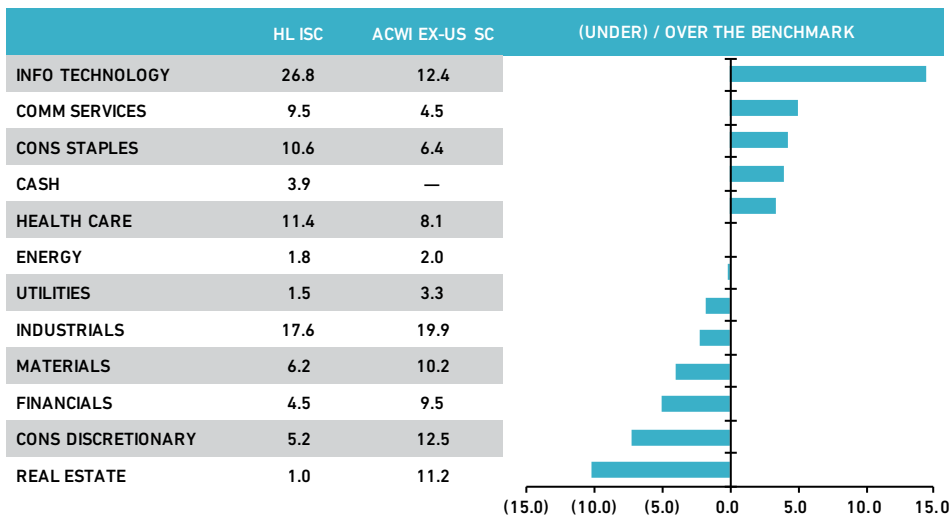
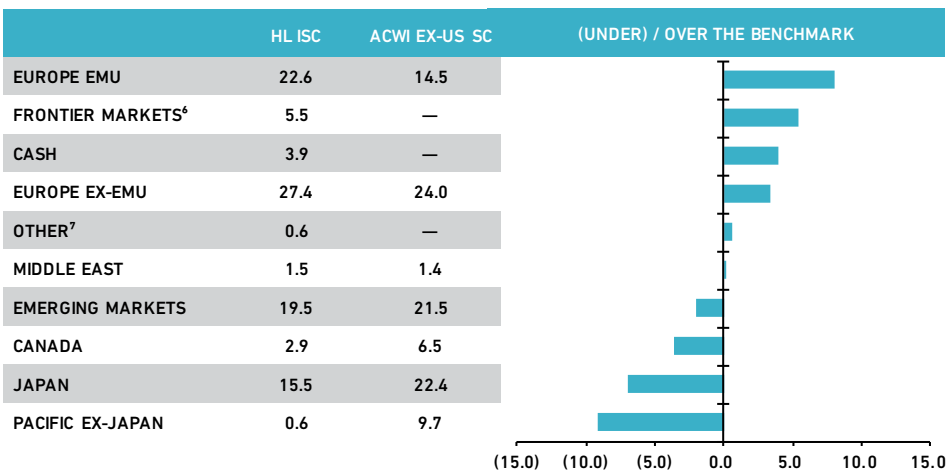


COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED SEPTEMBER 30, 2020¹

	3 MONTHS	YTD	1 YEAR	3 YEARS ²	5 YEARS ²	10 YEARS ²	SINCE INCEPTION ^{2,3}
HL INTL SMALL COMPANIES (GROSS OF FEES)	12.72	3.75	17.22	6.37	11.20	9.93	8.87
HL INTL SMALL COMPANIES (NET OF FEES)	12.40	2.87	15.89	5.21	10.01	8.74	7.67
MSCI ALL COUNTRY WORLD EX-US SMALL CAP INDEX ^{4,5}	10.61	-3.34	7.36	1.32	7.20	5.69	4.27

¹The Composite performance returns shown are preliminary; ²Annualized Returns; ³Inception Date: December 31, 2006; ⁴The Benchmark Index; ⁵Gross 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 (%)


⁶Includes countries with less-developed markets outside the Index; ⁷Includes 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.

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MARKET REVIEW

The recovery of international small companies, which rose 10.6% in the quarter, continued as economic activity normalized from widespread COVID-19 shutdowns. Like last quarter, small caps outperformed large caps by a wide margin, boosted by stimulative economic policies that supported prices of riskier assets.

