



Composite Performance (%) For Periods Ending June 30, 2009

	3 Months	1 Year	3 Years ¹	5 Years ¹	10 Years ¹	Since Inception ^{1,2}	Volatility ³
HL Global Equity (gross of fees)	21.83	-21.80	-1.84	5.17	3.91	8.69	14.26
HL Global Equity (net of fees)	21.78	-22.13	-2.32	4.65	3.30	7.94	14.24
MSCI All Country World Index ⁴	22.54	-28.86	-6.54	1.58	0.21	5.33	14.01
MSCI World Index	21.05	-29.01	-7.48	0.57	-0.37	5.14	14.45

¹Annualized Returns ²Inception Date: November 30, 1989; ³Annual Standard Deviation; ⁴The Benchmark Index.

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	MSCI ACW	Over/Under The Benchmark
Info Technology	23.9	11.8	12.1
Cons Staples	15.6	9.8	5.8
Health Care	13.8	9.7	4.1
Cash	1.7	-	1.7
Cons Discretionary	9.5	8.8	0.7
Industrials	9.6	9.9	-0.3
Materials	7.0	7.6	-0.6
Telecom Services	2.7	5.3	-2.6
Energy	9.1	12.0	-2.9
Utilities	0.0	4.9	-4.9
Financials	7.1	20.2	-13.1

Market Review & Outlook

- Equity markets recorded largest quarterly gains in at least 20 years, with emerging markets, more cyclical sectors, and lower-quality companies all outperforming.
- China's stimulus is supporting domestic growth and buoying natural resources producers.
- Inflation not a near-term concern, but US dollar's preeminence as a reserve currency could be slipping.

Portfolio Highlights

- Portfolio reflects neutral cyclical outlook, focusing on less leveraged, faster-growing companies.
- Prior bias against Consumer Discretionary companies has been closed off.
- Underweight in Financials reflects continued skepticism about the sector's growth prospects.

Geographical Exposure (%)

Region	HL Gbl	MSCI ACW	Over/Under The Benchmark
United States	46.2	42.7	3.5
Pacific ex-Japan	7.2	4.7	2.5
Other ¹	2.3	-	2.3
Cash	1.7	-	1.7
Europe ex-EMU	13.9	13.4	0.5
Emerging Markets	10.3	12.0	-1.7
Canada	2.0	4.1	-2.1
Japan	7.2	9.9	-2.7
Europe EMU	9.2	13.2	-4.0

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

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Sector and region allocations are supplemental information only and complement the fully compliant Global Equity 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 Strategy Composite rose 21.8%, just behind the benchmark, the MSCI All Country World Index, which rose 22.5%. For the half year, the Composite has outperformed the Index, rising 15.9% versus 9.6% for the Index.

Market Review

Equity markets delivered a stunning performance in the quarter, with returns among the highest for any quarter in at least twenty years. For the benchmark, US dollar returns were the highest in its history, exceeding those from the quarters following major market lows in 2003, 1998, and 1990. The 40% rise in the S&P 500 between early March and mid-June is the largest 13-week gain since 1933. The gains built on the turnaround in early March, which may well have marked the end of the deepest market decline since the 1930s.

Sector Performance (%) of the MSCI ACW Index

Sector	2Q 2009	Trailing 12 months
	USD	USD
Consumer Discretionary	23.6	-20.6
Consumer Staples	15.2	-13.3
Energy	18.9	-39.6
Financials	39.7	-33.4
Health Care	10.2	-13.8
Industrials	25.0	-33.7
Information Technology	21.0	-21.7
Materials	27.7	-43.1
Telecom Services	13.2	-22.7
Utilities	15.7	-29.1

Market Performance (%)

Market	2Q 2009	Trailing 12 months
	USD	USD
Canada	30.7	-33.6
Germany	24.8	-36.9
Japan	23.0	-22.9
United Kingdom	26.6	-34.3
United States	15.9	-26.6
Europe EMU	26.7	-35.8
Europe ex-EMU	25.0	-32.5
Pacific ex-Japan	32.0	-27.1
Emerging Markets	34.8	-27.8
MSCI ACW Index	22.5	-28.9

Source: Wilshire Atlas; MSCI Barra (as of June 30, 2009)

Emerging markets captured the biggest gains by region, with the MSCI Emerging Markets Index rising nearly 35% in the quarter. Financials was the best performing sector within the benchmark, rising 40%. Both of these illustrate the return of investors' risk appetite, after being respectively the worst region and sector in 2008. Indeed, the single most potent "explanatory" factor of stock price performance in the latest three months was the magnitude of decline in the prior twelve months.

