EMERGING MARKETS EQUITY

2019 First Quarter Report

HARDING LOEVNER

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED MARCH 31, 2019[1]

	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL EMERGING MARKETS (GROSS OF FEES)	14.14	-8.44	11.49	5.20	11.83	12.62
HL EMERGING MARKETS (NET OF FEES)	13.89	-9.26	10.52	4.29	10.83	11.71
MSCI EMERGING MARKETS INDEX (GROSS)[4,5]	9.97	-7.06	11.09	4.06	9.31	9.12

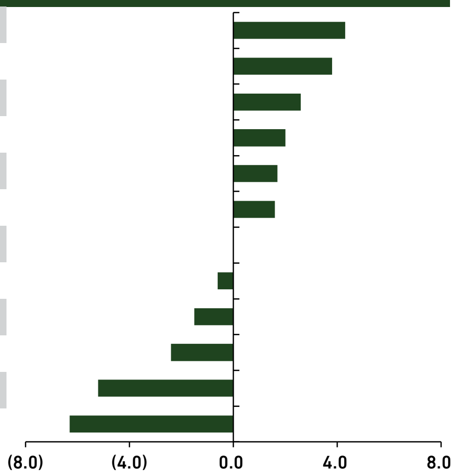
[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1998; [4]The Benchmark Index; [5]Gross of withholding taxes.

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 (%)

	HL EM	MSCI EM
CONS DISCRETIONARY	17.7	13.4
FINANCIALS	28.0	24.2
INFO TECHNOLOGY	17.2	14.6
CONS STAPLES	8.4	6.4
CASH	1.7	—
INDUSTRIALS	7.0	5.4
ENERGY	8.0	8.0
UTILITIES	2.0	2.6
HEALTH CARE	1.1	2.6
REAL ESTATE	0.8	3.2
COMM SERVICES	7.1	12.3
MATERIALS	1.0	7.3

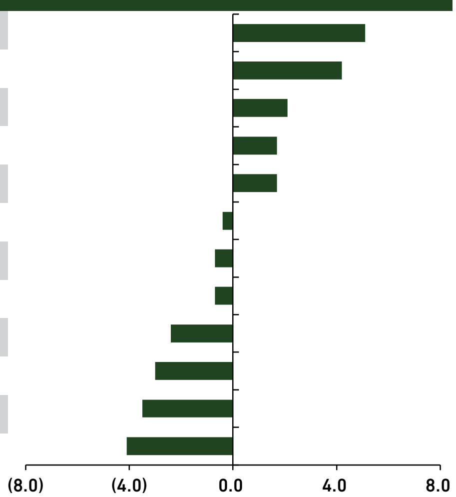
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL EM	MSCI EM
DEVELOPED MARKET LISTED[6]	5.1	—
RUSSIA	8.0	3.8
FRONTIER MARKETS[7]	2.1	—
CASH	1.7	—
MEXICO	4.4	2.7
CHINA + HONG KONG[8]	32.6	33.0
BRAZIL	6.5	7.2
SOUTH AFRICA	5.2	5.9
SMALL EMERGING MARKETS[9]	11.5	13.9
TAIWAN	8.3	11.3
SOUTH KOREA	9.5	13.0
INDIA	5.1	9.2

(UNDER) / OVER THE BENCHMARK



[6]Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong; [7]Includes countries with less-developed markets outside the Index; [8]The Harding Loevner Emerging Markets Model Portfolio's end weight in China is 25.2% and Hong Kong is 7.4%. The Benchmark does not include Hong Kong; [9]Includes the remaining emerging markets, which individually, comprise less than 5% of the Index.

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

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

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MARKET REVIEW

Stocks in Emerging Markets (EMs) rose 10% in the quarter, sharply rebounding from last year's sell-off. Investors were cheered by signs of progress in US-China trade negotiations. Officials in both Washington and Beijing described the trade talks as promising and backed off from threats to impose additional tariffs. In China, new economic data suggested its slowdown was less severe than feared. Moreover, the manufacturing sector returned to growth and property investment, a key indicator of sentiment, accelerated.

Markets were also bolstered by a new dovish tone from the US Federal Reserve. After downgrading its GDP forecast for this year, the Fed signaled that last December's rate hike would be its last for a while, and Chairman Jerome Powell announced a halt to the Fed's planned reduction of its US$4 trillion balance sheet. Bond yields in both developed and emerging markets fell markedly in response.