The US Federal Reserve committed to low interest rates through 2023. Not only that, it announced a ground-breaking shift in policy that could keep rates low for even longer: instead of generally aiming for (and sometimes missing) its desired inflation rate (currently, 2%), going forward the Fed will keep track of any shortfalls and seek to make them up in the future, in order to target an average rate of inflation over time. The European Central Bank made no changes to its accommodative stance, despite a slight upward revision in GDP expectations. The Bank of Japan did begin rolling back the direct asset purchases of equities it undertook in the early stages of the pandemic, but otherwise signaled little change to its long-established dovish policies.

While every major currency appreciated against the dollar, emerging market currencies were mixed: both the Brazilian Real and Turkish Lira fell further into the abyss, whereas the Mexican peso recouped some losses from earlier in the year.

All sectors experienced positive returns, with Communication Services and Health Care stocks performing best. Respecting the former, ongoing quarantines have increased demand for online media and entertainment, including video game developers. Health Care outperformance came from equipment and services providers that supply materials used by drug makers in their quest for coronavirus vaccines and treatments. Even Energy companies, long battered by low oil prices, rode the small cap surge, eking out a small gain.

Returns by region were also all positive. Emerging Markets (EMs) led the way, with South Korea among the leaders in EMs. Ever since it emerged as an early coronavirus hotspot, the country has set the standard for containment, contact tracing, and testing programs. Somewhat counterintuitively given the failure of the country's containment efforts, small caps in India also outperformed, receiving a lift from a new policy by the Indian Securities and Exchange Board mandating that domestic multi-capitalization funds invest a minimum of 25% in small caps. Canada lagged other regions, due in part to its preponderance of commodity-linked companies, which stalled out along with energy and metals prices after surging the previous quarter.

In terms of style, the highest quality and fastest growing companies, whose shares are often already among the most expensive, performed best this period. Among these, valuation factor effects were the most pronounced, with the most expensive quintile of companies outperforming the cheapest by over 1000 bps.

MARKET PERFORMANCE (USD %)

MARKET	3Q 2020	TRAILING 12 MONTHS
CANADA	8.8	8.3
EMERGING MARKETS	12.0	7.3
EUROPE EMU	9.6	6.7
EUROPE EX-EMU	11.9	9.2
JAPAN	9.6	7.0
MIDDLE EAST	10.1	-7.4
PACIFIC EX-JAPAN	9.3	5.2
MSCI ACW EX-US SC INDEX	10.6	7.4

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

SECTOR	3Q 2020	TRAILING 12 MONTHS
COMMUNICATION SERVICES	18.9	13.1
CONSUMER DISCRETIONARY	13.5	2.5
CONSUMER STAPLES	8.3	11.5
ENERGY	0.7	-38.9
FINANCIALS	5.5	-7.4
HEALTH CARE	16.3	39.4
INDUSTRIALS	10.6	4.6
INFORMATION TECHNOLOGY	11.7	30.2
MATERIALS	11.7	18.8
REAL ESTATE	6.9	-8.6
UTILITIES	6.9	8.5

Source: FactSet (as of September 30, 2020); MSCI Inc. and S&P.

PERFORMANCE AND ATTRIBUTION

The International Small Companies composite rose 12.7% in the quarter, over 200 bps better than the 10.6% advance of the MSCI ACWI ex-US Small Cap index.

Returns by sector were supported by good stock selection and allocation this quarter, with particular strength coming from Industrials. One strong contributor was **SMS**, a Japanese company providing nurse recruiting services and software to elder care facilities, a major growth industry in Japan. In the past year the company stumbled, incurring higher costs and delivering poor-quality matches to its clients when it revamped its online recruiting portal. But its most recently reported quarterly profits, up 55% year-on-year, show that the company has successfully addressed the technical issues. Our Communication Services holdings, led by the Sweden-based video game creator **Paradox**

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 as of September 30, 2020 is available on page 6 of this report.

Interactive, and our Financials companies, led by Indian insurer **Max Financial**, were other strong contributors. Our sole holding in Utilities, France-based storage terminal business **Rubis**, and Consumer Staples holding **Ülker**, a Turkish biscuits and chocolate maker, detracted from returns amid a rising market that favored faster-growing industries.

