HARDING LOEVNER

GLOBAL EQUITY

First Quarter 2021 Report

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

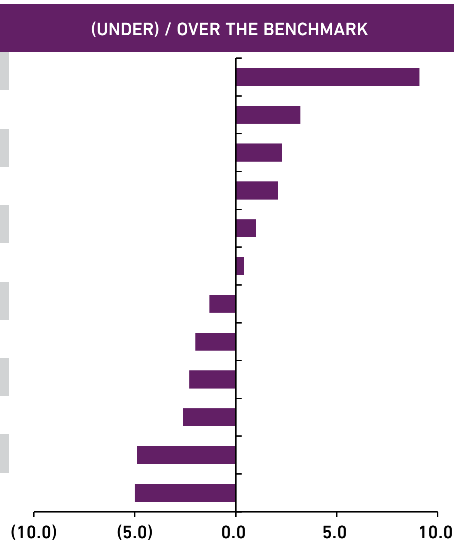
	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL GLOBAL EQUITY (GROSS OF FEES)	1.68	60.36	15.42	17.49	12.46	10.71
HL GLOBAL EQUITY (NET OF FEES)	1.58	59.72	14.94	16.98	11.98	10.06
MSCI ALL COUNTRY WORLD INDEX[4,5]	4.68	55.31	12.64	13.80	9.72	7.70
MSCI WORLD INDEX[5,6]	5.04	54.76	13.41	13.97	10.49	7.77

[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1989; [4]The Benchmark Index; [5]Gross of withholding taxes; [6]Supplemental Index.

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.

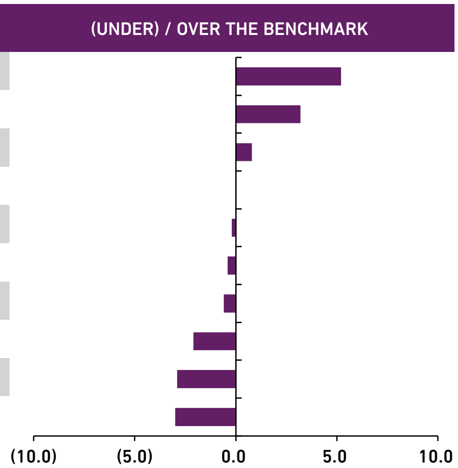
SECTOR EXPOSURE (%)

	HL GLOBAL	MSCI ACWI
HEALTH CARE	20.5	11.4
CASH	3.2	—
FINANCIALS	16.6	14.3
INFO TECHNOLOGY	23.4	21.3
COMM SERVICES	10.4	9.4
INDUSTRIALS	10.4	10.0
ENERGY	2.1	3.4
CONS DISCRETIONARY	10.8	12.8
UTILITIES	0.5	2.8
REAL ESTATE	0.0	2.6
CONS STAPLES	2.1	7.0
MATERIALS	0.0	5.0



GEOGRAPHIC EXPOSURE (%)

	HL GLOBAL	MSCI ACWI
UNITED STATES	63.0	57.8
CASH	3.2	—
EMERGING MARKETS	13.8	13.0
FRONTIER MARKETS[7]	0.0	—
MIDDLE EAST	0.0	0.2
EUROPE EX-EMU	7.5	7.9
PACIFIC EX-JAPAN	2.5	3.1
EUROPE EMU	6.5	8.6
CANADA	0.0	2.9
JAPAN	3.5	6.5



[7]Includes countries in less-developed markets outside the Index.

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

Source: Harding Loevner Global Equity 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

Stock markets rose in the quarter. After a pause in January as the world stood agape at the spectacle unfolding on the US political landscape, many of the trends that began with the vaccine announcement in early November resumed.

Signs of a global economic rebound multiplied as the vaccination efforts began in earnest. The IMF raised its global GDP growth forecast for 2021 by 0.5% to 6.0% since its last update in January. In the US, which leads the world in vaccination rates, retail sales climbed to the strongest level on record and restaurant bookings and the number of airline passengers, while still below pre-COVID-19 levels, continued to improve. The Biden administration passed a colossal US$1.9 trillion relief package, the third such stimulus measure since the pandemic began, sending direct payments to millions of Americans and extending unemployment insurance. In China, electricity generation and rail cargo volume rose substantially year over year, but consumer spending remained subdued despite much of daily life having returned to normal. The recovery in Europe, however, remains precarious, amid the emergence of new more virulent virus strains and problems with its vaccine rollout extending or renewing lockdowns.

MARKET PERFORMANCE (USD %)

MARKET	1Q 2021	TRAILING 12 MONTHS
CANADA	9.8	60.6
EMERGING MARKETS	2.3	58.9
EUROPE EMU	4.7	55.1
EUROPE EX-EMU	3.6	36.4
JAPAN	1.7	40.2
MIDDLE EAST	-0.3	40.0
PACIFIC EX-JAPAN	4.6	54.1
UNITED STATES	5.5	59.3
MSCI ACW INDEX	4.7	55.3

SECTOR PERFORMANCE (USD %)
OF THE MSCI ACW INDEX

SECTOR	1Q 2021	TRAILING 12 MONTHS
COMMUNICATION SERVICES	6.7	57.9
CONSUMER DISCRETIONARY	2.3	78.0
CONSUMER STAPLES	-0.7	25.4
ENERGY	18.0	51.7
FINANCIALS	11.6	58.0
HEALTH CARE	0.6	30.8
INDUSTRIALS	7.5	62.5
INFORMATION TECHNOLOGY	1.9	72.5
MATERIALS	6.5	77.4
REAL ESTATE	6.2	31.0
UTILITIES	0.8	23.8

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

Companies held in the portfolio during the quarter appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner. A complete list of holdings at March 31, 2021 is available on page 9 of this report.

