HARDING · LOEVNER®

Global Equity

2011 Year End Report

Composite Performance (%) For Periods Ending December 31, 2011[1]

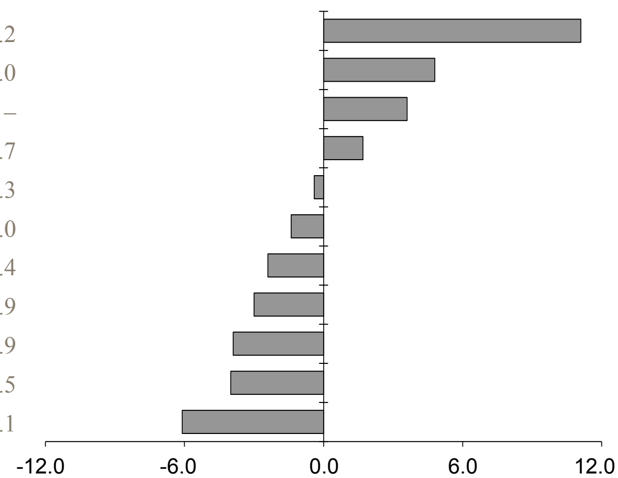
	3 Months	1 Year	3 Years[2]	5 Years[2]	10 Years[2]	Since Inception[2,3]
HL Global Equity (gross of fees)	5.51	-6.87	15.74	2.49	6.29	9.10
HL Global Equity (net of fees)	5.41	-7.20	15.36	2.07	5.81	8.39
MSCI All Country World Index[4]	7.30	-6.86	12.60	-1.41	4.76	5.97
MSCI World Index[5]	7.72	-5.02	11.75	-1.82	4.15	5.82

[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1989; [4]The Benchmark Index; [5]Supplemental Index. Please read the above performance in conjunction with the footnotes on the back 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 (%)

Sector	HL Glbl	MSCI ACW
Info Technology	23.3	12.2
Cons Discretionary	14.8	10.0
Cash	3.6	–
Cons Staples	12.4	10.7
Health Care	8.9	9.3
Materials	6.6	8.0
Industrials	8.0	10.4
Telecom Services	1.9	4.9
Utilities	0.0	3.9
Financials	14.5	18.5
Energy	6.0	12.1

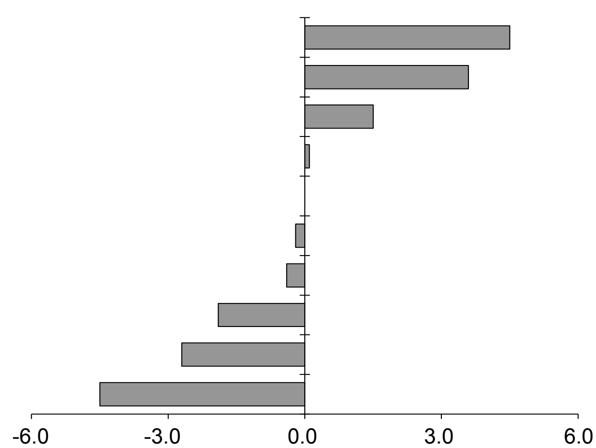
Over/Under The Benchmark



Geographical Exposure (%)

Region	HL Glbl	MSCI ACW
United States	50.5	46.0
Cash	3.6	–
Japan	9.5	8.0
Pacific ex-Japan	5.0	4.9
Frontier Markets	0.0	–
Middle East	0.0	0.2
Europe ex-EMU	13.2	13.6
Emerging Markets	10.7	12.6
Europe EMU	7.5	10.2
Canada	0.0	4.5

Over/Under The Benchmark



Market Review & Outlook

- Health Care and Consumer Staples were the best sectors for the year; Materials and Financials were the worst.
- September gloom set the stage for October rally.
- In an environment of very low interest rates, investors pursued dividend yields globally in 2011.

Portfolio Highlights

- The portfolio emphasis has changed little in the quarter, or over the year.
- The portfolio holds nearly a quarter of its assets in IT companies.
- We continue to avoid holdings in European Financials.

