



Composite Performance (%) For Periods Ending June 30, 2010¹

	3 Months	Calendar YTD	1 Year	3 Years ²	5 Years ²	10 Years ²	Since Inception ^{2,3}
HL Global Equity ADR (gross of fees)	-12.65	-9.93	11.15	-6.57	3.64	1.56	8.45
HL Global Equity ADR (net of fees)	-12.83	-10.30	10.28	-7.35	2.79	0.70	7.56
MSCI All Country World Index ^{4,5}	-12.12	-9.37	11.76	-10.52	1.15	-0.26	5.42
MSCI World Index ⁵	-12.67	-9.84	10.20	-11.46	0.06	-1.02	4.90

¹The Composite performance returns shown are preliminary; ²Annualized Returns; ³Inception date: October 31, 2001; performance prior to October 31, 2001 is that of the Global Equity Composite, which was managed similarly and materially represented the strategy of the Global Equity ADR Composite; ⁴The Benchmark Index. ⁵The indices are net of foreign withholding taxes on dividends, interest income and capital gains.

Please read the above performance in conjunction with the footnotes on the back page of this report. Past performance does not guarantee future results.

Sector Exposure (%)

Sector	HL Gbl ADR	MSCI ACW	Over/Under The Benchmark
Info Technology	22.2	12.1	10.1
Health Care	14.4	9.0	5.4
Cash	3.3	—	3.3
Cons Staples	13.0	10.0	3.0
Cons Discretionary	11.8	9.5	2.3
Materials	8.8	8.2	0.6
Industrials	8.5	10.4	-1.9
Energy	7.1	10.6	-3.5
Utilities	0.0	4.3	-4.3
Telecom Services	0.0	4.8	-4.8
Financials	10.9	21.1	-10.2

Market Review & Outlook

- Markets fell sharply, reflecting concern over sovereign debt burdens and weak global growth.
- Emerging markets and non-cyclical sectors generally outperformed.
- Companies generating good returns are especially attractive in an environment of low interest rates and uncertain growth.

Portfolio Highlights

- Low turnover—no major changes made in response to European crisis.
- Very low exposure to European financials and none at all to "PIIGS".
- High quality emphasis, focusing on companies with strong balance sheets, high margins, and high returns.

Geographical Exposure (%)

Region	HL Gbl ADR	MSCI ACW	Over/Under The Benchmark
United States	60.6	43.0	17.6
Cash	3.3	—	3.3
Other ¹	2.0	—	2.0
Middle East	1.2	0.3	0.9
Europe EMU	10.5	11.7	-1.2
Pacific ex-Japan	3.0	4.9	-1.9
Canada	1.2	4.5	-3.3
Japan	3.8	9.1	-5.3
Europe ex-EMU	7.2	13.2	-6.0
Emerging Markets	7.2	13.3	-6.1

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¹Includes countries outside the benchmark where some holdings are incorporated.

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

Source: MSCI and S&P. MSCI 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.

Performance Summary

The Global Equity ADR Composite declined 12.6% over the quarter, just behind the MSCI All Country World Index (“the Index”), which fell 12.1% (net of foreign withholding taxes). For the half year, the Composite has performed in line with the Index, declining 9.9% versus a decline of 9.4% for the Index.

Market Review

Equity markets declined sharply from an early peak in April, as concerns deepened over Greece’s ability to service its debt beyond just the large bond issues coming due in May and July. This crystallization of worries over Greek debt continued to incite more generalized anxiety about the sovereign debts of other European countries. As Spain and Portugal followed Greece’s lead in promulgating austerity measures, prospects for accelerating economic growth dimmed, increasing the likelihood that loan losses would rise at banks in the growing club of countries where governments were hacking at public expenditures. The

Sector Performance (%) of the MSCI ACW Index		
Sector	2Q 2010	Trailing 12 months
	USD	USD
Consumer Discretionary	-9.6	21.2
Consumer Staples	-7.2	17.8
Energy	-15.3	1.0
Financials	-14.3	10.2
Health Care	-10.8	10.1
Industrials	-11.2	19.7
Information Technology	-12.6	15.6
Materials	-15.3	18.8
Telecom Services	-6.5	7.1
Utilities	-8.4	1.7