Better economic data coupled with seemingly unlimited central bank liquidity led to rising management confidence and a surge in mergers and acquisition activity (M&A). Global M&A reached a new record of US$1.3 trillion, led by the US. Company CEO's were not the only market participants infected with high confidence, however; investors became more sanguine as well. The growth of special-purpose acquisition companies (SPACs), a "backdoor" means of taking private companies public with minimal regulatory scrutiny, accounted for an unprecedented 25% of all US deals.

Retail trading activity has risen sharply over the past year, with a record number of people opening online accounts, and option volumes rising dramatically. The speculative frenzy extended to initial public offerings (IPOs) in many markets, with shares of newly listed companies (many of them still loss-making) being met by strong institutional and retail demand. The animal spirits also took on some more exotic forms. Japanese online stockbroker Monex opened a new avenue for its retail customers by offering derivative swap contracts on Bitcoin via its own crypto-currency exchange. (Not coincidentally, Monex's share price has quadrupled over the past five months.) Perhaps most indicative of the markets' mood was the convergence of the crypto-currency and fine art markets, neither known for their integrity or transparency, as total sales of non-fungible tokens (NFTs) representing original digital artworks allegedly reached over half a billion dollars.

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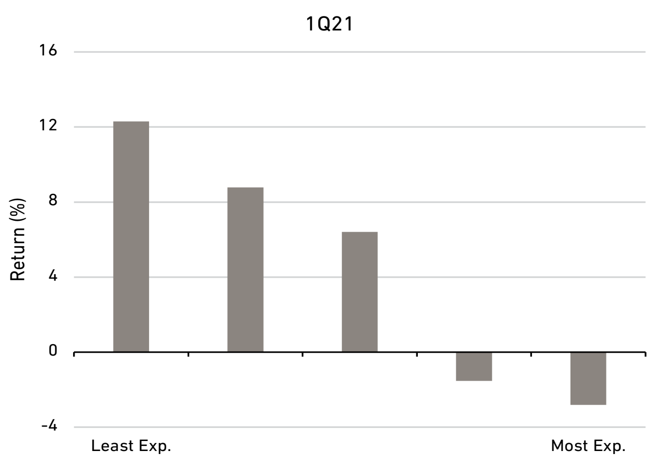
As homebuyers and corporate treasurers alike raced to lock in low interest rates, bond yields rose, with the yield on the US 10-year reaching nearly 1.75%, up from 0.93% at the start of the year. Commodity prices, particularly those linked with industrial activity such as iron ore and copper, jumped higher, while Brent crude rose to over US$60 per barrel, up 50% since November. The US dollar strengthened against most currencies on the back of rising US yields.

Sector performance reflected the improved economic outlook. Financials rebounded, aided by a steepening yield curve and surprisingly low credit defaults, while the Energy sector surged in lockstep with rising oil prices. Less-cyclical sectors—Consumer Staples, Health Care, and Utilities—all underperformed for the quarter. By region, Canada was a big outperformer, helped by its large weighting in banks and Energy. In Europe, the UK posted strong returns on the back of its expansive vaccination program. Within Emerging Markets (EMs), weakness in Brazil due to the Bolsonaro administration's disastrous pandemic response was offset by strength in Taiwan and Russia, where the global semiconductor shortage and the rise in the oil price helped the former's Information Technology (IT) and latter's Energy companies, respectively. China trailed by about 400 bps.

Viewed by style, a large divergence in performance between the ranges of valuation stood out, extending the style shift in favor of cheaper stocks and lower-quality companies that commenced in early November. The chart below shows how the performance gap between the cheapest and the most expensive quintile of global stocks reached a startling 15 percentage points over the last three months. Less markedly, lower-quality companies, typically those with higher leverage and more volatile revenues and earnings, outperformed high-quality companies and shares of slow-growth companies outperformed their faster-growing counterparts.

MSCI ACW INDEX TOTAL RETURNS BY VALUE RANK



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

PERFORMANCE AND ATTRIBUTION

The Global Equity composite returned 1.68% this quarter, trailing the benchmark, which returned 4.68%.

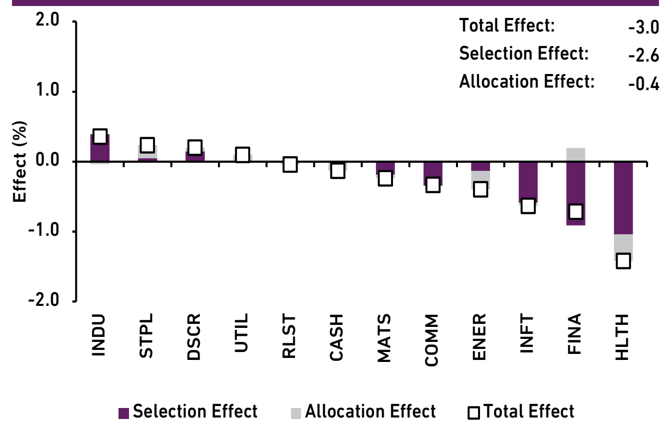
The style trends outlined above were detrimental to our portfolio.

