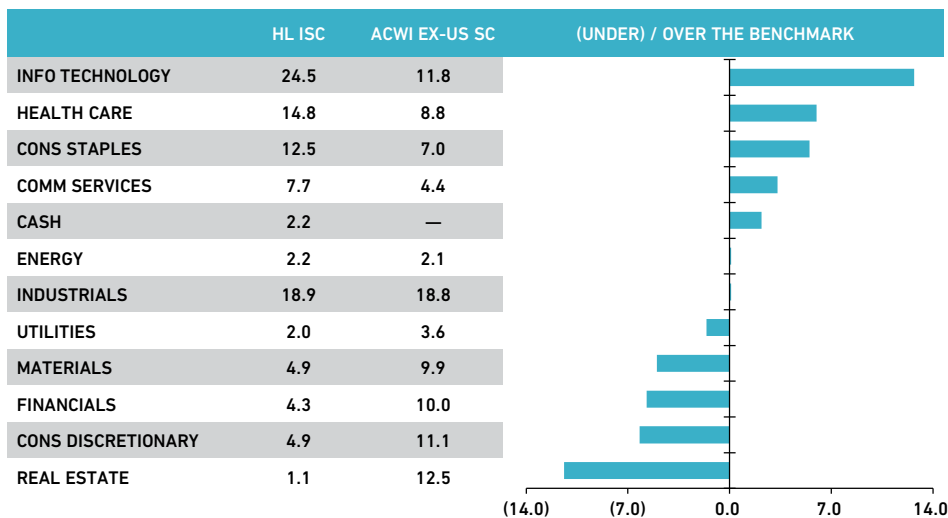
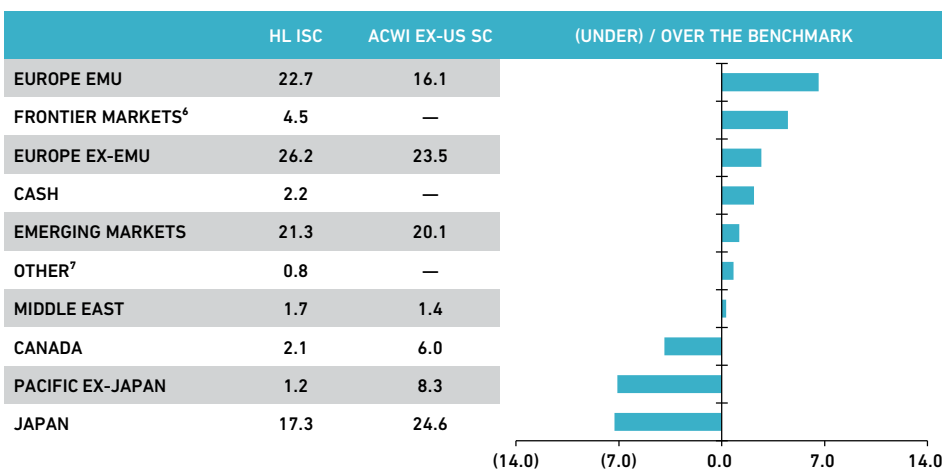


**COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED MARCH 31, 2020<sup>1</sup>**

	3 MONTHS	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL INTL SMALL COMPANIES (GROSS OF FEES)	-26.17	-14.74	0.71	2.62	7.23	6.45
HL INTL SMALL COMPANIES (NET OF FEES)	-26.39	-15.71	-0.38	1.53	6.07	5.28
MSCI ALL COUNTRY WORLD EX-US SMALL CAP INDEX <sup>4,5</sup>	-28.94	-20.84	-4.51	-0.44	3.16	2.04

<sup>1</sup>The Composite performance returns shown are preliminary; <sup>2</sup>Annualized Returns; <sup>3</sup>Inception Date: December 31, 2006; <sup>4</sup>The Benchmark Index; <sup>5</sup>Gross of withholding taxes.

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 (%)**

**GEOGRAPHIC EXPOSURE (%)**


<sup>6</sup>Includes countries with less-developed markets outside the Index; <sup>7</sup>Includes companies classified in countries outside the index.

Sector and geographic allocations are supplemental information only and complement the fully compliant International Small Companies Composite GIPS Presentation.

Source: Harding Loevner International Small Companies 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.

**WHAT'S INSIDE**
**Market Review >**

Stocks of international small companies plummeted 29% in the quarter as the COVID-19 pandemic engulfed the planet.

**Performance and Attribution >**

Sources of relative return by region and sector.

**Perspective and Outlook >**

By not compromising on our commitment to strong balance sheets when times are good, we reduce losses arising from financial distress when the tide of easy credit and abundant demand inevitably recedes.

**Portfolio Highlights >**

We made only slight changes to the portfolio during the quarter as we responded to shifting valuations and revisions to our outlook for companies.

**Portfolio Holdings >**

Information about the companies held in our portfolio, and completed transactions.

**Portfolio Facts >**

Contributors, detractors, and characteristics.

**ONLINE SUPPLEMENTS**


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## MARKET REVIEW

Stocks of international small companies plummeted 29% in the quarter as the COVID-19 pandemic engulfed the planet. The size and speed of equity market declines globally were unprecedented, with volatility reaching levels not seen since the global financial crisis. Small caps underperformed their large peers by six percentage points, with all regions and sectors finishing in negative territory.

