte has been energetically replacing its legacy IT systems and now boasts state-of-the-art data warehousing and analytics. On the foundation of its new systems, Banorte is building from scratch a standalone digital bank that it expects to launch in early 2021. (**Banco Bradesco** in Brazil has a similar initiative with its Next Bank.) Banorte's new digital bank will be twice as cost efficient as its legacy bank and provide new, more personalized ways to engage with customers as well as to entice younger customers. Banorte is also taking a page from China's digitization—the bank just signed a new joint venture with Rappi, a Latin American online delivery company, to offer a "Super App." Ubiquitous in China, Super Apps are tightly integrated, closed platforms for smartphones that customers can deploy to access multiple disparate services, such as ordering groceries, hailing a taxi, watching videos, and making cash transfers. Banorte will provide banking processes on Rappi's Mexican platform and thereby gain an introduction to Rappi's nearly 10 million users.

Ambev and Banorte are just two among many examples of portfolio companies outside the realm of North Asian ET industries where expectations early in the pandemic for significant and sustained profit contractions have proven overly pessimistic. Over the course of the year, if you averted your eyes from the volatility of share prices (never easy to do!) and focused on business fundamentals, the large majority of our portfolio companies were proving to be resilient and highly adaptive to the challenged environment. For those companies most hobbled by the pandemic, the low level of earnings registered in 2020 provides an easy baseline against which to post a significant earnings recovery in 2021, and in some sectors, particularly EM Financials, expectations are still relatively conservative.

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The North Asian ET companies present a different sort of opportunity. We don't doubt the secular growth of the region's digital economy will continue to progress. But EIT businesses' faster growth outlook is matched by lofty expectations, and the acceleration in earnings gifted to them by the virus during 2020 has set the "beat" bar higher still. Moreover, their growth is increasingly attracting competition and the critical eye of regulators, portending pressure on their valuations. While current share weakness may offer opportunities to add to or establish positions, we will have to pick our spots.

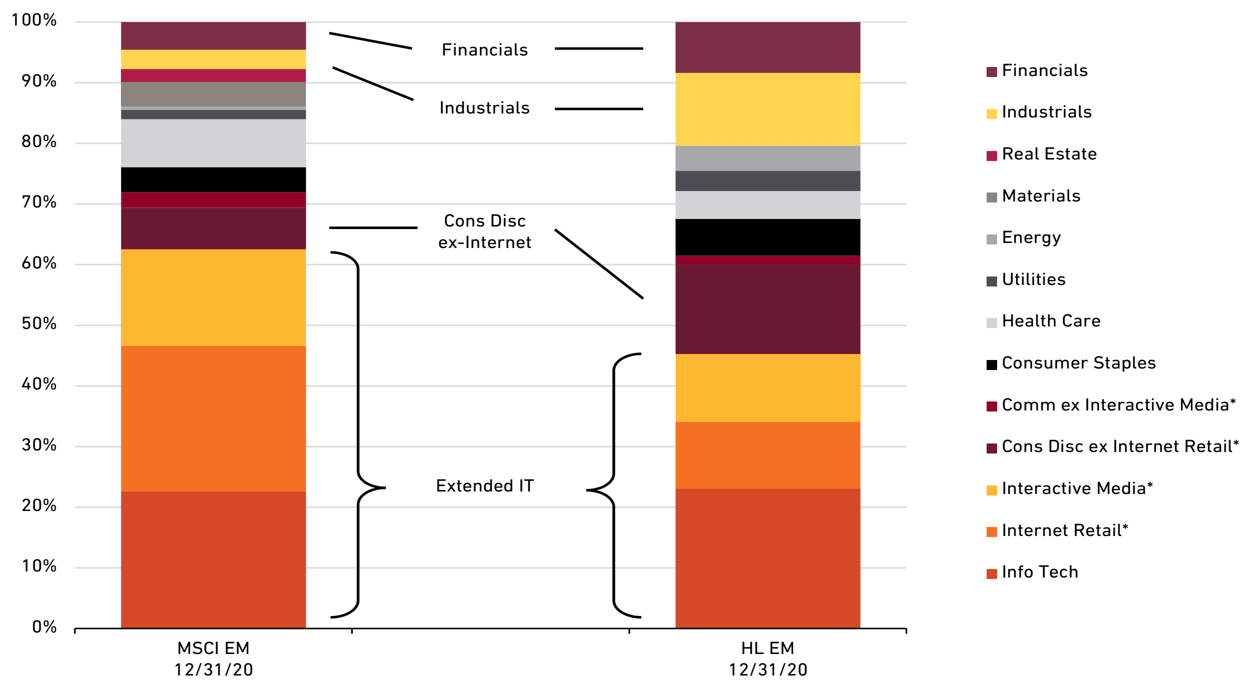
PORTFOLIO HIGHLIGHTS

During this volatile year for markets, our portfolio management was, as usual, characterized as "active inaction." Most often we held still, believing our holdings' fundamental strengths would carry them through the pandemic. Concurrently, our valuation discipline led us to eschew excessively high-priced stocks. A result is that our fastest-growing holdings are more diversified by industry than those of the benchmark, as shown in the chart below.