Though the portfolio's overweight to Financials helped, these gains were undone by weak stocks as our holdings of Brazilian Financials (Itaú Unibanco and financial exchange B3) underperformed. Political uncertainties in Brazil, compounded by a recrudescence of the pandemic, exacerbated the market's concerns about the timing for any potential economic turnaround.

Our holdings in Health Care also detracted as two pharmaceutical companies—**Vertex Pharmaceuticals** in the US and **Chugai Pharmaceutical** in Japan—announced subdued outlooks for the year ahead. Another Japanese holding, blood testing instruments manufacturer **Sysmex**, retraced some of its previous strong performance after an upsurge in new coronavirus cases in some of its biggest markets diminished near-term prospects for a recovery of testing volumes for more prosaic medical conditions. Ironically, the investor interest in more cyclical sectors ignited by the prospect of successful mass vaccination tempered enthusiasm for the industry that helped spark the shifts, especially its most highly priced members. **Lonza**, **Abcam**, and **Genmab** all joined Chugai and Sysmex in suffering price declines of 9% or more.

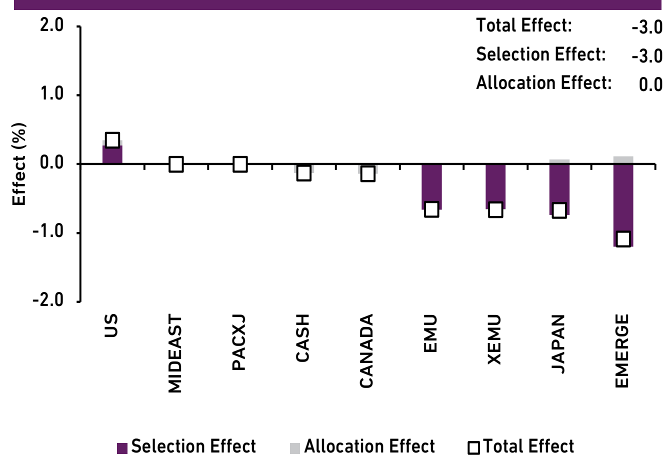
SECTOR PERFORMANCE ATTRIBUTION
FIRST QUARTER 2021

GLOBAL EQUITY COMPOSITE VS. MSCI ACW INDEX



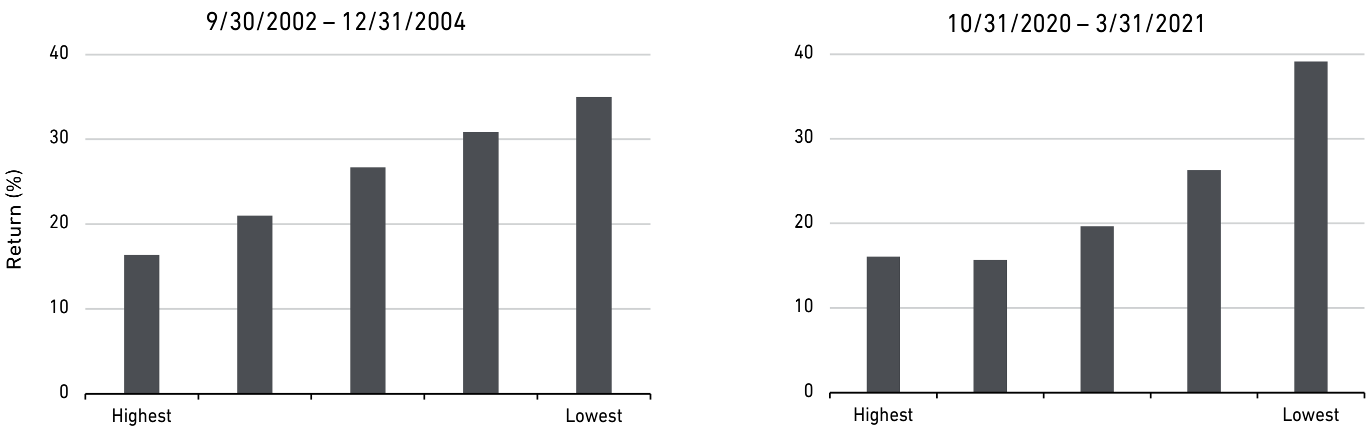
GEOGRAPHIC PERFORMANCE ATTRIBUTION
FIRST QUARTER 2021

GLOBAL EQUITY COMPOSITE VS. MSCI ACW INDEX



Source: FactSet; Harding Loevner Global Equity 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 the first page of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS Presentation.

MSCI ACW INDEX TOTAL RETURNS BY QUALITY RANK



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

From a geographic perspective, the biggest drag came from poor stocks within EMs. In addition to our Brazilian holdings, the portfolio was also hurt by further weakness of Polish video game producer **CD Projekt**. A ransomware attack delayed the company's efforts to patch its game *Cyberpunk 2077*, whose highly anticipated launch late last year was marred by bugs. Stock selection in China, however, was strong, especially **Trip.com Group**, which reported better-than-expected results thanks to a recovery in Chinese domestic travel. Returns in Europe outside the eurozone and Japan both lagged, mostly due to Health Care stocks.

In the US, where we increased our weight as part of our recent portfolio manager transition, two of our industrial holdings stood out: **John Deere** and **Protolabs**. John Deere delivered stronger-than-expected quarterly earnings and raised its guidance for the full-year. Sales of Deere's tractors and combine harvesters are underpinned by Chinese demand for agriculture products and the bioethanol market rebounding with oil prices. Shares of Protolabs, a provider of 3D printing and other rapid prototyping and mold machining services for manufacturing, extended their strong performance from last year and soared early in January after the company announced its intention to acquire another on-demand digital manufacturing platform. We took advantage of their runup to sell our position.

