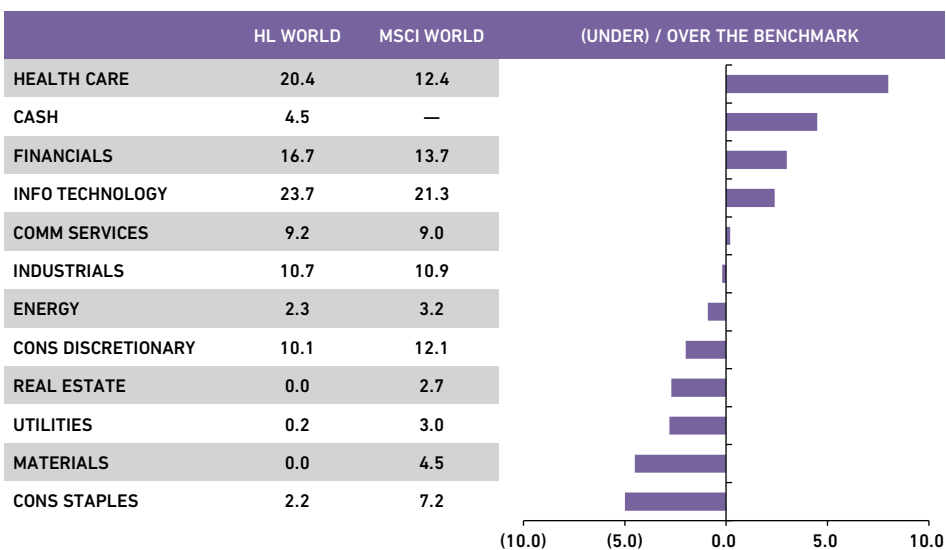
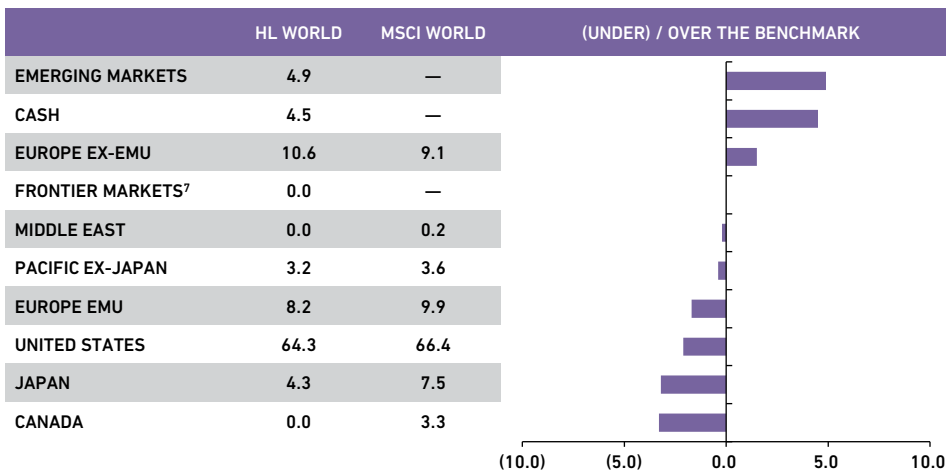


**COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED MARCH 31, 2021<sup>1</sup>**

	3 MONTHS	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL WORLD EQUITY (GROSS OF FEES)	2.85	64.07	17.74	18.44	15.00
HL WORLD EQUITY (NET OF FEES)	2.73	63.41	17.26	17.97	14.54
MSCI WORLD INDEX <sup>4,5</sup>	5.04	54.76	13.41	13.97	10.96
MSCI ALL COUNTRY WORLD INDEX <sup>5,6</sup>	4.68	55.31	12.64	13.80	10.51

<sup>1</sup>The Composite performance returns shown are preliminary; <sup>2</sup>Annualized Returns; <sup>3</sup>Inception Date: September 30, 2013; <sup>4</sup>The Benchmark Index; <sup>5</sup>Gross of withholding taxes; <sup>6</sup>Supplemental Index.

Please read the above performance in conjunction with the footnotes on the last page of this report. Past performance does not guarantee future results. All performance and data shown are in US dollar terms, unless otherwise noted.

