EMERGING MARKETS EQUITY

First Quarter 2021 Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED MARCH 31, 2021[1]

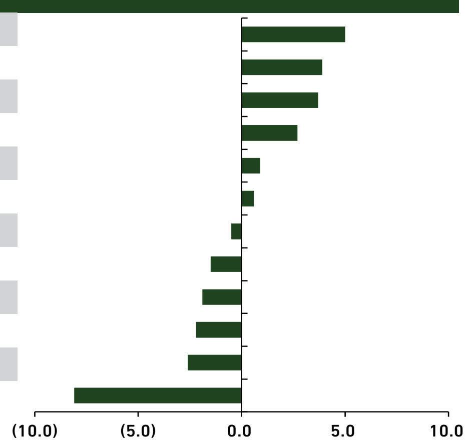
	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL EMERGING MARKETS (GROSS OF FEES)	1.57	60.97	6.07	12.54	6.62	12.75
HL EMERGING MARKETS (NET OF FEES)	1.34	59.51	5.11	11.55	5.67	11.83
MSCI EMERGING MARKETS INDEX (GROSS)[4,5]	2.34	58.92	6.86	12.47	4.02	9.60

[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.

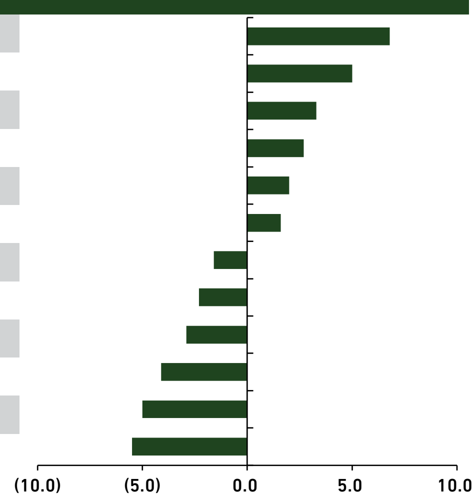
SECTOR EXPOSURE (%)

	HL EM	MSCI EM
FINANCIALS	23.2	18.2
INDUSTRIALS	8.2	4.3
CONS STAPLES	9.3	5.6
CASH	2.7	—
INFO TECHNOLOGY	21.8	20.9
ENERGY	5.4	4.8
UTILITIES	1.5	2.0
CONS DISCRETIONARY	16.2	17.7
HEALTH CARE	2.6	4.5
REAL ESTATE	0.0	2.2
COMM SERVICES	9.1	11.7
MATERIALS	0.0	8.1



GEOGRAPHIC EXPOSURE (%)

	HL EM	MSCI EM
DEVELOPED MARKET LISTED[6]	6.8	—
RUSSIA	8.1	3.1
MEXICO	5.0	1.7
CASH	2.7	—
BRAZIL	6.5	4.5
FRONTIER MARKETS[7]	1.6	—
INDIA	8.1	9.7
SOUTH AFRICA	1.5	3.8
TAIWAN	11.0	13.9
SOUTH KOREA	9.2	13.3
CHINA + HONG KONG[8]	32.9	37.9
SMALL EMERGING MARKETS[9]	6.6	12.1



[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 26.0% and Hong Kong is 6.9%. 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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ONLINE SUPPLEMENTS

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MARKET REVIEW

The recovery in Emerging Markets (EMs) stocks since last March has faltered. After gaining 12% from the start of this year to mid-February, rising US bond yields and concerns over new strains of the coronavirus caused EMs to shed most of these gains. In the end, the MSCI EM Index returned 2% in the past quarter, lagging the 5% return of Developed Markets (DMs).

This year began with optimism that a ramp up in vaccinations would support economic recovery across EMs. However, less than 10% of citizens have been vaccinated so far in most populous countries, e.g., China, India, Brazil, Indonesia, and Russia. With the emergence of several variants of the virus that are more contagious and virulent than the original strain, mobility restrictions have been reimposed in several countries, renewing business disruptions.

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China, the largest EM, was exceptional in that it continued to keep the virus under control and register robust growth in both manufacturing and services (albeit from a base depressed by the impact of the pandemic last year). Nonetheless, China's market was among the worst-performing in the quarter, falling 0.4%. Concerns included tighter domestic borrowing conditions, and continuing tensions with the US. So far, President Biden has declined to soften his predecessor's executive order prohibiting US persons from owning companies deemed connected with the Chinese military. Anti-trust actions against Chinese internet companies were another cause for concern. Although the fines levied by Chinese regulators against **Tencent**, **Baidu**, and JD.com for their monopolistic behavior were miniscule, a much larger punishment appeared in the works for **Alibaba**—which, indeed, arrived in April. At just shy of US$3 billion, its fine is right in line with expectations, and still modest in relation to the company. Across the strait, Taiwan rose 11%, led by semiconductor stocks, especially **TSMC**, buoyed by the current global chip shortage.