US stocks, among the better relative performers last year, were among the most anemic gainers this quarter, with the S&P 500 Index rising "just" 16%. European stocks had similar gains measured in local currency, but strong appreciation in European currencies meant that dollar returns to US investors were significantly higher. The British pound rose 15%, twice what the FTSE 100 returned in the quarter, and nearly trebled dollar returns to US investors in UK stocks. The euro rose 6% against the US dollar, while the Japanese yen gained just 3%. All fine for US-based investors, but if you view the world from Canada, US dollar-denominated returns were reduced by 8% due to the strength of the Canadian dollar; Australian investors endured a 14% haircut on dollar-denominated returns.

Not surprisingly, non-cyclical sectors posted the smallest gains, with Health Care, Telecom Services, Utilities, and Consumer Staples all lagging the overall Index. Health Care, returning 10%, was the worst-performing sector, thanks to uncertainties raised by reform plans mooted by the Obama administration that we wrote about last quarter. The Materials sector, last year's second-worst sector, was this quarter's second-best performing, spurred by a massive re-stocking of raw material inventories by Chinese manufacturers.

In other manifestations of investor risk appetite returning, small capitalization stocks outperformed large cap stocks in all regions. Value indices outperformed growth indices in all regions, although within the US and Latin America the differential was tiny. Stocks of low-quality companies outperformed stocks of high-quality companies, as can be seen in the chart on the following page, which shows this quarter's returns of stocks ranked in the best and worst quintiles of five objective measures of business quality.

Performance Attribution

The portfolio lagged its benchmark by only a small degree in the quarter, in spite of its high-quality and growth orientation. Good

Bold indicates companies held in the portfolio during the quarter. The portfolio is actively managed therefore holdings shown may not be current. They should not be considered recommendations to buy or sell any security. A complete list of holdings is available on page six of this report.

stock selection within most industry sectors offset the drag from sector allocations that remain biased against Financials and in favor of Health Care and Consumer Staples. Particularly good stock selection from a sector perspective came from **Coach, Olam International, Gazprom, Schlumberger, Adobe Systems, eBay, and América Móvil**. On the other hand, **Keyence, Cisco Systems, Emerson, and Exxon Mobil** detracted.

Viewed geographically, our full complement of US holdings held back returns, but our US stocks handily outperformed the MSCI US Index by 400 basis points in the quarter, so stock selection in that market by itself nearly made up for the high-quality bias in the portfolio, which registers as poor stock selection in the rest of the world and in poor geographic allocation (insofar as the US is home to a disproportionate share of high-quality companies). In addition to the US stocks listed above, we also enjoyed good stock selection from **Sigma-Aldrich** and **Wells Fargo** relative to the US index.

Outlook

Policy makers, led by those in the US and China, have succeeded in breaking the vicious cycle of risk aversion in which declines from financial markets fed back into the global banking system, which withdrew more credit from companies and individuals, spawning further liquidations that strained financial markets. Their success can easily be measured by the reduction of

