INTERNATIONAL SMALL COMPANIES 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 INTL SMALL COMPANIES (GROSS OF FEES)	-0.42	62.03	9.13	12.71	9.78	9.63
HL INTL SMALL COMPANIES (NET OF FEES)	-0.67	60.32	7.91	11.52	8.60	8.44
MSCI ALL COUNTRY WORLD EX-US SMALL CAP INDEX[4,5]	5.61	70.42	7.02	10.82	6.71	5.77

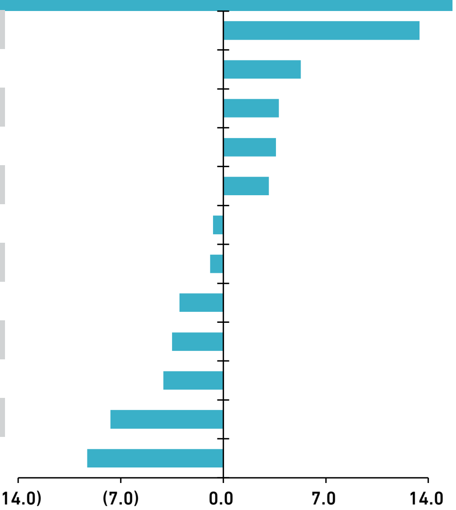
[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: December 31, 2006; [4]The Benchmark Index; [5]Gross of withholding taxes.

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 (%)

	HL ISC	ACWI EX-US SC
INFO TECHNOLOGY	25.0	11.6
CONS STAPLES	10.9	5.6
COMM SERVICES	7.9	4.1
HEALTH CARE	10.8	7.2
CASH	3.1	—
ENERGY	1.7	2.4
UTILITIES	2.5	3.4
INDUSTRIALS	18.0	21.0
MATERIALS	7.5	11.0
FINANCIALS	6.6	10.7
CONS DISCRETIONARY	5.1	12.8
REAL ESTATE	0.9	10.2

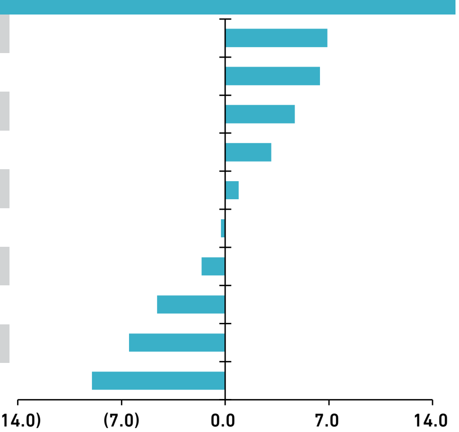
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL ISC	ACWI EX-US SC
FRONTIER MARKETS[6]	6.9	—
EUROPE EMU	21.2	14.8
EUROPE EX-EMU	28.8	24.1
CASH	3.1	—
OTHER[7]	0.9	—
MIDDLE EAST	1.4	1.7
EMERGING MARKETS	22.1	23.7
CANADA	1.8	6.4
JAPAN	13.2	19.7
PACIFIC EX-JAPAN	0.6	9.6

(UNDER) / OVER THE BENCHMARK



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

ONLINE SUPPLEMENTS

Watch the Intl Small Companies Equity quarterly review

View other reports at hardingloevner.com/insights

MARKET REVIEW

Stock markets rose in the quarter. After a pause in January as the world stood agape at the fraught events transpiring 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 0.3% to 6.0% since its last update in October. In the US, which has been among the world's leaders in vaccination rates, retail sales climbed to the strongest level on record. Restaurant bookings and the number of airline passengers, while still below pre-COVID-19 levels, also 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. The recovery in Europe, however, remained precarious, amid the emergence of new more contagious virus strains and problems with its vaccine rollout extending or renewing lockdowns.

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 CEOs 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 oversight, 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. Perhaps most indicative of the speculative 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 US dollars.