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Sector and region allocations are supplemental information only and complement the fully compliant Global Equity Composite GIPS Presentation.

Source: MSCI and S&P. MSCI 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.

Performance Summary

The Global Equity Composite rose 5.5% in the fourth quarter, behind the 7.3% gain for its benchmark, the MSCI All Country World Index ("the Index"). For the year as a whole, the Composite performed in line with the 6.9% decline for the Index, and also in line with the MSCI All Country World Growth Index, which declined 7.0% for the year.

Market Review

The deepening gloom that pervaded investors' attitude in early autumn set the stage for a sharp reversal in October, with investors experiencing a rally that drove stocks higher worldwide, especially Materials and Financials, which had been the two worst-performing sectors in the ugly decline of the summer. Signs that inflation might be peaking in China and other developing economies drove Chinese stocks up on hopes of monetary easing, and spurred the rally in Materials (and Brazilian) stocks, as well as bank stocks in many emerging markets (EM). Meanwhile, US Financials turned better after housing price and foreclosure data turned out to be less bad than expected, leading other Financials higher. European banks, which had ended September on a rising note on hopes of concerted actions by political and monetary authorities, turned sour again almost immediately on the absence of any real solutions, and lagged in the rally.

Market Performance (%)

Market	4Q 2011	Trailing 12 months
	USD	USD
Canada	5.2	-12.0
Germany	3.9	-17.5
Japan	-3.9	-14.2
United Kingdom	9.2	-2.2
United States	11.7	2.0
Europe EMU	2.4	-16.9
Europe ex-EMU	7.9	-4.9
Pacific ex-Japan	6.3	-11.8
Middle East	4.8	-27.5
Emerging Markets	4.5	-18.3
MSCI ACW Index	7.3	-6.9

Sector Performance (%) of the MSCI ACW Index

Sector	4Q 2011	Trailing 12 months
	USD	USD
Consumer Discretionary	6.6	-4.8
Consumer Staples	8.0	8.6
Energy	15.0	-2.5
Financials	4.3	-18.8
Health Care	7.9	9.6
Industrials	9.8	-9.8
Information Technology	6.9	-4.1
Materials	4.9	-21.1
Telecom Services	4.0	0.6
Utilities	2.4	-3.5

Source: Wilshire Atlas (as of December 31, 2011)

It wasn't long, however, before another round of worries over European sovereign debt triggered more inconclusive summit meetings, and regained the ability to depress sentiment and share prices in Europe and elsewhere. Capital linkages affected markets far from where the stresses originated, as banks reviewed any and all assets that might be sold without affecting their core business, and were reassessing what businesses were actually 'core.' Spanish lender Grupo Santander, for instance, sold a further $1 billion stake in its prize Chilean business, Santander de Chile. Central Europe was hostage to capital flows reverting back into Western Europe, as banks and bond investors scrambled to reduce leverage. Meanwhile, other stresses were surfacing that were unrelated to sovereign debt or deleveraging. In India, scandal and political gridlock sent the market, and especially bank shares, lower on worries about stranded infrastructure projects and stretched company balance sheets.

Between governments, companies, and individuals, it is the corporate sector (banks aside) that has proven the most resilient since the economy peaked in 2007.

The October rally in markets faded in November, and although the quarter ended with a good positive return, the rebound from the lows in the end had only erased less than half of the damage wrought by the summer's decline. Even the announcement by European Central Bank (ECB) of a very large, multi-year bond repurchase facility for banks—on the heels of another, more promising political summit in December—could not rekindle much demand for European bank shares. Energy was the best performing sector in the quarter, while Utilities, the largest customers of the Energy industry, was the worst sector. Despite the generally positive tone of markets, Consumer Staples and Health Care, both non-cyclical, ranked among the next best performing sectors, along with Industrials.