The year began with rising expectations for earnings growth amid de-escalating US-China trade tensions, but the optimism quickly evaporated in January as a new coronavirus claimed its first victims in China and spread from its origin in Wuhan to other parts of the country. By mid-February, Chinese authorities locked down the entire province of Hubei, an area the size of Illinois but, at nearly 60 million people, four times its population. Within a month, the World Health Organization declared the outbreak a global pandemic. Although the respiratory disease spread first in Asia, the epicenter shifted rapidly to Europe and the US. By quarter-end, the infection had spread to over 180 countries, and governments everywhere were struggling to contain the disease and its fallout. The ensuing travel restrictions, business closures, and home confinements brought economic activity to a shuddering stop.

A severe global recession is now at hand. One data point from first-affected China—a 79% decline in nationwide auto sales in February—is a harbinger of the speed and depth of declines in economic activity we should expect elsewhere. Exacerbating the turmoil, Saudi Arabia decided to retaliate against Russia for its unwillingness to curb oil production, flooding the market with excess supplies of oil. A price war between two of the world's largest oil producers amid a collapse in demand pushed oil prices down to an 18-year low of just under US\$23 for Brent crude.

**A severe global recession is now at hand. One data point from first-affected China—a 79% decline in nationwide auto sales in February—is a harbinger of the speed and depth of declines in economic activity we should expect elsewhere.**

While global equity markets gyrated violently, government bond yields in developed markets plumbed new lows. As the health crisis morphs into a full-blown economic crisis, policymakers are grappling with how to respond. On the monetary front, central bankers have pulled out all the stops. The Bank of England pledged unlimited support to large company financings, the US Federal Reserve lowered short-term rates to near-zero and unveiled aggressive actions to keep credit flowing, and the European Central Bank expanded its asset purchase program, relaxing its asset eligibility requirements for both sovereign and corporate issuers. The People's Bank of China cut its reserve requirement ratio—twice—hoping to spur bank lending. On the fiscal front, governments have re-

## MARKET PERFORMANCE (USD %)

MARKET	1Q 2020	TRAILING 12 MONTHS
CANADA	-37.6	-28.4
EMERGING MARKETS	-31.3	-28.3
EUROPE EMU	-29.1	-19.4
EUROPE EX-EMU	-31.6	-19.9
JAPAN	-20.1	-10.6
MIDDLE EAST	-25.9	-4.1
PACIFIC EX-JAPAN	-32.7	-28.9
MSCI ACW EX-US SC INDEX	-29.0	-20.8

## SECTOR PERFORMANCE (USD %) OF THE MSCI ACW EX-US SMALL CAP INDEX

SECTOR	1Q 2020	TRAILING 12 MONTHS
COMMUNICATION SERVICES	-27.8	-20.0
CONSUMER DISCRETIONARY	-36.3	-30.3
CONSUMER STAPLES	-16.1	-14.0
ENERGY	-53.7	-55.0
FINANCIALS	-32.2	-26.2
HEALTH CARE	-15.0	-6.6
INDUSTRIALS	-32.0	-23.9
INFORMATION TECHNOLOGY	-24.5	-6.2
MATERIALS	-29.9	-22.5
REAL ESTATE	-28.0	-16.4
UTILITIES	-21.7	-9.7

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

sponded with massive spending plans, dwarfing the rescue programs from the global financial crisis. The United States passed a US\$2.2 trillion economic relief package, and European governments pledged hundreds of billions of euros to mitigate the sudden losses of personal and corporate incomes. Chinese officials committed to increase spending on infrastructure projects.

Currency effects were large in the quarter, as domestic demand for US dollar liquidity combined with overseas demand roiled money markets in many countries where companies or governments have incurred substantial dollar debts. Currencies of energy exporting countries fell hard as market participants adjusted for worsened terms of trade. Only the perceived safe havens of the Swiss franc and the Japanese yen, along with the Hong Kong dollar, managed any appreciation against the US dollar, while several Emerging Markets currencies fell more than 20%. The euro and the yuan fell only slightly.

Consistent with the fraught economic backdrop, non-cyclical sectors outperformed in the quarter. Health Care performed best: drug and medical device sales are typically less sensitive in recessions and may even see an uplift in the event of new treatments or diagnostics for COVID-19. Consumer Staples also outperformed as demand for essential household products, un-

like discretionary goods, is expected to remain stable in the face of consumers self-isolating. Information Technology (IT), normally a cyclical sector, outperformed in the decline, too. Energy stocks fell in sympathy with the dramatic fall in oil prices. Industrials, Consumer Discretionary, Materials, and Financials performed poorly, anticipating the overall decline in economic activity and likely increase in defaults.

Viewed by geography, Japan was the best-performing “region” as the country had yet to be significantly impacted by the virus. EMs performed largely in line with developed markets, despite having several countries—such as Indonesia, Russia, and Brazil—that are reliant on commodities and energy. China, the best-performing country globally, proved to be the most resilient despite being the locus of the outbreak, perhaps reflecting the success of domestic containment efforts once the virus was identified. Canada, another commodity and energy-exposed region, underperformed.