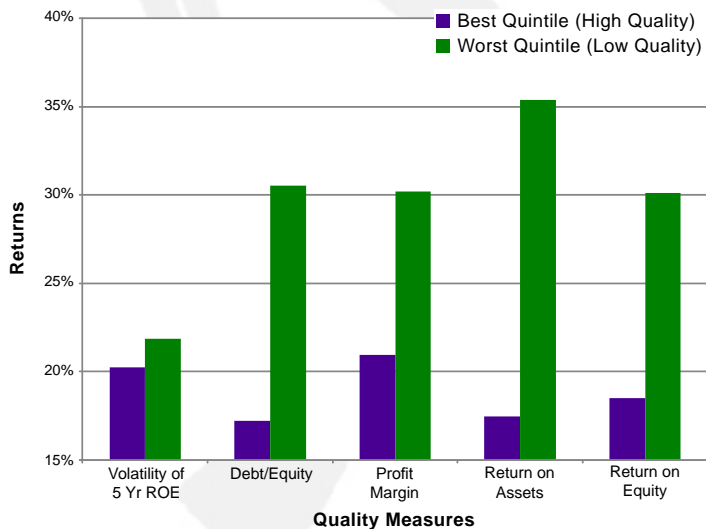
spreads in the credit markets—whether the 90% decline of the spread of LIBOR¹ over Treasury Bill yields (from 460 basis points in October 2008 to just 42 in June), or the decline in the spread of high-yield bonds over government bonds—and by the bear market in “risk free” government bonds themselves as the flight to quality has eased.

“Policy makers, led by those in the US and China, have succeeded in breaking the vicious cycle of risk aversion...”

A special mention of China is warranted here, because the Chinese response to the global financial crisis and to the collapse in trade flows, while under-reported, has been dramatic, pragmatic, and apparently—at least temporarily—successful. The policy response has been to encourage (a loosely defined term in what remains a planned, if not a command, economy) lending by government-controlled banks to state-owned enterprises for spending on infrastructure projects such as rails, roads, and ports. In the first five months of 2009, net new bank lending has more than doubled over the same period in 2008, with total loans outstanding up 30% year-over-year. Fixed-asset investment in urban areas rose 39% in May from the previous year, and steel mills report increased demand for infrastructure projects and auto production. Companies laying off workers have declined to a low single-digit percentage. As a result, household expectations of income stability or improvement have rebounded sharply since late 2008, and consumption has been robust, at least as measured by retail sales statistics. Auto sales have jumped sharply, aided by a halving of the former 10% sales/registration tax. And all this without a rebound in exports to developed markets on which the economy has been so dependent.

What remains unclear is whether policy makers have successfully laid the foundation for self-sustaining economic growth in the private sector. Global trade remains depressed at very low levels, lending standards continue to be tightened in most banking systems (save China’s), and the willingness to invest—either by companies in new capacity or by individuals in new housing or durables—remains constrained (again, apart from Chinese state-controlled entities). Most company managements are focused instead on debt reduction, beginning with banks and other financial companies, which raised more than a hundred billion dollars of new equity capital this quarter

Returns of High- and Low-Quality Company Stocks



Best Quintile comprises 20% of companies with highest Profit Margin, ROA, ROE and lowest Volatility of ROE and Debt/Equity. Worst has the opposite character.

Total return of the MSCI All Country World Index.
Source: Wilshire Atlas; MSCI Barra (Run Date: July 15, 2009).

¹London Interbank Offered Rate.

alone, while continuing to shrink their assets. Individuals in the US seem intently focused on paying down debt, as the household savings ratio has quickly turned positive and is already garnering 6% of GDP in the latest reading.

“The Chinese response to the global financial crisis and to the collapse in trade flows, while under-reported, has been dramatic, pragmatic, and apparently—at least temporarily—successful.”

Despite politicians’ and media claims to the contrary, banks are still increasing their loan books (if not their overall assets), and, both in Europe and the US, have never actually reduced them. It is actually in the commercial paper and securitized debt markets that the credit contraction has occurred, often with violence. These asset markets continue to shrink through maturing or defaulting of outstanding paper along with very light (and mostly government-backed) new issuance. That shrinkage reflects what we believe is long-lasting damage to the credit creation machinery that is the lifeblood of the global economy. The greater difficulty that companies face in raising financing for projects—recent successes notwithstanding—compounds management caution over use of their cash flows, making a recovery in capital spending more remote. Individuals face tougher credit standards too, along with higher interest rates. Despite easier monetary policy, mortgage rates in the US and elsewhere are not lower, while unsecured lending rates, including on credit cards, are significantly higher.