For the year as a whole, global equity markets have mostly declined, with the very large exception of the US stock market, which declined less than others over the summer, and thus had less of a hole to climb out of. After rallying in the final quarter, the S&P500 Index eked out a 2% positive return for the year—returning, effectively, its dividend yield. Indonesia, New Zealand, and Ireland

Bold indicates companies held in the portfolio during the quarter. 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, 2011 is available on page six of this report.

were the only other individual markets to post a gain for the year, in US dollar terms. In Europe, countries within the European Monetary Union (EMU), of course, performed significantly worse than non-EMU Europe, which was supported by resilient performance in the UK and Switzerland. And while it's no surprise that Greece (-63%) was worst performing of all, it is startling that Ireland, which has made the most progress (among the crisis-stricken PIIGS countries) in reducing the leverage of its banks and cutting the spending by its government, actually saw its stock market rise 14% in the year. But there were a handful of emerging markets that lost more than a third of their value in the year, including India and Turkey. China, Brazil, and Russia, three of the biggest, each lost a fifth. That poor performance means that the BRIC countries performed worse in 2011 than the PIIGS! And given their greater size, emerging markets have had a bigger overall negative impact on global returns than have the stock markets of peripheral Europe.

Currencies played a modest role in stock market performance in the developed world, with the euro falling just 3% against the US dollar in the year, and the yen rising 5%. But thanks to the repatriation of capital from developing economies, emerging markets returns were significantly affected by currency. The Mexican peso fell 11%, the Turkish lire fell 18%, and the Indian rupee fell 16%. China, for all the political criticism, managed its currency to a 5% gain against the US dollar in the year.

Sector-wise, Materials and Financials were far and away the worst sectors in the year, the former reflecting cyclical slowdowns anticipated as a response to the monetary tightening in many developing economies (alongside continued sluggish demand in the US, Europe, and Japan), while Financials continue to reel from capital and regulatory issues in Europe and the US, and emerging markets banks remained in thrall to the anti-inflation monetary tightening exerted by their central banks.

Style factors played only a limited role in performance, with growth and value performing similarly badly. Quality was mainly a factor on a regional basis, especially in Europe, where high-quality companies were sought as safe havens against potential calamity in government and bank finances, but also featured in Japan.

Performance Attribution

The portfolio lagged the Index in the quarter, with poor stock selection in several sectors the main culprit. And although the portfolio was modestly overweight the US, which was additive, the poor relative performance of our US holdings more than offset that benefit. **Oracle**, which reported revenue growth below market estimates for its second quarter, declined sharply in the quarter, and exacerbated declines in other Information Technology holdings as well, such as **Teradata** and **Informatica**. Three EM-related banks, **Erste Bank**, **ICICI Bank**, and **GarantiBank**, combined to harm relative performance within Financials. Partially offsetting these negatives was good performance from **Cochlear**, **Google**, and **Monsanto**, three holdings we had added to during the year on valuation grounds.

For the year, the portfolio performed in line with the Index. Again, poor stock selection from within the US holdings was a drag on relative performance, even though the heavy weight there was a positive. That was offset by outstanding relative performance within our Japanese holdings, especially from **M3** and **Unicharm**. By sector, the biggest negative contributors were **Staples** and **Li & Fung**, both in Consumer Discretionary, along with the same three EM-related banks, Erste Bank, ICICI Bank, and GarantiBank. But we had other stocks offsetting on the positive side, with generally positive Information Technology sector holdings, including **Apple**, and all holdings within Materials, including **Air Liquide**, **Praxair**, and Monsanto.

Outlook

Growth in the global economy remains subdued, with European countries facing a renewed recession as a result of regulatory moves to reduce leverage of banks and market demands to reduce deficit spending by governments. Emerging Markets, which have strong domestic demand, have been confronting commodity inflation with tight monetary policy, and are finally seeing results in the form of falling inflation, albeit at the cost of constrained growth. In the US, a much more aggressive monetary and fiscal stimulus, a more flexible labor force, a vibrant technology sector, and a better starting point of indebtedness, has kept the tenuous recovery from the financial crisis creeping along.

Over the past year's uncertainty, investors have voted for transparency and simplicity.