Style effects in the quarter showed a clear investor preference for safety, which accelerated through mid-March before slightly easing following the passage of the US stimulus package. High-quality, growing companies—that is, those with more consistent returns and low leverage—outperformed those with more cyclical revenues and higher debt loads. Value also underperformed by a wide margin.

## ■ PERFORMANCE AND ATTRIBUTION

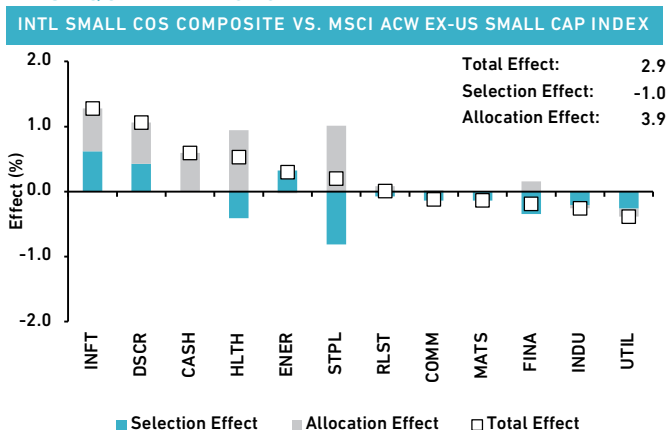
The International Small Companies composite fell 26% in the quarter, less than the benchmark's 29% decline.

By sector, our longstanding overweight to IT, specifically the Software and Services industry group, contributed to our relative performance. Shares of **Kinaxis**, a Canada-based provider of supply-chain management software, outperformed the market after the company announced in February that its cloud software order backlog had grown 40% year-on-year. As we discuss later, the pandemic's impact on supply chains has increased demand for Kinaxis's core product. IT consulting and systems integrator **Bechtel** also outperformed. In early February, the German company said its fourth-quarter revenue grew 18%, well above investors' expectations and an acceleration from the year prior. Management also remained cautiously optimistic for 2020.

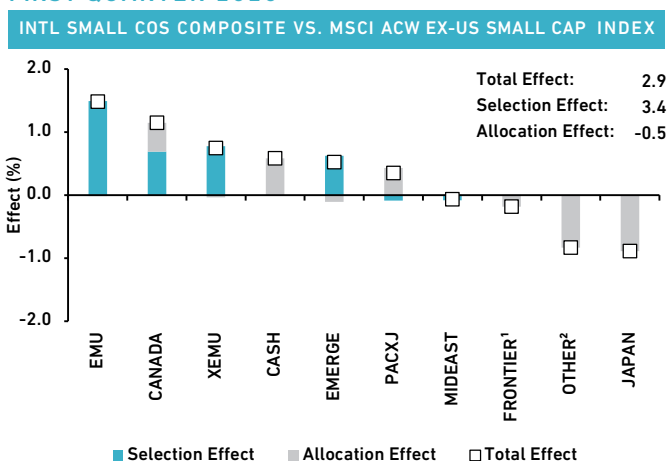
Poor selection in Industrials hurt our relative returns. **Senior**, a UK-based aerospace parts supplier that was already reeling from the grounding of Boeing's 737-MAX jetliner, is also now

*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, 2020 is available on page 8-9 of this report.*

## SECTOR PERFORMANCE ATTRIBUTION FIRST QUARTER 2020



## GEOGRAPHIC PERFORMANCE ATTRIBUTION FIRST QUARTER 2020



<sup>1</sup>Includes countries with less-developed markets outside the Index; <sup>2</sup>Includes companies classified in countries outside the index. Source: FactSet; Harding Loevner International Small Companies 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.

dealing with the effects of the pandemic. Demand for aircraft components has plummeted as people avoid air travel. Our weak stocks in Communications Services also dented performance. **Pico Far East**, a Hong Kong-based company that hosts trade shows, saw its business collapse amid coronavirus-related cancellations. Indian telecom provider **Bharti Infratel** continued to experience regulatory pressure in its home market. One of the company's major tower tenants faces bankruptcy, further jeopardizing Bharti Infratel's prospects.

Resilient stocks in Europe, particularly those inside the monetary union, boosted our relative performance. Shares of **Stratec**, a Germany-based producer of health care diagnostic equipment, held up amid the sell-off. **DiaSorin**, an Italian producer of reagents for in-vitro diagnostics, rose in March after

it announced the development of a test to confirm coronavirus cases, though supply-chain constraints have slowed its production. Our underweight in Japan also detracted.

## ■ PERSPECTIVE AND OUTLOOK

In the first weeks of the year, stock markets outside China largely shrugged off reports of an emerging epidemic and its potential to cause material harm to the global economy. Investors made a mental leap, drawing parallels between the new outbreak with ones from the recent past such as the SARS coronavirus in 2003 and the H1N1 swine flu in 2009, neither of which had a material or lasting impact on the worldwide economy. But as the new coronavirus engulfed other countries, the analogizing shifted to another epidemiological episode: the 1918 influenza pandemic, which killed roughly 50 million people globally. Like a century ago, governments imposed quarantines, restricted travel, and ordered social distancing—in effect, putting their economies into medically induced comas to save lives and protect health care systems. By the end of the quarter, investors had priced in a sharp drop in economic activity, wiping out trillions of dollars of market value.

