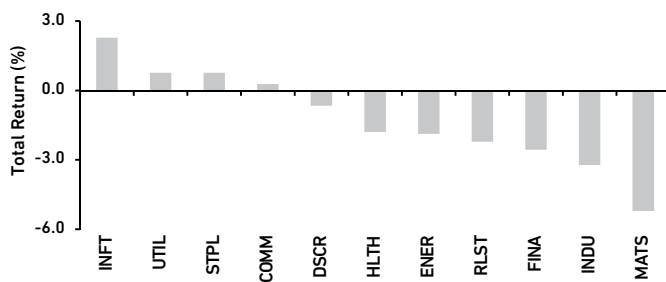


TSMC, the world's largest semiconductor foundry, has achieved its dominant industry position—a global market share of 56%—primarily through massive investment in R&D. It spent nearly US\$3 billion on R&D last year, equivalent to 8% of sales. The company earns most of its revenues making chips for smartphones (for, e.g., Apple, Huawei, and Qualcomm) and for high-performance computing (HPC), used by artificial intelligence, graphics, and cryptocurrency mining applications. Demand from emerging applications, including Internet of Things and autonomous cars, will support TSMC's long-term growth.

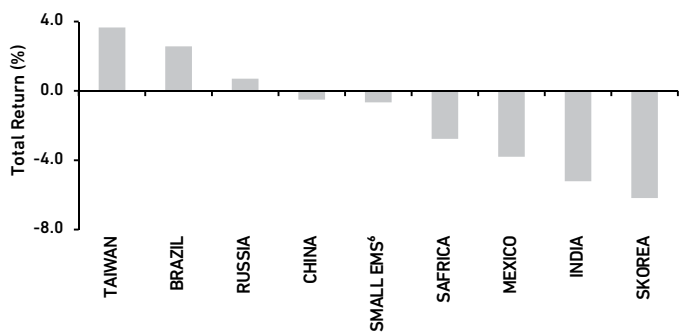
Despite the US-China trade war's depressing influence on business confidence and capital expenditures, TSMC's second-quarter financial report was upbeat. Its revenues from HPC chips grew 23% quarter-over-quarter, and the company said it expects this segment to continue to grow strongly. TSMC also shared an improved outlook for sales of more, and more-advanced, chips for telecom network equipment and high-end smartphones for the accelerating rollout of 5G networks in several major markets, including the US, Japan, South Korea, and China. The favorable outlook for smartphones should benefit other holdings exposed to the smartphone production chain, like lens manufacturers **Largan Precision** in Taiwan and **Sunny Optical** in China.

PERFORMANCE (% TOTAL RETURN) FOR THE PERIODS ENDED JULY 31, 2019¹

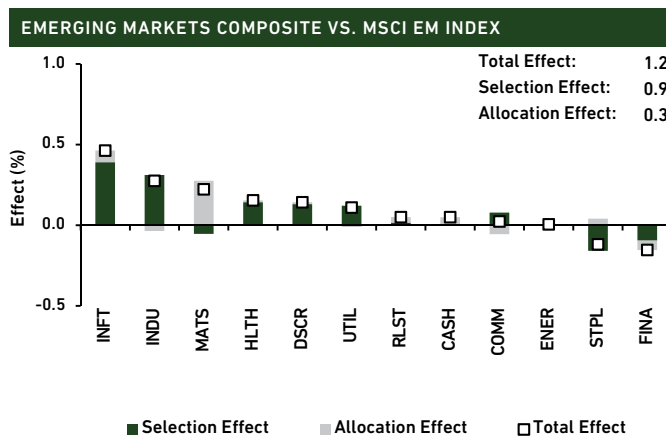
	1 MONTH	YTD	1 YEAR	3 YEARS ²	5 YEARS ²	10 YEARS ²	SINCE INCEPTION ^{2,3}
HL EMERGING MARKETS (GROSS OF FEES)	0.09	16.34	-1.15	9.36	4.03	7.73	12.50
HL EMERGING MARKETS (NET OF FEES)	-0.01	15.71	-2.03	8.41	3.13	6.78	11.59
MSCI EMERGING MARKETS INDEX ^{4,5}	-1.14	9.50	-1.80	8.83	2.22	4.91	8.95