Between governments, companies, and individuals, it is the corporate sector (banks aside) that has proven the most resilient since the economy peaked in 2007. Husbanding their cash, companies have been reluctant to resume borrowing for expansion, given the cloudy outlook. Meanwhile, individuals have been reducing borrowing and increasing savings in an effort to restore their balance sheets. Those with liquid assets have shunned riskier assets, and fled from newly appreciated risks. As a result, the most creditworthy investments have enjoyed a strong underlying bid from both corporate and individual savers, even as the central banks themselves have bought government bonds in unprecedented quantities.

Low nominal yields on bonds from the strongest issuers, usually governments, are a feature of a classic liquidity trap, itself a consequence of the widespread desire to save rather than to spend or invest. Keynes' response to this conundrum was to urge the government to spend, exploiting the willingness of savers to lend freely. Otherwise, without a 'spender of last resort,' you would, in the short run, incur the paradox of thrift, in which all actors in the economy would be attempting to increase savings and reduce spending simultaneously, causing a self-reinforcing circle of lower earnings or revenues, followed by more efforts to reduce spending.

Some commentators have gone so far as to label the low yields that investors are offered as evidence of 'financial repression,' a pejorative term for the monetary and regulatory actions that have contributed to the low nominal interest rates (think: Fed easing) and the demand for government bonds (think: ECB long-term repurchase facility.) We see fine lines separating a central bank reaction to the demands of the market for safety and liquidity from monetary actions aimed at coaxing a return to private sector spending and investment, but a wider distinction from deliberate coercion of investors and institutions to invest where they wouldn't otherwise invest. We would not characterize actions by Western governments, so far, as reaching the latter, even if we noted with cynicism the exemption of proprietary trading in US Government bonds from the blanket prohibitions of the Volcker Rule, and the clear intention of the ECB repo facility to support embattled European governments in funding their fiscal deficits.

Suspicion of the medium-term results of expedient government actions has led to such oddities as the ten-year US Treasury inflation-protected securities (TIPS) now priced to a negative yield before inflation, a peculiarity echoed in German bond markets. That means, of course, that bond investors are so pessimistic that they would entrust their money to the government for nothing, in return for a (government) promise to make them whole for any inflation created by the policies of that government. A strange world, indeed.

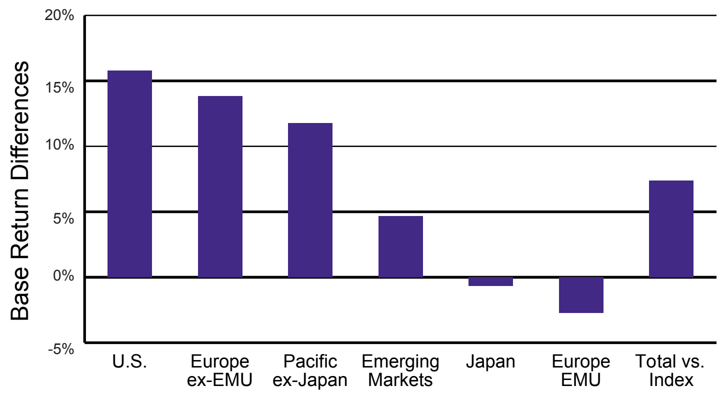
Now consider the plight of the equity investor, who is facing a number of difficult issues. Companies, by and large, are by far the healthiest sector of the economy, as noted above, and, with strong profit margins confounding the mean-reversion pundits (so far). Meanwhile, companies' strong cash flows offer a tempting target for populists and budget balancers alike looking to increase tax revenues. If the lowly investor can make up his mind about those issues of margin durability and taxation, there is still the problem of what to pay for the future cash flows, given the distortions in the long-term discount rates often derived from the 'risk-free' rates on government bonds, which are now seen to be not just risky, but manipulated by their governments and central banks.

Over the past year's uncertainty, investors have voted for transparency and simplicity. They have sought out the stocks of companies that pay dividends, and the bigger the yield, the better. Globally, the quintile of companies with the highest dividend yield significantly outperformed the Index, and in most regions, the outperformance was dramatic. Only in EMU Europe, where dividends are perceived as increasingly at risk, and in Japan, where dividends are only beginning to gain relevance, was this metric not associated with strong stock performance this year.