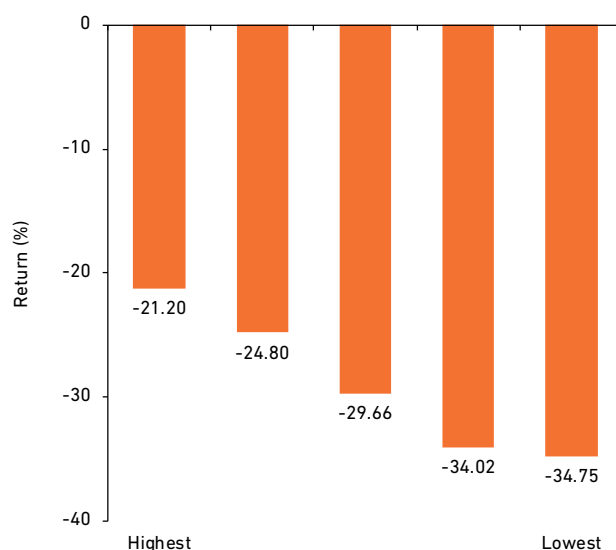
This is not the first time an unforeseen catastrophic event has triggered an economic crisis. Nor will it be the last. To survive any type of crisis, advance preparation is crucial. For us, this advanced preparation takes the form of an investment process based on four essential criteria: we invest only in companies that possess a competitive advantage, can generate sustainable superior long term growth, have superior financial strength to support that growth and withstand difficult economic and credit environments, and have management with the foresight and dynamism to apply these strengths to changing challenges and opportunities for the benefit of shareholders.

**This is not the first time an unforeseen catastrophic event has triggered an economic crisis. Nor will it be the last. To survive any type of crisis, advance preparation is crucial.**

Sometimes, when the storm is upon you, the least exciting aspect of your preparation reveals itself to be critical. We think the most immediately important preparation our approach provides is our insistence on financial strength. By not compromising on our commitment to strong balance sheets when times are good, we reduce losses arising from financial distress when the tide of easy credit and abundant demand inevitably recedes. We can therefore place greater confidence on our estimates of the long-term value of our companies, for if a company is to enjoy the growth in an economic recovery it must first survive the transient shock. Currently, the debt to equity ratio of our portfolio companies is meaningfully lower than that of the benchmark (21% vs 50%); this is but one of the dimensions of financial strength that we consider.

In the first quarter, small companies with the lowest debt burdens outperformed, as the following chart detailing returns by interest coverage ratio indicates. We believe the market's focus is correct, particularly for small caps, which can face more difficulty accessing credit than large companies in periods of distress. Because a company's finances can change quickly, our analysts are evaluating the pandemic's potential impact on their respective companies, scrutinizing them for new and newly heightened risks to their investment theses. So far, unsurprisingly, analysts are finding the impact varies markedly by sector.

MSCI AC WORLD EX USA SMALL CAP INTEREST COVERAGE (QTD THROUGH 3/31/20)



Source: FactSet; Harding Loevner. Run date as of April 8, 2020.

As noted earlier, airplane parts supplier Senior is highly exposed to the aviation industry's freefall. As of March 31, major airlines worldwide have slashed capacity by more than half, and the International Air Travel Association reported they might lose as much as US\$252 billion in passenger revenue in 2020. The airlines are furiously cutting costs to survive, testing the financial strength of plane manufacturers Airbus and Boeing as well as their suppliers. We have reviewed Senior's financial position with its management. The company's net debt is manageable, and it has only £15 million in debt coming due this year. Before the crisis, Senior was planning £50 million of capital expenditures and £20 million of dividends. These will surely be curtailed to preserve cash. By employing these types of cash-saving measures, we think the company can weather a 70% drop in EBITDA without breaching its debt covenants. Our analyst notes that Senior has a long history of generating free cash, even in downturns, and we believe its management is capable of steering the company through this challenging period.

**Our analyst notes that Senior has a long history of generating free cash, even in downturns, and we believe its management is capable of steering the company through this challenging period.**

Our companies in IT, a sector that has generally held up during the crisis thus far, have done relatively well. An example is supply-chain software developer Kinaxis. The forced closure of factories around the world is leading many companies to reassess their supply chains. Interest has surged in Kinaxis's flagship product, RapidReponse, which allows its customers to analyze and reconfigure their supply chains in real-time. Thanks to its low fixed costs, debt-free balance sheet, and access to short-term revolving credit, we have no concern about the company's financial condition. In fact, Kinaxis is using its cash during the crisis to enhance its competitive advantage by investing in sales and marketing and to jump on growth opportunities. In late February, it bought Prana, a long-time service partner based in India. This acquisition will add highly skilled employees who are familiar with RapidResponse and establish an important hub from which the company can offer expanded services to regional customers.