The worst-performing region was Latin America, whose biggest market, Brazil, was worst among the large EMs. Besieged by the virus, Brazil's healthcare system is more stretched than ever, and local officials are implementing new lockdown measures as the federal government scrambles to secure vaccines. Brazil's market was also rocked by politics. After the Supreme Court tossed out several criminal cases against him, investors fear that left-leaning former president Lula da Silva may seek re-election next year.

Commodity prices rose, reflecting the strengthening Chinese economy and anticipation of the Biden administration's massive infrastructure plans. Industrial metals rallied some 15% in February, with copper sprinting to about 50% above pre-pandemic levels, double the lows of last March. Precious metals such as platinum and palladium with electric vehicle (EV) and other industrial applications were also strong. Energy prices continued to climb, oil (Brent crude) rising 24% amid continued production restraint by OPEC and rising expectations for global economic growth, although it sputtered toward the end of the quarter as much of Europe re-entered lockdown.

Materials was the best-performing sector as mining stocks rallied with the rise in metals prices. Health Care was the weakest. Rising yields and the quarter's shift to value stocks appeared particularly to pressure stocks of companies in this sector trading at high valuation multiples.

MARKET PERFORMANCE (USD %)

REGION/COUNTRY	1Q 2021	TRAILING 12 MONTHS
AFRICA	11.9	78.7
SOUTH AFRICA	12.3	81.5
ASIA	2.2	60.6
CHINA	-0.4	43.8
INDIA	5.2	77.0
SOUTH KOREA	1.8	90.6
TAIWAN	11.0	94.6
EUROPE	0.7	39.6
RUSSIA	5.0	45.7
LATIN AMERICA	-5.3	50.5
BRAZIL	-9.9	46.7
MEXICO	4.2	58.8
MIDDLE EAST	12.9	46.9
MSCI EM INDEX	2.3	58.9

SECTOR PERFORMANCE (USD %) OF THE MSCI EM INDEX

SECTOR	1Q 2021	TRAILING 12 MONTHS
COMMUNICATION SERVICES	5.6	49.1
CONSUMER DISCRETIONARY	-3.1	61.6
CONSUMER STAPLES	-2.7	34.6
ENERGY	2.9	45.4
FINANCIALS	3.3	38.1
HEALTH CARE	-4.6	59.5
INDUSTRIALS	2.8	50.3
INFORMATION TECHNOLOGY	4.8	105.1
MATERIALS	9.2	97.4
REAL ESTATE	5.9	20.4
UTILITIES	2.0	31.1

Source: FactSet (as of March 31, 2021). MSCI Inc. and S&P.

Despite the support that rising commodity prices usually give to EM currencies, they depreciated against a resurgent US dollar as US bond yields rose, reversing the favorable trend that had prevailed over the past year. So it was that EM banks returned just 5%, in stark contrast to DM banks, which surged 19% in response to rising long-term interest rates and the favoring of value stocks. The largest drag came from banks in markets such as Turkey, Colombia, Indonesia, and Brazil whose high levels of US-denominated debt cause them problems when US rates rise or the dollar strengthens. Fears for Turkish banks were heightened when President Recep Erdoğan removed the head of the central bank in anger over recent interest rate hikes. EM Energy stocks' modest returns also disappointed in relation to the 22% returns posted by DM Energy stocks. Here, the big hit was to Brazil's state-controlled oil company Petrobras, following President Jair Bolsonaro's decision not to reappoint its well-respected CEO due to disagreement over fuel prices.

Looking at EM performance by style factors, there was no clear impact of either quality or growth factors. However, with rising bond yields, the most-expensive quintile of stocks fell 6%, underperforming the cheapest quintile by more than 13%. Expensive Chinese stocks, including young e-commerce businesses like Pinduoduo and EV makers like NIO, were among the worst detractors from global EM returns. The outperformance of the cheapest quintile of stocks was led by mining and energy companies.