We continue to believe that such conditions will remain a factor in economic decisions for an extended period, given the degree of leverage that remains embedded in the economies of the developed world. As a result, despite this quarter’s sharp rebound with its characteristic flight *from* quality, we expect companies with strong balance sheets and ample free cash flows to have a much greater degree of control over their destiny, and to face fewer intrusions on their competitive fields by new entrants relying on easy financing.

In contrast, the more restrained borrowing within developing economies that has prevailed since their own tsunami of leveraged over-investment in the 1990s should mean that after a period of—perhaps difficult—adjustment away from exporting to developed economies and towards domestic consumption, emerging economies are likely to generate more economic growth than developed economies. At least on the face of it and in the short run, China appears to be making headway with that transition, to our amazement and suspicion.

Stimulus in the form of directed lending to poorly-managed and low-return enterprises is not a long-range path to prosperity, but the combination of sustained incomes, individuals’ pent-up demand, and relatively low leverage in the economy overall is ensuring that consumption growth is supplanting exports as a source of growth.

We are not (yet) in the camp that equates the gigantic US budget deficits and mushrooming Fed balance sheet with high US inflation. All the money that the US government has created in response to the crisis is just barely equal to the near-money destroyed in the implosion of the securitized debt and commercial paper markets. Indeed, governments everywhere could be said (until the turnaround in markets) to be responding to the exploding demand for “safe” money—i.e., that with no credit risk attached. We still hold to the economic orthodoxy that excess productive capacity—the “output gap”—keeps a lid on inflation. With China continuing to add to its fixed assets despite the global slump, we see no possibility of the world reaching full capacity in the production of anything in the near future.

On the other hand, we are growing wary of the US dollar, by which we mean that there is no particular reason why inflation needs to be experienced in the US before there is a rejection of the dollar as a store of wealth. The supply of dollar-denominated debt issuance stemming from our trade deficit was already significant before the government stimulus and bailout financings; the coming excess supply is truly immense. We don’t see how the demand can keep pace with that supply in the medium term, given that the borrowing is supporting consumption rather than productive investment that would raise the country’s sustainable long-term growth rate.

The continued shrinkage in the commercial paper and securitized debt markets reflects what we believe is long-lasting damage to the credit creation machinery that is the lifeblood of the global economy.

Neither, apparently, can the current lead lenders to the US: Asian central banks, most importantly China’s. In a move to secure future energy supplies, China has committed \$10 billion to Brazil’s Petrobras, and \$25 billion to Russia’s Transneft and Rosneft. In our view, this is also FX reserve rebalancing by another name, and without having to show it in the official reserve statistics. This marks the end of the jawboning phase of China’s fears over the dollar, and the beginning of tangible actions to protect itself from sustained dollar depreciation. A liberalization of restrictions on the Chinese renminbi to allow

it to be used to settle trade transactions, announced on July 2, opens another vector of action that takes aim at the use of the US dollar as a medium of exchange. Straws in the wind pointing to a diminution of the US dollar's role as a store of value.

Portfolio Structure

We prefer to face a risky world with a portfolio of companies that are less leveraged, faster growing, with able management operating in industries with favorable, or at least benign, competitive characteristics. The portfolio today has little in the way of geographic emphasis, and an agnostic global growth outlook, poised between pro- and anti-cyclical tilts.

The changes we have made over the past few months have resulted in reducing what had been an anti-cyclical bias. In particular, our stance against discretionary consumer spending has been eliminated, with purchases of companies in that sector continuing this quarter with the purchase of **Swatch Group**, the Swiss maker of luxury and fashion watches. Swatch is one of the “big three” watchmakers that dominate the global industry. The company derives some 40% of revenues from emerging markets and is particularly strong in China where its brands have 40% market share and where its leading brand, Omega, has a long history. Swatch has a track record of profitable growth and margin resilience in past downturns.