Dividends play only a supporting role in our own investment process. We value them as evidence of management discipline with capex decisions and cash flows, and as signaling devices for management confidence in future earnings growth. In some Emerging Markets, we even view them as confirmation of accounting veracity: it is more difficult to sustain ample and rising dividends than it is to juggle the books to show nice profits. But with the paucity of competitive yields available to investors, and with distortions in the bond yields that factor in many investors' discount rates, we aren't surprised that dividends are featuring more in

Dividend Yield Drove Performance

Relative Returns to the Highest Quintile of Dividend Yield
December 2010 - December 2011



Source: Wilshire Atlas. Run date 1/13/2012.

investor decisions. After all, to an asset allocator with any long-term perspective, a two-percent yield on a diversified portfolio of S&P500 stocks seems a far better long-term investment than the two-percent fixed return available on US Treasury 10-year Notes. While the stock market has more interim volatility, its dividends tend to grow over time, even if (sometimes) only from inflation, something that cannot be said of bond coupons. To get inflation protection elsewhere, you have to give up any hope of growth or a positive real return whatsoever, a distinction that makes stocks look distinctively more attractive.

That makes us cautiously optimistic about stock returns, even though we don't see the world as much less hostile for company profits than we have in previous quarters, which means we still believe that our preference for high-quality, growing businesses will continue to be a fruitful style of investing for the foreseeable future. Such companies are more likely to grow their dividends as well as their earnings faster than the average company (as they have in the past), and any share price weakness is likely to be met with buying from the dividend-conscious, given the greater reliability of their dividend streams. Our focus will be on letting go of some of the more richly priced of those businesses, and replacing them with less dear examples.

The sovereign debt crisis and its corollary banking woes have left high-quality multinational growth companies a particularly sought after group. Stock returns for the highest quality companies have far outpaced returns for the rest of the EMU Europe region this year, a bifurcation that we have profited from. But at the same time, many of those companies, especially those in the Consumer Staples and Health Care sectors, have become pricier, especially relative to the stocks of companies in more domestically oriented businesses, especially Financials. Apart from a few nibbles at the beaten down stocks of high-quality growth companies, we have resisted the valuation signals to part with what are increasingly well-appreciated holdings in Europe. We are likely to let go of more, incrementally shifting to some of the cheaper among the companies we follow. Those may be in Europe, among more cyclical businesses, or among companies with headwinds that we perceive as temporary, or they may be in other regions altogether.

Emerging Markets, having fallen as much as they have, could be one such region. The stock market performance this year, with its one-two punch of developed economy repatriation alongside the EM central bank fight against inflation, has left prices of strong companies much lower than in some time, although earnings are lower too. We are parsing our companies for those whose businesses are priced for continued headwinds, but whose actual businesses may well do better than forecast. As always, we are unlikely to move in a rush, but rather respond to individual stock valuation in a deliberate fashion.

Portfolio Structure

The portfolio emphasis has changed little in the quarter, or indeed over the year. The largest emphasis is in the Information Technology (IT) sector, about which we have written much over the past year. The portfolio holds nearly a quarter of its assets in IT companies, while the Index has barely an eighth. Except for adding to Google, the main change to the IT holdings in the quarter was the purchase of a new holding in **Cognizant Technology Solutions**, a US-based provider of IT outsourcing, with operations mainly in India.

We are parsing our companies for those whose businesses are priced for continued headwinds, but whose actual businesses may well do better than forecast.