PERFORMANCE AND ATTRIBUTION

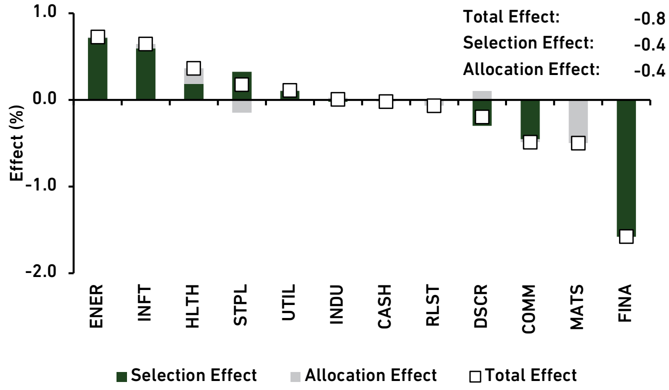
The Emerging Markets composite returned 1.57% in the first quarter, behind the 2.34% return of the MSCI EM Index.

Poor returns in Financials, particularly across our Latin American holdings, were the primary drag on relative returns. In Brazil, shares of the stock exchange **B3** as well as **Itaú Unibanco** and **Banco Bradesco** all fell significantly in US dollars, in large part due to the nearly 8% decline of the real. In Peru, **Credicorp** lagged amid heightened regulatory uncertainty ahead of the country's April presidential elections. In Colombia, **Bancolombia's** stock suffered after the bank reported net income declined over 90% last year with higher pandemic-related loan provisions increasing credit costs, particularly in its Panama operations. Still, Bancolombia's finances remain robust and it should see a gradual recovery in asset quality, helped by an accelerated digital transformation, which should help profitability.

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 March 31, 2021 is available on page 9 of this report.

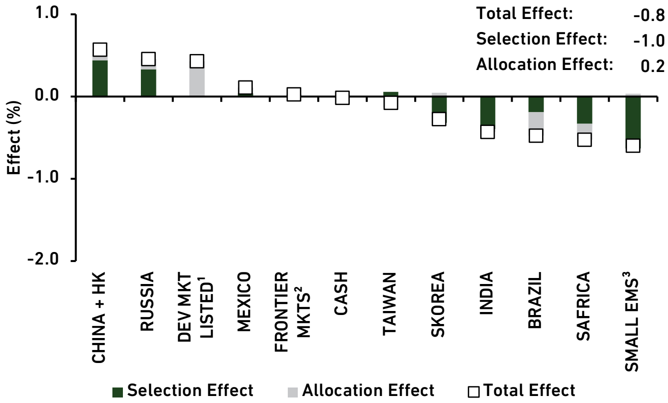
SECTOR PERFORMANCE ATTRIBUTION FIRST QUARTER 2021

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION FIRST QUARTER 2021

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



[1]Emerging markets or frontier markets companies listed in developed markets; [2]Includes countries with less-developed markets outside the Index; [3]Includes the remaining emerging markets, which individually, comprise less than 5% of 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.

In Communication Services, shares of Polish game developer **CD Projekt** weakened further as the company failed to re-ignite interest in its blockbuster game *Cyberpunk 2077*, whose launch it botched last year. Our lack of investments in Materials, the quarter's strongest sector by far, also detracted.

We had good relative returns in Energy, with the rise in the oil price boosting the shares of two Russian-based companies, oil giant **Lukoil** and oil and natural gas producer **Novatek**, as well as **Tenaris**, a high-end oil pipe manufacturer listed in Italy (among other places), all of which fared well compared to politically embattled industry heavyweight Petrobras. We also had strong stocks in Information Technology (IT), led by Taiwan-based **Hon Hai Precision**, the world's leading electronics manufacturing services company, whose expansion into EVs has raised expectations for revenue growth and margin expansion. Our large holdings in IT services companies **EPAM** and **Tata Consultancy Services** paid off as both reported strong earnings from continued demand from global enterprises spending on digital initiatives.

By country, we had poor stocks in India, notably **Kotak Mahindra Bank**, which fell after announcing weak fourth-quarter earnings. The portfolio's overweight to Brazil and lack of investments in Saudi Arabia (up over 16% on the oil price rise) also hurt. In addition to our Russian energy holdings, we had good stocks in China, where we were fortunate not to hold the most expensive stocks, which fared poorly as a group. Innovative new products helped Hong Kong power tool manufacturer **Techtronic Industries** gain share from competitors.

PERSPECTIVE AND OUTLOOK

Even as humanity continues its determined battle to contain the coronavirus, the longer-term threat facing our species from climate change is capturing increasing attention. The Biden administration is beginning its stint in power with massive climate plans, unmatched by any prior administration, that aim to make the US carbon neutral by 2050. Meanwhile, China, having already embarked on its own ambitious journey to achieve carbon neutrality by 2060, released a new level of detail about its plans, answering the doubts of many who had questioned the seriousness of its commitment to a timeline that calls for the world's largest emitter to reach peak carbon emissions and begin the descent within just nine years.