In the fourth quarter, we made three new investments and sold three, two of them companies covered by a recent executive order of President Trump concerning companies with alleged ties to the Chinese military.

Our new holdings include **Silergy**, a Taiwan-based producer of integrated circuits for power management. The company operates under a distinctive business model wherein instead of owning and operating its own fabrication plants it contracts with partners for dedicated capacity. This approach allows it to pack more functionality into a smaller chip surface area, giving it an advantage relative to peers in functionality, form

WEIGHT IN TOP TERCILE OF GROWTH



**Comm ex Interactive Media is the Communication Services sector excluding the Interactive Media & Services industry and Cons Disc ex Internet Retail is the Consumer Discretionary sector excluding the Internet & Direct Marketing Retail industry.*
Source: FactSet; Data as of December 31, 2020.

factor, and cost. The company is likely to continue to outpace the semiconductor industry overall by growing its sales to processing-hungry data centers and to its newer, automotive manufacturer customers, particularly in China, where Silergy aims to become a substantial supplier.

Beyond our new purchases, we added to our position in Alibaba, taking advantage of its recent tussles with regulators. Despite the policy risks, the company's most recent earnings report showed its e-commerce and explosively growing cloud-computing segments remain exceptionally strong, making its recent valuations look even more attractive, particularly compared to other high-growth North Asia EIT stocks.

We also added to our holding in Polish game producer **CD Projekt**, whose shares fell sharply in the wake of the company's flawed launch of its highly anticipated new game *Cyberpunk 2077*. Although the reputation of the company and management have taken a hit, the game's glitches, most severe in more-dated gaming consoles, will ultimately be remedied. We viewed this as an opportunity to add to a valuable long-term franchise at an attractive valuation.

Lastly, when the Trump Administration, in a largely incoherent executive order, included surveillance camera manufacturer **Hangzhou Hikvision** and offshore oil company **CNOOC** on its list of purportedly Chinese Military-controlled companies that US persons will very shortly be precluded from purchasing and, within a year, from selling as well, we chose to withdraw with alacrity, completing our divestment a few days after year end. We held no other companies subject to this draconian and near-immediate sanction, not to be confused with the slowly moving sanction of eventual (December 2023) de-listing from US exchanges potentially faced by a longer list of Chinese companies whose accounting transparency thus far has failed to meet the standards of US securities regulators. With respect to those companies, we envision myriad possible ways in which they may avoid de-listing, including outright compliance or Chinese compromise with a new US administration, or we may be able to gain or maintain investment exposure without recourse to US exchanges.