Our returns by region were largely due to good stock selection in Europe, both within and outside of the monetary union. German companies were the biggest drivers, including **STRATEC**, a maker of equipment and consumables for diagnostic companies, which has experienced expanding margins due to a combination of surging demand for COVID-19 tests and an improving product mix. Italy-based **Reply**, a digital-media-focused IT services provider, was another large contributor after an earnings report that showed resiliency in the face of marketing tech budgets having been slashed, a credit to its deep relationships with BMW and Volkswagen among other longtime customers.

A large detractor was UK-listed **Network International**, the leading merchant acquirer and payment processor in the Middle East and North Africa, which plummeted following its decision to acquire Kenya-based payments company DPO in an equity-financed deal. The move was viewed especially dimly in the wake of the revelation of massive fraud at German payments processor Wirecard involving third-party contractors. We subsequently re-confirmed with Network's management that it does not outsource processing to third parties.

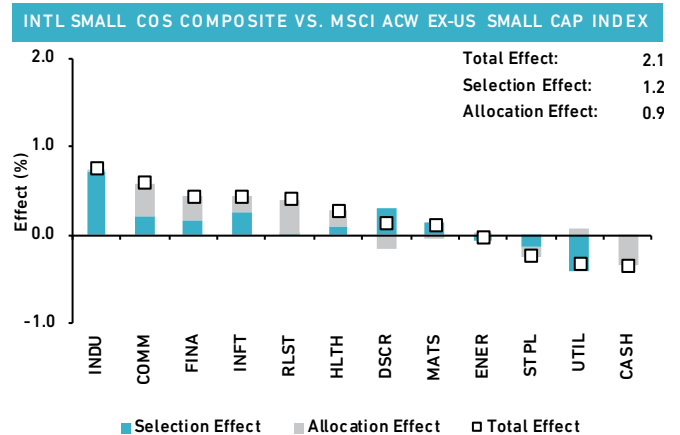
PERSPECTIVE AND OUTLOOK

After Wirecard admitted to accounting fraud involving fictitious cash and profits and declared bankruptcy in June, *The Financial Times* ran an article looking back at third-party assessments of the company's environmental, social, and governance (ESG) practices.¹ ESG screening is increasingly seen as, among other things, a way for investors to avoid malefactors, so the *FT* wanted to see how well the ESG rating systems had worked. The results, as the article stated, were "underwhelming." Before its collapse, Wirecard had earned median-grade ESG ratings from MSCI and Sustainalytics, the two most prominent and widely used ratings services, and fell in similar mid-tier or neutral ESG categories in rankings from other services. As a middle-of-the-pack company in ESG terms, Wirecard was held in some ESG-focused passively managed exchange traded funds, including big funds managed by Blackrock and Vanguard.

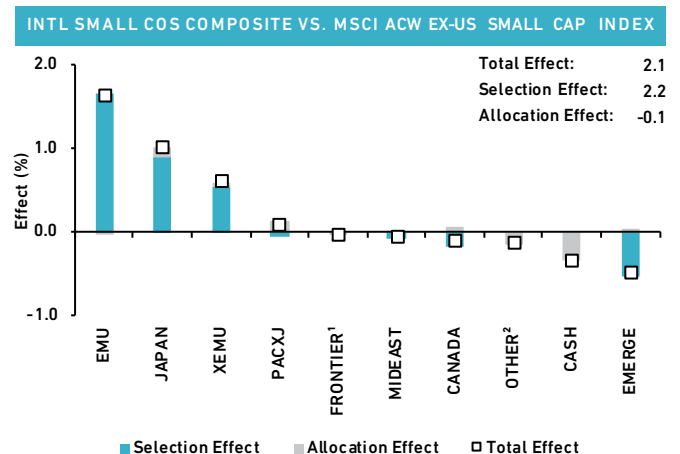
As the article noted, there were a few prescient outliers that had deliberately avoided Wirecard on governance grounds. At Harding Loevner, though we don't put our strategies forward as "ESG focused," we integrate ESG factors into our fundamental assessment and valuation of every company that we consider for investment. It's notable that we covered Wirecard until 2016,

¹"Anatomy of a Scandal: Wirecard Tests ESG," *Financial Times* Moral Money (July 1, 2020).