Offsetting that emphasis is our continued light holdings in Financials and in Energy. The latter has supplanted Financials as our biggest negative divergence from the Index, a result of additions to our Financials holdings. We bought two new holdings in the US in the second half of the year, **SVB Financial Group** and **First Republic Bank**. Both are smaller banks focused on affluent or high net worth clients and successful small businesses. Silicon Valley Financial finds new clientele through its close association with venture capital firms, and specializes in offering an array of services not normally available to small companies. First Republic specializes in bespoke personal service for high net worth customers just below the target market of the ultra-specialized private banking divisions of big banks or trust banks. Neither has legacy credit portfolios to work through and neither need to reinvent an investment banking business model; but both should do well in a modestly better economic and market environment, where their customers would tend to prosper disproportionately to the mass market. We reduced our holdings of **JPMorgan Chase** and Indonesian **Bank Central Asia** early in the quarter, and bought a new holding in Indian **HDFC Bank** late in the quarter, when we also added to EM-oriented Erste Bank. Apart from Erste Bank and **Standard Chartered**, we continue to eschew holdings in European Financials, where we have little confidence in the resilience of leveraged financial businesses until we can see a workable long-term solution to the structural woes facing the euro-zone.

With additions to Cochlear and to **Qiagen** in the quarter, both after share price weakness, our Health Care holdings now approximate the Index. Cochlear shares fell sharply in the summer when the company revealed failures in its new generation of implanted hearing devices, and announced a voluntary recall (which requires surgery for the user). With a long experience with the company, we felt confident that the issue would be identified and resolved quickly, and moved to add to our holding as soon as we could rule out some of the worst case scenarios for the cost of the recall, both in money and in reputation.

In Japan, where we are overweight the Index, we bought a new holding in **Stanley Electric**, maker of auto components including specialty LED lighting, which we funded by reducing our holding in optical sensor maker **Keyence**.

Global Equity Holdings (as of December 31, 2011)

Sector/Company/Description	Country	End Wt. %
Consumer Discretionary		
ABC-MART - Footwear retailer	Japan	1.0
Amazon.com - Online retailer	US	0.7
Anta Sports Products - Sportswear mfg.	China	0.8
Coach - Luxury accessories & apparel	US	1.3
Inditex - Fashion apparel retailer	Spain	1.1
Li & Fung - Trading & logistics	Hong Kong	3.5
Lululemon Athletica - Athletic clothes retailer	US	0.9
McDonald's - Fast-food retailer	US	1.3
Stanley Electric - Lighting equipment mfg.	Japan	0.3
Staples - Office supply retailer	US	1.6
Swatch Group - Watch manufacturer	Switzerland	1.1
WPP - Advertising & marketing services	UK	1.1
Consumer Staples		
Bunge - Agricultural commodity processor	US	1.1
Coca-Cola FEMSA - Bottling franchise	Mexico	1.2
Colgate Palmolive - Household products	US	1.8
L'Oréal - Personal care products	France	1.0
Nestlé - Food & beverage	Switzerland	3.0
Olam International - Agricultural products	Singapore	0.1
Procter & Gamble - Consumer goods company	US	1.1
Unicharm - Absorbent consumer products	Japan	3.2
Energy		
ExxonMobil - Integrated oil company	US	1.6
Gazprom - Natural gas producer	Russia	1.1
Sasol - Alternative fuels	South Africa	1.1
Schlumberger - Petroleum industry services	US	2.3
Financials		
Bank Central Asia - Commercial bank	Indonesia	1.0
Erste Bank - Money center retail banking	Austria	1.0
First Republic Bank - Private banking & wealth mgt.	US	0.9
GarantiBank - Commercial bank	Turkey	1.1
HDFC Bank - Mortgage finance company	India	1.0
ICICI Bank - Commercial bank	India	1.0
JPMorgan Chase - Commercial & invest. bank	US	1.7
Standard Chartered - Commercial bank	UK	2.5
SVB Financial - Commercial bank & holding co.	US	0.9
Wells Fargo - Commercial bank	US	3.4

Global Equity Holdings (as of December 31, 2011)