BENCHMARK PERFORMANCE BY SECTOR – JULY


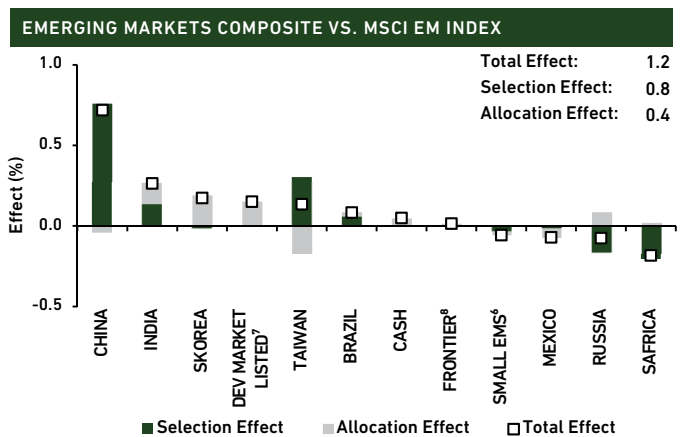
- In Information Technology (IT), shares of smartphone suppliers rose as President Trump agreed to lift some restrictions against US companies selling high-tech gear to Chinese telecom giant Huawei.

BENCHMARK PERFORMANCE BY GEOGRAPHY – JULY


- In July, South Korea and Japan's long-standing diplomatic and territorial dispute escalated when Japan announced export restrictions on chemicals critical to South Korea's semiconductor industry. South Korea's IT stocks fell sharply as a result.

PERFORMANCE ATTRIBUTION BY SECTOR – JULY


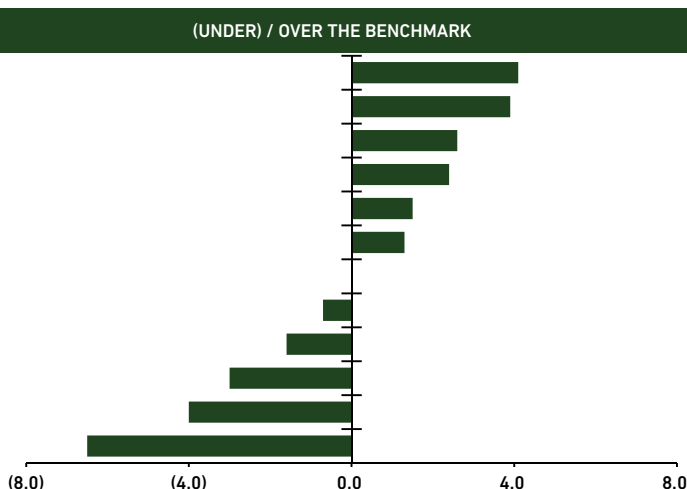
- Relative returns in Industrials were helped by Brazilian electric-motor producer **WEG**, which reported solid results.

PERFORMANCE ATTRIBUTION BY GEOGRAPHY – JULY


- Our outperformance in China was helped by surveillance-equipment manufacturer **Hikvision**, which reported second-quarter revenues up 21% year-over-year, beating market expectations.
- We benefited from good returns by EM companies listed in developed markets, including US-listed IT services firm **EPAM** and Hong Kong-listed semiconductor-equipment manufacturer **ASM Pacific Technologies**.