PERSPECTIVE AND OUTLOOK

For the best part of our 30-year existence we've invested in high-quality, growing companies. That means we understand only too well the slings and arrows of outrageous fortune that the market occasionally hurls the way of our quality-focused portfolio. During the recovery from the prolonged bear market that followed the bursting of the tech bubble in 2000 we suffered one of our worst periods of relative performance. As the profit slump—at the time the deepest since the 1930s—dragged into its second year, the US Federal Reserve led other central banks in further rounds of cutting interest rates in a bid to spur a stronger recovery. Investors who had fled the securities of barely profitable or highly leveraged companies reconsidered their cautious stance. Companies that were priced as if they might be the next round of bankruptcies suddenly looked like probable survivors, and their share prices leapt higher as investors adjusted to the upgraded prognosis. As cyclical and financial risks receded, stocks of the most stable companies, with ultra-conservative balance sheets and resilient profit margins, no longer transfixed investors, whose eyes wandered to less pristine corporate stories in hopes of a bargain. Over the ensuing 24 months, stocks of companies in the lowest tiers of quality, derided as junk, trounced by double digits those in the top tiers. Harding Loevner's Global Equity Strategy trailed the benchmark in both 2003 and 2004, in the latter by a large margin.

Judging by the performance of the different quintiles of the market sorted by our proprietary quality rankings, the shift in market style that coincided with the early November release of vaccine efficacy results matches in many ways the pattern of 2003-2004, and then some. The charts above compare the performance by quality quintile for each period. Whereas two decades ago it took over two years for the bottom quintile to outpace the top by 19 percentage points, this latest go-round has produced a 23 percentage point gap between the same two groups in just five months, with a mostly monotonic progression of performance down the tiers of quality: the worse you were, the better you did.

The earlier episode drove home the perils of being too risk-averse! While wallowing in the depths of a deep recession and long bear market, we took comfort from the resilience and reasonable valuation of the best companies and—despite the obvious chasm in relative valuations that had opened up between stocks of the best and the next-best, let alone the worst—ultimately lost sight of the opportunity cost of future returns from what we did not own.

Over the last couple of years, as valuations for high-quality and rapidly growing companies have risen steadily, we've had to make difficult trade-offs in attempting to balance our commitment to these company attributes against the prices their shares fetch. Historically our debate has mostly concerned the trade-off between valuation and growth, but in this nascent recovery from the pandemic, the real issue—at least as far as relative performance goes—has turned out to be related more to trading off valuation against quality. Growth, in contrast to quality, has not been a particularly good predictive factor recently: only the fastest growth quintile (sorted by our growth metric) has seriously lagged the index, while the other 80% of the market matched or bettered the market's average performance since the beginning of November.

Historically our debate has mostly concerned the trade-off between valuation and growth, but in this nascent recovery from the pandemic, the real issue—at least as far as relative performance goes—has turned out to be related more to trading off valuation against quality.

Although both high quality and faster growth have become highly priced in recent times, we've made no attempt to predict either inflation or interest rates, despite recognizing how these inputs have an immediate impact on stock valuations through their influence on discount rates. Considering such attempts a fool's errand, we do, however, recognize the value of certain market indicators, and take them for what they are: crowd-sourced forecasts. (See "TIPS to What's Really Going on with US Inflation," page 7.) Rather than try to predict changes in interest rates and discount rates, we remain focused on discerning the enduring characteristics of companies themselves—characteristics that tend to persist across business cycles and political eras.

Our investment process is designed to give analysts the freedom, with few exceptions, to "go anywhere," and locate the best businesses even in out-of-favor industries or countries. By keeping our opportunity set broad, always on the lookout for companies with strong competitive positions and secular growth tailwinds, the goal is to continuously furnish portfolio managers with sufficient raw materials from which to assemble diversified and differentiated portfolios of high-quality growing businesses. Our risk guidelines, including our portfolio limits on countries, sectors, and single companies, limit the worst of those inclinations, and we alter those limits only rarely and with great deliberation. Don't expect us to follow the current trend of some growth and momentum-oriented investors and to jettison our single holding limits to amass larger stakes in our favorite companies.

PORTFOLIO HIGHLIGHTS

Over the past year, the attractive valuation of high-quality companies in out-of-favor sectors has figured into our increased holdings of Energy and Financials. More recently, while we continue to be overweight the Financial sector, we have shifted the composition away from a group of banks located in struggling emerging economies in favor of enlarged holdings of two US banks: **SVB Financial Group** and **First Republic Bank**. Both cater to lucrative niche markets and prioritize impeccable service as a means to grow through referrals from their affluent and contented clientele. In Energy, another sector whose growth bona fides are often suspect, we bought two new holdings: **Schlumberger**, the largest global oil service company, and **Neste**, a global leader in the biodiesel market. We owned Schlumberger until early last year when we sold it after the sharp drop in oil prices. At the time, we felt that our remaining energy holding, ExxonMobil, with its stronger balance sheet, was in a better position to ride out the cyclical slump in oil demand and even perhaps take advantage of it by investing counter-cyclically. While ExxonMobil does plan to increase capital expenditure, we've been disappointed in its regrettable failure to address ongoing emission trends, which reflects poorly on management's foresight. As a result, we sold our ExxonMobil holdings and reinvested the proceeds in Schlumberger, whose management, in contrast, has continually invested, through good times and bad, to extend its technological lead in oil servicing. Its latest moves include improving its data analytics platform to enable customers to leverage their data for greater efficiencies and embarking on new clean energy ventures.