SECTOR PERFORMANCE ATTRIBUTION THIRD QUARTER 2020



GEOGRAPHIC PERFORMANCE ATTRIBUTION THIRD QUARTER 2020



¹Includes countries with less-developed markets outside the Index; ²Includes 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.

when we expelled it from our pool of companies qualified for investment because it no longer met our "management quality," i.e., governance, criteria. The analyst who made the judgement to remove it cited his growing unease regarding the company's financial disclosure (including the opacity around its cash flow accounting), its failure to explain clearly the logic of a series of acquisitions, and prior (unproven) public accusations of fraud. Each of these concerns were surfaced in our checklist for identifying corporate governance weaknesses that our analysts complete for each of their covered companies.

As a cautionary tale about the limitations of ESG ratings, the surprising downfall of this once-US\$13 billion market cap company is arguably even more relevant to investors in companies with smaller capitalizations. With thousands of companies under coverage, ratings providers like MSCI are

inherently limited in how deeply they can assess ESG risks of firms. MSCI relies on a combination of company reporting, macro-level data, other publicly available information, and (as it acknowledges in its ratings disclosures) uneven levels of engagement between its analysts and company managements. Because small companies tend to be more resource-constrained than large companies, their reporting tends to be more limited and their one-on-one engagement with ESG ratings providers can be more infrequent. These companies are also less well-covered by brokers' research departments and the media, further restricting the amount of publicly available information on them. In a sign of the limited interest in ESG assessments of the smallest companies given the costs involved in rating them, 22% of all companies in MSCI's own small cap global index have no ESG rating from MSCI whatsoever, compared to just 1% of companies in its large cap global index. In the ex-US subset of its small cap universe, the non-covered percentage is even higher, at 32%, though when comparing by market weight instead of by company numbers the lack of coverage is lower, only 16%. This indicates that MSCI is prioritizing covering larger companies within its small cap indexes.

MSCI provides a multitude of ESG metrics including controversy scores on specific issues, as well as ratings that look separately at individual companies' exposure to and mitigation of E, S, and G risks compared to what it sees as best practices. Its most-commonly used ratings (the ones typically relied on by ESG passive investment vehicles), however, are "letter" ratings that combine all ESG criteria into one grade, from AAA (high resilience) to CCC (low resilience). To tabulate these ratings, MSCI uses criteria it identifies as being relevant to each industry, basing the ratings on how each company performs *relative only to other companies in that same industry*. On this basis, a petroleum or mining company has as good a chance of outshining in ESG terms other companies in its comparative group as a company in any other industry does, even if that recognition does not equate to its having "low" ESG-related risk in any broader or intuitive sense.

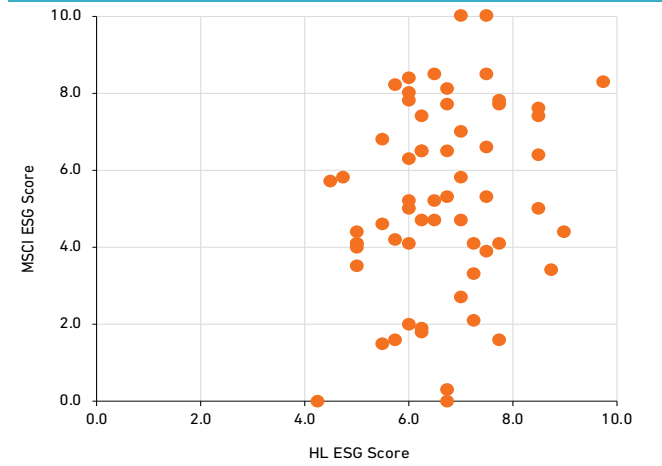
As fundamental, bottom up investors, we have never outsourced judgement on risks, ESG or otherwise. While we use MSCI's and data from other external providers to inform our decision-making, we do our own scoring. Moreover, because our ESG scores are assessed against all other companies, not limited to companies in their industry, we let the chips fall where they may. Each analyst is responsible for identifying and assessing the material ESG-related risks or opportunities facing each of the companies that they cover. Companies are assessed across three dozen criteria, including impact from environmental regulation, water consumption that could face scarcity costs, human capital management, and supply chains. Analysts incorporate these factors into the assumptions of their financial models for companies, including cash flow projections. A low score, for example, will degrade projected cash flows and, all else being equal, reduce the amount we are willing to pay for a business.