A centerpiece of China's climate initiatives will be a mobility transition from internal combustion engines (ICEs) to EVs. Already the global leader in making the switch, China represents roughly half the world's current EV market, with nearly 1.4 million electric cars sold there in 2020. EV sales have been fostered by government policies crafted to boost innovation by linking subsidies to vehicle performance measures such as energy efficiency or charging speed. Moreover, incentives are not limited to monetary ones. In large cities where there are strict limits on car ownership and fierce competition for license plates, EVs have preferred allotments; they are also exempted from increasingly prevalent driving restrictions and have easier access to parking.

The shift to EVs undeniably represents a growth opportunity for investors, particularly in China given its massive addressable market and the government's goal to de-carbonize the country's transportation system. In recent years, a plethora of companies have sought to capitalize on EV growth in China, including foreign automakers, who have laid out aggressive plans to build out EV capabilities, many through partnerships and joint ventures with Chinese firms. The investor fervor surrounding these developments can be seen in the parabolic stock market returns of related securities, such as the up-and-coming Chinese EV maker NIO. The existence of a growing market, however, by no means guarantees that EV makers themselves will be solid long-term investments.

The near-term challenges for EV manufacturers are their products' still-limited range and their higher sticker price relative to legacy ICE vehicles in most markets. We do expect the latter to recede, however. The costs of key components, most importantly batteries, are falling, and governments' environmental initiatives look set to help propel penetration through subsidies.

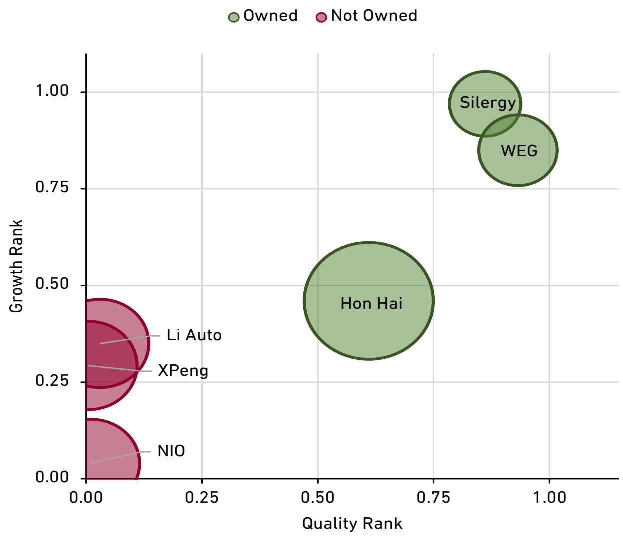
In the medium term, a bigger challenge for EV makers is the specter of even more competitors entering the scene. The legacy, ICE-based automobile industry has enjoyed high barriers to entry due to the massive fixed capital required to produce engines, giving rise to enormous economies of scale, and the fact that trust based on brand reputation is important in consumer purchase decisions. The manufacturing process for EVs is significantly less complex and key components can be outsourced, presenting a low barrier to entry, as evidenced by the growing number of consumer and technology brands developing their own EVs, including Apple, and China's internet giant Baidu and smartphone maker Xiaomi.

In common with all other industries, our goal with respect to EVs is to invest in firms that offer predictable growth in their core businesses augmented by new growth opportunities exploitable by farsighted management.

Amid the increasingly crowded field, achieving stand-alone dominance in EV manufacturing will likely require a company to achieve (and maintain) the automobile equivalent of the iPhone: a uniquely attractive combination of hardware, software, and aesthetics. Tesla has come as close as any company to hitting on all three, but whether its edge can prevail is an open question. The software domain would appear to provide the most scope for enduring differentiation, but perfecting features such as advanced driver assistance systems (ADAS), autonomy, or HD mapping tools is likely reliant upon scale and network effects. For example, each car can contribute data to the broader community when there are road changes, and as more real-world data is fed into its driving algorithm, the better it gets. We think a single EV-maker is less likely to win out here than a software/systems specialist, such as Waymo or Baidu, that will partner with multiple manufacturers to achieve scale. Tesla has enviable first-mover advantage in hardware (including manufacturing cost efficiency) and some aspects of software, with its revered user interface. We think it's likely, however, that as the diversity of customer preferences are revealed, others will challenge Tesla for leadership in certain areas, be it drive-ability, style, or entertainment.