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 with nearly all sectors generating positive returns. Energy was among the best-performing, surging in lockstep with rising oil prices. The Consumer Discretionary sector benefitted from optimism that broader vaccine rollouts would normalize demand for goods and services, and Financials also rebounded, aided by a steepening yield curve and surprisingly low credit defaults. Less cyclical sectors such as Consumer Staples and Utilities fared less well, while Health Care was the lone sector to post negative returns.

MARKET PERFORMANCE (USD %)

MARKET	1Q 2021	TRAILING 12 MONTHS
CANADA	9.2	107.0
EMERGING MARKETS	7.7	87.8
EUROPE EMU	6.7	74.1
EUROPE EX-EMU	4.6	72.9
JAPAN	3.6	38.4
MIDDLE EAST	3.2	52.1
PACIFIC EX-JAPAN	3.7	84.5
MSCI ACW EX-US SC INDEX	5.6	70.4

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

SECTOR	1Q 2021	TRAILING 12 MONTHS
COMMUNICATION SERVICES	2.8	70.0
CONSUMER DISCRETIONARY	9.4	87.8
CONSUMER STAPLES	4.0	39.3
ENERGY	10.3	80.6
FINANCIALS	10.9	67.6
HEALTH CARE	-1.7	54.0
INDUSTRIALS	7.8	79.0
INFORMATION TECHNOLOGY	4.2	87.1
MATERIALS	5.8	96.5
REAL ESTATE	0.9	36.3
UTILITIES	1.5	56.2

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

By region, Canada was the biggest outperformer, helped by its large weighting in Industrials, Energy, and Financials. In Emerging Markets (EMs), weakness in Brazil due to the Bolsonaro administration's disastrous pandemic response was offset by strength in Russia, India, and China. While the Nikkei hit a three-decade high this quarter, the positive investor sentiment appears geared to larger, more export-driven companies, weighing on small cap returns in Japan.

By style, value was the standout, further reversing its lengthy period of underperformance and continuing the rally started in November. The cheapest stocks, heavily concentrated among financial and energy companies, outperformed the most expensive stocks by more than 1,000 basis points. The effect was magnified in EMU and Japan, which experienced an even sharper spread of 1,300 basis points between the cheapest and most expensive quintiles of valuation. Similarly, lower-quality companies, typically those with higher leverage and more volatile revenues and earnings, outperformed high-quality companies by more than 500 basis points. Shares of low-growth companies outperformed modestly, though with a less muted effect across quintiles of growth.

PERFORMANCE AND ATTRIBUTION

The International Small Companies composite declined 0.4% in the first quarter, significantly lagging the 5.6% return of the benchmark. Both stock selection and sector allocation detracted from returns in the quarter.

The Information Technology (IT) sector, and particularly the software and services industry where the shift toward cheaper, more cyclical stocks was pronounced and where we have a large weight, hurt the most this quarter. Companies such as Israeli-based cybersecurity specialist **CyberArk** and Canada-based supply chain management software provider **Kinaxis** were among the portfolio's largest relative detractors. Performance across the portfolio suffered from the same valuation-related headwinds. Of our 18 stocks that fell 10% or more, 16 came from the two most expensive quintiles of the market.

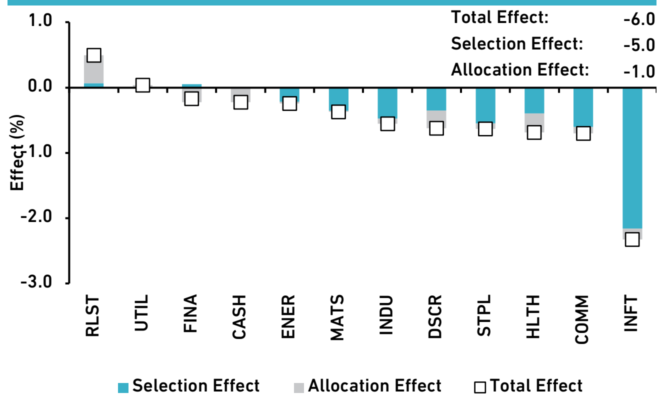
Another large detractor in IT was Finnish instrument producer **Vaisala**, which manufactures weather instruments used at airports and other testing and measurement devices used by pharmaceutical and utility customers. The unprecedented (and, we think, temporary) slump in airline traffic during the pandemic has caused airport authorities to curb capital improvements, putting a dent in Vaisala's earnings. However, safety remains an important priority for the authorities, and we expect regular replacement of existing weather-sensing systems and new investments particularly in EMs to continue to support the company's growth longer-term.