Sector/Company/Description	Country	End Wt. %
Health Care		
Abbott Labs - Health care & pharma products	US	1.1
Cochlear - Hearing implants	Australia	1.4
Lonza Group - Biopharmaceuticals/pharma mfg.	Switzerland	1.1
M3 - Medical information services	Japan	1.1
Novartis - Life sciences	Switzerland	1.1
Qiagen - Biotech & instrumentation	Germany	1.0
Shandong Weigao - Single-use medical consumables	China	0.7
Sonova Holding - Hearing-aid manufacturer	Switzerland	1.3
Industrials		
3M Company - Industrial technology	US	1.1
China Merchants - Container terminal operator	China	0.8
Emerson Electric - Electronics controls	US	2.4
Fanuc - Indust. robots & machine tools	Japan	2.7
RPS Group - Environmental health, & safety risk	UK	0.9
Information Technology		
Apple - Portable electronics mfg	US	3.1
Cisco Systems - Internet networking	US	1.2
Citrix - Enterprise software services	US	1.8
Cognizant Technology - IT consulting	US	1.0
Dassault Systemes - CAD/CAM software	France	1.8
eBay - Internet shopping/trading marketplace	US	2.6
EMC - Network storage solutions	US	2.4
F5 Networks - Network technology solutions	US	1.3
Google - Internet search & multimedia	US	3.1
Informatica - Data integration software & svcs.	US	0.9
Keyence - Detection devices	Japan	1.2
Oracle - Enterprise software developer	US	1.6
Teradata - Enterprise software services	US	1.4
Materials		
Air Liquide - Industrial gas producer & distributor	France	1.6
Monsanto - Life sciences & seed genomics	US	1.4
Praxair - Industrial gas producer & distributor	US	1.5
Sigma-Aldrich - Chemical developer & mfg.	US	2.1
Telecom Services		
América Móvil - Cellular phone operator	Mexico	0.8
Millicom International - Communications provider	Sweden	1.1
Utilities		
No holdings		
Cash		**3.6**

Portfolio holdings are supplemental information only and complement the fully compliant Global Equity Composite GIPS Presentation. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of portfolio holdings for the past year contact Harding Loevner.

Last Quarter

Largest Contributors (%)

	Sector	Weight	Contribution
Google	INFT	2.3	0.51
Monsanto	MATS	2.5	0.46
Wells Fargo	FINA	3.1	0.45
F5 Networks	INFT	1.2	0.42
Emerson Electric	INDU	2.7	0.36

Largest Detractors (%)

	Sector	Weight	Contribution
ICICI Bank	FINA	1.2	-0.34
GarantiBank	FINA	1.2	-0.30
Keyence	INFT	1.6	-0.26
Erste Bank	FINA	0.7	-0.17
Amazon.com	DSCR	0.9	-0.17

Last 12 Months

Largest Contributors (%)

	Sector	Weight	Contribution
M3	HLTH	1.2	0.72
Unicharm	STPL	2.6	0.60
Apple	INFT	2.6	0.56
Teradata	INFT	2.3	0.44
McDonald's	DSCR	1.1	0.32

Largest Detractors (%)

	Sector	Weight	Contribution
Li & Fung	DSCR	2.9	-0.95
Staples	DSCR	1.8	-0.89
ICICI Bank	FINA	1.4	-0.81
JPMorgan Chase	FINA	2.6	-0.66
GarantiBank	FINA	1.3	-0.62

The portfolio holdings identified above do not represent all of the securities held in the portfolio. 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. Quarterly data is not annualized.

Portfolio Characteristics

	HL Global	MSCI ACW
Market Cap ($Mil)[1]	$34,279	$31,714
Profit Margin[1] (%)	14.2	10.6
Return on Assets[1] (%)	8.6	6.2
Debt/Equity[1] (%)	17.7	39.2
Return on Equity[1] (%)	15.6	15.2
Std Dev of 5 Year ROE[1] (%)	2.8	4.8
Sales Growth[1,2] (%)	12.8	6.2
Earnings Growth[1,2] (%)	9.3	3.4
CF Growth[1,2] (%)	11.7	7.2
Dividend Growth[1,2] (%)	5.3	4.1

	HL Global	MSCI ACW
Wtd Avg Mkt Cap ($Mil)	$67,492	$64,544
Price/Earnings[3]	16.2	13.1
Price/Cash Flow[3]	13.2	8.1
Price/Book[3]	2.1	1.6
Dividend Yield[3] (%)	1.9	2.9
Alpha[4] (%)	4.38	–
Beta[4]	0.92	1.00
R-Squared[4]	0.97	1.00
Sharpe Ratio[4]	0.26	0.19
Standard Deviation[4] (%)	19.22	20.58

[1]Weighted median; [2]Trailing five years, annualized; [3]Harmonic mean; [4]Trailing three years, annualized.