**SECTOR EXPOSURE (%)**

**GEOGRAPHIC EXPOSURE (%)**


<sup>7</sup>Includes countries in less-developed markets outside the Index.

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

Source: Harding Loevner World Equity Model; MSCI Inc. and S&P. MSCI Inc. and S&P do not make any express or implied warranties or representations and shall have no liability whatsoever with respect to any GICS data contained herein.

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**Perspective and Outlook >**

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**ONLINE SUPPLEMENTS**


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## MARKET REVIEW

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

Signs of a global economic rebound multiplied as the vaccination efforts began in earnest. The IMF raised its global GDP growth forecast for 2021 by 0.5% to 6.0% since its last update in January. In the US, which leads the world in vaccination rates, retail sales climbed to the strongest level on record and restaurant bookings and the number of airline passengers, while still below pre-COVID-19 levels, continued to improve. The Biden administration passed a colossal US\$1.9 trillion relief package, the third such stimulus measure since the pandemic began, sending direct payments to millions of Americans and extending unemployment insurance. In China, electricity

### MARKET PERFORMANCE (USD %)

MARKET	1Q 2021	TRAILING 12 MONTHS
CANADA	9.8	60.6
EUROPE EMU	4.7	55.1
EUROPE EX-EMU	3.6	36.4
JAPAN	1.7	40.2
MIDDLE EAST	-0.3	40.0
PACIFIC EX-JAPAN	4.6	54.1
UNITED STATES	5.5	59.3
MSCI WORLD INDEX	5.0	54.8

### SECTOR PERFORMANCE (USD %) OF THE MSCI WORLD INDEX

SECTOR	1Q 2021	TRAILING 12 MONTHS
COMM SERVICES	6.9	59.7
CONSUMER DISCRETIONARY	3.6	81.7
CONSUMER STAPLES	-0.4	24.5
ENERGY	22.2	53.2
FINANCIALS	13.4	62.4
HEALTH CARE	0.9	29.8
INDUSTRIALS	7.8	63.3
INFORMATION TECHNOLOGY	1.5	68.5
MATERIALS	5.8	72.9
REAL ESTATE	6.2	32.3
UTILITIES	0.7	23.1

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

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

generation and rail cargo volume rose substantially year over year, but consumer spending remained subdued despite much of daily life having returned to normal. The recovery in Europe, however, remains precarious, amid the emergence of new more virulent virus strains and problems with its vaccine rollout extending or renewing lockdowns.

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

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

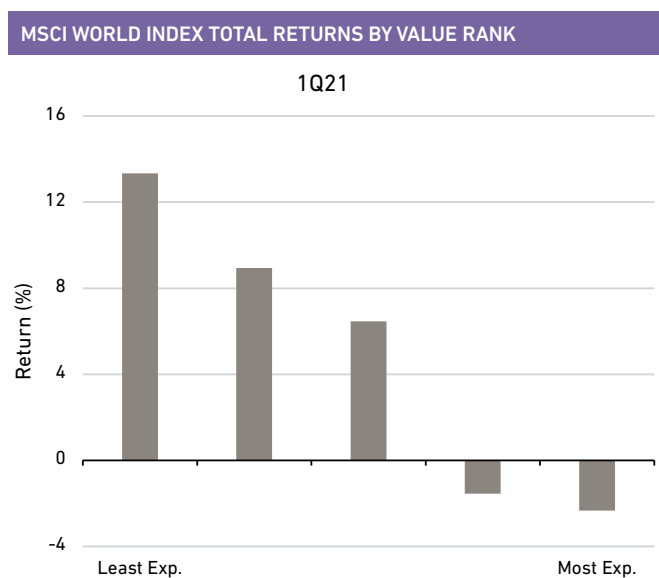
**The animal spirits also took on some more exotic forms. Japanese online stockbroker Monex opened a new avenue for its retail customers by offering derivative swap contracts on Bitcoin via its own crypto-currency exchange.**

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

Sector performance reflected the improved economic outlook. Financials rebounded, aided by a steepening yield curve and surprisingly low credit defaults, while the Energy sector surged in lockstep with rising oil prices. Less-cyclical sectors—Consumer Staples, Health Care, and Utilities—all underperformed for the

quarter. By region, Canada was a big outperformer, helped by its large weighting in banks and energy. In Europe, Nordic countries Sweden and Norway posted double-digit returns, boosted by strong performance in cyclical sectors. The UK also posted strong returns on the back of its expansive vaccination program, offsetting weakness in Switzerland and Denmark. Japan also underperformed as stocks were negatively impacted by the weakening yen.