MARKET PERFORMANCE (USD %)

REGION/COUNTRY	1Q 2019	TRAILING 12 MONTHS
AFRICA	4.8	-17.4
SOUTH AFRICA	4.6	-17.5
ASIA	11.1	-6.5
CHINA	17.7	-6.1
INDIA	7.2	6.8
SOUTH KOREA	5.0	-16.2
TAIWAN	9.0	-5.3
EUROPE	7.6	-6.4
RUSSIA	12.2	3.1
LATIN AMERICA	7.9	-6.4
BRAZIL	8.2	-3.9
MEXICO	5.6	-11.4
MIDDLE EAST	1.5	12.6
MSCI EM INDEX	10.0	-7.1

SECTOR PERFORMANCE (USD %)
OF THE MSCI EM INDEX

SECTOR	1Q 2019	TRAILING 12 MONTHS
COMMUNICATION SERVICES	8.9	-11.9
CONSUMER DISCRETIONARY	19.6	-10.3
CONSUMER STAPLES	5.4	-8.1
ENERGY	12.2	10.0
FINANCIALS	7.2	-5.6
HEALTH CARE	3.6	-23.4
INDUSTRIALS	4.9	-8.1
INFORMATION TECHNOLOGY	12.9	-9.4
MATERIALS	6.9	-5.5
REAL ESTATE	15.7	-1.4
UTILITIES	4.4	-2.3

Source: FactSet (as of March 31, 2019). MSCI Inc. and S&P.

China's market soared 18%, contributing 70% of Asia's overall return. No other market in the region produced double-digit gains. Many Chinese stocks that fell the most in the second half of 2018—particularly those battered by regulatory changes or trade-war fears—rebounded as sentiment improved. Fundamentals remained relatively strong, and several of China's largest companies reported higher-than-expected fourth-quarter earnings. Health Care and online-game companies in particular were lifted by a pause in the regulatory interventions that hit their shares last year. The government's efforts to cut drug prices appeared to move at a slower pace than expected. Regulators, who lifted a moratorium on new online games in December, resumed issuing approvals. The government continued to apply stimulus to parts of the economy, providing tax relief to manufacturing and construction companies, while also reducing its reliance on debt in part by clamping down on unregulated "shadow" lending.

In Latin America, the improving outlook for Chinese growth lifted energy and metals prices, boosting the markets of Colombia (25%) and Peru (11%). Meanwhile, the Brazilian and Mexican markets were volatile, reflecting frequent swings in sentiment toward each country's new political leadership. In Brazil, President Jair Bolsonaro faced his first serious congressional challenge in late March, when lawmakers pushed back on a pension-reform bill. In Mexico, investors reacted to speculation President Andrés Manuel López Obrador's government planned to impose tight caps on banks' fees and interest rates; the actual changes turned out to be less severe than feared.

Europe's 8% return was primarily a result of the 12% gain in Russia, where rising global energy prices boosted Energy and Financials stocks. A strong ruble augmented the US dollar returns. Elsewhere in emerging Europe, currencies, fading in sympathy with a weakening euro and an ailing European economy, were largely a headwind. In March, the Turkish lira came under further severe pressure as investors reacted to a sharp decline in foreign exchange reserves. President Recep Tayyip Erdoğan's AK Party had a weak showing in municipal elections at the very end of the quarter as Turkey's economy slipped into a recession for the first time in a decade.

By sector, Consumer Discretionary performed best, although Real Estate, Information Technology (IT), and Energy also posted strong returns. China reduced mortgage rates for first-time buyers to support select regional housing markets, which boosted local property stocks. Within IT, there was a significant rebound in stocks that had been beaten down last year by trade tariffs or the disappointing smartphone upgrade cycle. Manufacturers of camera lenses were strong following the product launches of premium phone models that featured additional cameras. Chinese internet giants **Alibaba** and **JD.com** reported stronger-than-expected growth rates and margin improvements in their core e-commerce businesses.

Health Care, Utilities, and Industrials lagged the index due to weakness from South Korean index heavyweights in each sector. In Health Care, shares of Celltrion fell after it posted weaker-than-expected earnings; Samsung BioLogics continues to grapple with accusations of accounting irregularities. The country's manufacturing output also fell to a four-year low in February. And the failure of the summit between US President Donald Trump and North Korea leader Kim Jong-un dragged on South Korean equities. Consumer Staples also trailed, a result of poor returns from expensive stocks in India, where higher energy prices weighed on consumer demand.

From a style perspective, investors again favored growth stocks after turning away from them last quarter. Quality's impact on returns continued to be relatively benign.