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Neste, for decades the only oil refiner in Finland, is poised to exploit Finland's EU membership. Over the last two decades Neste has developed technology that turns used cooking oil and waste animal fats into transport fuel and cultivated the requisite network to source and collect such feedstock. Most biodiesel fuels utilize crop-based feedstocks such as palm oil, a commodity many regard as responsible for deforestation; Neste's next-generation process does not. We expect regulators in Europe, as part of their efforts to mitigate climate change, to continually raise mandates for use of biofuels while simultaneously penalizing sources that emanate from palm oil. As the operator of the world's largest advanced biodiesel facility, Neste is placed squarely in front of this policy trend.

TIPS TO WHAT'S REALLY GOING ON WITH US INFLATION

By Edmund Bellord, Asset Allocation Strategist

Since we gather most of our insights close to the ground, where individual businesses actually compete, our collection of views about different companies rarely adds up to a coherent forecast for the bigger, economy-wide picture. But not forecasting the weather doesn't mean we don't peek out the window occasionally to see if we need an umbrella. Like many others, we can see the threatening cloud looming on the horizon as reflected in the steep run-up in US bond yields. With it, we recognize the potential for a revival of US inflation and what that implies for interest rates and asset markets globally, not to mention the attendant unpleasantness associated with richly priced growth stocks, whose longer-dated cash flows leave their intrinsic valuations acutely exposed to escalating real interest rates. Still, while the step-up in yields (more correction than tantrum so far) portends a blustery near-term US inflationary outlook, it's too early to tell if this is just a passing squall or something more menacing.

The outlays this time are hugely popular (turns out people love getting checks!), and a powerful recovery will only serve to strengthen the inevitable future appeals for additional interventions to rebuild infrastructure, say, or to green the economy.

The rise in yields has paralleled the shift in political winds, commencing after the Democrats secured (precarious) control of the US Senate with their sweep of the Georgia senatorial runoffs in early January, and then accelerating with their passage in March of the American Rescue Plan Act (ARPA). The Act promises to shower the US economy with an additional two trillion of freshly printed dollars.

By some measures, this latest fiscal outlay, which comes on top of the more than US$3 trillion of aid doled out last year, is far greater than the output gap it's trying to plug. Moreover, the economy already appears to be humming along at a brisk clip in anticipation of an imminent return to something approaching normalcy following a successful vaccine rollout. Potentially adding fuel to the prospective fire is the doubtless pent-up demand for travel and leisure activities, pre-funded by a mountain of household savings thought to reach an additional US$1.6 trillion. If the literal spring break riots in Miami Beach are anything to go by, consumers are understandably impatient to go forth into the world incautiously after over a year of enforced abstinence. This tsunami of demand is set to wash over a pandemic-battered economy still scarred by business closures and supply disruptions—the classic problem of too much money chasing too few goods, which could over time morph into a vicious circle of steadily rising prices. Commodity prices have already leapt ahead, and you don't have to look far to see shortages, from semiconductor chips to pipes. Under the circumstances, an increase in the price level seems all but inevitable.

More ominous for those concerned about the longer-term fiscal outlook is the reshaping of the political narrative surrounding fiscal policy. Until just recently, drumming up fears of government bankruptcy was a reliable wedge issue with bipartisan lip service paid to the notion of fiscal rectitude. Recall the doctrinaire concern that greeted the Recovery Act of 2009. Serious observers across the political spectrum were up in arms at the time, intoning loudly at the danger poised to the nation's fiscal health from bailing out profligate bankers and borrowers. The legislation was deeply unpopular, exacted a steep political price from its backers, and arguably contributed to the US losing its previously unblemished credit rating. But there's no one to point the finger at for the causes of the pandemic, and for the first time in half a century—perhaps reflexively sensing the unspoken threat to the entrenched political order posed by the populist temper—monetary and fiscal policy are united in a common purpose: to defeat the virus's aftereffects. The resulting outlays this time are hugely popular (turns out people love getting checks!), and a powerful recovery will only serve to strengthen the inevitable future appeals for additional interventions to rebuild infrastructure, say, or to green the economy.

Japan Says Hi

Given this backdrop it's no wonder that so many are warning of an inflationary upsurge. But not all the evidence is clear-cut in favor. For one, a steepening yield curve may signal higher inflation on the horizon, but it's equally plausible that it simply reflects a re-pricing of US growth expectations: a perspective that is bolstered by a strengthening US dollar, hardly a harbinger of an inflationary surge. Additionally, deficit hawks have been harping on about the dire fiscal situation pretty much from the moment the government borrowed its first dollar. And while the US is set to reach a new post-war record of debt to GDP, its ratio is still over a hundred percentage points below that of Japan, a country that hasn't been able to shake off disinflation even more persistent than in the US, keeping Japanese bond yields near zero.