Market Performance (%)		
Market	2Q 2010	Trailing 12 months
	USD	USD
Canada	-10.3	19.3
Germany	-12.2	7.8
Japan	-10.0	0.9
United Kingdom	-13.8	8.9
United States	-11.5	14.3
Europe EMU	-17.3	-0.1
Europe ex-EMU	-12.4	12.9
Pacific ex-Japan	-14.1	19.1
Emerging Markets	-8.1	23.6
MSCI ACW Index	-12.1	11.8

Source: Wilshire Atlas, MSCI Barra (as of June 30, 2010)

souring outlook also re-ignited worries about the dependence of many banks on interbank lending and securities markets to meet the accumulated gap between their customers’ deposits and their loan books after years of over-lending; when the asset quality at banks is suspect, their peers (and other investors) are naturally reluctant to lend to them, causing a spike in interbank interest rates. The euro continued to weaken, with all eyes on Germany in particular, where politicians face rising domestic criticism and falling popularity for their acquiescence in the very large support guarantees and loans made available to Greece and other troubled European countries. The broad European market fell 9% in local currency, and, with the weakening exchange rate, was down 15% in US dollar terms. European financial stocks fell even more, losing 20% in US dollar terms in the quarter.

In practical terms, it was not Greece that was bailed out, but German and Dutch creditors.

Other developed equity markets away from the European turmoil fell nearly as much, with the latest chapter of the debt crisis hurting both business and consumer confidence in the US and Japan, raising risks that the global economy could slip back into recession. The US market fell more than 11%, and the Japanese market fell 10% in US dollars, despite a strengthening yen. In contrast, the equity markets of many developing countries proved to be relatively resilient, rebounding more sharply than the developed markets did from late May onwards so the MSCI Emerging Markets Index lost 8% in the quarter. Indeed, a few Latin American and Asian markets, including Indonesia, Chile, and Columbia, managed to post a net gain in US dollar terms. Central and Eastern European emerging markets, however, were very weak, similar to the peripheral developed European markets.

In addition to Financials, the weakest sectors globally were Energy and Materials, with the latter reflecting the concerns about the robustness of the global recovery, but also in recognition of increasing political hostility towards extractive industries, ranging from the US administration’s aggressive stance towards BP over its handling of the oil spill in the Mexican Gulf, to the emergence of new taxation schemes on miners from Australia to Chile. (Although perhaps we are confusing an intense ‘softening up’ exercise on a rich potential source of public funding with ‘hostility.’) The better performing sectors were the traditional non-cyclical ones: Telecom Services, Consumer Staples, and Utilities—though Health Care was notable for its benchmark-like weakness.

Bold indicates companies held in the portfolio during the quarter. 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 June 30, 2010 is available on page six of this report.

Performance Attribution

The portfolio trailed the Index by a modest amount, benefiting slightly from its underweight in Financials and Energy, along with its heavy weighting in Consumer Staples. However, benefits gained from good stocks, especially Japanese robot maker **Fanuc**, diabetes and insulin specialists **Fresenius Medical Care** and **Novo Nordisk**, and US data storage provider **EMC Corporation**, were more than offset by several poor stocks. Our two agriculture related holdings, **Bunge** and **Monsanto**, both reported disappointing results and hurt relative performance within Consumer Staples and Materials, respectively. **Walgreen**, also within Consumer Staples, hurt relative performance in that sector, while three software stocks, **Adobe Systems**, **Google**, and **eBay**, hurt performance within Information Technology.

From a geographic perspective, the portfolio enjoyed good stock selection within the major regions of Europe EMU and Europe non-EMU, as our stance in favor of high-quality multinationals and bias against Financials paid off. But the benefit was negated by sub-par returns in our US holdings, which, due to the large weight of the US in the portfolio, had a significant effect on overall relative performance. Here, our underweight in Financials, along with the aforementioned Monsanto, Adobe Systems, Google, eBay, and Walgreen, actually hurt performance.