The long investment horizon over which we assess our companies means we are focused on all risks to the sustainability

of the comparative advantages that allow them to achieve high profitability and long-term growth, which include risks stemming from environmental, social, and governance factors. In the process of identifying the merits of a business, our analysts weed out companies that have elevated ESG-related risks, and they flag the material ESG-related risks of companies that *do* meet our investment criteria to ensure we monitor them closely.

None of which is to say our companies necessarily earn high marks from external ESG ratings agencies, like MSCI. To the contrary, we have found that the correlation between our assessments of companies' resilience to ESG-related risks and MSCI's grades is low, and that is particularly true for small caps. The chart below shows a breakdown of our portfolio holdings ranked by their scores on our internal ESG scoring system (a score of 10 is equivalent to MSCI's rating of AAA, or highly resilient to ESG-related risks) vs. a numerical representation of MSCI's letter grades. Of the roughly 90% of our companies that we score well, i.e., greater than 5.5 on our scale, only about a third earn a similar favorable grade from MSCI, and slightly more are arrayed at the opposite end. We should note that around one-quarter of our holdings lack an ESG rating from MSCI and thus don't appear in the chart.

HL ESG SCORES VS. MSCI ESG SCORES FOR HL INTERNATIONAL SMALL COMPANIES MODEL



Source: MSCI Inc., Harding Loevner. As of September 30, 2020.

We are not trying to build portfolios with superior third-party ESG ratings. Rather, we are trying to build portfolios with favorable risk and return characteristics. To that end our analysts and portfolio managers pay close attention to ESG risks because these factors can contribute profoundly to the success or failure of our investments. External ESG ratings are for us an input, a useful reference point. An external rating that differs from our own may signal an asymmetry between our deep fundamental knowledge of the company and the rater's unavoidably superficial and possibly distorted knowledge. Such asymmetries can be important contributors to our opportunity to generate alpha in small caps. Favorable ESG ratings are attractive to investors with explicit ESG mandates. If flows into explicitly ESG-focused

products continue to grow, the valuation premium for companies with appealing ESG profiles should widen. But higher valuations not associated with sustained superior profitability lead to lower long-term returns. To the extent that poorly- or non-MSCI-rated firms slip under the radar of ESG-focused funds, our ability to uncover high-quality growing companies with low ESG risks before they are endorsed by the ratings providers is potentially a way, then, for us to purchase them at a better price.

An example of a high-ESG-scoring company on *our* radar is **Vaisala**, based in Finland. The company was founded 84 years ago by Professor Vilho Vaisala, among the first developers of the radiosonde, a package of sensors sent aloft, typically by balloon, to measure pressure, temperature, wind, humidity, and other atmospheric variables. While routine weather forecasting remains an important part of its business, the company has leveraged its monitoring capabilities to expand into more specialized, and more profitable, applications such as supporting renewable energy producers, who need accurate wind and solar radiation data to forecast their power production. Assessing air quality, especially in large emerging markets like China and India, is another growing market. With these environmentally related areas of emphasis, Vaisala is clearly aligned with trends likely to persist for some time. The company does present ESG-related concerns, however, pertaining to governance as it is still controlled by its founding family, has separate controlling and minority classes of shares, and few independent board directors. In light of these concerns, our engagement with management over the years has helped us gain comfort that the interests of the controlling family are well aligned with those of minority shareholders. Vaisala has no ESG rating from MSCI (unsurprisingly, since it's not even in the MSCI Small Cap Index), but our view is that this is a highly sustainable business. We are more than happy to see its earnings, and our reasonably-valued investment in them, compound until such time as the market comes around to our view.

Another company that scores well in ESG-related terms is **YouGov**, a UK-based market research firm. Its proprietary database allows the company to undertake fast, large-scale data analysis on behalf of its customers and develop innovative new services. While it is clear that its environmental and governance risks are limited, a material social risk is directly tied to its business model. As reflected in recent legislation in Europe and California, increased regulatory attention is being paid to data privacy, in an effort to ensure that people have control over their data. Indeed, one of YouGov's biggest growth avenues is helping advertisers compensate for the loss of real-time consumer data resulting from Google's and Apple's phase-outs of tracking cookies. But YouGov's own services rely on insights gleaned online from over 8 million panelists in more than 40 countries—each one of whom has the right to the privacy of the data he or she helps to generate. To manage this exposure, the company has introduced a feature utilizing blockchain technology to give panelists greater control over which of their data is being used and how. This company is another where we have no MSCI report against which to compare our assessment of the risks, which we must weigh against the prospective long-term returns.