In China, the pure EV players have taken this very path by focusing on leadership in single critical components. Xpeng has focused on being a pioneer in ADAS; NIO on battery development including its proprietary "battery-swap" technology. Both companies—neither of which generates a profit—are likely to enjoy strong growth in the near term given their early-mover advantages and attractive products targeting the China market. But as the industry scales up, it remains to be seen whether their edges stay proprietary or become commoditized as specialist suppliers replicate them, produce them at scale, and make them available to competitors at lower cost.

EV GROWTH OPPORTUNITIES
BUBBLE SIZE IS PROPORTIONAL TO PORTFOLIO ENDING WEIGHT (OWNED ONLY)



Source: FactSet; Data as of March 31, 2021.

We can only speculate about how the EV industry will ultimately shake out. This lack of fundamental foresight makes us wary of predicting long-term winners among today's brands, though we will continue to pay close attention to the industry with an aim of identifying companies that offer sufficient quality characteristics and durable growth potential. In the meantime, we have chosen to gain exposure to the EV growth opportunity through other ways very much aligned with our focus on quality-growth companies. In common with all other industries, our goal with respect to EVs is to invest in firms that offer predictable growth in their core businesses augmented by new growth opportunities exploitable by farsighted management. Indeed, we already have three EV-related holdings that fit this something-old/something-new profile:

Hon Hai Precision

Hon Hai Precision, also known as Foxconn, is the world's leading provider of electronics manufacturing services (EMS), producing such iconic products such as the iPhone, Amazon Kindle, and Sony PlayStation. With its expertise in both hardware and software, combined with its massive scale and powerful supply chain management, Hon Hai offers its clients unrivaled speed-to-market at large scale and low cost. Its assembly capabilities are augmented by its ability to make certain components, such as iPhone casings, itself, from scratch. This reduces Hon Hai's need for subcontractors, reduces its costs, and allows it to make larger investments in research and development than smaller competitors.

Hon Hai is an attractive supplier to EV manufacturers because of its expertise in the production of light metal structural parts and chassis, its experience in managing complex supply chains, and its expertise in products that integrate software with hardware (Exhibit A: the iPhone).

The EM portfolio has held a position in Hon Hai since 2005. Despite maintaining its competitive advantage in the EMS industry and posting decent growth, particularly from smartphones, cloud and networking equipment, and game consoles, its stock has trailed those of other EM IT companies over the past few years, its performance reflecting the impact on Hon Hai's profit margins of the immense bargaining power of its core customers such as Apple. More recently, a new management team has put a renewed focus on higher-margin growth opportunities, leading us over the past year to add to the portfolio's position.

One of Hon Hai's recent growth initiatives has been entering the automotive industry, specifically EVs. It already offers a thousand EV components and counts Tesla among its customers. Hon Hai is an attractive supplier to EV manufacturers because of its expertise in the production of light metal structural parts and chassis, its experience in managing complex supply chains, and its expertise in products that integrate software with hardware (Exhibit A: the iPhone). Hon Hai has already designed a prototype chassis and mapped out a production schedule, including new models for three brands in 2022. Hon Hai is also building its own "open platform," called MIH (the derivation of the name is a mystery), which comprises a suite of hardware and software components for the development of EVs. With contributions from Hon Hai's partners and third-party developers, MIH promises carmakers a way to reduce up-front development costs, shorten vehicle development time, and facilitate mass production. MIH has already attracted customers such as Chinese automaker Geely, as well as Italy's Fiat and US-based Fisker. At Hon Hai's first supplier ecosystem conference in March over 1,200 companies were present. While it is still early days in Hon Hai's development of its EV business, it is targeting a 10% share of what it estimates will be a $500 billion market by 2025.

WEG

WEG is one of Brazil's leading industrial companies, manufacturing a broad range of electrical equipment, including motors, turbines, transformers, and control systems, for the global market. WEG earns a majority of its revenues abroad and has been making considerable capital expenditures to bring the same high level of vertical integration it enjoys inside Brazil to its manufacturing plants in Mexico, China, and elsewhere. These investments should improve WEG's cost structure, global market share, and margins. Against the backdrop of the rotten Brazilian economy of recent years, WEG has managed to grow consistently and generate high returns on capital.

WEG's management has shown commendable foresight in steering the company towards growth opportunities in adjacent business. Its initiatives include developing electric traction systems for buses, trains, and other modes of transport. In 2019, WEG stepped up its activity in this segment by becoming a key part of the VW-coordinated "e-Consortium" that brings together and fosters collaboration among suppliers focused on developing electrical mobility in Brazil. WEG supplies the powertrain system globally for all VW electric delivery trucks and also makes the motors to power the air conditioning and other auxiliary systems. While WEG's initiatives in electric mobility are still a small part of its overall business, they also represent just one part of the company's many climate-related growth opportunities. The company has a much larger wind and solar energy business, for example, that includes manufacturing solar energy kits for home use that have been gaining popularity in many markets.