Most tellingly for us, the Treasury Inflation-Protected Securities (TIPS) market, the natural barometer of investor

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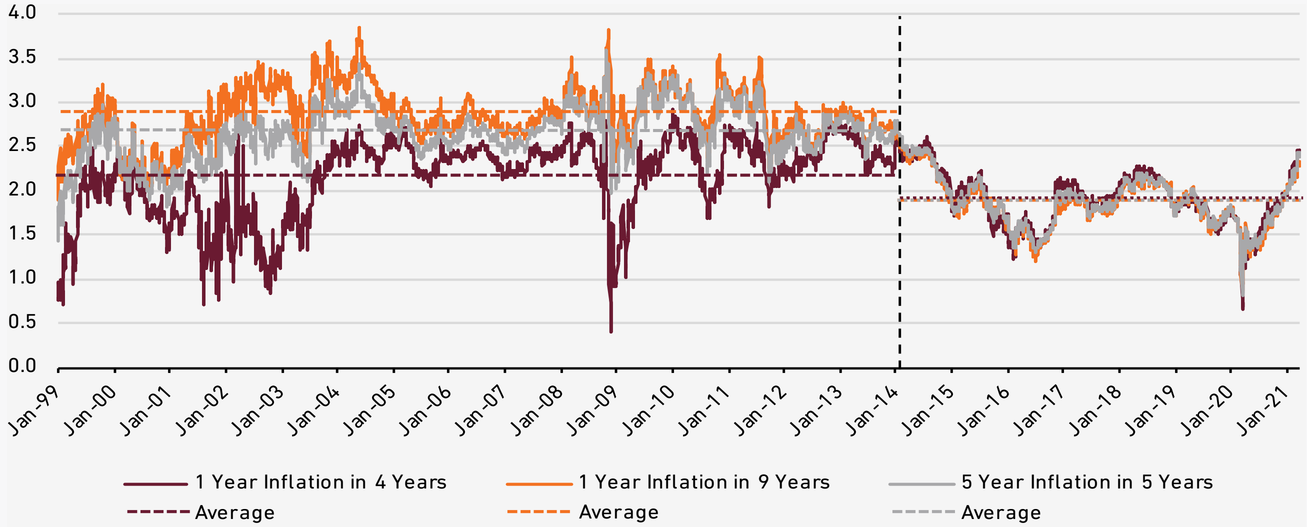
FORWARD BREAKEVEN INFLATION 1999-2021



Source: US Federal Reserve Board.

anxiety over prospective inflation, remains unruffled. One gauge of inflation fears is revealed by the difference in expectations for what inflation is likely to be at different points in the future, captured by what are known as forward inflation "break-evens" (also calculated as the difference between yields on TIPS and regular Treasuries). As can be seen in the chart above, prior to 2014 and all the talk of secular stagnation, break-evens tended to increase with maturity. For instance, the expected one-year inflation rate four years in the future, as shown by the maroon line, tended to be reliably below the expected one-year inflation rate in nine years, shown in solid orange. The difference between the two roughly amounted to the increased reward on offer for bearing inflation risk further out in the future. But since 2014 the difference in break-evens of different vintages has collapsed with barely any difference in the expected premium for bearing inflation risk one year or a decade hence. And while real yields and inflation break-evens have both moved higher we've yet to see a return to the pattern that existed prior to 2014.

Since 2014 the difference in the measurements of what inflation is likely to be at different points in the future has collapsed, with barely any difference in the expected premium for bearing inflation risk one year or a decade hence.

More to the point, prior to the pandemic, a full decade of aggressive monetary policy had failed to re-kindle growth in industrialized economies. Indeed, in some ways it may have made the situation worse, by artificially propping up asset prices and hindering the requisite reallocation of capital and labor. Several deflationary forces, including underlying global trade imbalances and deep wealth and income disparities, have only been further magnified by the pandemic and will not be easily unwound. While stimulating aggregate demand may help at the margin in the short term—replacing lost incomes and keeping businesses afloat—it's unlikely to have much of an impact on the ongoing mismatch between too much private savings and too little private consumption of actual goods and services, the bedrock of our low growth trap. And without addressing the deflationary substratum, any incipient inflation is likely to be strangled before it can take hold. At least that's what the TIPS market seems to be telling us. Just as the last round of tax cuts produced little more than a blink-or-you'll-miss-it growth spurt, once the effects of the additional spending have faded we may well also find ourselves back at square one, just with a lot more public debt.