■ PORTFOLIO HIGHLIGHTS

There was limited activity this quarter, with no material change in the structure of the portfolio. We sold **Ülker**, Turkey's largest confectionary company, primarily due to a breakdown in our fundamental business thesis, specifically regarding governance. While the business continues to thrive, rising levels of cash on the balance sheet have magnified pre-existing governance risks. As noted above, when we evaluate companies, we flag and monitor material risks. In the case of Ülker, governance risks were always on our radar for a couple of reasons: the company is controlled by a large holding company, and it did not have enough independent board members. Our decision to invest despite these risks was based on the expectation that governance would eventually improve under pressure from shareholders. While this may yet occur, the risk that the company could use its swelling cash for related-party M&A has increased.

We also sold **Nakanishi**, a Japan-based leading provider of high-quality handheld dental equipment. The company manufactures many of its own components, making for an especially powerful, lightweight, and smoothly operating set of tools. We anticipated these advantages would help it gain share in the US, to reach the high levels it enjoys in Asia and Europe, but the company has struggled with US distribution resulting in a persistent failure to meet its targets. Management has now turned its sights to gaining share in China instead, which will require significant additional investment in distribution. Lacking confidence in their ability to execute this plan, we sold.

We also exited our position in **51job Inc.**, a Chinese internet job-search engine. The company received a non-binding bid from DCP, a private equity firm, which boosted the share price above our estimate of fair value. Our skepticism that the deal will ever come to fruition and rising US-China tensions, in particular the US threat of a forced de-listing of US-listed Chinese firms, led us to exit opportunistically.

Proceeds from these sales were reallocated to more attractively priced existing positions and a new holding in **Siaulių Bankas**, the fastest growing and most profitable bank in Lithuania's concentrated banking market. The bank has benefitted from having not only the country's largest branch network, but also the highest customer satisfaction rating. While it caters to small businesses, which have been heavily impacted by the pandemic, we think the company's scale and reputation will enable it to resume growing its loan book, which should ultimately yield a significantly higher return on equity. We also added to two other existing companies that are suffering from what we consider transient effects of the pandemic. Both UK-based aerospace supplier **Senior** and Network International are exposed to the airline industry: Senior, as a supplier of components used in the manufacturing of commercial aircraft, and Network, as a supplier of processing services to airlines. We view both companies as having durable competitive advantages and long-term growth opportunities.

INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF SEPTEMBER 30, 2020)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
CHEIL WORLDWIDE Marketing and advertising services	South Korea	0.3
MEGACABLE Cable operator	Mexico	0.9
PARADOX INTERACTIVE Video game publisher	Sweden	3.0
RIGHTMOVE Online property listings operator	UK	0.9
SARANA MENARA NUSANTARA Telecom infrastructure provider	Indonesia	1.2
TIME DOTCOM BERHAD Telecom services	Malaysia	0.7
TOWER BERSAMA Telecom infrastructure provider	Indonesia	1.2
YOUNGOV Market research and data analytics services	UK	1.4
CONSUMER DISCRETIONARY		
ABC-MART Footwear retailer	Japan	0.3
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	0.4
JARIR MARKETING Consumer products retailer	Saudi Arabia	1.2
NOKIAN TYRES Tire manufacturer	Finland	0.5
RINNAI Consumer appliances manufacturer	Japan	0.3
STANLEY ELECTRIC Automotive lighting manufacturer	Japan	1.9
THULE GROUP Transportation equipment manufacturer	Sweden	0.5
CONSUMER STAPLES		
AGTHIA Foods and beverages manufacturer	UAE	0.6
ALICORP Consumer products manufacturer	Peru	0.6
ARIAKE Natural seasonings manufacturer	Japan	2.2
CLICKS GROUP Drugstores operator	South Africa	0.3
COSMOS PHARMACEUTICAL Drugstores operator	Japan	1.8
EDITA FOOD INDUSTRIES Foods and consumer products retailer	Egypt	0.6
GRUPO HERDEZ Processed foods manufacturer	Mexico	1.1
KERNEL Foods and agricultural products manufacturer	Ukraine	0.7
KWS SAAT Agricultural products producer	Germany	1.6
PIGEON Consumer products manufacturer	Japan	0.4
ROHTO PHARMACEUTICAL Health and consumer products mfr.	Japan	0.8
ENERGY		
CORE LABORATORIES Oilfield services	US	0.3
DIALOG GROUP BERHAD Petrochemical services	Malaysia	1.1
ROMGAZ Natural gas producer	Romania	0.4
FINANCIALS		
BANK OF GEORGIA Commercial bank	UK	0.5
DISCOVERY HOLDINGS Insurance provider	South Africa	0.4
MAX FINANCIAL Financial services and insurance provider	India	2.1
RATHBONE BROS Wealth manager	UK	0.7
SECURITY BANK Commercial bank	Philippines	0.2
SIAULIU BANKAS Commercial bank	Lithuania	0.7
HEALTH CARE		
ABCAM Life science services	UK	2.0
BML Clinical testing and information services	Japan	0.8
CARL ZEISS MEDITEC Medical technology provider	Germany	1.1
DECHRA Veterinary pharma manufacturer	UK	2.0
EMIS GROUP Health care software developer	UK	1.3
INTEGRATED DIAGNOSTICS Medical laboratory services	Egypt	0.6
SQUARE PHARMACEUTICALS Pharma manufacturer	Bangladesh	0.3