Our largest divergence from the benchmark remains in the deep skepticism with which we continue to view Financials. Despite the losses taken and the capital raised to replenish what was written off, we struggle to see where reliable growth can come from over the next few years in this industry. Regulators are tightening the capital requirements and reducing flexibility, at the same time as the customers are intent on reducing their outstanding debts. Lower leverage with lower growth strikes us as a recipe for lower returns and greater rivalry. We remain positioned in companies that appear to have rare growth platforms or a unique path to maintain good returns. This quarter, we sold our two Japanese financials, **Nomura Holdings** and **Sumitomo Realty & Development**, to fund a renewed holding in **JPMorgan Chase**. JPMorgan Chase, along with **Wells Fargo** (which we added to this quarter), had the financial strength and business diversity that allowed intrepid management to seize underpriced acquisition opportunities to augment, if not transform, their franchises during this financial crisis. We expect the transactions will allow the banks simultaneously to grow revenues through cross-selling to their enlarged customer base and to reduce costs, whereas competing institutions are still struggling to balance revenues and cost structures.

The portfolio retains a large weight in the Information Technology sector relative to the benchmark. We reduced our holding in **eBay** after significant outperformance this year, to fund the purchase of **Ericsson** once again. The widespread adoption of “smartphones”, such as the ubiquitous Blackberry and Apple's iPhone, has spurred an acceleration in the rising trend in demand for mobile data. Network service providers are obliged to keep investing in more capacity anticipating this growing demand. This is good news for the shrunken number of surviving manufacturers of mobile networking equipment, of which Ericsson is one of the largest worldwide. The company looks to be gaining market share once again, and has created a new source of revenue growth, managing the increasingly complex networks on behalf of the service providers. The margin expansion possible from a renewed period of extended growth is underestimated by the market. We had bought Ericsson shares last summer, but sold them in the wake of the Lehman bankruptcy turmoil, fearing a freeze in capex by the company's customers. That has not materialized and recent underperformance in Ericsson shares has afforded us an opportunity to re-establish the holding.

We prefer to face a risky world with a portfolio of companies that are less leveraged, faster growing, with able management operating in industries with favorable, or at least benign, competitive characteristics.

We maintain a modest overweight in Health Care and in Consumer Staples. We sold **Medtronic** this quarter, but added to **Fresenius**, the world leader in kidney dialysis—the treatment that all too frequently is needed amidst the unchecked global epidemic of diabetes. We also bought **Procter & Gamble**, one of the world's largest personal products companies. P&G has suffered a long-term compression in valuation, even as it has renewed its brands, re-establishing market pre-eminence in many geographies and product segments through acquisition and innovation. We like its large and growing businesses in emerging markets, and the odds that the compression will come to an end in a world where predictable growth is increasingly scarce.

Global Equity Holdings (as of June 30, 2009)

Sector/Company/Description	Country	End Wt. (%)
Consumer Discretionary		
Coach - Luxury accessories & apparel	US	2.2
Li & Fung - Trading & logistics	Hong Kong	2.1
LVMH Moët Hennessy - Luxury goods	France	1.0
Staples - Office supply retailer	US	2.4
Swatch Group - Watch manufacturer	Switzerland	1.0
WPP - Advertising & marketing services	UK	0.9
Consumer Staples		
Bunge - Agricultural commodity processor	US	2.4
Colgate Palmolive - Household products	US	1.8
L'Oréal - Personal care products	France	2.0
Nestlé - Food & beverage	Switzerland	1.1
Olam International - Agricultural products	Singapore	3.8
Procter & Gamble - Consumer goods company	US	1.9
Walgreen - Retail drugstore	US	2.7
Energy		
EnCana - Natural gas producer	Canada	2.1
Exxon Mobil - Integrated oil	US	1.7
Gazprom - Natural gas producer	Russia	2.2
Sasol - Alternative fuels	South Africa	1.1
Schlumberger - Petroleum industry services	US	2.1
Financials		
Charles Schwab - Financial service provider	US	1.0
Erste Group Bank - Money center retail banking	Austria	0.7
JPMorgan Chase - Commercial & invest bank	US	1.4
Standard Chartered - Commercial bank	UK	2.0
Wells Fargo - Commercial bank	US	2.2
Health Care		
Abbott Labs - Health care & pharma products	US	1.8
Cochlear - Hearing implants	Australia	1.3
Fresenius - Provider of renal equipment & care	Germany	1.1
Genzyme - Biotech	US	0.8
Medco Health Solutions - Pharmacy benefits	US	0.9
Novartis - Life sciences	Switzerland	1.0
Novo Nordisk - Biotechnology	Denmark	1.0
Qiagen - Biotech & instrumentation	Germany	1.0
Roche Holding - Pharma & diagnostics	Switzerland	0.8
So-Net M3 - Medical information services	Japan	1.1
Sonova Holding - Hearing-aid manufacturer	Switzerland	1.3
Synthes - Orthopedic products	Switzerland	0.7
Teva Pharmaceuticals - Pharma manufacturing	Israel	1.3