Outlook

As investors abandoned select government debt markets and fled the euro currency, it became clear that a general collapse of, say, Greek and Spanish bond markets due to failures to honor maturing bond redemptions would have caused large losses at financial institutions in Germany, Switzerland, The Netherlands, and France. That the problems of European sovereign funding are also a problem for European financial institutions dawned on markets quickly, but on German politicians belatedly, forcing them into an awkward climbdown from their indignant moral arguments against ‘bailing out’ profligate Greece and the other ‘PIIGS’ countries. In a sense, the financially sounder nations (relatively speaking) confronted the truth of Benjamin Franklin’s dictum about the American colonies facing down the British redcoats: “We must hang together, or we shall most assuredly all hang separately!” In practical terms, it was not Greece that was bailed out, but German and Dutch creditors.

Although it took some time (thus creating more uncertainty) the politicians heeded the needs of their financial institutions (pension funds and insurers as well as banks), and cobbled together a large rescue package for the vulnerable nations in the form of a €750 billion loan fund, an amount exceeding the total maturities for the next three years of Greece, Spain, Portugal, and Ireland combined. On top of that, the European Central

Bank effectively committed to unlimited liquidity support for the banks in the eurozone, and bought sovereign bonds (including Greek bonds) for its own account (rather than on repurchase agreement) in a limited form of quantitative easing (money creation). While the currency markets don’t care too much for this policy shift, it does have the effect of ensuring the continuity of national bond markets and funding liquidity for banks for the indefinite future.

The market convulsions over European sovereign debt have reignited the debate in the US over the best route out of the financial crisis and recession. On the one hand are the Keynesians, who believe that government must be the consumer of last resort, stepping in to create demand in the economy when the private sector, both individuals and company managements, lack the confidence to go forward with spending or investment plans, especially if those plans require taking on more debt. On the other side are the Hayekians, who cannot believe that the way to permanently resolve an economic crisis brought on by too much debt is by taking on even more debt, while encouraging others to do the same, and ignoring the absolute level of debt and the eventual need to repay it, not to mention its depressive effect on private investment initiative and access to funds.

With more than half the US economy facing substantive regulatory and tax changes, there is little wonder why company managements are cautious about investing.

This debate appears to be over in Europe: governments in Greece, Spain, Romania, and the UK, among others, have all mounted substantial efforts to cut government expenditure immediately and over the next several years. Germany, already one of the more prudent of governments, has announced €80 billion of spending cuts. Estonia may run both a current account surplus and one of the smallest government budget deficits in Europe this year. While there have been significant mass protests and general strikes in Athens, Madrid, and Bucharest, there as yet has been no government back-down from the austerity programs announced. In the UK, the party promising the greater austerity won a general election, albeit with a weak mandate and a coalition partner. In our view, the reining in of government stimulus has already begun, setting up a test, however imperfect, of the assertions of both sides of the economic debate, as governments are set to reduce their explicit contribution to the growth equation not only in Europe, but globally, this year and next.

The reaction of bond and stock markets has been rational: deflation risks have risen, despite assurances from monetary authorities that liquidity should be easy and short-term interest rates should be low. As a result, the more creditworthy bonds have rallied sharply, while the more risky ones have stalled or fallen,

and equity markets have taken fright, expanding the risk premium amidst rising doubt on future earnings streams.

Companies in the US, Europe, and Japan are hoarding cash, rather than expanding staff or capacity, because managements cannot be sure that capital markets may be open to them on friendly terms when they do decide to expand again, and the current uncertainty over economic growth is not spurring much optimism to invest in new capacity anyway. Meanwhile, individuals in the developed world continue to try to pay down debt, rather than splash out for lower-priced houses (or cars) despite mortgage loans offered at record-low rates. Consumer debt in the US has fallen in 19 of the last 22 months, breaking a string of 125 consecutive monthly expansions, and in the latest two months fell by \$24 billion, an accelerating pace. Employment, although no longer shrinking, has not offered fresh hope to those without jobs, and the impending government cuts at the national level in European economies, and at the state and local level in the US, are likely to mean more labor on the market in coming months.