Viewed by style, a large divergence in performance between the ranges of valuation stood out, extending the style shift in favor of cheaper stocks and lower-quality companies that commenced in early November. The chart below shows how the performance gap between the cheapest and the most expensive quintile of global stocks reached a startling 16 percentage points over the last three months. Less markedly, lower-quality companies, typically those with higher leverage and more volatile revenues and earnings, outperformed high-quality companies and shares of slow-growth companies outperformed their faster-growing counterparts.



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

## PERFORMANCE AND ATTRIBUTION

The World Equity composite returned 2.85% this quarter, trailing the benchmark, which returned 5.04%.

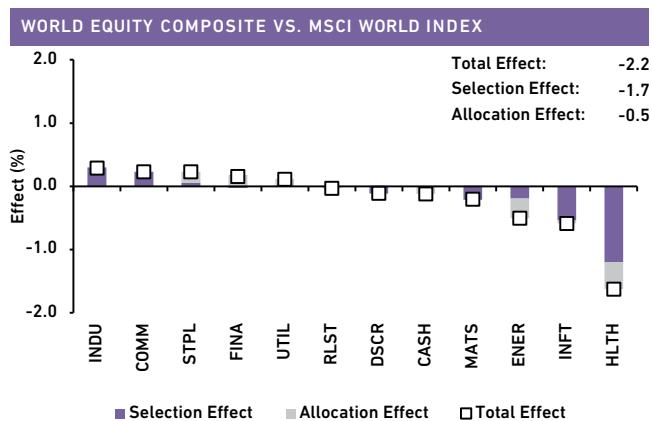
The style trends outlined above were detrimental to our portfolio.

Our holdings in Health Care detracted as two pharmaceutical companies—**Vertex Pharmaceuticals** in the US and **Chugai Pharmaceutical** in Japan—announced subdued outlooks for the year ahead. Another Japanese holding, blood testing instruments manufacturer **Sysmex**, retraced some of its previous strong performance after an upsurge in new coronavirus cases in some of its biggest markets diminished near-term prospects for a recovery of testing volumes for more prosaic medical conditions. Ironically, the investor interest in more cyclical sectors

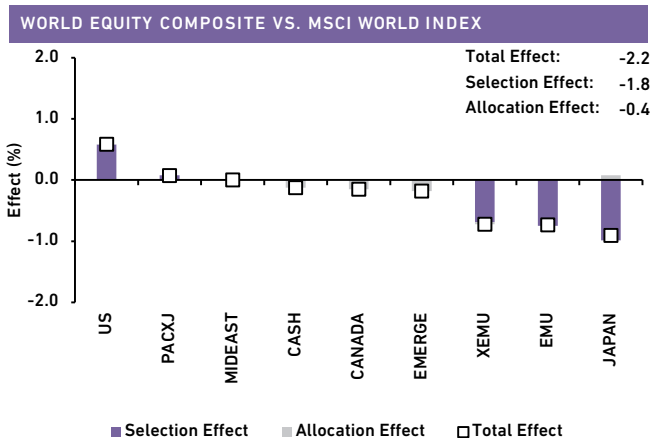
ignited by the prospect of successful mass vaccination tempered enthusiasm for the industry that helped spark the shifts, especially its most highly priced members. **Lonza**, **Abcam**, and **Genmab** all joined Chugai and Sysmex in suffering price declines of 9% or more. Our holdings in Information Technology also hurt, particularly **TeamViewer**, a German connectivity software company providing remote monitoring services that enable individuals and enterprises to remotely access, monitor, and control internet enabled devices. Shares fell after the company announced an expensive sponsorship deal with the Mercedes Formula One racing team, raising concerns of weaker margins due to more aggressive marketing spending.