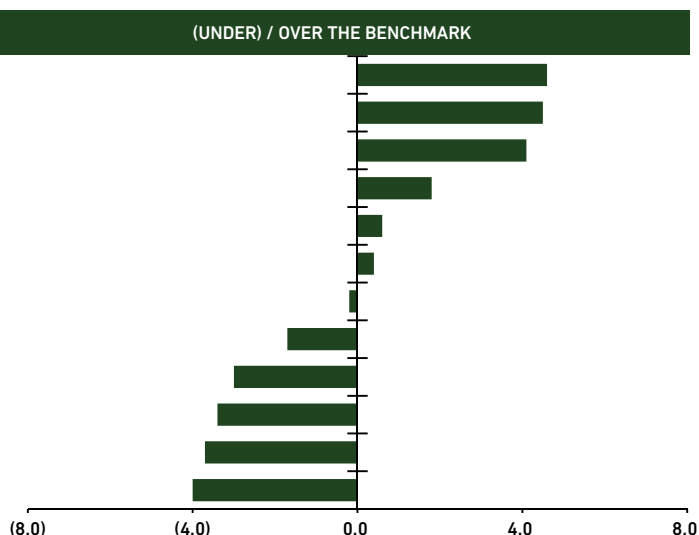
SECTOR EXPOSURE (%) AT JULY 31, 2019

SECTOR	HL EM	MSCI EM
CASH	4.1	—
FINANCIALS	28.7	24.8
INFO TECHNOLOGY	16.9	14.3
CONS STAPLES	9.1	6.7
CONS DISCRETIONARY	15.1	13.6
INDUSTRIALS	6.6	5.3
ENERGY	7.8	7.8
UTILITIES	2.1	2.8
HEALTH CARE	1.0	2.6
REAL ESTATE	0.0	3.0
COMM SERVICES	7.9	11.9
MATERIALS	0.7	7.2



GEOGRAPHIC EXPOSURE (%) AT JULY 31, 2019

REGION	HL EM	MSCI EM
DEVELOPED MARKET LISTED ⁷	4.6	—
RUSSIA	8.5	4.0
CASH	4.1	—
FRONTIER MARKETS ⁸	2.2	—
MEXICO	4.3	2.5
CHINA + HONG KONG ⁹	32.4	31.8
BRAZIL	7.8	8.0
SOUTH AFRICA	4.1	5.8
INDIA	5.6	8.6
SOUTH KOREA	8.4	11.8
TAIWAN	7.5	11.2
SMALL EMERGING MARKETS ⁶	10.5	16.3



ENDNOTES

(1) The July 2019 Composite performance shown is preliminary (2) Annualized returns (3) Inception date: November 30, 1998 (4) The Benchmark Index (5) Gross of withholding taxes (6) Includes the remaining emerging markets, which individually, comprise less than 5% of the Index (7) Emerging markets or frontier markets companies listed in developed markets, excluding Hong Kong (8) Includes countries with less-developed markets outside the Index (9) The Harding Loevner Emerging Markets Model Portfolio's end weight in China is 24.7% and Hong Kong is 7.7%. The Benchmark does not include Hong Kong.

SOURCES

Benchmark Performance: FactSet; MSCI Inc. and S&P.

Sector/Geographic Attribution: FactSet; Harding Loevner Emerging Markets Composite; MSCI Inc. and S&P.

Sector/Geographic Exposure: FactSet; Harding Loevner Emerging Markets Model; MSCI Inc. and S&P.

DISCLOSURES

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. 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. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner has been independently verified for the period November 1, 1989 through March 31, 2019. 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 March 31, 2019. The verification and performance examination reports are available upon request. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the Emerging Markets Composite, please contact Harding Loevner at (908) 218-7900 or visit www.hardingloevner.com. The firm maintains a complete list and description of composites, which 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 26 emerging market countries. You cannot invest directly in this Index.

Companies held in the portfolio during the month appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings may not be current. They should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the securities identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner.

Portfolio holdings, portfolio attribution, and sector/geographic allocations are supplemental information only and complement a fully compliant Emerging Markets Composite GIPS Presentation, which is available upon request. The Composite and Attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is obtained from Harding Loevner's accounting system and Attribution returns are obtained from the FactSet portfolio analysis system. Please note returns from FactSet are not audited for GIPS compliance and are for reference only.

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