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
HEALTH CARE continued		
STRATEC Life science products manufacturer	Germany	3.3
INDUSTRIALS		
BBA AVIATION Flight support systems and services	UK	0.8
BOSSARD Industrial components supplier	Switzerland	1.2
CLARKSON Shipping services	UK	1.0
DIPLOMA Specialized technical services	UK	1.7
FERREYCORP Industrial equipment distributor	Peru	0.7
HAITIAN Plastic injection-molding machines manufacturer	China	1.1
INTRUM JUSTITIA Credit management services	Sweden	1.2
LISI Industrial components manufacturer	France	0.6
MISUMI GROUP Machinery-parts supplier	Japan	0.4
NIHON M&A CENTER INC. Financial advisory	Japan	1.9
PFEIFFER VACUUM Vacuum pump manufacturer	Germany	1.0
SENIOR Aerospace and auto parts manufacturer	UK	0.8
SENSATA TECHNOLOGIES Industrial sensors manufacturer	US	0.2
SMS Health care employment services	Japan	1.9
TOMRA Industrial sensors manufacturer	Norway	2.1
VAT GROUP Vacuum valve manufacturer	Switzerland	0.8
INFORMATION TECHNOLOGY		
ADVANTECH Industrial PCs manufacturer	Taiwan	0.5
ALTEN Technology consultant and engineer	France	1.9
ASM INTERNATIONAL Semiconductor equipment manufacturer	Netherlands	0.6
ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.6
BECHTLE IT services and IT products reseller	Germany	3.3
CHIPBOND TECHNOLOGY Electronic chip packager	Taiwan	0.9
CYBERARK Cybersecurity software developer	Israel	1.5
GLOBANT Software developer	Argentina	1.7
INFOMART Restaurant supply chain operator	Japan	1.5
KEYWORDS STUDIOS Video game technical services	UK	1.9
KINAXIS Supply chain software developer	Canada	2.9
LEM HOLDINGS Electrical components manufacturer	Switzerland	1.8
NETWORK INTERNATIONAL Electronic payment services	UK	1.1
REPLY IT consultant	Italy	3.0
SILERGY Electronics chips manufacturer	Taiwan	0.7
SIMCORP Asset management software provider	Denmark	0.8
VAISALA Atmospheric measuring devices manufacturer	Finland	2.1
MATERIALS		
FUCHS PETROLUB Lubricants manufacturer	Germany	2.2
HOA PHAT GROUP Steel producer	Vietnam	2.4
JCU Industrial coating manufacturer	Japan	1.2
SH KELKAR Fragrances and flavors manufacturer	India	0.5
REAL ESTATE		
MABANEE Real estate developer and manager	Kuwait	1.0
UTILITIES		
RUBIS Liquid chemical storage and distribution	France	1.4
CASH		
		3.9

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.