From a geographic perspective, the biggest drag came from poor stocks in Japan. In addition to Sysmex and Chugai, Japanese sensor and measurement equipment manufacturer **Keyence** declined following struggles due to subdued demand from factory-automation customers who have been impacted by the global semiconductor chip shortage. Our holdings in Europe both inside and outside the eurozone also detracted, especially TeamViewer and Swiss drug manufacturer Lonza. Shares of the latter

## SECTOR PERFORMANCE ATTRIBUTION FIRST QUARTER 2021

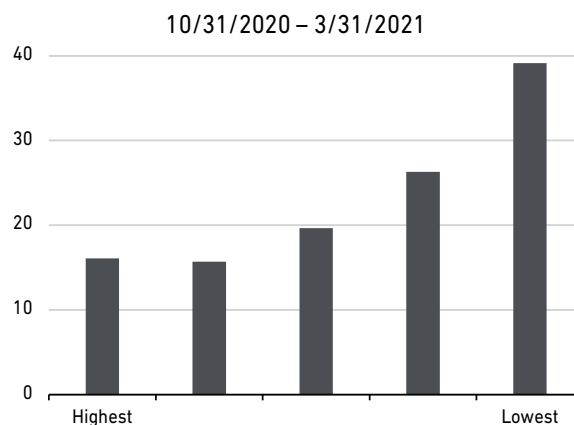


## GEOGRAPHIC PERFORMANCE ATTRIBUTION FIRST QUARTER 2021



Source: FactSet; Harding Loevner World Equity Composite; MSCI Inc. and S&P. The total effect shown here may differ from the variance of the Composite performance and benchmark performance shown on the first page of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS Presentation.

## MSCI ACW INDEX TOTAL RETURNS BY QUALITY RANK



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

declined amid rising investor interest in more cyclical sectors. Ironically, the tempered enthusiasm for shares of Health Care companies, especially its most highly valued members, is partly due to the improved economic outlook borne of these companies' success producing effective mass vaccines.

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

## ■ PERSPECTIVE AND OUTLOOK

For the best part of our 30-year existence we've invested in high-quality, growing companies. That means we understand only too well the slings and arrows of outrageous fortune that the market occasionally hurls the way of our quality-focused portfolio. During the recovery from the prolonged bear market that followed the bursting of the tech bubble in 2000 Harding Loevner's Global Equity strategy (upon which the World Equity strategy was later based) suffered one of our worst periods of relative performance. As the profit slump—at the time the deepest since the 1930s—dragged into its second year, the US Federal Reserve led other central banks in further rounds of cutting interest rates in a bid to spur a stronger recovery. Investors who had fled the securities of barely profitable or highly leveraged companies reconsidered their cautious stance. Companies that were priced as if they might be the next round of bankruptcies suddenly looked like probable survivors, and their share prices leapt higher as investors adjusted to the upgraded prognosis. As cyclical and fi-

nancial risks receded, stocks of the most stable companies, with ultra-conservative balance sheets and resilient profit margins, no longer transfixed investors, whose eyes wandered to less pristine corporate stories in hopes of a bargain. Over the ensuing 24 months, stocks of companies in the lowest tiers of quality, derided as junk, trounced by double digits those in the top tiers. Harding Loevner's Global Equity Strategy trailed the benchmark in both 2003 and 2004, in the latter by a large margin.

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

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

Over the last couple of years, as valuations for high-quality and rapidly growing companies have risen steadily, we've had to make difficult trade-offs in attempting to balance our commitment to these company attributes against the prices their shares fetch. Historically our debate has mostly concerned the trade-off between valuation and growth, but in this nascent recovery from the pandemic, the real issue—at least as far as relative performance goes—has turned out to be related more to trading off valuation against quality. Growth, in contrast

to quality, has not been a particularly good predictive factor recently: only the fastest growth quintile (sorted by our growth metric) has seriously lagged the index, while the other 80% of the market matched or bettered the market's average performance since the beginning of November.