Silergy

Silergy is a Taiwan-listed manufacturer of power-management integrated circuits (PMIC) used in a range of electronic equipment, from computer tablets to industrial robots. The company's design and manufacturing platform is highly integrated: it operates its own chip fabrication ("fab") facilities, which enables the company to stay a step ahead of competitors with more intelligent or efficient products. Silergy has steadily increased its share of the PMIC market and enjoyed about a 15% cumulative annual growth rate of revenues and profits over the last five years.

Silergy has been investing for years in R&D to produce PMICs suitable for automotive applications. The recent chip shortage has prompted automakers to expand their suppliers of PMICs, presenting an opportunity for Silergy to enter the highly competitive supply chain. Silergy's automotive-related revenues will likely exceed 5% of sales in 2021 and could double next year. Management has been vocal about its attractive near-term opportunities in telematics and infotainment, as well as ADAS and LED lighting.

PORTFOLIO HIGHLIGHTS

We never profess to have foresight into the trajectory for such economic variables as interest rates or inflation—or, indeed, stock markets—but we do see signs of an inflection point having been reached for certain cohorts of EM stocks. We have highlighted in our recent reports the exceptionally strong returns posted by the "fastest-growing" and "most-expensive" shares. These stocks were major contributors to the overall EM return in 2020 and maintained their relative performance as we entered the new year even as more-value-oriented stocks had also begun a long-awaited rally. At the halfway point of the quarter, however, many of the expensive growers suffered rising share price volatility and moderate to significant reversals. A spike in volatility can reflect rising controversy in the market's interpretation of the investment thesis—perhaps in some cases there is less certainty over the path to profitable growth—but it could just as well be rising interest rate expectations that increase the discount demanded in the present for those rosy earnings projections.

High valuations can represent a significant risk to growth stocks and growth investors, risk that quickly multiplies if lofty growth expectations are not allied with fundamental quality providing the foundation for sustainable profit growth. We continue to avoid many of the highest flyers of 2020, most of which are engaged in exciting industries that offer up an alluring growth path (see: NIO, etc., above). The issue for us often comes down to the *quality* component of our process—we demand, among other markers of quality, a track record of profitability and cash flow generation that we think is sustainable before we invest in a business. Many of 2020's hot dots don't meet those criteria. And a number that do are still trading at rarified valuations even after their recent loss in altitude, which eliminates them from consideration.

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For our portfolio we continue to find high-quality growth companies beyond IT, e-commerce, and the other most obvious growth industries. Our only new purchase this quarter was **Country Garden Services** (CGS), a leader in China's consolidating property management industry. The country's densely populated communities within vast developments rely upon property managers to enhance their quality of living. The sheer size of these communities allows service providers to benefit from economies of scale in a way rarely seen in other property markets and supports strong profitability and recurring cash flow generation. CGS's superior reputation is helping it take market share from smaller, inferior operators—it is well recognized for high-quality service and variety of valuable assistance offerings including housekeeping, babysitting, interior design, and even schooling. CGS's affiliation with sister company Country Garden Holdings (CGH), one of China's largest property developers, supports

CGS's growth. CGH primarily uses CGS as its service provider, signing contracts three years in advance. CGS's growth is further bolstered by government urbanization policies, notably the "New Urbanization Plan," which is promoting the development of higher quality, high-density residential communities. CGS is also expanding outside of the residential sector, into public services like street cleaning and trash collection, as well as increasing its provision of *commercial* property services. Our analyst foresees CGS achieving 29% annual sales growth over the next five years. We bought this new holding at a moderate valuation relative to other high-growth Chinese companies in sexier industries.