The pandemic's impact on most of our companies will not be as dire as that on Senior or as positive as Kinaxis. The rest, which fall somewhere in between, require scrutiny as the crisis unfolds. DiaSorin, an Italian-based manufacturer of specialty tests for infectious diseases like mumps and measles, hypertension, and blood disorders, is a case in point. Though its business continues to operate amid lockdowns, demand for tests unrelated to COVID-19 has dropped as patients delay all but the most essential medical procedures and tests. With a net cash position, however, we are not concerned about its finances. Another example is **Cosmos Pharmaceutical**, a Japanese small-format discount drug store that primarily sells food, cosmetics, and over-the-counter pharmaceuticals. In March, Cosmos reported its same-store sales grew 11% in February over last year, largely due to increased demand for face masks, cleaning products, and food. To the extent that stockpiling accounted for some portion of that growth, volume growth will inevitably slow, but the company's strong net cash position will help it weather the crisis.

## ■ PORTFOLIO HIGHLIGHTS

We made only slight changes to the portfolio during the quarter as we responded to shifting valuations and revisions to our outlook for companies. Our portfolio's sectoral profile was essentially unchanged: we retained our longstanding overweight to IT, Health Care, and Consumer Staples and underweight to Financials, Consumer Discretionary, and Real Estate.

Several transactions involved Consumer Staples, a sector that typically holds up better than others in troubled times. As discussed last quarter, we favor small Staples companies that have a dominant market share (albeit in narrower niches than

their larger counterparts), strong brands, financial strength, and capable management. A new holding, Egyptian snack producer **Edita Food Industries**, fits that mold. It has a dominant position in cakes and croissants. In late 2019, the company's shares fell sharply after it encountered increased competition in cakes. We took advantage of the opportunity to establish a position at a reasonable price. Management has taken steps to address the challenge, including launching new products and ramping up its marketing, that we expect to bear fruit this year. We also added to our position in **Alicorp**, Peru's dominant consumer packaged goods company. Alicorp continues to find growth by focusing its marketing efforts on product categories where it has lagged rivals. The company is also continuously repositioning its products to ensure they are competitive in value segments.

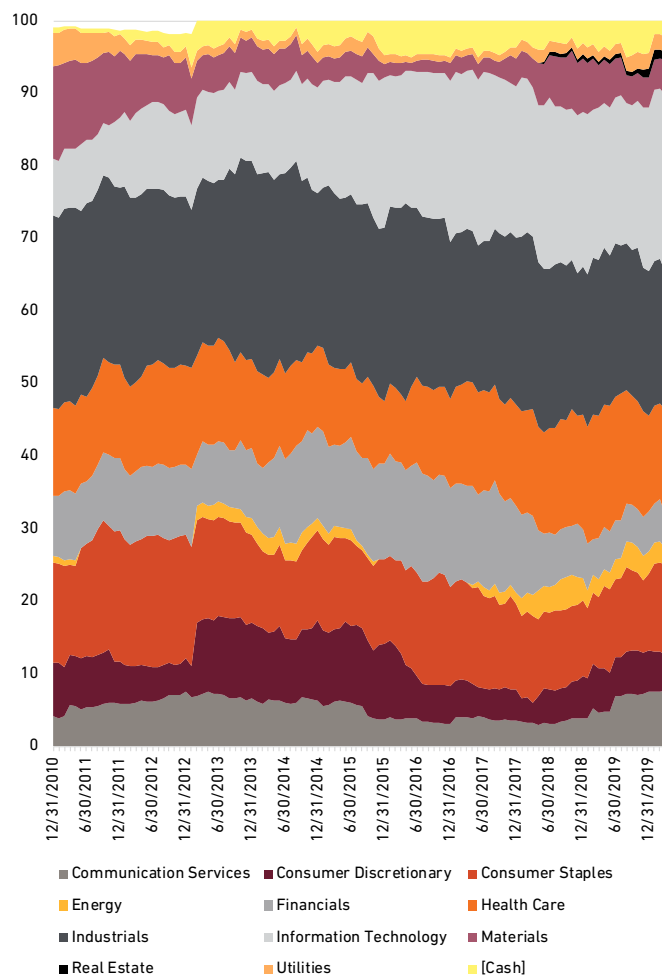
We sold two Staples companies this quarter. Although **Nestlé Nigeria's** sales growth remains intact, our analyst detected a deterioration in working capital due to regulatory changes that require the company to make advanced payments to suppliers. The change alone is not a material concern given the company's strong balance sheet. However, with the collapse in oil prices, Nestlé Nigeria's exposure to US dollar-denominated debt, and the rising risk of a currency devaluation, we thought it prudent to exit the position and monitor developments from the sidelines. We also sold Kenya's **East African Breweries** due to increasing competitive pressure from a new entrant, Carlsberg.

In Consumer Discretionary, we sold our position in **Coway**, a South Korea-based home appliance maker, due to corporate governance concerns. The company's management team, which was recently appointed by a new controlling shareholder, lowered guidance and cut the dividend. The company also said it expects no earnings growth due to new investments across various business segments that it did not identify.

As the chart on the following page shows, our overweight to IT has grown significantly over time. It reflects the sector's fertility as a hunting ground for high-quality businesses with long-term growth prospects. In reviewing the portfolio's risk profile last year, we noticed that our IT holdings were contributing significantly to the portfolio's overall risk, in terms of volatility, beta, and tracking error. To mitigate these risks, we trimmed or sold some of the most expensive companies in this sector. In hindsight, this activity was costly: performance would have benefited from having even more exposure to IT in the first quarter's sell-off.