Performance was weak across most regions, in Europe and Japan particularly, where some of the sharpest rotations in valuation style occurred. In Europe outside the monetary union, Swedish videogame maker **Paradox Interactive** detracted from returns following weak fourth-quarter results. The December release of its new game *Empire of Sin* disappointed, as did its revelation of unexpectedly higher depreciation expense. Paradox did, however, report a 25% rise in monthly active users, a good signal for future revenues. In EMs, a region in which our stock selection fared slightly better, Indian life insurer **Max Financial** provided the largest boost to returns. The Indian insurance regulator provided long-awaited approval of a partnership with Axis Bank, which permits Axis to purchase up to 12% of Max Financial. The approval creates the potential for greater revenue synergies between the two companies by providing some assurance that Axis will collaborate with Max rather than compete against it. Max Financial's top-line growth was 21% year-over-year in the fourth quarter and its market share of the premium-based life insurance business grew.

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 6 of this report.

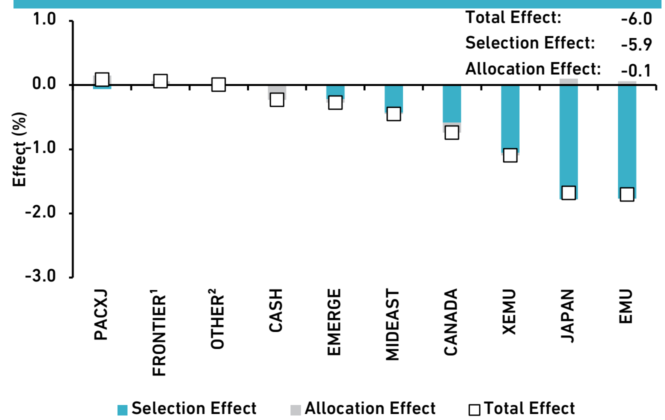
SECTOR PERFORMANCE ATTRIBUTION
FIRST QUARTER 2021

INTL SMALL COS COMPOSITE VS. MSCI ACW EX-US SMALL CAP INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
FIRST QUARTER 2021

INTL SMALL COS COMPOSITE VS. MSCI ACW EX-US SMALL CAP INDEX



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

PERSPECTIVE AND OUTLOOK

Thinking about how customer habits form and evolve is central to our task of finding industries with favorable competitive structures and companies with durable growth prospects. Following the outbreak of COVID-19, the daily habits of consumers and enterprises throughout the world were transformed. Now, as vaccination efforts progress, we must discern where habits have shifted, which new habits have become ingrained, and which may revert. Perhaps the most obvious set of behavioral changes resulting from lockdowns and social distancing is people's increased dependence on digital technologies. A greater proportion of the populace has become much more reliant on technology for a wide range of interactions including work, school, health care, social interaction, and many aspects of daily life such as buying food and other goods. Among small cap technology companies, many of whom are niche service providers to large enterprises, the same sort of digitization of standard routines and daily tasks has occurred, no less powerfully for being "behind the scenes." While the shares of companies that benefitted commercially from the shift to online living fared very well in 2020, so far this year they are among the worst performers. The market assumes "back to the old normal" and turned its favor away from last year's darlings toward more economically sensitive businesses that stand to benefit more from an immediate pickup in business activity.

The market's expectations for rising inflation and interest rates have also hurt high-growth small cap stocks, including technology stocks. The market valuations of such companies are based on earnings growth projected well into the future. As the rates at which those future earnings are discounted back to the present go up, intrinsic valuations of companies come down, and eventually so must the prices paid for their shares. The net result has been a significant rotation from companies trading at lofty valuations whose growth is "on the come" to more cyclically exposed firms benefiting "in the here and now" from a post-pandemic recovery. In some cases, the share prices of our holdings looked expensive even before the recent change in rates and we trimmed our exposures to them. With benefit of hindsight, we wish we would have trimmed more. By and large, though, we have maintained our positions in these expensive-looking stocks because we continue to believe that the new habits formed during the pandemic are likely to become *more* ingrained over time, raising the rate and duration of their prospective growth from already high levels.