In an environment of scarce economic growth, uncertain corporate earnings growth, and low interest rates, we remain relatively optimistic for the returns of those equities that can generate both growth and good returns on capital.

A more pressing problem for capital spending, certainly in the US, is the deepening government involvement in many areas of the economy, with new regulations, subsidies and taxes altering the playing field with rapid, rather than considered, steps. Clearly this is the case in the financial services industry (comprising roughly a quarter of the US economy), where the Administration is trying hard to exploit the fading sense of crisis by ‘fixing’ the structural issues that led to the latest debacle. But there are also big changes afoot in the Health Care sector (one sixth of the economy) as a result of the new legislation, in the Energy sector (as much as a tenth of the economy) as a result of the BP oil spill in the Gulf as well as the government’s views about traditional and alternative energy, not to mention changes in labor policies in government contracts and in taxation—the latter, yet to be revealed. With more than half the US economy facing substantive regulatory and tax changes, there is little wonder why company managements are cautious about investing.

Economic growth has few robust supports. Consumption demand in Europe and the US is destined to be weak due to private deleveraging and public spending cuts, and thus the great hope of policy makers is for investment demand in developing economies to continue its rebound, and for consumer demand in those same developing economies to grow rapidly from its modest base. This hope has certainly been encouraged by recent reality in China and in Brazil, two of the biggest emerging

markets, over the last twelve months, so much so that inflation, rather than deflation, is becoming a potential policy headache. Chinese authorities have been attempting to shift economic activity away from residential property development and local government-sponsored factory construction, by ordering credit to be rationed and by high-profile prosecutions of local government corruption related to development. Brazil is enjoying the rebound in iron ore and pulp & paper prices that had collapsed during the worst months of the financial crisis, while Lula-promoted social programs have stimulated building demand, reigniting growth and loan demand in the country.

A number of countries, then, have already begun raising interest rates in response to accelerating economic activity and a bounce in monetary inflation. These include countries with resurgent domestic consumption demand, such as Brazil and India, as well as those with significant commodity exports including Australia, New Zealand, Canada, Norway, and Malaysia, and finally a few countries with large capital goods exports to developing countries, such as Sweden, Taiwan, and, this past week, South Korea.

Real yields, that is, interest rates adjusted for expected or experienced inflation, are near zero in most developed economies, and strongly positive in just a handful of developing ones. As investors seek to secure a positive return on their capital with a minimum of risk, they have quite naturally gravitated to those latter markets. Recall that Brazil last year imposed taxes on capital inflows from foreign investors, in recognition of the pernicious effect that short-term portfolio flows could have on their money growth and thus their domestic inflation. Indonesia has followed suit, and the closed capital accounts of China are intended to have similar effects. This quarter brought the news that China would allow the renminbi to appreciate against a basket of other currencies, which is in part intended to dampen imported inflation.

In an environment of scarce and uneven economic growth, uncertain corporate earnings growth, and low interest rates, we remain relatively optimistic for the returns to those equities that can generate both growth and good returns on capital. Despite the greater uncertainty in the macroeconomic environment, the alternatives for portfolio investment capital have limited appeal. In our view, it is not a coincidence that emerging markets outperformed developed markets this quarter. Indeed, we object to the generic description of the investment environment as that of ‘increased risk aversion.’ Rather, markets were making relative judgments about where risks are greater (or lesser) than had been previously acknowledged. We find the best likelihood of good company returns to come from well-managed multinationals operating across a diversified range of markets, especially developing ones, or else from companies domiciled within the emerging markets themselves.

Portfolio Structure

Portfolio turnover continues to be low, averaging 30% over the past three years. One feature of our investment process is that the structure of the portfolio changes only modestly and incrementally through time.

We have made several new purchases this quarter, however. We bought a new holding in **Apple Computer**, whose remarkable success continues to surprise both us and the market. While we have long admired the company's products, we have resisted the purchase due to what we considered its rich valuation. However, the degree to which its range of products is creating an ever-expanding ecosystem for its services and additional products has caused us to reconsider the fair value of the shares, especially in light of the low penetration but rapid growth it has begun to see outside the US. Apple appears to have built a significant lead in the structural shift to intelligent mobile devices of all sorts, and its brand is quickly becoming one of the very few with extremely strong global appeal—a hard to value, but highly valuable, intangible asset.