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

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

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

## ■ PORTFOLIO HIGHLIGHTS

Over the past year, the attractive valuation of high-quality companies in out-of-favor sectors has figured into our increased holdings of Energy and Financials. More recently, while we continue to be overweight the Financial sector, we have shifted the composition away from a group of banks with operations in struggling emerging economies in favor

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

**While ExxonMobil does plan to increase capital expenditure, we've been disappointed in its regrettable failure to address ongoing emission trends. As a result, we sold our holding and reinvested the proceeds in Schlumberger and Neste.**

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

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

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

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

By some measures, this latest fiscal outlay, which comes on top of the more than US\$3 trillion of aid doled out last year, is far greater than the output gap it's trying to plug. Moreover, the economy already appears to be humming along at a brisk clip in anticipation of an imminent return to something approaching normalcy following a successful vaccine rollout. Potentially adding fuel to the prospective fire is the doubtless pent-up demand for travel and leisure activities, pre-funded by a mountain of household savings thought to reach an additional US\$1.6 trillion. If the literal spring break riots in Miami Beach are anything to go by, consumers are understandably impatient to go forth into the world incautiously after over a year of enforced abstinence. This tsunami of demand is set to wash over a pandemic-battered economy still scarred by business closures and supply disruptions—the classic problem

of too much money chasing too few goods, which could over time morph into a vicious circle of steadily rising prices. Commodity prices have already leapt ahead, and you don't have to look far to see shortages, from semiconductor chips to pipes. Under the circumstances, an increase in the price level seems all but inevitable.

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

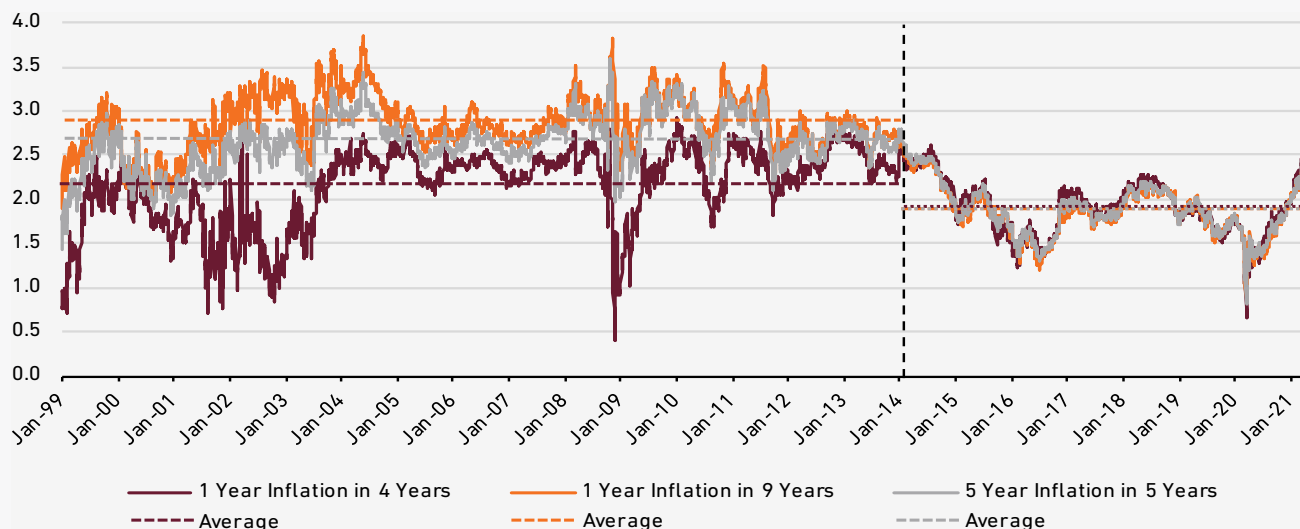
#### Japan Says Hi

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

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

**Continued on next page >**

## FORWARD BREAK-EVEN INFLATION 1999-2021



Source: US Federal Reserve Board.