If there is one pandemic habit that almost everyone agrees should persist, it is the shift in grocery shopping from supermarket aisle to online. What some may not realize is that a similar shift has occurred in how restaurants, caterers, and food-service businesses obtain their provisions, as their proprietors graduate from recurrent faxes and stamped contracts to online ordering, where transactions occur at the click of a mouse. Portfolio company **Infomart**, Japan's largest B2B platform catering to the food service industry, has been one beneficiary of the online-ordering trend.

To be sure, Infomart isn't the only Japanese company facilitating food sales online. But whereas its competitors might sell software to food wholesalers to help with e-invoicing, for example, or build an e-commerce wholesale platform just for one food category like fish, Infomart gets all types of wholesalers and their restaurant clients to participate in a single cloud-based system. The model exploits the strong network effect that takes hold once a critical mass of participants is achieved. Both wholesalers and restaurants pay a flat monthly subscription fee (which Infomart waived for the restaurants through much of the pandemic), and the wholesalers also pay a 1.2% commission on all their sales occurring on the platform. So far, Infomart has been able to leverage its enterprise wholesaler clients to encourage their customers to participate. Those smaller businesses, in turn, have gravitated toward Infomart wholesalers for an increasing portion of their orders as it saves them the hassle of toggling among paper-based or independent online systems of companies not yet on Infomart's centralized platform. Further, information sharing across the network enables valuable new services to participants such as access to a database for tracing foods back to their source and checking on potential allergens.

Prior to the pandemic, marketing expenditures for Infomart were largely devoted to promoting the value of an online system; post-pandemic, the "selling" hurdle has been reduced to a more pro-forma manager sign-off. The company continued to grow the number of participating distributors throughout 2020 while maintaining its restaurant customers in a difficult environment. Its number of restaurant customers has resumed growth as pandemic conditions continue to improve, and diners physically return to restaurants.

Throughout the pandemic, businesses have sometimes had to go to great lengths to guarantee a steady flow of goods amid the disruptions of quarantines, shifting demand, and backlogs in supply chains. As consumer memory of household cleaner, toilet paper, and flour shortages recede, here again we think investors are underestimating the stickiness of new behaviors that have arisen behind-the-scenes during the past year—in this case involving the way businesses manage their supply chains. Kinaxis, a Canada-based supply chain management software company, was a major beneficiary of the pandemic-related disruptions as businesses across various industries flocked to its platform to navigate logistics challenges. The company's software utilizes standard inventory information from internal enterprise resource planning (ERP) systems together with alternative data such as container backlogs, weather forecasts, and competitors' price promotions to adjust orders to changing conditions automatically—while also giving customers an ability to run "what-if?" scenarios. Once a company's data is loaded onto the platform, the software becomes tough to replace because of the replacement costs involved in swapping out a system so deeply embedded in customers' core processes, and because the company cannot necessarily envision how to operate without it.

Over the past few months, Kinaxis's growth pipeline has slowed a bit, resulting in some disappointment. But we view the blip as transitory. Part of the issue involves the company's ongoing shift to a software-as-a-service (SaaS) model. The growing need for flexible applications by a wider variety of users has accelerated the consumption of software on a subscription basis, especially by purchasers who want lower upfront costs and quicker configuration and deployment options. The transition to this model away from fixed software packages is expected to be a long-term positive for the growth and profitability of software companies generally, as the benefits of deploying technology through the cloud boosts the addressable market and provides software architects with valuable information from users to better tailor future upgrades and versions. In the short-term, however, the SaaS transition to a subscription model has created tough earnings comparisons for some of these companies, as one-time revenues from perpetual license fees recognized immediately are replaced by term license fees that have to be amortized over the term of the license. Kinaxis is one of those companies. From our perspective, deferral of revenues from this transition has no bearing on its growth potential going forward.