We bought a new holding in **Talecris Biotherapeutics**, one of just five companies comprising the blood plasma products industry, globally. The company enjoys a benign industry structure, characterized by modest but steady demand growth, rational competition, and high regulatory hurdles for new entrants. Talecris is a relatively small company (market cap \$2.6 billion) that has operated at lower operating margins than its competitors. However, the company is pursuing a vertical integration strategy in building its own blood collection centers that should help raise margins to industry average levels. Our valuation work suggests that Talecris is significantly undervalued at current levels, but we are further attracted to the undiscounted possibility that plasma products may hold great promise in the treatment of Alzheimer's disease. Should this occur, we would expect all industry participants to become meaningfully more valuable.

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We bought a new holding in **JSR**, the Japanese specialty chemical producer of film coatings and photo resists for semiconductor manufacturing, and a key supplier to makers of flat LCD screens of all sizes and to chip makers in Asia. The business, along with its share price, was hurt in the inventory liquidation that followed the financial crisis; its key customers, however, are seeing robust recoveries in their business, and we expect JSR's profitable growth to resume in response.

We sold our holding in Hutchison Whampoa, opting for our preferred China port investment, **China Merchants**, which finally became available in ADR form. China Merchants is the more pure play on the integration of the Chinese economy with the global economy, and benefits from its relationship with a government-controlled shareholder, due to the political nature of port expansions there.

We also added to Monsanto and eBay, two existing holdings whose share prices have dropped over fears about their current business trading that we believe may fade as their more potent future growth drivers continue to perform well.

We sold **LVMH Moët Hennessy**, whose share price has risen steadily as investors came to realize the resilience of its sales to Asia in an otherwise difficult environment for discretionary luxury goods.

The portfolio continues to be of very high quality, invested in companies growing faster than their peers, yet with strong balance sheets, high margins, and high returns. The largest sector overweights are in Information Technology, Consumer Staples, and Health Care, with no exposure to Utilities, and a light exposure, relative to the benchmark, in Financials.

Global Equity ADR Holdings (as of June 30, 2010)

Sector/Company/Description	Country	End Wt. (%)
Consumer Discretionary		
Coach - Luxury accessories & apparel	US	3.6
Li & Fung - Trading & logistics	Hong Kong	3.1
LVMH Moët Hennessy - Luxury goods	France	1.2
Staples - Office supply retailer	US	3.1
WPP - Advertising & marketing services	UK	1.3
Consumer Staples		
Bunge - Agri-business & food	Bermuda	2.1
Colgate Palmolive - Household products	US	1.9
L'Oréal - Personal care products	France	2.1
Nestlé - Food & beverage	Switzerland	1.4
Procter & Gamble - Consumer goods company	US	3.7
Walgreen - Retail drugstore	US	2.3
Energy		
EnCana - Natural gas producer	Canada	1.2
Exxon Mobil - Integrated oil	US	1.4
Gazprom - Natural gas producer	Russia	1.2
Sasol - Alternative fuels	South Africa	1.0
Schlumberger - Petroleum industry services	US	2.5
Financials		
Charles Schwab - Financial services provider	US	1.5
Erste Group Bank - Money center retail banking	Austria	1.0
Greenhill - M&A boutique advisory firm	US	1.2
ICICI Bank - Commercial bank	India	2.5
Itau Unibanco - Commercial bank	Brazil	1.5
JPMorgan Chase - Commercial & invest. bank	US	1.4
Wells Fargo - Commercial bank	US	2.2
Health Care		
Abbott Labs - Health care & pharma products	US	1.7
Fresenius Medical Care - Diabetes care	Germany	2.0
Genzyme - Biotech	US	1.7
Medco Health Solutions - Pharmacy benefits	US	1.1
Novartis - Life sciences	Switzerland	1.3
Novo Nordisk - Biotech & producer of insulin	Denmark	2.2
Qiagen - Biotech & instrumentation	Germany	1.2
Sonova Holding - Hearing-aid manufacturer	Switzerland	1.2
Talecris Bioterapeutics - Pharmaceutical co.	US	1.2
Teva Pharmaceutical - Pharma manufacturing	Israel	1.3