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

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

More to the point, prior to the pandemic, a full decade of aggressive monetary policy had failed to re-ignite growth in industrialized economies. Indeed, in some ways it may have made the situation worse, by artificially propping

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



## WORLD EQUITY HOLDINGS (AS OF MARCH 31, 2021)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
<b>COMMUNICATION SERVICES</b>		
ALPHABET Internet products and services	US	3.6
CD PROJEKT Video game developer	Poland	0.3
DISNEY Diversified media and entertainment provider	US	1.3
FACEBOOK Social network	US	2.9
KAKAKU.COM E-commerce retailer	Japan	0.1
NETEASE Gaming and internet services	China	0.4
TENCENT Internet and IT services	China	0.5
<b>CONSUMER DISCRETIONARY</b>		
ALIBABA E-commerce retailer	China	0.5
AMAZON.COM E-commerce retailer	US	3.2
EBAY E-commerce retailer	US	1.7
ETSY E-commerce retailer	US	1.2
NIKE Athletic footwear and apparel retailer	US	1.9
TRIP.COM GROUP Online travel services	China	0.6
VF CORPORATION Footwear and apparel retailer	US	1.0
<b>CONSUMER STAPLES</b>		
ESTÉE LAUDER Cosmetics manufacturer	US	1.0
L'ORÉAL Cosmetics manufacturer	France	1.2
<b>ENERGY</b>		
NESTE Oil refiner and engineering services	Finland	1.1
SCHLUMBERGER Oilfield services	US	1.2
<b>FINANCIALS</b>		
AIA GROUP Insurance provider	Hong Kong	1.4
BANK CENTRAL ASIA Commercial bank	Indonesia	0.4
CME GROUP Derivatives exchange and trading services	US	2.8
DBS GROUP Commercial bank	Singapore	1.6
FIRST REPUBLIC BANK Private bank and wealth manager	US	3.9
HDFC BANK Commercial bank	India	0.6
ITAÚ UNIBANCO Commercial bank	Brazil	0.4
STANDARD CHARTERED Commercial bank	UK	1.0
SVB FINANCIAL GROUP Commercial bank	US	3.5
TRADEWEB Electronic financial trading services	US	1.2
<b>HEALTH CARE</b>		
ABCAM Life science services	UK	1.4
ALCON Eye care products manufacturer	Switzerland	1.3
ALIGN TECHNOLOGY Orthodontics products manufacturer	US	1.4
CHUGAI PHARMACEUTICAL Pharma manufacturer	Japan	1.0
DANAHER Diversified science and technology products and services	US	0.8
EDWARDS LIFESCIENCES Medical device manufacturer	US	0.9
GENMAB Biotechnology producer	Denmark	1.1
ILLUMINA Life science products and services	US	2.3
INTUITIVE SURGICAL Medical equipment manufacturer	US	0.8
IQVIA Health care services	US	0.8
LONZA Life science products manufacturer	Switzerland	1.3

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
ROCHE Pharma and diagnostic equipment manufacturer	Switzerland	1.4
SYMEX Clinical laboratory equipment manufacturer	Japan	1.6
THERMO FISHER SCIENTIFIC Health care products and services	US	1.3
UNITEDHEALTH GROUP Health care support services	US	1.1
VERTEX PHARMACEUTICALS Pharma manufacturer	US	2.0
<b>INDUSTRIALS</b>		
AMETEK Electronic instruments and electromechanical devices mfg.	US	1.0
ATLAS COPCO Industrial equipment manufacturer	Sweden	1.4
COUNTRY GARDEN SERVICES Residential property manager	China	0.1
EPIROC Industrial equipment manufacturer	Sweden	0.4
JOHN DEERE Industrial equipment manufacturer	US	2.7
MISUMI GROUP Machinery-parts supplier	Japan	0.5
ROPER Diversified technology businesses operator	US	0.8
SCHNEIDER ELECTRIC Energy management products	France	1.6
SPIRAX-SARCO Industrial components manufacturer	UK	0.6
VAT GROUP Vacuum valve manufacturer	Switzerland	0.8
VERISK Risk analytics and assessment services	US	0.8
<b>INFORMATION TECHNOLOGY</b>		
ACCENTURE Professional services consultant	US	1.1
ADOBE Software developer	US	1.8
ADYEN Payment processing services	Netherlands	1.1
APPLE Consumer electronics and software developer	US	1.4
ASML Semiconductor equipment manufacturer	Netherlands	1.7
EPAM IT consultant	US	1.4
KEYENCE Sensor and measurement equipment manufacturer	Japan	1.1
MASTERCARD Electronic payment services	US	0.9
MICROSOFT Consumer electronics and software developer	US	2.1
NVIDIA Semiconductor chip designer	US	1.2
PAYPAL Electronic payment services	US	3.9
SALESFORCE.COM Customer relationship management software	US	1.0
SAMSUNG ELECTRONICS Electronics manufacturer	South Korea	0.5
SYNOPSYS Chip-design software developer	US	1.3
TEAMVIEWER Remote connectivity software developer	Germany	1.3
TSMC Semiconductor manufacturer	Taiwan	0.4
WORKDAY Enterprise resource planning software	US	1.1
XERO Accounting software developer	Australia	0.2
<b>MATERIALS</b>		
No Holdings		
<b>REAL ESTATE</b>		
No Holdings		
<b>UTILITIES</b>		
ENN ENERGY Gas pipeline operator	China	0.2
<b>CASH</b>		
		4.5