Israeli cybersecurity firm CyberArk is another example of a company whose products have become further entrenched, but where near-term earnings have been hit due to revenue model transitions. CyberArk had a robust year last year as its customers prioritized digital transformation initiatives in the remote working environment. Toward the end of 2020, shares of CyberArk rallied even further following the December SolarWinds cyberattacks. This large-scale break was engineered by Russian hackers to take advantage of a common weakness of cloud-based software applications—the tendency of users to bypass security measures when updating programs from vendors they know and trust. While the breach has raised awareness throughout the business enterprise community of malicious code that may be slipping past companies' defenses this way, it can be extremely challenging for purchasers of software to scour all the programs running on their systems. The SolarWinds event will, in our view, result in even greater security spending by businesses, many of which had already identified cybersecurity as an imperative. And CyberArk—which leads in preventing or cutting off hackers' access to the most-high-access accounts once a network has been breached—seems poised to benefit from its role as a key last line of defense. Somewhat paradoxically, CyberArk's stock price retreated this quarter when earnings saw less of an immediate bounce from SolarWinds than some investors expected. Given the increased focus on security to counter the various ways the frictionless convenience of SaaS makes us all more vulnerable, we remain encouraged that CyberArk's long-term growth outlook is bright—and potentially getting brighter.

Another company we own, **Keywords Studios**, provides outsourced IT services for companies that develop video games. The pandemic clearly provided a short-term tailwind for the gaming industry which could slacken as people peel themselves from their screens and start to get out and about more. But, there are longer-term secular drivers of growth for gaming as well that have been amplified by the extraordinary events of the past year: a wider demographic of people hooked on playing, eSports and gaming's displacement of other forms of entertainment, and new players in EMs, where rising incomes and new *games*-as-a-service models make playing a game possible for the first time.

PORTFOLIO HIGHLIGHTS

Our aim is to construct a well-diversified portfolio that can withstand the full spectrum of "known unknowns" including short-term economic developments and bond yield fluctuations. The portfolio is invested in businesses able to grow during downturns, such as our SaaS holdings, as well as those reliant on expanding economic activity for growth. One example of the latter that we exited this quarter, though not by choice, was **Signature Aviation**, the leading UK-based fixed-base operator (FBO) of business jets, which is being taken private by a consortium of private equity firms. Travel limitations imposed by the pandemic presented challenges, but the company was able to surmount them.

We made four new purchases, each in a different sector, resulting in changes within the portfolio's sector exposures. In Industrials, we added **HomeServe**, a UK-based provider of subscription-based home repair service memberships in the UK, US, France, and Spain. It has exclusive long-term agreements with numerous utilities and municipal partners, and a large network of tradespeople, enabling the company to serve customers efficiently at lower costs. Increasing household formation underpins our expectations of sustainable long-term growth for the company.

Another UK company added this quarter was **Cranswick**, which makes pork and poultry products on a private label basis. The company, which is vertically integrated, has 16 production facilities focused on everything from pig breeding and broiler farms to feed mills to preparation and packaging plants. All adhere to the latest environmental, ethical treatment, and non-GMO standards, which we think will allow Cranswick to achieve superior growth and profitability. Its poultry business, which is relatively new, is growing quickly by leveraging Cranswick's existing customer relationships and reputation as a high-quality protein manufacturer.

We also purchased **Solasto**, the second-largest provider of outsourced medical administration services in Japan. The company's focus on raising employee productivity through the adoption of IT solutions allows it to provide more services without hiring more employees. This approach is essential in Japan because of the country's aging society and labor scarcity, and we think this positions the company to continue to grow profitably.

Finally, we added **Bankinter**, a new Financials holding. This well-managed Spanish bank has been gaining share as the banking industry has consolidated in recent years. Tourism is an important industry in Spain. The prevalence of the virus in the country has been high, so Spain's economy is poised for a big rebound as leisure travel, one old habit that we expect to survive, resumes. The addition of Bankinter to our portfolio narrows our underweight in Financials. While our purchase decision was not based on an interest rate forecast, if rates do rise, it would produce a fortunate positive surprise.

INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF MARCH 31, 2021)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
CHEIL WORLDWIDE Marketing and advertising services	South Korea	0.3
MEGACABLE Cable operator	Mexico	1.0
PARADOX INTERACTIVE Video game publisher	Sweden	1.7
RIGHTMOVE Online property listings operator	UK	0.8
SARANA MENARA NUSANTARA Telecom infrastructure provider	Indonesia	1.2
TIME DOTCOM BERHAD Telecom services	Malaysia	0.7
TOWER BERSAMA Telecom infrastructure provider	Indonesia	0.8
YOUGOV Market research and data analytics services	UK	1.5
CONSUMER DISCRETIONARY		
ABC-MART Footwear retailer	Japan	0.3
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	0.5
JARIR MARKETING Consumer products retailer	Saudi Arabia	1.0
NOKIAN TYRES Tire manufacturer	Finland	0.6
RINNAI Consumer appliances manufacturer	Japan	0.3
STANLEY ELECTRIC Automotive lighting manufacturer	Japan	1.7
THULE GROUP Lifestyle consumer products manufacturer	Sweden	0.6
CONSUMER STAPLES		
AGTHIA Foods and beverages manufacturer	UAE	1.0
ALICORP Consumer products manufacturer	Peru	0.5
ARIAKE Natural seasonings manufacturer	Japan	1.7
CLICKS GROUP Drugstores operator	South Africa	0.3
COSMOS PHARMACEUTICAL Drugstores operator	Japan	1.4
CRANSWICK Foods manufacturer	UK	0.8
EDITA FOOD INDUSTRIES Foods and consumer products retailer	Egypt	1.0
GRUPO HERDEZ Processed foods manufacturer	Mexico	1.1
KERNEL Foods and agricultural products manufacturer	Ukraine	0.8
KWS SAAT Agricultural products producer	Germany	1.5
PIGEON Consumer products manufacturer	Japan	0.3
ROHTO PHARMACEUTICAL Health and consumer products mfr.	Japan	0.5
ENERGY		
CORE LABORATORIES Oilfield services	US	0.6
DIALOG GROUP BERHAD Petrochemical services	Malaysia	0.8
ROMGAZ Natural gas producer	Romania	0.4
FINANCIALS		
BANK OF GEORGIA Commercial bank	UK	0.5
BANKINTER Commercial Bank	Spain	0.9
DISCOVERY HOLDINGS Insurance provider	South Africa	0.4
MAX FINANCIAL Financial services and insurance provider	India	2.6
RATHBONE BROS Wealth manager	UK	0.7
SECURITY BANK Commercial bank	Philippines	0.2
SIAULIU BANKAS Commercial bank	Lithuania	1.3
HEALTH CARE		
ABCAM Life science services	UK	2.1
BML Clinical testing and information services	Japan	0.8
DECHRA Veterinary pharma manufacturer	UK	2.0
EMIS GROUP Health care software developer	UK	1.3
INTEGRATED DIAGNOSTICS Medical laboratory services	Egypt	0.6
SOLASTO Medical admin outsourcing	Japan	0.7