Global Equity ADR Holdings (as of June 30, 2010)

Sector/Company/Description	Country	End Wt. (%)
Industrials		
3M Company - Industrial technology	US	2.9
China Merchants - Container terminal operator	China	1.2
Emerson Electric - Electronics controls	US	3.2
Fanuc - Industrial robots & machine tools	Japan	1.5
Information Technology		
Adobe Systems - Business/mobile software	US	2.0
Apple Computer - Portable electronics mfg.	US	1.8
Canon - Image & Information equipment	Japan	1.4
Cisco Systems - Internet networking	US	2.6
Dassault Systemes - CAD/CAM software	France	1.3
eBay - Internet shopping/trading marketplace	US	3.1
EMC Corp - Network storage solutions	US	3.6
Google - Internet search & multimedia	US	3.3
Oracle Systems - Enterprise software developer	US	3.7
Materials		
Air Liquide - Industrial gas producer & distributor	France	2.2
JSR - Specialty chemicals	Japan	1.1
Monsanto - Life sciences	US	2.0
Praxair - Industrial gas producer & distributor	US	1.7
Sigma-Aldrich - Chemical developer & mfg.	US	2.1
Telecom Services		
No holdings		
Utilities		
No holdings		

Portfolio holdings are supplemental information only and complement the fully compliant Global Equity ADR Composite GIPS Presentation. The portfolio end weight excludes cash. 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.

Last Quarter

Largest Contributors (%)

	Sector	Weight	Contribution
Novo Nordisk	HLTH	2.3	0.11
Yahoo	INFT	0.6	0.10
Fanuc	INDU	1.3	0.08
Talecris Biotherapeutics	HLTH	0.7	0.08
Sonova Holding	HLTH	0.6	0.03

Largest Detractors (%)

	Sector	Weight	Contribution
Google	INFT	3.3	-0.78
Walgreen	STPL	2.5	-0.77
eBay	INFT	2.3	-0.71
Oracle	INFT	3.7	-0.63
Monsanto	MATS	1.6	-0.62

Last 12 Months

Largest Contributors (%)

	Sector	Weight	Contribution
Novo Nordisk	HLTH	2.4	1.17
Coach	DSCR	3.1	1.04
Emerson Electric	INDU	2.8	0.95
LVMH Moët Hennessy	DSCR	2.1	0.85
L'Oréal	STPL	2.5	0.83

Largest Detractors (%)

	Sector	Weight	Contribution
Monsanto	MATS	1.1	-0.96
Greenhill	FINA	1.0	-0.53
Charles Schwab	FINA	1.7	-0.42
ICICI Bank	FINA	0.7	-0.41
Bunge	STPL	2.3	-0.34

The portfolio holdings identified above do not represent all of the securities held in the portfolio. 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. Quarterly data is not annualized.

Portfolio Characteristics¹

	HL Gbl ADR	MSCI ACW
Wtd Median Mkt Cap (\$Mil)	\$28,652	\$27,434
Return on Assets	8.3	4.6
Return on Equity	16.3	12.2
Std Dev of 5 Year ROE	3.7	5.2
Debt/Equity	24.3	42.6
Profit Margin	13.8	8.9
Sales Growth ²	12.3	8.7
Earnings Growth ²	10.5	4.3
CF Growth ²	11.2	6.8
Dividend Growth ²	5.8	4.7

Portfolio Characteristics

	HL Gbl ADR	MSCI ACW
Avg Wtd Mkt Cap (\$Mil)	\$56,679	\$51,656
Price/Earnings ³	18.0	16.9
Price/Cash Flow ³	13.2	9.1
Price/Book ³	2.3	1.7
Dividend Yield ³	1.4	2.7
Alpha ⁴	4.12	–
Beta ⁴	0.94	1.00
R-Squared ⁴	0.97	1.00
Sharpe Ratio ⁴	-0.07	-0.12
Standard Deviation ⁴	22.08	23.17

¹Weighted median; ²Trailing five years, annualized; ³Harmonic mean; ⁴Trailing three years, annualized.