EMERGING MARKETS HOLDINGS (AS OF DECEMBER 31, 2020)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
AUTOHOME Automotive information services	China	0.4
BAIDU Internet products and services	China	1.1
CD PROJEKT Video game developer	Poland	0.7
SAFARICOM Mobile network operator	Kenya	0.9
TENCENT Internet and IT services	China	4.5
YANDEX Internet products and services	Russia	1.6
CONSUMER DISCRETIONARY		
ALIBABA E-commerce retailer	China	4.9
ASTRA INTERNATIONAL Auto business operator	Indonesia	0.5
CHINA TOURISM GROUP Travel and duty-free services	China	1.0
COWAY Consumer appliances manufacturer	South Korea	0.7
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	1.1
FUYAO GLASS INDUSTRY Automotive glass manufacturer	China	1.0
LOJAS RENNER Department stores operator	Brazil	0.5
MARUTI SUZUKI Automobile manufacturer	India	1.0
MIDEA GROUP Consumer appliances manufacturer	China	2.2
NEW ORIENTAL Private education services	China	1.2
SANDS CHINA Integrated resorts and casinos operator	Hong Kong	1.4
SHENZHOU INTERNATIONAL Textile manufacturer	China	1.2
TRIP.COM GROUP Online travel services	China	0.2
CONSUMER STAPLES		
AMBEV Alcoholic beverages manufacturer	Brazil	1.0
AMOREPACIFIC Cosmetics manufacturer	South Korea	0.8
CBD Foods and consumer products retailer	Brazil	0.3
COCA-COLA HBC Coca-Cola bottler	UK	1.9
EAST AFRICAN BREWERIES Alcoholic beverages manufacturer	Kenya	0.1
FEMSA Beverages manufacturer and retail operator	Mexico	1.2
LG HOUSEHOLD & HEALTH CARE Cons products manufacturer	South Korea	2.7
WALMART DE MÉXICO Foods and consumer products retailer	Mexico	1.3
ENERGY		
LUKOIL Oil and gas producer	Russia	1.7
NOVATEK Natural gas producer	Russia	1.9
TENARIS Steel-pipe manufacturer	Italy	0.6
ULTRAPAR Fuel distributor and chemicals producer	Brazil	0.5
FINANCIALS		
AIA GROUP Insurance provider	Hong Kong	2.7
B3 Clearing house and exchange	Brazil	0.9
BANCO BRADESCO Commercial bank	Brazil	1.3
BANCO SANTANDER CHILE Commercial bank	Chile	0.2
BANCOLOMBIA Commercial bank	Colombia	0.8
BANK CENTRAL ASIA Commercial bank	Indonesia	1.0
BANK OF GEORGIA Commercial bank	UK	0.2
BANK RAKYAT Commercial bank	Indonesia	1.2
COMMERCIAL INTERNATIONAL BANK Commercial bank	Egypt	0.5

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
CREDICORP Commercial bank	Peru	0.9
DISCOVERY HOLDINGS Insurance provider	South Africa	1.0
GF BANORTE Commercial bank	Mexico	1.4
HDFC BANK Commercial bank	India	1.2
HDFC CORP Mortgage lender	India	2.4
ITAÚ UNIBANCO Commercial bank	Brazil	1.2
KOMERČNÍ BANKA Commercial bank	Czech Rep.	0.6
KOTAK MAHINDRA BANK Commercial bank	India	1.5
PING AN INSURANCE Insurance provider	China	1.6
SBERBANK Commercial bank	Russia	2.1
SIAM COMMERCIAL BANK Commercial bank	Thailand	0.8
STANDARD BANK Commercial bank	South Africa	0.7
HEALTH CARE		
CSPC PHARMACEUTICAL GROUP Pharma manufacturer	China	1.1
JIANGSU HENGRUI MEDICINE Pharma manufacturer	China	0.5
SINO BIOPHARMACEUTICAL Pharma manufacturer	China	0.4
INDUSTRIALS		
51JOB INC. Online human resource services	China	0.6
AIRTAC Pneumatic-equipment manufacturer	Taiwan	1.2
ASUR Airport operator	Mexico	0.9
COPA HOLDINGS Airline operator	Panama	0.6
LOCALIZA Automobile rental services	Brazil	1.1
SF EXPRESS Delivery services	China	0.6
TECHTRONIC INDUSTRIES Power tool manufacturer	Hong Kong	1.8
WEG Industrial equipment manufacturer	Brazil	0.7
ZTO EXPRESS Express delivery services	China	0.2
INFORMATION TECHNOLOGY		
ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.7
EPAM IT consultant	US	3.2
HANGZHOU HIKVISION Surveillance camera manufacturer	China	0.1
HON HAI PRECISION Electronics manufacturer	Taiwan	1.3
LARGAN PRECISION Smartphone lens modules producer	Taiwan	1.0
NETWORK INTERNATIONAL Electronic payment services	UK	0.5
SAMSUNG ELECTRONICS Electronics manufacturer	South Korea	5.7
SILERGY Electronics chips manufacturer	Taiwan	0.6
SUNNY OPTICAL Optical component manufacturer	China	1.1
TATA CONSULTANCY SERVICES IT consultant	India	2.1
TSMC Semiconductor manufacturer	Taiwan	5.6
MATERIALS		
No Holdings		
REAL ESTATE		
No Holdings		
UTILITIES		
ENN ENERGY Gas pipeline operator	China	1.4
CASH		2.7

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.