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
HEALTH CARE		
SQUARE PHARMACEUTICALS Pharma manufacturer	Bangladesh	0.7
STRATEC Life science products manufacturer	Germany	2.6
INDUSTRIALS		
BOSSARD Industrial components supplier	Switzerland	1.3
CLARKSON Shipping services	UK	1.1
DIPLOMA Specialized technical services	UK	1.9
FERREYCORP Industrial equipment distributor	Peru	0.8
HAITIAN INTERNATIONAL Plastic injection-molding machines mfr.	China	1.6
HOMESERVE Emergency repair services	UK	0.9
INTRUM JUSTITIA Credit management services	Sweden	1.3
LISI Industrial components manufacturer	France	0.7
MISUMI GROUP Machinery-parts supplier	Japan	0.4
NIHON M&A CENTER INC. Financial advisory	Japan	0.6
PFEIFFER VACUUM Vacuum pump manufacturer	Germany	0.8
SENIOR Aerospace and auto parts manufacturer	UK	1.7
SENSATA TECHNOLOGIES Industrial sensors manufacturer	US	0.3
SMS Health care employment services	Japan	1.8
TOMRA Industrial sensors manufacturer	Norway	1.9
VAT GROUP Vacuum valve manufacturer	Switzerland	0.8
INFORMATION TECHNOLOGY		
ADVANTECH Industrial PCs manufacturer	Taiwan	0.6
ALTEN Technology consultant and engineer	France	2.0
ASM INTERNATIONAL Semiconductor equipment manufacturer	Netherlands	1.0
ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.6
BECHTLE IT services and IT products reseller	Germany	2.1
CHIPBOND TECHNOLOGY Electronic chip packager	Taiwan	1.3
CYBERARK Cybersecurity software developer	Israel	1.4
GLOBANT Software developer	Argentina	1.7
INFOMART Restaurant supply chain operator	Japan	1.3
KEYWORDS STUDIOS Video game technical services	UK	2.0
KINAXIS Supply chain software developer	Canada	1.8
LEM HOLDINGS Electrical components manufacturer	Switzerland	1.6
NETWORK INTERNATIONAL Electronic payment services	UK	1.6
REPLY IT consultant	Italy	2.9
SILERGY Electronics chips manufacturer	Taiwan	0.8
SIMCORP Asset management software provider	Denmark	0.7
VAISALA Atmospheric measuring devices manufacturer	Finland	1.6
MATERIALS		
FUCHS PETROLUB Lubricants manufacturer	Germany	2.0
HOA PHAT GROUP Steel producer	Vietnam	3.7
JCU Industrial coating manufacturer	Japan	1.2
SH KELKAR Fragrances and flavors manufacturer	India	0.6
REAL ESTATE		
MABANEE Real estate developer and manager	Kuwait	0.9
UTILITIES		
RUBIS Liquid chemical storage and distribution	France	2.5
CASH		3.1

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.

1Q21 CONTRIBUTORS TO RELATIVE RETURN (%)

		AVG. WT.		
LARGEST CONTRIBUTORS	SECTOR	PORT	INDEX	EFFECT
MAX FINANCIAL	FINA	2.3	0.1	0.39
AGTHIA	STPL	0.9	0.0	0.29
NETWORK INTERNATIONAL	INFT	1.4	0.1	0.26
SENIOR	INDU	1.6	0.0	0.26
TOWER BERSAMA	COMM	1.2	0.0	0.24

LAST 12 MOS CONTRIBUTORS TO RELATIVE RETURN (%)

		AVG. WT.		
LARGEST CONTRIBUTORS	SECTOR	PORT	INDEX	EFFECT
HOA PHAT GROUP	MATS	2.6	0.0	2.14
REPLY	INFT	2.7	0.1	0.72
GLOBANT	INFT	1.6	0.0	0.70
TOWER BERSAMA	COMM	1.2	0.0	0.66
MAX FINANCIAL	FINA	2.0	0.0	0.64

1Q21 DETRACTORS FROM RELATIVE RETURN (%)

		AVG. WT.		
LARGEST DETRACTORS	SECTOR	PORT	INDEX	EFFECT
PARADOX INTERACTIVE	COMM	2.0	0.0	-0.74
VAISALA	INFT	1.8	0.0	-0.55
SMS	INDU	2.0	0.1	-0.52
KINAXIS	INFT	2.1	0.1	-0.47
CYBERARK	INFT	1.8	0.0	-0.46

LAST 12 MOS DETRACTORS FROM RELATIVE RETURN (%)

		AVG. WT.		
LARGEST DETRACTORS	SECTOR	PORT	INDEX	EFFECT
ARIAKE	STPL	2.2	0.0	-1.51
FUCHS PETROLUB	MATS	2.2	0.0	-0.71
RUBIS	UTIL	1.9	0.1	-0.67
ABCAM	HLTH	2.3	0.1	-0.62
EDITA FOOD INDUSTRIES	STPL	0.9	0.0	-0.56