Purchases

Company	Country	Sector
Apple Computer	United States	INFT
China Merchants	China	INDU
JSR	Japan	MATS
Sonova Holding	Switzerland	HLTH
Talecris Biotherapeutics	United States	HLTH

Sales

Company	Country	Sector
Cenovus Energy	Canada	ENER
Hutchison Whampoa	Hong Kong	INDU
Yahoo	United States	INFT

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Source: Wilshire Atlas (Run Date: July 8, 2010); Harding Loevner Global Equity ADR Composite; MSCI Barra.

Global Equity ADR Composite Performance (as of June 30, 2010)

	Gbl Equity ADR (Gross)	Gbl Equity ADR (Net)	MSCI ACW ¹	MSCI WORLD	Internal Dispersion ²	Number of Accounts ³	Composite Assets (\$M) ³	Firm Assets (\$M)
2010 YTD ⁴	-9.93%	-10.30%	-9.37%	-9.84%	N.A. ⁵	38	25	6,703
2009	37.05%	35.88%	34.63%	29.99%	N.M. ⁶	35	21	6,400
2008	-37.11%	-37.63%	-42.21%	-40.71%	N.M.	3	1	3,266
2007	15.83%	14.91%	11.66%	9.04%	0.4%	31	37	6,356
2006	15.32%	14.42%	20.95%	20.07%	0.2%	28	37	4,720
2005	15.58%	14.64%	10.84%	9.49%	0.8%	26	35	2,562
2004	12.62%	11.72%	15.23%	14.72%	0.2%	28	33	1,524
2003	32.07%	30.83%	34.01%	33.11%	0.7%	32	34	1,357
2002	-19.64%	-20.38%	-19.31%	-19.89%	N.M.	35	29	1,082
2001	-15.08%	-15.66%	-16.21%	-16.82%	N.M.	1	3	1,154
2000	1.28%	0.13%	-13.94%	-13.18%	N.M.	5	108	1,392

¹Benchmark Index; ²Asset-weighted standard deviation (gross of fees); ³Total product accounts and assets are 277 and are \$56.4 million, respectively, at June 30, 2010;

⁴The 2010 YTD performance returns and assets shown are preliminary; ⁵N.A.—Internal dispersion is 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.

Global Equity ADR Composite contains fully discretionary U.S. dollar-based global equity ADR accounts and for comparison purposes is measured against the MSCI All Country World Index (presented net of foreign withholding taxes since 2001, when the net index first became available). The exchange rate source of the benchmark is Reuters. The exchange rate source of the Composite is Bloomberg. Additional information about the benchmark, including the percentage of composite assets invested in countries or regions not included in the benchmark, is available upon request.

The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Index consists of 45 developed and emerging market countries. The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The Index consists of 24 developed market countries. You cannot invest directly in these Indices.

Harding Loevner LP has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner is GIPS compliant and is verified by Ashland Partners & Company, LLP. Harding Loevner has received a firm-wide verification beginning November 1, 1989. The most recent verification was for the Quarter ending March 31, 2010.

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 and benchmark performance is presented net of foreign withholding taxes on dividends, interest income and capital gains. However, some custodians may claim a portion of the foreign withholding taxes, which would be reflected in the composite performance. Assets with foreign withholding taxes regularly reclaimed are deemed to be an immaterial percentage of the composite assets. The MSCI All Country World Index range uses withholding tax rates applicable to Luxembourg. Additional information is available upon request. Past performance does not guarantee future results. Additional information regarding the policies for calculating and reporting returns is 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. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate Global Equity ADR accounts is 0.80% annually of the market value of assets up to \$20 million; 0.40% of amounts from \$20 million to \$100 million; amounts over \$100 million upon 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 Global Equity ADR Composite was created on October 31, 2001. Performance prior to October 31, 2001 is that of the Global Equity Composite, which was managed similarly and materially represented the strategy of the Global ADR Composite.

HARDING LOEVNER LP

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