EMERGING MARKETS HOLDINGS (AS OF MARCH 31, 2021)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
AUTOHOME Automotive information services	China	0.4
BAIDU Internet products and services	China	1.0
CD PROJEKT Video game developer	Poland	0.4
SAFARICOM Mobile network operator	Kenya	1.0
TENCENT Internet and IT services	China	4.7
YANDEX Internet products and services	Russia	1.7
CONSUMER DISCRETIONARY		
ALIBABA E-commerce retailer	China	4.6
ASTRA INTERNATIONAL Auto business operator	Indonesia	0.4
CHINA TOURISM GROUP DUTY FREE Duty free services	China	1.1
COWAY Consumer appliances manufacturer	South Korea	0.6
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	1.3
FUYAO GLASS INDUSTRY Automotive glass manufacturer	China	1.0
LOJAS RENNER Department stores operator	Brazil	0.4
MARUTI SUZUKI Automobile manufacturer	India	0.9
MIDEA GROUP Consumer appliances manufacturer	China	1.8
NEW ORIENTAL Private education services	China	1.3
SANDS CHINA Integrated resorts and casinos operator	Hong Kong	1.6
SHENZHOU INTERNATIONAL Textile manufacturer	China	1.2
CONSUMER STAPLES		
AMBEV Alcoholic beverages manufacturer	Brazil	0.9
AMOREPACIFIC Cosmetics manufacturer	South Korea	1.0
CBD Foods and consumer products retailer	Brazil	0.1
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	2.4
SENDAS DISTRIBUIDORA Consumer goods distributor	Brazil	0.3
WALMART DE MÉXICO Foods and consumer products retailer	Mexico	1.4
ENERGY		
LUKOIL Oil and gas producer	Russia	2.0
NOVATEK Natural gas producer	Russia	2.2
TENARIS Steel-pipe manufacturer	Italy	0.8
ULTRAPAR Fuel distributor and chemicals producer	Brazil	0.4
FINANCIALS		
AIA GROUP Insurance provider	Hong Kong	2.6
B3 Clearing house and exchange	Brazil	0.8
BANCO BRADESCO Commercial bank	Brazil	1.1
BANCO SANTANDER CHILE Commercial bank	Chile	0.3
BANCOLOMBIA Commercial bank	Colombia	0.6
BANK CENTRAL ASIA Commercial bank	Indonesia	0.8
BANK OF GEORGIA Commercial bank	UK	0.2
BANK RAKYAT Commercial bank	Indonesia	1.2
COMMERCIAL INTERNATIONAL BANK Commercial bank	Egypt	0.5
CREDICORP Commercial bank	Peru	0.7
DISCOVERY HOLDINGS Insurance provider	South Africa	0.9
GF BANORTE Commercial bank	Mexico	1.4
HDFC BANK Commercial bank	India	1.2
HDFC CORP Mortgage lender	India	2.3
ITAÚ UNIBANCO Commercial bank	Brazil	1.0
KOMERČNÍ BANKA Commercial bank	Czech Rep.	0.6
KOTAK MAHINDRA BANK Commercial bank	India	1.3
PING AN INSURANCE Insurance provider	China	1.8
SBERBANK Commercial bank	Russia	2.2
SIAM COMMERCIAL BANK Commercial bank	Thailand	1.0
STANDARD BANK Commercial bank	South Africa	0.7
HEALTH CARE		
CSPC PHARMACEUTICAL GROUP Pharma manufacturer	China	1.3
JIANGSU HENGRUI MEDICINE Pharma manufacturer	China	0.4
SINO BIOPHARMACEUTICAL Pharma manufacturer	China	0.4
WUXI BIOLOGICS Biopharma manufacturer	China	0.5
INDUSTRIALS		
51JOB Online human resource services	China	0.6
AIRTAC Pneumatic-equipment manufacturer	Taiwan	1.3
ASUR Airport operator	Mexico	0.9
COPA HOLDINGS Airline operator	Panama	0.5
COUNTRY GARDEN SERVICES Residential property manager	China	0.6
LOCALIZA Automobile rental services	Brazil	0.9
SF HOLDING Delivery services	China	0.6
TECHTRONIC INDUSTRIES Power tool manufacturer	Hong Kong	2.1
WEG Industrial equipment manufacturer	Brazil	0.6
ZTO EXPRESS Express delivery services	China	0.2
INFORMATION TECHNOLOGY		
ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.6
EPAM IT consultant	US	3.4
HON HAI PRECISION Electronics manufacturer	Taiwan	1.8
LARGAN PRECISION Smartphone lens modules producer	Taiwan	0.9
NETWORK INTERNATIONAL Electronic payment services	UK	0.6
SAMSUNG ELECTRONICS Electronics manufacturer	South Korea	5.2
SANGFOR IT security services	China	0.1
SILERGY Electronics chips manufacturer	Taiwan	0.5
SUNNY OPTICAL Optical component manufacturer	China	1.1
TATA CONSULTANCY SERVICES IT consultant	India	2.3
TSMC Semiconductor manufacturer	Taiwan	5.1
MATERIALS		
No Holdings		
REAL ESTATE		
No Holdings		
UTILITIES		
ENN ENERGY Gas pipeline operator	China	1.5
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.