GLOBAL EQUITY HOLDINGS (AS OF MARCH 31, 2021)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
ALPHABET Internet products and services	US	3.3
CD PROJEKT Video game developer	Poland	1.0
DISNEY Diversified media and entertainment provider	US	1.1
FACEBOOK Social network	US	2.5
KAKAKU.COM E-commerce retailer	Japan	0.0
NETEASE Gaming and internet services	China	1.1
TENCENT Internet and IT services	China	1.5
CONSUMER DISCRETIONARY		
ALIBABA E-commerce retailer	China	1.1
AMAZON.COM E-commerce retailer	US	3.0
EBAY E-commerce retailer	US	1.6
ETSY E-commerce retailer	US	1.1
NIKE Athletic footwear and apparel retailer	US	2.0
TRIP.COM GROUP Online travel services	China	1.1
VF CORPORATION Footwear and apparel retailer	US	0.9
CONSUMER STAPLES		
ESTÉE LAUDER Cosmetics manufacturer	US	1.1
L'ORÉAL Cosmetics manufacturer	France	1.0
ENERGY		
NESTE Oil refiner and engineering services	Finland	0.9
SCHLUMBERGER Oilfield services	US	1.3
FINANCIALS		
AIA GROUP Insurance provider	Hong Kong	1.2
B3 Clearing house and exchange	Brazil	1.0
BANK CENTRAL ASIA Commercial bank	Indonesia	1.1
CME GROUP Derivatives exchange and trading services	US	2.5
DBS GROUP Commercial bank	Singapore	1.2
FIRST REPUBLIC BANK Private bank and wealth manager	US	3.5
HDFC BANK Commercial bank	India	1.5
SVB FINANCIAL GROUP Commercial bank	US	3.5
TRADEWEB Electronic financial trading services	US	1.1
HEALTH CARE		
ABCAM Life science services	UK	1.1
ALCON Eye care products manufacturer	Switzerland	1.1
ALIGN TECHNOLOGY Orthodontics products manufacturer	US	1.7
CHUGAI PHARMACEUTICAL Pharma manufacturer	Japan	0.9
DANAHER Diversified science and technology products and services	US	0.9
EDWARDS LIFESCIENCES Medical device manufacturer	US	0.9
GENMAB Biotechnology producer	Denmark	0.7
ILLUMINA Life science products and services	US	2.7
INTUITIVE SURGICAL Medical equipment manufacturer	US	0.9
IQVIA Health care services	US	0.8
LONZA Life science products manufacturer	Switzerland	0.8
ROCHE Pharma and diagnostic equipment manufacturer	Switzerland	1.2
SYSMEX Clinical laboratory equipment manufacturer	Japan	1.3
THERMO FISHER SCIENTIFIC Health care products and services	US	1.3
UNITEDHEALTH GROUP Health care support services	US	1.1
VERTEX PHARMACEUTICALS Pharma manufacturer	US	2.1
WUXI BIOLOGICS Biopharma manufacturer	China	0.7
INDUSTRIALS		
AMETEK Electronic instruments and electromechanical devices mfg.	US	1.0
ATLAS COPCO Industrial equipment manufacturer	Sweden	1.1
COUNTRY GARDEN SERVICES Residential property manager	China	0.8
EPIROC Industrial equipment manufacturer	Sweden	0.3
JOHN DEERE Industrial equipment manufacturer	US	2.9
MISUMI GROUP Machinery-parts supplier	Japan	0.4
ROPER Diversified technology businesses operator	US	0.8
SCHNEIDER ELECTRIC Energy management products	France	1.2
SPIRAX-SARCO Industrial components manufacturer	UK	0.5
VAT GROUP Vacuum valve manufacturer	Switzerland	0.6
VERISK Risk analytics and assessment services	US	0.8
INFORMATION TECHNOLOGY		
ACCENTURE Professional services consultant	US	1.1
ADOBE Software developer	US	1.8
ADYEN Payment processing services	Netherlands	1.0
APPLE Consumer electronics and software developer	US	1.0
ASML Semiconductor equipment manufacturer	Netherlands	1.3
EPAM IT consultant	US	1.4
KEYENCE Sensor and measurement equipment manufacturer	Japan	0.8
MASTERCARD Electronic payment services	US	0.9
MICROSOFT Consumer electronics and software developer	US	2.0
NVIDIA Semiconductor chip designer	US	1.2
PAYPAL Electronic payment services	US	3.9
SALESFORCE.COM Customer relationship management software	US	1.0
SAMSUNG ELECTRONICS Electronics manufacturer	South Korea	1.2
SYNOPSYS Chip-design software developer	US	1.3
TEAMVIEWER Remote connectivity software developer	Germany	1.2
TSMC Semiconductor manufacturer	Taiwan	1.2
WORKDAY Enterprise resource planning software	US	1.0
XERO Accounting software developer	Australia	0.2
MATERIALS		
No Holdings		
REAL ESTATE		
No Holdings		
UTILITIES		
ENN ENERGY Gas pipeline operator	China	0.5
CASH		3.2

Model 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.

1Q21 CONTRIBUTORS TO RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST CONTRIBUTORS	SECTOR	PORT	INDEX	EFFECT
JOHN DEERE	INDU	2.5	0.2	0.61
SVB FINANCIAL GROUP	FINA	3.1	0.0	0.42
PROTOLABS	INDU	0.2	0.0	0.27
APPLE	INFT	1.8	3.6	0.27
FIRST REPUBLIC BANK	FINA	3.3	0.1	0.21

LAST 12 MOS CONTRIBUTORS TO RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST CONTRIBUTORS	SECTOR	PORT	INDEX	EFFECT
PAYPAL	INFT	4.4	0.4	3.07
THE TRADE DESK	INFT	0.4	0.0	1.14
SVB FINANCIAL GROUP	FINA	1.5	0.0	1.10
ALIGN TECHNOLOGY	HLTH	1.4	0.1	1.02
JOHN DEERE	INDU	1.6	0.1	0.97

1Q21 DETRACTORS FROM RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST DETRACTORS	SECTOR	PORT	INDEX	EFFECT
CD PROJEKT	COMM	1.1	0.0	-0.57
ITAÚ UNIBANCO	FINA	1.2	0.0	-0.41
TEAMVIEWER	INFT	1.0	0.0	-0.35
VERTEX PHARMACEUTICALS	HLTH	2.2	0.1	-0.30
VERISK	INDU	1.0	0.1	-0.22

LAST 12 MOS DETRACTORS FROM RELATIVE RETURN (%)

		AVG WEIGHT		
LARGEST DETRACTORS	SECTOR	PORT	INDEX	EFFECT
VERTEX PHARMACEUTICALS	HLTH	3.0	0.1	-1.55
CD PROJEKT	COMM	0.7	0.0	-1.10
TESLA*	DSCR	0.0	0.6	-0.74
AIA GROUP	FINA	1.8	0.2	-0.54
TSMC	INFT	0.3	0.7	-0.38