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

## 1Q21 CONTRIBUTORS TO RELATIVE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG WEIGHT		
		PORT	INDEX	EFFECT
JOHN DEERE	INDU	2.4	0.2	0.58
SVB FINANCIAL GROUP	FINA	3.7	0.0	0.54
PROTOLABS	INDU	0.3	0.0	0.35
APPLE	INFT	2.1	4.2	0.33
FIRST REPUBLIC BANK	FINA	4.2	0.1	0.29

## 1Q21 DETRACTORS FROM RELATIVE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG WEIGHT		
		PORT	INDEX	EFFECT
TEAMVIEWER	INFT	1.2	0.0	-0.20
KEYENCE	INFT	1.4	0.2	-0.20
SYSMEX	HLTH	2.0	0.0	-0.20
VERTEX PHARMACEUTICALS	HLTH	2.0	0.1	-0.20
CHUGAI PHARMACEUTICAL	HLTH	0.6	0.1	-0.20

## PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL WORLD	MSCI WORLD
PROFIT MARGIN <sup>1</sup> (%)	19.6	12.0
RETURN ON ASSETS <sup>1</sup> (%)	9.2	6.3
RETURN ON EQUITY <sup>1</sup> (%)	19.0	14.1
DEBT/EQUITY RATIO <sup>1</sup> (%)	46.3	78.4
STD DEV OF 5 YEAR ROE <sup>1</sup> (%)	4.5	6.0
SALES GROWTH <sup>1,2</sup> (%)	10.8	4.7
EARNINGS GROWTH <sup>1,2</sup> (%)	13.7	8.0
CASH FLOW GROWTH <sup>1,2</sup> (%)	17.0	9.4
DIVIDEND GROWTH <sup>1,2</sup> (%)	8.7	8.3
SIZE & TURNOVER	HL WORLD	MSCI WORLD
WTD MEDIAN MKT CAP (US \$B)	68.2	87.9
WTD AVG MKT CAP (US \$B)	285.0	319.8
TURNOVER <sup>3</sup> (ANNUAL %)	32.1	—

<sup>1</sup>Weighted median; <sup>2</sup>Trailing five years, annualized; <sup>3</sup>Five-year average; <sup>4</sup>Trailing five years, annualized; <sup>5</sup>Weighted harmonic mean; <sup>6</sup>Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner World Equity Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: April 6, 2021, based on the latest available data in FactSet on this date.); Harding Loevner World Equity Model, based on the underlying holdings; MSCI Inc.

## COMPLETED PORTFOLIO TRANSACTIONS

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

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

LARGEST CONTRIBUTORS	SECTOR	AVG WEIGHT		
		PORT	INDEX	EFFECT
PAYPAL	INFT	4.5	0.5	3.22
SVB FINANCIAL GROUP	FINA	2.2	0.0	1.69
FIRST REPUBLIC BANK	FINA	3.7	0.0	1.24
THE TRADE DESK	INFT	0.4	0.0	1.21
ALIGN TECHNOLOGY	HLTH	1.4	0.1	1.11