PERFORMANCE AND ATTRIBUTION

The Emerging Markets composite rose 14.1% during the quarter, outpacing the benchmark's 10.0% gain. The charts to the right attribute the quarter's performance by sector and region.

The portfolio outperformed in nearly every sector as the headwind shifted to a tailwind for our preference for growing companies. Stocks that had been especially beaten down by adverse developments over the course of last year—rising interest rates, escalating trade war, weakening smartphone sales, and China's regulatory actions—were among the most significant positive contributors to relative returns, rewarding our decisions to maintain our positions or, in the case of several, including **Han's Laser**, digital consultant **EPAM**, and Alibaba, to increase them.

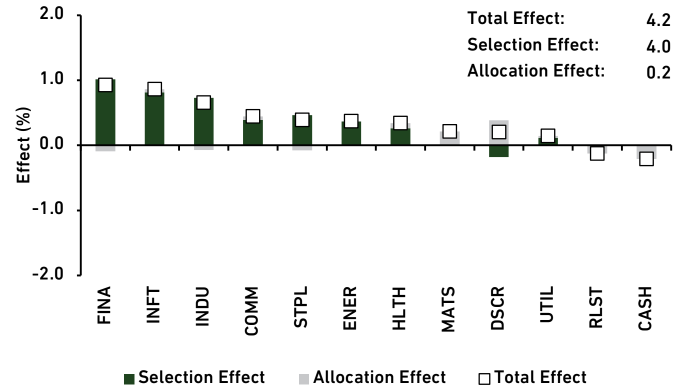
Stocks that had been especially beaten down by adverse developments over the course of last year were among the most significant positive contributors to relative returns.

Our holdings within IT and Financials provided nearly 100 basis points of excess returns in each sector. EPAM soared after the company reported year-on-year revenue growth of almost 30% and a 2.5 percentage-point expansion of operating margins. **Hikvision**, a Chinese manufacturer of surveillance equipment, rebounded from its fourth-quarter declines amid progress in US-China trade talks after posting solid earnings that belied concerns about a sharp slowdown in Chinese investment projects. Taiwanese camera-lens manufacturer **Largan Precision** rallied as smartphone manufacturers launched new models and sales of Apple's new iPhones in China accelerated following a price reduction.

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, 2019 is available on page 9 of this report.

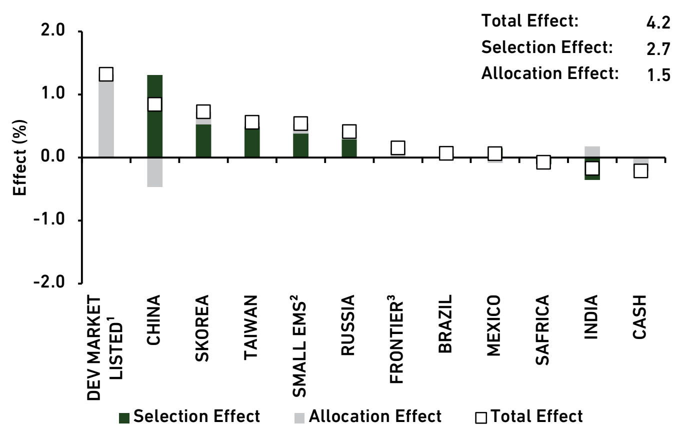
SECTOR PERFORMANCE ATTRIBUTION
FIRST QUARTER 2019

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
FIRST QUARTER 2019

EMERGING MARKETS COMPOSITE VS. MSCI EM INDEX



[1]Emerging markets or frontier markets companies listed in developed markets; [2]Includes the remaining emerging markets, which individually, comprise less than 5% of the Index; [3]Includes countries with less-developed markets outside the Index. Source: FactSet; Harding Loevner Emerging Markets 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 page 1 of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS presentation.

In Financials, shares of **Bancolombia** and Russia's **Sberbank** rose as rising oil prices bolstered the outlook for their respective economies. Hong Kong's **AIA Group**, a fast-growing pan-Asian insurance group, posted strong results. The company's shares also rose on China's announcement that it is advancing the timeline for opening its insurance market to foreign companies, which will allow AIA to expand beyond its current grandfathered territory.

Several Consumer Discretionary stocks detracted from our relative returns. South Korea's **Hankook Tire** continued to suffer from a weak global auto market and rising raw material costs, while its factory in Tennessee, which opened in late 2017, is taking longer than expected to staff. Margins contracted at **Maruti**

Suzuki, the Indian auto company, as it discounted existing models to combat the country's tightening credit conditions. The automobile-sales division of Indonesian conglomerate **Astra International** reported weaker-than-expected demand.