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

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL GLOBAL	MSCI ACWI
PROFIT MARGIN[1] (%)	19.8	12.2
RETURN ON ASSETS[1] (%)	9.3	6.3
RETURN ON EQUITY[1] (%)	19.0	14.1
DEBT/EQUITY RATIO[1] (%)	42.4	72.2
STD DEV OF 5 YEAR ROE[1] (%)	4.6	5.6
SALES GROWTH[1,2] (%)	12.5	5.1
EARNINGS GROWTH[1,2] (%)	16.9	8.2
CASH FLOW GROWTH[1,2] (%)	17.0	9.6
DIVIDEND GROWTH[1,2] (%)	9.2	8.4
SIZE & TURNOVER	**HL GLOBAL**	**MSCI ACWI**
WTD MEDIAN MKT CAP (US $B)	70.3	82.7
WTD AVG MKT CAP (US $B)	280.1	301.1
TURNOVER[3] (ANNUAL %)	31.6	—

RISK AND VALUATION	HL GLOBAL	MSCI ACWI
ALPHA[2] (%)	3.65	—
BETA[2]	0.98	—
R-SQUARED[2]	0.93	—
ACTIVE SHARE[3] (%)	86	—
STANDARD DEVIATION[2] (%)	14.55	14.35
SHARPE RATIO[2]	1.12	0.88
TRACKING ERROR[2] (%)	4.0	—
INFORMATION RATIO[2]	0.93	—
UP/DOWN CAPTURE[2]	110/93	—
PRICE/EARNINGS[4]	35.4	24.6
PRICE/CASH FLOW[4]	31.1	16.1
PRICE/BOOK[4]	5.8	2.6
DIVIDEND YIELD[5] (%)	0.7	1.7

[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 Global Equity 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 Global Equity Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
ADYEN	NETHERLANDS	INFT
ENN ENERGY	CHINA	UTIL
NESTE	FINLAND	ENER
SCHLUMBERGER	US	ENER
TEAMVIEWER	GERMANY	INFT
UNITEDHEALTH GROUP	US	HLTH

POSITIONS SOLD	COUNTRY	SECTOR
ITAÚ UNIBANCO	BRAZIL	FINA
KONE	FINLAND	INDU
NETWORK INTERNATIONAL	UK	INFT
PROTOLABS	US	INDU
SYMRISE	GERMANY	MATS

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 Global Equity Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

GLOBAL EQUITY COMPOSITE PERFORMANCE (AS OF MARCH 31, 2021)

	HL GLOBAL EQUITY GROSS (%)	HL GLOBAL EQUITY NET (%)	MSCI ACWI[1] (%)	MSCI WORLD[2] (%)	HL GLOBAL EQUITY 3-YR STD DEVIATION[3] (%)	MSCI ACWI 3-YR STD DEVIATION[3] (%)	MSCI WORLD 3-YR STD DEVIATION[3] (%)	INTERNAL DISPERSION[4] (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS ($M)	FIRM ASSETS ($M)
2021 YTD[5]	1.68	1.58	4.68	5.04	17.73	17.64	17.86	N.A.[6]	29	18,915	74,230
2020	31.22	30.68	16.82	16.50	18.17	18.12	18.26	0.3	30	18,897	74,496
2019	30.17	29.64	27.30	28.40	12.56	11.21	11.13	0.2	29	14,139	64,306
2018	-9.35	-9.75	-8.93	-8.20	11.85	10.48	10.39	0.2	30	10,752	49,892
2017	33.26	32.66	24.62	23.07	11.16	10.37	10.24	0.2	27	8,946	54,003
2016	7.13	6.62	8.48	8.15	11.37	11.07	10.94	0.1	29	7,976	38,996
2015	2.65	2.18	-1.84	-0.32	11.16	10.78	10.80	0.5	28	7,927	33,296
2014	6.91	6.43	4.71	5.50	10.82	10.48	10.21	0.3	31	9,961	35,005
2013	21.64	21.12	23.44	27.37	13.92	13.92	13.52	0.5	32	11,165	33,142
2012	18.44	17.98	16.80	16.54	16.49	17.11	16.72	0.1	25	9,071	22,658
2011	-6.96	-7.31	-6.86	-5.02	19.03	20.59	20.16	0.2	13	5,316	13,597

[1]Benchmark Index; [2]Supplemental Index; [3]Variability of the composite, gross of fees, and the Index returns over the preceding 36-month period annualized; [4]Asset-weighted standard deviation (gross of fees); [5]The 2021 YTD performance returns and assets shown are preliminary; [6]N.A.–Internal dispersion less than a 12-month period.

The Global Equity Composite contains fully discretionary, fee-paying accounts investing in US and non-US equity and equity-equivalent securities and cash reserves, and is measured against the MSCI All Country World Total Return Index (Gross) for comparison purposes. Returns include the effect of foreign currency exchange rates. The exchange rate source of the benchmark is Reuters. The exchange rate source of the Composite is Bloomberg. Additional information about the benchmark, including the percentage of composite assets invested in countries or regions not included in the benchmark, is available upon request.

The MSCI All Country World 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 50 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 23 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 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 Global Equity Composite has been examined for the periods December 1, 1989 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 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. The management fee schedule and total expense ratio for the Global Equity Collective Investment Fund, which is included in the composite, are 0.67% on all assets and 0.72%, 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 Global Equity Composite was created on November 30, 1989 and the performance inception date is December 1, 1989.

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