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

LARGEST DETRACTORS	SECTOR	AVG WEIGHT		
		PORT	INDEX	EFFECT
VERTEX PHARMACEUTICALS	HLTH	2.9	0.1	-1.45
TESLA*	DSCR	0.0	0.7	-0.86
SHISEIDO	STPL	1.1	0.1	-0.48
TEAMVIEWER	INFT	0.3	0.0	-0.38
GENMAB	HLTH	0.6	0.0	-0.34

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

RISK AND VALUATION	HL WORLD	MSCI WORLD
ALPHA <sup>4</sup> (%)	4.71	—
BETA <sup>4</sup>	0.95	—
R-SQUARED <sup>4</sup>	0.92	—
ACTIVE SHARE <sup>3</sup> (%)	86	—
STANDARD DEVIATION <sup>4</sup> (%)	14.35	14.50
SHARPE RATIO <sup>4</sup>	1.21	0.88
TRACKING ERROR <sup>4</sup> (%)	4.2	—
INFORMATION RATIO <sup>4</sup>	1.07	—
UP/DOWN CAPTURE <sup>4</sup>	110/89	—
PRICE/EARNINGS <sup>5</sup>	35.4	26.6
PRICE/CASH FLOW <sup>5</sup>	31.8	16.6
PRICE/BOOK <sup>5</sup>	5.2	3.0
DIVIDEND YIELD <sup>6</sup> (%)	0.7	1.7

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

## WORLD EQUITY COMPOSITE PERFORMANCE (AS OF MARCH 31, 2021)

	HL WORLD EQUITY GROSS (%)	HL WORLD EQUITY NET (%)	MSCI WORLD <sup>1</sup> (%)	MSCI ACWI <sup>2</sup> (%)	HL WORLD EQUITY 3-YR STD DEVIATION <sup>3</sup> (%)	MSCI WORLD 3-YR STD DEVIATION <sup>3</sup> (%)	MSCI ACWI 3-YR STD DEVIATION <sup>3</sup> (%)	INTERNAL DISPERSION <sup>4</sup> (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS (\$M)	FIRM ASSETS (\$M)
2021 YTD <sup>5</sup>	2.85	2.73	5.04	4.68	17.56	17.86	17.64	N.A. <sup>6</sup>	5	2,771	74,230
2020	35.09	34.55	16.50	16.82	17.94	18.26	18.12	N.M. <sup>7</sup>	5	3,140	74,496
2019	30.60	30.07	28.40	27.30	12.28	11.13	11.21	N.M.	5	2,431	64,306
2018	-8.79	-9.16	-8.20	-8.93	11.53	10.39	10.48	N.M.	4	1,688	49,892
2017	30.93	30.41	23.07	24.62	10.66	10.24	10.37	1.1	7	3,933	54,003
2016	7.59	7.14	8.15	8.48	10.91	10.94	11.07	0.6	7	3,092	38,996
2015	5.94	5.48	-0.32	-1.84	+	+	+	N.M.	7	2,903	33,296
2014	7.49	7.04	5.50	4.71	+	+	+	N.M.	5	2,138	35,005
2013 <sup>8</sup>	7.49	7.48	8.11	7.42	+	+	+	N.A.	3	1,540	33,142

<sup>1</sup>Benchmark Index; <sup>2</sup>Supplemental Index; <sup>3</sup>Variability of the composite, gross of fees, and the Index returns over the preceding 36-month period, annualized; <sup>4</sup>Asset-weighted standard deviation (gross of fees); <sup>5</sup>The 2021 YTD performance returns and assets shown are preliminary; <sup>6</sup>N.A.—Internal dispersion less than a 12-month period; <sup>7</sup>N.M.—Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year; <sup>8</sup>2013 represents the partial year October 1, 2013 to December 31, 2013 +Less than 36 months of return data.

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

The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The Index consists of 23 developed market countries. The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Index consists of 50 developed and emerging market countries. You cannot invest directly in these Indices.

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

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The World Equity Composite has been examined for the periods October 1, 2013 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 World Equity accounts is 1.00% annually of the market value up to \$20 million; 0.50% of amounts from \$20 million to \$100 million; 0.45% of amounts from \$100 million to \$250 million; above \$250 million on request. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The World Equity Composite was created on September 30, 2013 and the performance inception date is October 1, 2013.

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