The recent market volatility enabled us to buy **SimCorp**, a Denmark-based IT company that is a leading provider of software for asset management operations and that we have long admired. The company has been transitioning to a software as a service (SaaS) business model, which should result in its recurring revenue over time, currently about 50%, rising over time. SimCorp has also recently hired a Microsoft veteran to be its chief technology officer. We believe that his experience in developing cloud applications will help with SimCorp's SaaS transition.

## PORTFOLIO ABSOLUTE WEIGHTS



Source: FactSet; Harding Loevner. Run date as of April 1, 2020.

We also had some activity in Communications Services, including one new purchase. **TIME dotCom Berhad**, a telecommunication infrastructure provider serving Malaysia, Singapore, Thailand, Vietnam, and Cambodia. The Malaysian company has a 100% fiber-based network and enjoys strong demand for its services across its territories. As the pandemic leads to permanent changes in how people interact and work, TIME dotCom is poised to benefit. In contrast, we exited our position in Bharti Infratel, a leading telecommunications tower company in India. We believe the recent merger of wireless telecom companies in India will result in fewer tenancies on Infratel's towers, weakening its revenue growth and return on capital.

## INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF MARCH 31, 2020)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)	SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
<b>COMMUNICATION SERVICES</b>			<b>HEALTH CARE</b>		
CHEIL WORLDWIDE Marketing and advertising services	South Korea	0.3	FINDEX Health care software developer	Japan	0.3
IPSOS Market-research services	France	0.0	INTEGRATED DIAGNOSTICS Medical laboratory services	Egypt	0.8
MEGACABLE Cable operator	Mexico	0.7	NAKANISHI Dental instruments manufacturer	Japan	1.9
PARADOX INTERACTIVE Video game publisher	Sweden	1.9	SQUARE PHARMACEUTICALS Pharma manufacturer	Bangladesh	0.4
PICO FAR EAST HOLDINGS Event marketing services	Hong Kong	0.5	STRATEC BIOMEDICAL Life science products manufacturer	Germany	1.9
RIGHTMOVE Online property listings operator	UK	1.0	<b>INDUSTRIALS</b>		
SARANA MENARA NUSANTARA Telecom infrastructure provider	Indonesia	1.0	51JOB INC. Online human resource services	China	0.6
TIME DOTCOM BERHAD Telecom services	Malaysia	0.7	ALFA LAVAL Industrial equipment manufacturer	Sweden	0.9
TOWER BERSAMA Telecom infrastructure provider	Indonesia	1.0	BBA AVIATION Flight support systems and services	UK	0.7
YOUGOV Market research and data analytics services	UK	0.4	BOSSARD Industrial components supplier	Switzerland	1.1
<b>CONSUMER DISCRETIONARY</b>			CLARKSON Shipping services	UK	1.3
ABC-MART Footwear retailer	Japan	0.5	DANIELI Industrial equipment manufacturer	Italy	0.2
CHARGEURS Specialty fabrics and coatings manufacturer	France	0.4	DIPLOMA Specialized technical services	UK	1.7
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	0.4	FERREYCORP Industrial equipment distributor	Peru	0.8
JARIR MARKETING Consumer products retailer	Saudi Arabia	1.1	HAITIAN Plastic injection-molding machines manufacturer	China	1.2
RINNAI Consumer appliances manufacturer	Japan	0.3	INTRUM JUSTITIA Credit management services	Sweden	0.9
STANLEY ELECTRIC Automotive lighting manufacturer	Japan	1.9	LISI Industrial components manufacturer	France	0.7
THULE GROUP Transportation equipment manufacturer	Sweden	0.4	MISUMI GROUP Machinery-parts supplier	Japan	0.5
<b>CONSUMER STAPLES</b>			MONOTARO Factory materials supplier	Japan	0.4
AGTHIA Foods and beverages manufacturer	UAE	0.6	NIHON M&A CENTER INC. Financial advisory	Japan	1.3
ALICORP Consumer products manufacturer	Peru	0.8	PFEIFFER VACUUM Vacuum pump manufacturer	Germany	1.0
ARIAKE Natural seasonings manufacturer	Japan	2.9	SENIOR Aerospace and auto parts manufacturer	UK	0.8
CLICKS GROUP Drugstores operator	South Africa	0.4	SENSATA TECHNOLOGIES Industrial sensors manufacturer	US	0.2
COSMOS PHARMACEUTICAL Drugstores operator	Japan	1.7	SMS Health care employment services	Japan	1.8
EDITA FOOD INDUSTRIES Foods and consumer products retailer	Egypt	0.8	TOMRA Industrial sensors manufacturer	Norway	1.9
GRUPO HERDEZ Processed foods manufacturer	Mexico	0.8	VAT GROUP Vacuum valve manufacturer	Switzerland	0.8
KERNEL Foods and agricultural products manufacturer	Ukraine	0.8	<b>INFORMATION TECHNOLOGY</b>		
KWS SAAT Agricultural products producer	Germany	1.4	ADVANTECH Industrial PCs manufacturer	Taiwan	0.6
PIGEON Consumer products manufacturer	Japan	0.4	ALTEN Technology consultant and engineer	France	2.0
ROHTO PHARMACEUTICAL Health and consumer products manufacturer	Japan	0.9	ASM INTERNATIONAL Semiconductor equipment manufacturer	Netherlands	0.6
ÜLKER Processed foods manufacturer	Turkey	1.0	ASMPACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.7
<b>ENERGY</b>			BECHTLE IT services and IT products reseller	Germany	3.0
CORE LABORATORIES Oilfield services	US	0.6	CHIPBOND TECHNOLOGY Electronic chip packager	Taiwan	1.0
DIALOG GROUP BERHAD Petrochemical services	Malaysia	1.2	CYBERARK Cybersecurity software developer	Israel	1.8
ROMGAZ Natural gas producer	Romania	0.5	GLOBANT Software developer	Argentina	1.1
<b>FINANCIALS</b>			INFOMART Restaurant supply chain operator	Japan	1.6
ANADOLU HAYAT EMEKLILIK Insurance provider	Turkey	0.3	KEYWORDS STUDIOS Video game technical services	UK	1.6
BANK OF GEORGIA Commercial bank	UK	0.6	KINAXIS Supply chain software developer	Canada	2.1
DISCOVERY HOLDINGS Insurance provider	South Africa	0.5	LEM HOLDINGS Electrical components manufacturer	Switzerland	1.5
MAX FINANCIAL Financial services and insurance provider	India	1.8	NETWORK INTERNATIONAL Electronic payment services	UK	1.2
RATHBONE BROS Wealth manager	UK	0.9	REPLY IT consultant	Italy	2.2
SECURITY BANK Commercial bank	Philippines	0.2	SILERGY Electronics chips manufacturer	Taiwan	0.9
<b>HEALTH CARE</b>			SIMCORP Asset management software provider	Denmark	0.7
ABCAM Life science services	UK	2.5	VAISALA Atmospheric measuring devices manufacturer	Finland	2.0
BML Clinical testing and information services	Japan	1.0	<b>MATERIALS</b>		
CARL ZEISS MEDITEC Medical technology provider	Germany	1.9	FUCHS PETROLUB Lubricants manufacturer	Germany	2.6
DECHRA Veterinary pharma manufacturer	UK	1.9	HOA PHAT GROUP Steel producer	Vietnam	1.7
DIASORIN Reagent kits developer	Italy	0.9	SH KELKAR Fragrances and flavors manufacturer	India	0.6
EMIS GROUP Health care software developer	UK	1.3			