The portfolio outperformed in all major EM regions—Asia, Europe, and Latin America. Our EM holdings in developed markets, such as US-listed EPAM, also contributed to our relative returns. Our strategy admits companies listed in developed markets only if they meet certain criteria qualifying them as essentially EM businesses, such as receiving or holding at least 50% of their revenues or productive assets in developing countries.

In Asia, our strong stock selection in South Korea and China offset modest losses in India, primarily from Maruti Suzuki. In South Korea, consumer-products company **LG Household & Health Care** posted strong cosmetics sales in China, where its premium products continued to gain market share. In China, our A-share holdings (Hikvision, **Midea**, and Han's Laser) contributed strongly amid the domestic market's rally.

In Europe, our Russian holdings contributed positive returns across several sectors: **Lukoil** (Energy), Sberbank (Financials), and **Yandex** (Communication Services). All reported solid earnings and benefited from stronger energy prices supporting the ruble. Our lack of exposure to lagging markets in Poland and Turkey was also helpful.

In Latin America, returns in Colombia were buoyed by Bancolombia. In Brazil, we had strong returns from **B3**, the stock exchange, and consumer companies **CBD** and **Raia Drogasil**, offsetting the relative drag from lack of exposure to Petrobras, Brazil's national oil company, which rallied in the quarter.

PERSPECTIVE AND OUTLOOK

"Digital transformation" has become a ubiquitous rallying cry among corporate managers. Nearly every company, or so it seems, claims to be planning, implementing, or reaping the rewards of integrating digital technologies like cloud computing, artificial intelligence (AI), and Big Data analytics into their daily operations. While these claims often contain a healthy dollop of self-promotion, something undeniably real—and expensive—is happening, and it's not limited to inherently digital e-commerce or social-media businesses. Last year, companies spent an estimated US$1.1 trillion on digital transformation tools and services, a 17% increase over 2017.[1] The research firm IDC estimates such spending will accelerate to US$2.0 trillion by 2022, representing 40% of global IT spending.[2]

Companies worldwide are pursuing digital transformation to improve their returns on capital, capture new growth opportunities, and fend off rivals. But the returns from such projects may be greatest for companies in developing countries. In regions with large and geographically dispersed populations and less-developed physical infrastructures, digital technology helps companies identify, segment, and then *reach*, their target markets. South Africa's **Standard Bank**, for example, spent over US$1 billion between 2012 and 2017 on upgrading and consolidating its banking systems to improve the efficiency of its core operations and support its expansion across the African continent. Before the upgrade project, the 150-year-old bank was struggling to compete with startups that were leveraging technology to offer banking services over mobile phones. Unlike traditional banks, the new competitors were not bogged down by legacy systems, paper forms and records, or the large overhead costs of physical bank branches. Standard Bank's upgrade has allowed it to increase its volume of transactions, process them in real time, and share data between business units. It also significantly reduced the time employees spent managing documents so they could devote more time to customers. Standard Bank now provides mobile banking, 24/7 access to account information, and faster and more accurate creditworthiness assessments.

The returns from digital-transformation projects may be greatest for companies in developing countries.

Our portfolio includes numerous other companies whose bright growth prospects depend directly on their well-conceived digital initiatives. **Ping An Insurance**, China's second-largest insurer, is another striking example. The Hong Kong-based company has used digital technologies not only to strengthen its core insurance and financial-services business but also to pursue new growth opportunities. Over the past decade, Ping An has spent US$7 billion to build out its cloud-computing and AI capabilities as well as develop its new information platforms that draw in new customers. It currently employs about 20,000 developers who have built one of China's largest computing clouds and created intelligent cognition technologies for medical imaging, voice and face recognition, and financial risk control. Ping An's rich customer data and analytics allow it to develop products and pricing targeted to specific consumers, which improves sales efficiency and customer loyalty. In-person contact remains key for "making the sale" of insurance products. Ping An's 1.4 million agents are now armed with detailed information that identifies the most-appropriate products for each prospective customer and guides the agent on the most-effective sales approach. At the back-end of the business, Ping An's dense IT capabilities have lowered the cost and improved the quality of customer service, with AI-powered chatbots now able to handle 85% of inquiries. Of the company's nearly 4 million life-insurance claims in 2018, almost 60% were settled within 30 minutes with the help of AI systems.

[1]Natalie Gagliordi, "Digital Transformation Technology and Services Spending is on the Rise," *ZDNet.com*, June 12, 2018.