Purchases

Company	Country	Sector
Cognizant Technology	United States	INFT
First Republic Bank	United States	FINA
HDFC Bank	India	FINA
Stanley Electric	Japan	DSCR

Sales

Company	Country	Sector
There were no complete sales this quarter.		

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Source: Wilshire Atlas (Run Date: January 10, 2012); Harding Loevner Global Equity Composite; MSCI Barra.

Global Equity Composite Performance (as of December 31, 2011)

	Global Equity Gross (%)	Global Equity Net (%)	MSCI ACW[1] (%)	MSCI World[2] (%)	Global Equity 3-Yr Std Deviation[3] (%)	MSCI ACW 3-Yr Std Deviation[3] (%)	MSCI World 3-Yr Std Deviation[3] (%)	Internal Dispersion[4] (%)	No. of Accounts	Composite Assets ($M)	Firm Assets ($M)
2011[5]	-6.87	-7.20	-6.86	-5.02	19.08	20.59	20.16	0.1	13	5,315	13,597
2010	16.54	16.17	13.21	12.34	22.85	24.51	23.74	N.M.[6]	6	2,878	11,010
2009	42.85	42.42	35.41	30.79	20.82	22.38	21.44	N.M.	4	1,463	6,400
2008	-37.98	-38.27	-41.84	-40.33	17.07	17.98	17.03	N.M.	3	118	3,266
2007	17.62	16.92	12.18	9.57	8.72	8.64	8.09	N.M.	3	124	6,356
2006	19.24	18.59	21.53	20.65	9.24	8.11	7.63	N.M.	2	102	4,720
2005	17.22	16.79	11.37	10.02	10.53	9.89	9.67	N.M.	2	85	2,562
2004	9.02	8.36	15.75	15.25	14.88	14.79	14.75	N.M.	2	82	1,524
2003	32.45	31.97	34.63	33.76	17.76	17.59	17.61	N.M.	3	127	1,357
2002	-19.37	-19.83	-18.98	-19.54	17.21	16.81	16.88	0.6	6	118	1,082
2001	-14.87	-15.54	-15.91	-16.52	16.89	15.63	15.56	0.4	7	152	1,154

[1]Benchmark Index; [2]Supplemental Index; [3]Variability of the composite and the Index returns over the preceding 36-month period, annualized; [4]Asset-weighted standard deviation (gross of fees); [5]The 2011 performance returns and assets shown are preliminary; [6]N.M.–Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year.

The Global Equity Composite contains fully discretionary, fee paying US dollar-based global equity accounts investing in US and non-US equity and equity-equivalent securities with the objective of long-term capital appreciation. For comparison purposes, the Composite is measured against the MSCI All Country World Index (gross of foreign withholding taxes). Returns include the effect of foreign currency exchange rates. The exchange rate source of the benchmark is Reuters. The exchange rate source of the Composite is Bloomberg. Additional information about the benchmark, including the percentage of composite assets invested in countries or regions not included in the benchmark, is available upon request.

The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Index consists of 45 developed and emerging market countries. The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The Index consists of 24 developed market countries. You cannot invest directly in these Indices.

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 by Ashland Partners & Company, LLP for the period November 1, 1989 through June 30, 2011.

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 Global Equity Composite has been examined since December 1, 1989. 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. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate Global Equity accounts is 1.00% annually of the market value up to $20 million; 0.50% of amounts from $20 million to $100 million; 0.45% of amounts from $100 million to $250 million; above $250 million on 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 Global Equity Composite was created on November 30, 1989.

HARDING LOEVNER LP
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