CONTINUED ON FOLLOWING PAGE >

Model Portfolio holdings are supplemental information only and complement the fully compliant International Small Companies 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.



## INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF MARCH 31, 2020)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
<b>REAL ESTATE</b>		
MABANEE Real estate developer and manager	Kuwait	1.1

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
<b>UTILITIES</b>		
RUBIS Liquid chemical storage and distribution	France	2.0
<b>CASH</b>		2.2

## COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
EDITA FOOD INDUSTRIES	EGYPT	STPL
FERREYCORP	PERU	INDU
SIMCORP	DENMARK	INFT
TIME DOTCOM BERHAD	MALAYSIA	COMM

POSITIONS SOLD	COUNTRY	SECTOR
BHARTI INFRA TEL	INDIA	COMM
COWAY	SOUTH KOREA	DSCR
EAST AFRICAN BREWERIES	KENYA	STPL
NESTLÉ NIGERIA	NIGERIA	STPL
RATIONAL	GERMANY	INDU

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## 1Q20 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
STRATEC BIOMEDICAL	HLTH	1.4	0.23
COSMOS PHARMACEUTICAL	STPL	1.3	0.20
PARADOX INTERACTIVE	COMM	1.5	0.14
SIMCORP	INFT	0.1	0.07
DIASORIN	HLTH	0.7	0.06

## 1Q20 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
ALTEN	INFT	2.4	-1.17
SENIOR	INDU	1.4	-1.12
CORE LABORATORIES	ENER	1.2	-0.98
INTRUM JUSTITIA	INDU	1.3	-0.87
MAX FINANCIAL	FINA	2.0	-0.83

## LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
CARL ZEISS MEDITEC	HLTH	2.7	0.73
BECHTLE	INFT	2.5	0.69
VAISALA	INFT	1.7	0.46
ASM INTERNATIONAL	INFT	0.7	0.45
ARIAKE	STPL	2.5	0.38

## LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
SENIOR	INDU	1.7	-1.41
CORE LABORATORIES	ENER	1.4	-1.33
ALTEN	INFT	2.5	-0.84
INTRUM JUSTITIA	INDU	1.4	-0.80
HOA PHAT GROUP	MATS	1.6	-0.74

## PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL ISC	ACWI EX-US SC
PROFIT MARGIN <sup>1</sup> (%)	10.9	7.7
RETURN ON ASSETS <sup>1</sup> (%)	9.2	5.3
RETURN ON EQUITY <sup>1</sup> (%)	15.1	10.6
DEBT/EQUITY RATIO <sup>1</sup> (%)	21.0	50.4
STD DEV OF 5 YEAR ROE <sup>1</sup> (%)	2.8	3.5
SALES GROWTH <sup>1,2</sup> (%)	6.5	3.4
EARNINGS GROWTH <sup>1,2</sup> (%)	9.7	8.9
CASH FLOW GROWTH <sup>1,2</sup> (%)	10.5	7.4
DIVIDEND GROWTH <sup>1,2</sup> (%)	7.8	6.9
SIZE & TURNOVER	HL ISC	ACWI EX-US SC
WTD MEDIAN MKT CAP (US \$B)	2.1	1.5
WTD AVG MKT CAP (US \$B)	2.6	1.9
TURNOVER <sup>3</sup> (ANNUAL %)	27.7	—