4Q20 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
SAMSUNG ELECTRONICS	INFT	5.6	2.33
TSMC	INFT	5.9	1.56
HDFC CORP	FINA	2.2	0.97
MIDEA GROUP	DSCR	2.1	0.83
TENCENT	COMM	5.2	0.72

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
TSMC	INFT	5.8	4.00
TENCENT	COMM	5.3	3.40
SAMSUNG ELECTRONICS	INFT	5.3	3.04
EPAM	INFT	2.5	1.97
YANDEX	COMM	1.6	1.63

4Q20 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
ALIBABA	DSCR	5.3	-0.99
CSPC PHARMACEUTICAL GROUP	HLTH	1.2	-0.23
CD PROJEKT	COMM	0.5	-0.18
51JOB INC.	INDU	0.8	-0.11
COMMERCIAL INTERNATIONAL BANK	FINA	0.6	-0.10

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
BANCO BRADESCO	FINA	1.3	-0.95
LUKOIL	ENER	2.3	-0.80
SASOL	MATS	0.1	-0.78
STANDARD BANK	FINA	0.8	-0.63
COPA HOLDINGS	INDU	0.7	-0.63

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL EM	MSCI EM
PROFIT MARGIN[1] (%)	13.7	13.3
RETURN ON ASSETS[1] (%)	8.9	6.4
RETURN ON EQUITY[1] (%)	19.1	13.7
DEBT/EQUITY RATIO[1] (%)	36.2	41.2
STD DEV OF 5 YEAR ROE[1] (%)	2.9	2.9
SALES GROWTH[1,2] (%)	7.9	6.6
EARNINGS GROWTH[1,2] (%)	12.5	8.0
CASH FLOW GROWTH[1,2] (%)	11.5	9.9
DIVIDEND GROWTH[1,2] (%)	15.6	11.5
SIZE & TURNOVER	**HL EM**	**MSCI EM**
WTD MEDIAN MKT CAP (US $B)	43.8	43.8
WTD AVG MKT CAP (US $B)	153.3	172.1
TURNOVER[3] (ANNUAL %)	17.5	—

RISK AND VALUATION	HL EM	MSCI EM
ALPHA[2] (%)	0.16	—
BETA[2]	1.04	—
R-SQUARED[2]	0.96	—
ACTIVE SHARE[3] (%)	70	—
STANDARD DEVIATION[2] (%)	18.50	17.45
SHARPE RATIO[2]	0.68	0.69
TRACKING ERROR[2] (%)	3.9	—
INFORMATION RATIO[2]	0.13	—
UP/DOWN CAPTURE[2]	103/101	—
PRICE/EARNINGS[4]	26.9	19.5
PRICE/CASH FLOW[4]	17.1	12.2
PRICE/BOOK[4]	3.2	2.1
DIVIDEND YIELD[5] (%)	1.7	2.0

[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: January 6, 2021, 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
CHINA TOURISM GROUP DUTY FREE	CHINA	DSCR
NETWORK INTERNATIONAL	UNITED KINGDOM	INFT
SILERGY	TAIWAN	INFT

POSITIONS SOLD	COUNTRY	SECTOR
CNOOC	CHINA	ENER
HANGZHOU HIKVISION	CHINA	STPL
JIANGSU YANGHE BREWERY	CHINA	STPL

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 DECEMBER 31, 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 ($M)	FIRM ASSETS ($M)
2020[4]	15.43	14.37	18.69	21.65	19.62	0.8	15	19,162	74,496
2019	26.90	25.78	18.88	14.64	14.17	0.4	17	19,045	64,306
2018	-17.29	-18.03	-14.25	13.94	14.62	0.4	21	15,114	49,892
2017	36.81	35.64	37.75	13.90	15.36	0.3	23	19,177	54,003
2016	14.84	13.85	11.60	15.00	16.07	0.4	22	13,629	38,996
2015	-12.85	-13.59	-14.60	13.61	14.04	1.2	20	9,670	33,296
2014	0.74	-0.11	-1.82	14.06	14.99	0.5	14	8,212	35,005
2013	5.74	4.80	-2.27	17.56	19.03	0.6	12	5,649	33,142
2012	23.92	22.79	18.63	20.15	21.49	0.4	10	3,772	22,658
2011	-15.55	-16.36	-18.17	24.72	25.76	0.5	9	3,136	13,597
2010	22.22	21.06	19.20	31.54	32.59	0.1	7	3,881	11,010

[1]Benchmark Index; [2]Variability of the composite, gross of fees, and the Index returns over the preceding 36-month period, annualized; [3]Asset-weighted standard deviation (gross of fees); [4]The 2020 performance returns and assets shown are preliminary.

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 27 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. 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 has been independently verified for the period November 1, 1989 through September 30, 2020.

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 Emerging Markets Equity Composite has had a performance examination for the periods December 1, 1998 through September 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. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

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

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate 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. The management fee schedule and total expense ratio for the Emerging Markets Equity Collective Investment Fund, which is included in the composite, are 1.12% on all assets and 1.10%, respectively. 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 and the performance inception date is December 1, 1998.

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