3Q20 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
STRATEC	HLTH	2.8	1.19
PARADOX INTERACTIVE	COMM	2.4	1.17
REPLY	INFT	2.7	1.03
BECHTLE	INFT	3.3	0.51
SMS	INDU	1.8	0.48

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
BECHTLE	INFT	2.8	2.53
PARADOX INTERACTIVE	COMM	1.8	2.48
KINAXIS	INFT	2.3	2.31
REPLY	INFT	2.4	2.05
STRATEC	HLTH	1.9	2.04

3Q20 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
NETWORK INTERNATIONAL	INFT	1.2	-0.43
SENIOR	INDU	0.9	-0.33
RUBIS	UTIL	1.7	-0.28
ÜLKER	STPL	0.8	-0.15
CORE LABORATORIES	ENER	0.5	-0.11

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
SENIOR	INDU	1.1	-1.95
CORE LABORATORIES	ENER	1.1	-1.19
NETWORK INTERNATIONAL	INFT	1.3	-0.89
ALTEN	INFT	2.1	-0.85
EDITA FOOD INDUSTRIES	STPL	0.5	-0.66

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL ISC	ACWI EX-US SC
PROFIT MARGIN ¹ (%)	10.9	7.2
RETURN ON ASSETS ¹ (%)	9.0	5.0
RETURN ON EQUITY ¹ (%)	15.1	10.2
DEBT/EQUITY RATIO ¹ (%)	26.2	55.6
STD DEV OF 5 YEAR ROE ¹ (%)	3.4	4.0
SALES GROWTH ^{1,2} (%)	6.5	3.9
EARNINGS GROWTH ^{1,2} (%)	8.9	8.1
CASH FLOW GROWTH ^{1,2} (%)	11.0	8.9
DIVIDEND GROWTH ^{1,2} (%)	8.2	5.8
SIZE & TURNOVER	HL ISC	ACWI EX-US SC
WTD MEDIAN MKT CAP (US \$B)	3.3	1.9
WTD AVG MKT CAP (US \$B)	3.5	2.4
TURNOVER ³ (ANNUAL %)	24.2	—

RISK AND VALUATION	HL ISC	ACWI EX-US SC
ALPHA ² (%)	4.22	—
BETA ²	0.94	—
R-SQUARED ²	0.92	—
ACTIVE SHARE ³ (%)	97	—
STANDARD DEVIATION ² (%)	16.23	16.60
SHARPE RATIO ²	0.62	0.36
TRACKING ERROR ² (%)	4.7	—
INFORMATION RATIO ²	0.86	—
UP/DOWN CAPTURE ²	105/88	—
PRICE/EARNINGS ⁴	29.8	16.0
PRICE/CASH FLOW ⁴	16.0	9.3
PRICE/BOOK ⁴	3.1	1.3
DIVIDEND YIELD ⁵ (%)	1.6	2.6

¹Weighted median; ²Trailing five years, annualized; ³Five-year average; ⁴Weighted harmonic mean; ⁵Weighted 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: October 8, 2020, based on the latest available data in FactSet on this date); 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.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
SIAULIU BANKAS	LITHUANIA	FINA

POSITIONS SOLD	COUNTRY	SECTOR
51JOB INC.	CHINA	INDU
NAKANISHI	JAPAN	HLTH
ÜLKER	TURKEY	STPL

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

INTERNATIONAL SMALL COMPANIES EQUITY COMPOSITE PERFORMANCE (AS OF SEPTEMBER 30, 2020)

	HL ISC GROSS	HL ISC NET	ACWI EX-US SMALL CAP ¹	HL ISC 3-YR STD DEVIATION ²	ACWI EX-US SMALL CAP 3-YR STD DEVIATION ²	INTERNAL DISPERSION ³	NO. OF ACCOUNTS	COMPOSITE ASSETS	FIRM ASSETS
	(%)	(%)	(%)	(%)	(%)	(%)		(\$M)	(%)
2020 YTD ⁴	3.75	2.87	-3.34	18.72	19.12	N.A. ⁵	1	375	0.59
2019	31.30	29.83	22.93	12.36	11.60	N.M. ⁶	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

¹Benchmark Index; ²Variability of the Composite and the Index returns over the preceding 36-month period, annualized; ³Asset-weighted standard deviation (gross of fees); ⁴The 2020 YTD performance returns and assets shown are preliminary; ⁵N.A.—Internal dispersion less than a 12-month period; ⁶N.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 32-10,202 million (as of September 30, 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 June 30, 2020.

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 June 30, 2020. The verification and performance examination reports are available upon request.

Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. 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.