Global Equity Holdings (as of June 30, 2009)

Sector/Company/Description	Country	End Wt. (%)
Industrials		
3M Company - Industrial technology	US	2.2
China Merchants - Container terminal operator	China	2.0
Emerson Electric - Electronics controls	US	2.6
Fanuc - Indust. robots & machine tools	Japan	1.0
RPS Group - Consulting	UK	0.9
Sime Darby - Conglomerate	Malaysia	1.1
Information Technology		
Adobe Systems - Business/mobile software	US	2.3
Canon - Image & information equipment	Japan	0.9
Cisco Systems - Internet networking	US	2.5
Dassault Systemes - CAD/CAM software	France	1.1
eBay - Internet shopping/trading marketplace	US	2.5
Ericsson - Telecom eqpt & services supplier	Sweden	1.1
Google - Internet search & multimedia	US	2.5
Keyence - Detection devices	Japan	2.6
Logitech - PC peripheral equipment	Switzerland	1.2
Nintendo - Videogame developer	Japan	0.7
Oracle - Enterprise software developer	US	2.1
Qualcomm - CDMA wireless communications	US	1.5
SAP - Enterprise software	Germany	1.0
Yahoo - Internet search & multimedia	US	2.3
Materials		
Air Liquide - Industrial gas	France	1.5
JSR - Specialty chemicals	Japan	1.2
Praxair - Industrial gas producer & distributor	US	1.3
Rio Tinto - Diversified mining	UK	1.0
Sigma-Aldrich - Chemical developer & manu	US	2.2
Telecom Services		
América Móvil - Cellular phone operator	Mexico	1.5
Telekom Indonesia - Fixed-line & mobile	Indonesia	1.3
Utilities		
No holdings		

Portfolio holdings are supplemental information only and complement the fully compliant Global Equity Composite GIPS Presentation. The portfolio end weight excludes cash. The portfolio is actively managed therefore holdings shown may not be current. They should not be considered recommendations to buy or sell any security.

Last Quarter

Largest Contributors (%)

	Sector	Weight	Contribution
Olam International	STPL	3.1	2.00
eBay	INFT	3.3	1.16
Coach	DSCR	2.0	0.99
Wells Fargo	FINA	1.8	0.85
Standard Chartered	FINA	1.9	0.82

Largest Detractors (%)

	Sector	Weight	Contribution
Synthes	HLTH	0.8	-0.13
Genzyme	HLTH	0.9	-0.07
Nintendo	INFT	0.7	-0.04
Roche Holding	HLTH	0.8	-0.01
Procter & Gamble	STPL	1.5	-0.01

Last 12 Months

Largest Contributors (%)

	Sector	Weight	Contribution
Olam International	STPL	2.2	0.71
Adobe Systems	INFT	0.8	0.44
Staples	DSCR	0.9	0.37
Bunge	STPL	1.9	0.37
Sigma-Aldrich	MATS	0.5	0.35

Largest Detractors (%)

	Sector	Weight	Contribution
Gazprom	ENER	2.2	-2.13
EnCana	ENER	2.3	-1.39
Schlumberger	ENER	2.2	-1.34
Rio Tinto	MATS	1.0	-1.27
Electronic Arts	INFT	0.8	-0.94