[2]Statista; Joseph Pucciarelli, "4 Things Successful CIOs Know about Digital Transformation," *CIO* (Winter 2018), p. 17.

Ping An's technology reinvention also enables it to pursue growth in areas related to but distinct from its core business. These new areas include online platforms focused on health care, real estate, and automobile information. The company reports that up to 40% of its new insurance or banking customers first encountered Ping An on one of these new platforms. For example, many shoppers seeking a new vehicle on the company's auto information website are presented with links to car-insurance options. Ping An's pool of prospective customers is vast: nearly 500 million people are interacting with its systems, including 250 million on its "Good Doctor" health portal.

Ping An currently employs about 20,000 developers who have built one of China's largest computing clouds and created intelligent cognition technologies for medical imaging, voice and face recognition, and financial risk control.

As the pursuit of digital transformation has assumed the character of a technological arms race, lucrative opportunities have been created for the arms suppliers: IT services businesses that enable such transformations. These include India's **Tata Consultancy Services** (TCS)—a new holding this quarter—and EPAM. Both companies are experiencing significant growth as they help enterprises increase the density of digital applications within their operations.

Founded in 1968 and based in Mumbai, India, TCS is one of the top-three IT Services companies globally by revenues and profits. The company's origins are in providing low-cost IT maintenance services, but it has expanded to offer a wide range of other products and services, including custom software development and business-process analysis. TCS has the capabilities that few other IT companies have for executing enterprise-wide projects at a reasonable cost. Over the last three years, the portion of TCS's revenues generated from digital-transformation projects has more than doubled to 30%. In 2018, digital-services revenue was $5.5 billion, a 39% increase over the previous year. These services include building and supporting cloud-based systems, AI applications, and Internet of Things (IoT) solutions. Clients include Rolls-Royce, which has implemented IoT technology to improve manufacturing efficiency; US craft-supplies retailer Michaels, a user of TCS's software development platform; and South African telecom company Cell C, for which TCS provided a cloud-based employee training platform.

While a sprawling enterprise, TCS is intent on maintaining its long-standing culture as an engineering shop first and foremost. The company works hard to retain its engineering talent, in part by providing intensive ongoing training to ensure its 400,000 employees remain up-to-speed on the latest technologies. Its staff attrition rate is only 11% a year, among the lowest in an industry known for high turnover.

With 24,000 employees, EPAM is considerably smaller than TCS. It focuses primarily on high-end systems development. Shortly after its founding in 1993, the company was hired by SAP and other tech giants to assist with application development. While headquartered in Pennsylvania, most of EPAM's assets (over 90%) are in EM and frontier-market countries. The majority of its engineering talent is based in the Eastern European hubs of Minsk and Kiev.

EPAM's business is organized according to the industries it serves, including financial services, travel, health care, and software. The cutting-edge work it does in the latter in particular provides insights on technology trends and advanced applications that it applies to other industries. Digital transformation projects represent the majority of the work EPAM does for clients, which include such Fortune 100 businesses as Barclays, Coca-Cola, Google, and Southwest Airlines. The company's quarterly revenue growth year-over-year has been in excess of 20% over the past seven years.

PORTFOLIO HIGHLIGHTS

Portfolio activity was subdued in the quarter, as it was during the prior quarter's sell-off. We remind ourselves and you, our readers, that "doing nothing" is an active decision that impacts portfolio results every bit as much as trading, albeit one that incurs no explicit or implicit transactions costs!

We remind ourselves and you, our readers, that "doing nothing" is an active decision that impacts portfolio results every bit as much as trading.

We did initiate two positions and sell two. In addition to TCS, discussed above, we also purchased **Techtronic Industries** (TTI), an innovative cordless-tool maker, headquartered in Hong Kong but whose factories are concentrated in China. The extended transition from corded to cordless power tools, e.g., drills, sanders, and saws, has been a significant source of growth for manufacturers. Thanks to recent innovations in lithium-ion batteries, cordless tools are now powerful and reliable enough for the most demanding construction and industrial tasks. Professional contractors are going cordless. Global sales for battery-powered tools are forecast to increase 6% per year through 2021 compared with 4% for power tools overall.

TTI's brands include familiar names like Ryobi, Homelite, and Milwaukee. Milwaukee was the first to make tools powered by lithium-ion batteries, in 2005, and it has been improving the technology ever since. Last year, it introduced a battery pack that delivers 50% more power and runs 33% longer on a charge than its previously top-of-the-line product. The proprietary battery packs do not just make work easier for contractors but also lock them into Milwaukee's compatible products.