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL ISC	ACWI EX-US SC
PROFIT MARGIN[1] (%)	8.6	5.7
RETURN ON ASSETS[1] (%)	7.9	3.9
RETURN ON EQUITY[1] (%)	12.9	7.8
DEBT/EQUITY RATIO[1] (%)	27.4	57.0
STD DEV OF 5 YEAR ROE[1] (%)	3.9	4.6
SALES GROWTH[1,2] (%)	7.1	4.2
EARNINGS GROWTH[1,2] (%)	7.1	5.8
CASH FLOW GROWTH[1,2] (%)	10.9	8.2
DIVIDEND GROWTH[1,2] (%)	7.9	5.0
SIZE & TURNOVER	**HL ISC**	**ACWI EX-US SC**
WTD MEDIAN MKT CAP (US $B)	3.2	2.3
WTD AVG MKT CAP (US $B)	3.7	2.8
TURNOVER[3] (ANNUAL %)	23.6	—

RISK AND VALUATION	HL ISC	ACWI EX-US SC
ALPHA[2] (%)	2.77	—
BETA[2]	0.90	—
R-SQUARED[2]	0.89	—
ACTIVE SHARE[3] (%)	97	—
STANDARD DEVIATION[2] (%)	16.23	17.00
SHARPE RATIO[2]	0.71	0.57
TRACKING ERROR[2] (%)	5.6	—
INFORMATION RATIO[2]	0.34	—
UP/DOWN CAPTURE[2]	96/87	—
PRICE/EARNINGS[4]	27.0	18.5
PRICE/CASH FLOW[4]	16.2	12.4
PRICE/BOOK[4]	3.3	1.6
DIVIDEND YIELD[5] (%)	1.4	1.9

[1]Weighted median; [2]Trailing five years, annualized; [3]Five-year average; [4]Weighted harmonic mean; [5]Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner International Small Companies 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 International Small Companies Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
BANKINTER	SPAIN	FINA
CRANSWICK	UK	STPL
HOMESERVE	UK	INDU
SOLASTO	JAPAN	HLTH

POSITIONS SOLD	COUNTRY	SECTOR
SIGNATURE AVIATION	UK	INDU

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 to return 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 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 MARCH 31, 2021)

	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 ($M)	FIRM ASSETS ($M)
2021 YTD[4]	-0.42	-0.67	5.61	19.51	20.73	N.A.[5]	1	464	74,230
2020	20.14	18.81	14.67	19.78	20.97	N.M.[6]	1	454	74,496
2019	31.30	29.83	22.93	12.36	11.60	N.M.	1	350	64,306
2018	-16.39	-17.34	-17.89	12.47	12.36	N.M.	1	165	49,892
2017	37.61	36.34	32.12	10.76	11.54	N.M.	3	323	54,003
2016	0.79	-0.22	4.29	10.78	12.15	N.M.	2	154	38,996
2015	5.83	4.63	2.95	10.26	11.32	N.M.	1	95	33,296
2014	-2.12	-3.14	-3.69	12.30	13.13	N.M.	3	157	35,005
2013	28.37	26.92	20.13	16.41	16.65	N.M.	3	166	33,142
2012	25.73	24.31	18.96	19.24	19.96	N.M.	2	119	22,658
2011	-11.90	-12.80	-18.21	23.37	23.89	N.M.	2	84	13,597

[1]Benchmark Index; [2]Variability of the Composite, gross of fees, and the Index returns over the preceding 36-month period, annualized; [3]Asset-weighted standard deviation (gross of fees); [4]The 2021 YTD performance returns and assets shown are preliminary; [5]N.A.–Internal dispersion less than a 12-month period; [6]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 49 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 94-14,460 million (as of March 31, 2021). You cannot invest directly in this Index.

Harding Loevner LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Harding Loevner has been independently verified for the period November 1, 1989 through December 31, 2020. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The International Small Companies Equity Composite has had a performance examination for the periods January 1, 2007 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 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 and the performance inception date is January 1, 2007.