The portfolio holdings identified above do not represent all of the securities held in the portfolio. 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 Global	MSCI ACW
Wtd Median Mkt Cap (\$Mil)	\$24,089	\$26,628
Return on Assets	11.0	5.6
Return on Equity ²	18.1	16.1
Std Dev of 5 Year ROE	3.9	4.5
Debt/Equity	20.1	42.6
Profit Margin	14.5	9.0
Sales Growth ³	15.8	12.5
Earnings Growth ³	12.4	10.8
CF Growth ³	14.4	10.8
Dividend Growth ³	5.9	6.9

Portfolio Statistics

	HL Global	MSCI ACW
Avg Wtd Mkt Cap (\$Mil)	\$45,675	\$50,563
Price/Earnings ⁴	15.7	15.8
Price/Cash Flow ⁴	10.8	8.1
Price/Book ⁴	2.1	1.6
Dividend Yield ⁴	1.8	2.9
Alpha ⁵	4.21	-
Beta ⁵	0.94	1.00
R-Squared ⁵	0.97	1.00
Sharpe Ratio ⁵	-0.05	-0.11
Standard Deviation ⁵	20.54	21.57

¹Weighted median; ²Trailing one year; ³Trailing five years, annualized; ⁴Harmonic mean; ⁵Trailing three years, annualized.

Purchases

Company	Country	Sector
Ericsson	Sweden	INFT
JPMorgan Chase	United States	FINA
Procter & Gamble	United States	STPL
Swatch Group	Switzerland	DSCR

Sales

Company	Country	Sector
Carnival	United Kingdom	DSCR
Medtronic	United States	HLTH
Nomura Holdings	Japan	FINA
Sumitomo Realty & Dev	Japan	FINA

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Source: Wilshire Atlas (Run Date: July 8, 2009); Harding Loevner Global Equity Composite; MSCI Barra

Harding Loevner Global Equity Composite Performance (as of June 30, 2009)

	HL Gbl Equity (Gross)	HLGbl Equity (Net)	MSCI ACW ¹	MSCI World	Internal Dispersion ²	Number of Accounts	Composite Assets (\$M)	Firm Assets (\$M)
2009 YTD ³	15.89%	15.71%	9.59%	6.79%	N.A. ⁴	4	1,008	4,719
2008	-37.98%	-38.27%	-41.84%	-40.33%	N.M. ⁵	3	118	3,266
2007	17.62%	16.92%	12.18%	9.57%	N.M.	3	124	6,356
2006	19.24%	18.59%	21.53%	20.65%	N.M.	2	102	4,720
2005	17.22%	16.79%	11.37%	10.02%	N.M.	2	85	2,562
2004	9.02%	8.36%	15.75%	15.25%	N.M.	2	82	1,524
2003	32.45%	31.97%	34.63%	33.76%	N.M.	3	127	1,357
2002	-19.37%	-19.83%	-18.98%	-19.54%	0.6%	6	118	1,082
2001	-14.87%	-15.54%	-15.91%	-16.52%	0.4%	7	152	1,154
2000	1.28%	0.13%	-13.94%	-12.92%	N.M.	5	108	1,392
1999	38.90%	38.16%	26.81%	25.34%	N.M.	4	96	1,423

¹Benchmark Index; ²Asset-weighted standard deviation (gross of fees); ³The 2009 Composite performance shown is preliminary; ⁴N.A.—Internal dispersion less than a 12-month period; ⁵N.M.—Information is not statistically meaningful due to an insignificant number of portfolios in the Composite for the entire year.

Global Equity Composite contains fully discretionary US dollar-based global equity accounts and for comparison purposes is measured against the MSCI All Country World Index (gross of foreign withholding taxes). 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 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 23 developed market countries. You cannot invest directly in these Indices.

Harding Loevner LLC 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, L.L.P. Harding Loevner has received firm-wide GIPS verification beginning November 1, 1989. The most recent verification was for the Quarter ending December 31, 2008.

Harding Loevner LLC is an independent registered investment advisor. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Past performance does not guarantee future results. 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 accounts is 1.00% annually of the market value of assets up to \$20 million; 0.50% of amounts from \$20 million to \$100 million; negotiable for amounts over \$100 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 Global Equity Composite was created on November 30, 1989.

HARDING LOEVNER LLC

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