TTI's balance sheet has more cash than debt, and revenues have risen at an annual rate of 7% over the past 10 years. Over 75% of its sales are in North America, supported by relationships with major retailers like Home Depot. Developing countries are a small but growing market for TTI, which recently reported sales gains in Russia and China.

Thanks to recent innovations in lithium-ion batteries, cordless tools are now powerful and reliable enough for the most demanding construction and industrial tasks.

We completed sales of Argentina's **Banco Macro** and **Jiangsu Hengrui**, a Chinese pharmaceutical company, following reductions in our holdings last year. Banco Macro's shares rallied in January following polls showing President Mauricio Macri's public support remained strong despite the country's deteriorating economy. They were also bolstered by the Fed's pause in rate-raising, which helped Argentina and other countries burdened by substantial external debt and financing needs. When the shares exceeded the level we felt was reflective of their discounted present value taking into account the lingering political and economic risks, we chose to exit the position.

Jiangsu Hengrui is arguably the highest-quality drug manufacturer in China, but in our view its shares had become too expensive in light of increasing regulatory risks. Although many of the company's products are innovative and less subject to price competition, they are not entirely insulated from regulators' brute efforts to lower drug prices. Following a sharp rally in the shares, we exited our position. We continue to hold relatively small positions in two still-attractively valued Chinese pharmaceutical companies, **Sino Biopharmaceutical** and **CSPC Pharmaceutical Group**.

Over the last 12 months, our portfolio's weight in Health Care has decreased while its exposure to consumer companies increased. One notable reason for this shift is our growing position in China's e-commerce giant Alibaba, following additional purchases last year during bouts of price weakness. We believe that the deceleration in its profits during 2018 was caused by cyclical headwinds. The company retains its dominant competitive position, which will support growth in its core businesses and from new opportunities. During the last year, we also established new positions in **Coway**, a Korean manufacturer of air and water purifiers, and Raia Drogasil, a leading Brazilian drug retailer.

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EMERGING MARKETS HOLDINGS (AS OF MARCH 31, 2019)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
BAIDU Internet products and services	China	0.8
SAFARICOM Mobile network operator	Kenya	1.0
TENCENT Internet and IT services	China	4.2
WEIBO Social network	China	0.5
YANDEX Internet products and services	Russia	0.6
CONSUMER DISCRETIONARY		
ALIBABA E-commerce retailer	China	3.8
ASTRA INTERNATIONAL Auto business operator	Indonesia	0.9
COWAY Consumer appliances manufacturer	South Korea	1.1
CTRIP.COM Online travel services	China	0.9
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	1.3
HANKOOK TIRE Tire manufacturer	South Korea	1.1
JD.COM E-commerce retailer	China	0.4
MARUTI SUZUKI Automobile manufacturer	India	0.9
MIDEA GROUP Consumer appliances manufacturer	China	1.4
NASPERS Internet and media services	South Africa	1.6
SANDS CHINA Integrated resorts and casinos operator	Hong Kong	1.8
SHENZHOU INTERNATIONAL Textile manufacturer	China	1.9
TECHTRONIC INDUSTRIES Power tool manufacturer	Hong Kong	0.6
CONSUMER STAPLES		
AMBEV Alcoholic beverages manufacturer	Brazil	0.9
AMOREPACIFIC Cosmetics manufacturer	South Korea	0.7
CBD Foods and consumer products retailer	Brazil	0.6
COCA-COLA HBC Coca-Cola bottler	UK	1.2
EAST AFRICAN BREWERIES Alcoholic beverages manufacturer	Kenya	0.2
FEMSA Beverages manufacturer and retail operator	Mexico	1.0
LG HOUSEHOLD & HEALTH CARE Cons products manufacturer	South Korea	2.2
RAIA DROGASIL Drugstores operator	Brazil	0.4
WALMART DE MÉXICO Foods and consumer products retailer	Mexico	1.2
ENERGY		
CNOOC Oil and gas producer	China	1.7
LUKOIL Oil and gas producer	Russia	2.8
NOVATEK Natural gas producer	Russia	2.2
TENARIS Steel-pipe manufacturer	Italy	1.3
FINANCIALS		
AIA GROUP Insurance provider	Hong Kong	2.6
B3 Clearing house and exchange	Brazil	0.7
BANCO BRADESCO Commercial bank	Brazil	1.6
BANCO SANTANDER CHILE Commercial bank	Chile	0.5
BANCOLOMBIA Commercial bank	Colombia	1.2
BANK CENTRAL ASIA Commercial bank	Indonesia	1.0
BANK OF GEORGIA Commercial bank	UK	0.3
BANK RAKYAT Commercial bank	Indonesia	1.6