1Q21 CONTRIBUTORS TO RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST CONTRIBUTORS	SECTOR	PORT	INDEX	EFFECT
NOVATEK	ENER	2.1	0.2	0.31
TECHTRONIC INDUSTRIES	INDU	1.7	0.0	0.27
HON HAI PRECISION	INFT	1.7	0.6	0.25
EPAM	INFT	2.7	0.0	0.22
LUKOIL	ENER	1.9	0.4	0.22

LAST 12 MOS CONTRIBUTORS TO RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST CONTRIBUTORS	SECTOR	PORT	INDEX	EFFECT
EPAM	INFT	2.7	0.0	1.00
TECHTRONIC INDUSTRIES	INDU	1.5	0.0	1.00
CHINA CONSTRUCTION BANK*	FINA	0.0	1.1	0.72
YANDEX	COMM	1.8	0.2	0.67
FUYAO GLASS INDUSTRY	DSCR	0.9	0.0	0.66

1Q21 DETRACTORS FROM RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST DETRACTORS	SECTOR	PORT	INDEX	EFFECT
MIDEA GROUP	DSCR	2.1	0.0	-0.41
NEW ORIENTAL	DSCR	1.5	0.3	-0.30
LOCALIZA	INDU	1.0	0.1	-0.24
LG HOUSEHOLD & HEALTH CARE	STPL	2.5	0.2	-0.23
CD PROJEKT	COMM	0.6	0.1	-0.22

LAST 12 MOS DETRACTORS FROM RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST DETRACTORS	SECTOR	PORT	INDEX	EFFECT
MEITUAN*	DSCR	0.0	1.5	-0.91
LARGAN PRECISION	INFT	1.3	0.2	-0.83
AIA GROUP	FINA	2.4	0.0	-0.61
NIO*	DSCR	0.0	0.4	-0.56
CD PROJEKT	COMM	0.3	0.1	-0.49

*Not held in the portfolio; its absence had an impact on the portfolio's return relative to the Index.

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL EM	MSCI EM
PROFIT MARGIN[1] (%)	12.9	12.9
RETURN ON ASSETS[1] (%)	7.5	7.0
RETURN ON EQUITY[1] (%)	16.8	13.1
DEBT/EQUITY RATIO[1] (%)	29.5	37.3
STD DEV OF 5 YEAR ROE[1] (%)	3.5	3.5
SALES GROWTH[1,2] (%)	8.0	8.8
EARNINGS GROWTH[1,2] (%)	11.6	11.0
CASH FLOW GROWTH[1,2] (%)	10.3	11.5
DIVIDEND GROWTH[1,2] (%)	13.5	12.1
SIZE & TURNOVER	**HL EM**	**MSCI EM**
WTD MEDIAN MKT CAP (US $B)	40.4	44.1
WTD AVG MKT CAP (US $B)	151.1	176.1
TURNOVER[3] (ANNUAL %)	17.2	—

RISK AND VALUATION	HL EM	MSCI EM
ALPHA[2] (%)	-0.37	—
BETA[2]	1.05	—
R-SQUARED[2]	0.95	—
ACTIVE SHARE[3] (%)	70	—
STANDARD DEVIATION[2] (%)	17.55	16.29
SHARPE RATIO[2]	0.65	0.70
TRACKING ERROR[2] (%)	4.0	—
INFORMATION RATIO[2]	0.02	—
UP/DOWN CAPTURE[2]	102/102	—
PRICE/EARNINGS[4]	20.4	16.7
PRICE/CASH FLOW[4]	17.9	13.0
PRICE/BOOK[4]	1.6	1.5
DIVIDEND YIELD[5] (%)	1.6	1.9

[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: April 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
COUNTRY GARDEN SERVICES	CHINA	INDU

POSITIONS SOLD	COUNTRY	SECTOR
TRIP.COM GROUP	CHINA	DSCR

The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. The following information is available upon request: (1) information describing the methodology of the contribution data in the charts 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 charts above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall relative performance over the period. Contributors and detractors exclude cash and securities in the Composite not held in the Model Portfolio. Quarterly data is not annualized. Portfolio attribution and characteristics are supplemental information only and complement the fully compliant 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 MARCH 31, 2021)

	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)
2021 YTD[4]	1.57	1.34	2.34	21.22	18.91	N.A.[5]	14	19,030	74,230
2020	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

[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 2021 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 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. Harding Loevner has been independently verified for the period November 1, 1989 through December 31, 2020. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Emerging Markets Equity Composite has had a performance examination for the periods December 1, 1998 through December 31, 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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