RISK AND VALUATION	HL ISC	ACWI EX-US SC
ALPHA <sup>2</sup> (%)	3.02	—
BETA <sup>2</sup>	0.91	—
R-SQUARED <sup>2</sup>	0.91	—
ACTIVE SHARE <sup>3</sup> (%)	98	—
STANDARD DEVIATION <sup>2</sup> (%)	14.94	15.64
SHARPE RATIO <sup>2</sup>	0.10	-0.10
TRACKING ERROR <sup>2</sup> (%)	4.6	—
INFORMATION RATIO <sup>2</sup>	0.67	—
UP/DOWN CAPTURE <sup>2</sup>	99/87	—
PRICE/EARNINGS <sup>4</sup>	18.3	11.6
PRICE/CASH FLOW <sup>4</sup>	12.1	6.9
PRICE/BOOK <sup>4</sup>	2.4	1.1
DIVIDEND YIELD <sup>5</sup> (%)	2.4	3.5

<sup>1</sup>Weighted median; <sup>2</sup>Trailing five years, annualized; <sup>3</sup>Five-year average; <sup>4</sup>Weighted harmonic mean; <sup>5</sup>Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner International Small Companies Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: April 3, 2020); Harding Loevner International Small Companies Model, based on the underlying holdings; MSCI Inc.

Portfolio characteristics are supplemental information only and complement the fully compliant International Small Companies Composite GIPS Presentation.

The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. The following information is available upon request: (1) information describing the methodology of the contribution data in the charts above; and (2) a list showing the weight and contribution of all holdings during the quarter and the last 12 months. Past performance does not guarantee future results. In the charts above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall performance over the period. Contributors and detractors exclude cash and securities in the Composite not held in the Model Portfolio. Quarterly data is not annualized. Portfolio attribution and characteristics are supplemental information only and complement the fully compliant International Small Companies Equity Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

## INTERNATIONAL SMALL COMPANIES EQUITY COMPOSITE PERFORMANCE (AS OF MARCH 31, 2020)

	HL ISC GROSS	HL ISC NET	ACWI EX-US SMALL CAP <sup>1</sup>	HL ISC 3-YR STD DEVIATION <sup>2</sup>	ACWI EX-US SMALL CAP 3-YR STD DEVIATION <sup>2</sup>	INTERNAL DISPERSION <sup>3</sup>	NO. OF ACCOUNTS	COMPOSITE ASSETS	FIRM ASSETS
	(%)	(%)	(%)	(%)	(%)	(%)		(\$M)	(%)
2020 YTD <sup>4</sup>	-26.17	-26.39	-28.94	16.69	16.99	N.A. <sup>5</sup>	1	268	0.53
2019	31.30	29.83	22.93	12.36	11.60	N.M. <sup>6</sup>	1	350	0.54
2018	-16.39	-17.34	-17.89	12.47	12.36	N.M.	1	165	0.33
2017	37.61	36.34	32.12	10.76	11.54	N.M.	3	323	0.60
2016	0.79	-0.22	4.29	10.78	12.15	N.M.	2	154	0.40
2015	5.83	4.63	2.95	10.26	11.32	N.M.	1	95	0.29
2014	-2.12	-3.14	-3.69	12.30	13.13	N.M.	3	157	0.45
2013	28.37	26.92	20.13	16.41	16.65	N.M.	3	166	0.50
2012	25.73	24.31	18.96	19.24	19.96	N.M.	2	119	0.53
2011	-11.90	-12.80	-18.21	23.37	23.89	N.M.	2	84	0.62
2010	25.94	24.40	25.58	28.53	30.38	N.M.	1	18	0.16

<sup>1</sup>Benchmark Index; <sup>2</sup>Variability of the Composite and the Index returns over the preceding 36-month period, annualized; <sup>3</sup>Asset-weighted standard deviation (gross of fees); <sup>4</sup>The 2020 YTD performance returns and assets shown are preliminary; <sup>5</sup>N.A.—Internal dispersion less than a 12-month period; <sup>6</sup>N.M.—Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year.

The International Small Companies Equity Composite contains fully discretionary, fee-paying accounts investing primarily in non-US equity and equity-equivalent securities of companies with market capitalizations that fall within the range of the Composite's benchmark index and cash reserves. For comparison purposes, the Composite is measured against the MSCI All Country World ex-US Small Cap Total Return Index (Gross). 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 ex-US Small Cap Index is a free-float market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 48 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 12-7,777 million (as of March 31, 2020). 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, 2019.

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 International Small Companies Equity Composite has been examined for the periods January 1, 2007 through December 31, 2019. The verification and performance examination reports are available upon request.

Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. The firm maintains a complete list and description of composites, which is available upon request.

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

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate International Small Companies accounts is 1.00% annually of the market value up to \$20 million; 0.80% of amounts above \$20 million. 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 International Small Companies Equity Composite was created on December 31, 2006.

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