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMERCIAL INTERNATIONAL BANK Commercial bank	Egypt	0.7
CREDICORP Commercial bank	Peru	1.4
DISCOVERY HOLDINGS Insurance provider	South Africa	1.1
GF BANORTE Commercial bank	Mexico	1.3
HDFC CORP Mortgage lender	India	2.2
HONG KONG EXCHANGES Clearing house and exchange	Hong Kong	1.7
ITAÚ UNIBANCO Commercial bank	Brazil	1.5
KOMERČNÍ BANKA Commercial bank	Czech Rep.	1.0
KOTAK MAHINDRA BANK Commercial bank	India	1.2
PING AN INSURANCE Insurance provider	China	1.1
SBERBANK Commercial bank	Russia	2.4
SIAM COMMERCIAL BANK Commercial bank	Thailand	1.5
STANDARD BANK Commercial bank	South Africa	1.5
HEALTH CARE		
ASPEN PHARMACARE Pharma manufacturer	South Africa	0.1
CSPC PHARMACEUTICAL GROUP Pharma manufacturer	China	0.7
SINO BIOPHARMACEUTICAL Pharma manufacturer	China	0.3
INDUSTRIALS		
51JOB INC. Online human resource services	China	1.5
AIRTAC Pneumatic-equipment manufacturer	Taiwan	0.8
ASUR Airport operator	Mexico	0.9
COPA HOLDINGS Airline operator	Panama	0.8
DP WORLD Container-terminal operator	UAE	0.9
HAN'S LASER Laser equipment manufacturer	China	1.1
WEG Industrial equipment manufacturer	Brazil	0.9
INFORMATION TECHNOLOGY		
AAC TECHNOLOGIES Smartphone components manufacturer	China	0.5
ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.7
EPAM IT consultant	US	2.3
HANGZHOU HIKVISION Surveillance camera manufacturer	China	1.3
HON HAI PRECISION Electronics manufacturer	Taiwan	0.4
LARGAN PRECISION Smartphone lens modules producer	Taiwan	1.1
SAMSUNG ELECTRONICS Electronics manufacturer	South Korea	4.4
SUNNY OPTICAL Optical component manufacturer	China	1.1
TATA CONSULTANCY SERVICES IT consultant	India	0.8
TSMC Semiconductor manufacturer	Taiwan	4.6
MATERIALS		
SASOL Energy and chemical technology developer	South Africa	1.0
REAL ESTATE		
EMAAR PROPERTIES Real estate developer and manager	UAE	0.8
UTILITIES		
ENN ENERGY Gas pipeline operator	China	2.0
CASH		1.7

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.

1Q19 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
ALIBABA	DSCR	3.8	1.11
EPAM	INFT	1.8	0.71
LUKOIL	ENER	2.7	0.65
TENCENT	COMM	4.3	0.62
SBERBANK	FINA	2.4	0.50

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
LUKOIL	ENER	2.5	0.82
EPAM	INFT	1.0	0.58
NOVATEK	ENER	2.2	0.54
SHENZHOU INTERNATIONAL	DSCR	2.0	0.46
CNOOC	ENER	1.7	0.44

1Q19 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
DISCOVERY HOLDINGS	FINA	1.3	-0.18
MARUTI SUZUKI	DSCR	1.1	-0.13
AMOREPACIFIC	STPL	0.7	-0.12
HANKOOK TIRE	DSCR	1.3	-0.11
ASTRA INTERNATIONAL	DSCR	1.1	-0.11

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
AAC TECHNOLOGIES	INFT	0.9	-1.08
ASPEN PHARMACARE	HLTH	0.9	-0.90
SINO BIOPHARMACEUTICAL	HLTH	1.1	-0.70
SBERBANK	FINA	2.4	-0.65
HANKOOK TIRE	DSCR	1.3	-0.55

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL EM	MSCI EM
PROFIT MARGIN[1] (%)	18.0	16.0
RETURN ON ASSETS[1] (%)	10.8	6.6
RETURN ON EQUITY[1] (%)	19.6	16.5
DEBT/EQUITY RATIO[1] (%)	29.5	51.6
STD DEV OF 5 YEAR ROE[1] (%)	3.9	3.3
SALES GROWTH[1,2] (%)	9.2	5.0
EARNINGS GROWTH[1,2] (%)	13.8	11.0
CASH FLOW GROWTH[1,2] (%)	13.6	9.8
DIVIDEND GROWTH[1,2] (%)	10.9	6.8
SIZE & TURNOVER	**HL EM**	**MSCI EM**
WTD MEDIAN MKT CAP (US $B)	35.7	25.1
WTD AVG MKT CAP (US $B)	86.9	95.7
TURNOVER[3] (ANNUAL %)	19.4	—

RISK AND VALUATION	HL EM	MSCI EM
ALPHA[2] (%)	1.39	—
BETA[2]	0.92	—
R-SQUARED[2]	0.94	—
ACTIVE SHARE[3] (%)	72	—
STANDARD DEVIATION[2] (%)	14.39	15.12
SHARPE RATIO[2]	0.31	0.22
TRACKING ERROR[2] (%)	3.8	—
INFORMATION RATIO[2]	0.29	—
UP/DOWN CAPTURE[2]	95/91	—
PRICE/EARNINGS[4]	16.0	12.5
PRICE/CASH FLOW[4]	11.6	8.4
PRICE/BOOK[4]	2.7	1.7
DIVIDEND YIELD[5] (%)	2.1	2.6

[1]Weighted median; [2]Trailing five years, annualized; [3]Five-year average; [4]Weighted harmonic mean; [5]Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner Emerging Markets Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: April 2, 2019); Harding Loevner Emerging Markets Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
TATA CONSULTANCY SERVICES	INDIA	INFT
TECHTRONIC INDUSTRIES	HONG KONG	DSCR

POSITIONS SOLD	COUNTRY	SECTOR
BANCO MACRO	ARGENTINA	FINA
JIANGSU HENGRUI MEDICINE	CHINA	HLTH

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

EMERGING MARKETS COMPOSITE PERFORMANCE (AS OF MARCH 31, 2019)

	HL EM GROSS (%)	HL EM NET (%)	MSCI EM INDEX[1] (%)	HL EM 3-YR STD DEVIATION[2] (%)	MSCI EM INDEX 3-YR STD DEVIATION[2] (%)	INTERNAL DISPERSION[3] (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS ($M)	FIRM ASSETS (%)
2019 YTD[4]	14.14	13.89	9.97	12.90	12.85	N.A.[5]	20	17,360	30.05
2018	-17.29	-18.03	-14.25	13.94	14.62	0.4	21	15,114	30.07
2017	36.81	35.64	37.75	13.90	15.36	0.3	23	19,177	35.51
2016	14.84	13.85	11.60	15.00	16.07	0.4	22	13,629	34.95
2015	-12.85	-13.59	-14.60	13.61	14.04	1.2	20	9,670	29.04
2014	0.74	-0.11	-1.82	14.06	14.99	0.5	14	8,212	23.46
2013	5.74	4.80	-2.27	17.56	19.03	0.6	12	5,649	17.04
2012	23.92	22.79	18.63	20.15	21.49	0.4	10	3,772	16.65
2011	-15.55	-16.36	-18.17	24.72	25.76	0.5	9	3,136	23.06
2010	22.22	21.06	19.20	31.54	32.59	0.1	7	3,881	35.25
2009	68.45	66.95	79.02	30.92	32.35	0.2	6	2,716	42.44

[1]Benchmark Index; [2]Variability of the Composite and the Index returns over the preceding 36-month period, annualized; [3]Asset-weighted standard deviation (gross of fees); [4]The 2019 YTD performance returns and assets shown are preliminary; [5]N.A.–Internal dispersion less than a 12-month period.

The Emerging Markets Composite contains fully discretionary, fee-paying accounts investing in non-US equity and equity-equivalent securities of companies domiciled predominately in emerging markets and cash reserves, and is measured against the MSCI Emerging Markets 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 Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Index consists of 24 emerging market countries. You cannot invest directly in this Index.

Harding Loevner LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Harding Loevner has been independently verified for the period November 1, 1989 through December 31, 2018.

Verification assesses whether (1) the firm has complied with all composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policy and procedures are designed to calculate and present performance in compliance with GIPS standards. The Emerging Markets Composite has been examined for the periods December 1, 1998 through December 31, 2018. The verification and performance examination reports are available upon request.

Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross of foreign withholding taxes on dividends, interest income and capital gains. Past performance does not guarantee future results. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate Emerging Markets Equity accounts is 1.25% annually of the market value up to $20 million; 0.90% of amounts from $20 million to $100 million; 0.75% of amounts from $100 million to $200 million; 0.55% of amounts above $200 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 Emerging Markets Composite was created on November 30, 1998.

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