HARDING LOEVNER

GLOBAL EQUITY ADR

2019 First Quarter Report

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

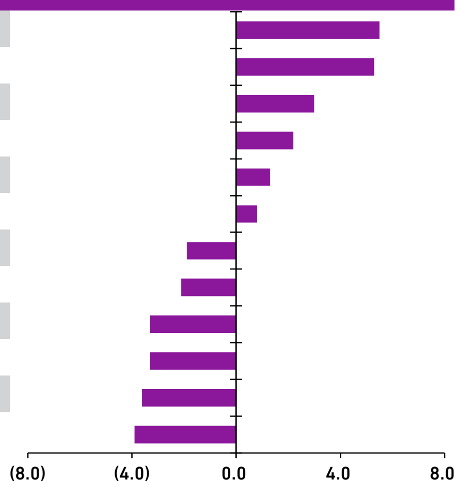
	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL GLOBAL EQUITY ADR (GROSS OF FEES)	14.24	1.90	13.73	9.83	13.35	9.41
HL GLOBAL EQUITY ADR (NET OF FEES)	14.02	1.01	12.82	8.95	12.43	8.52
MSCI ALL COUNTRY WORLD INDEX[4,5]	12.33	3.16	11.27	7.03	12.58	7.05
MSCI WORLD INDEX[5,6]	12.65	4.61	11.31	7.37	13.01	7.10

[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1989 corresponds to that of the linked Global Equity Composite; [4]The Benchmark Index; [5]Gross of withholding taxes; [6]Supplemental Index.

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

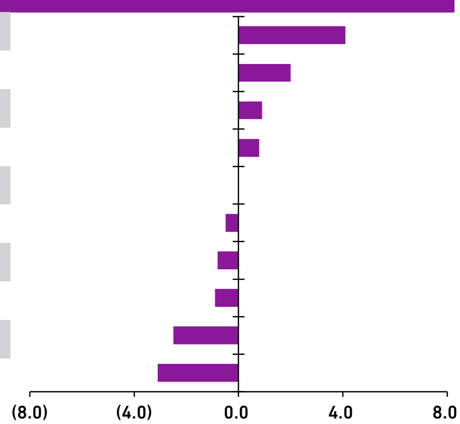
SECTOR EXPOSURE (%)

	HL GADR	MSCI ACWI
HEALTH CARE	17.1	11.6
INDUSTRIALS	15.7	10.4
CONS DISCRETIONARY	13.8	10.8
MATERIALS	7.1	4.9
INFO TECHNOLOGY	17.0	15.7
CASH	0.8	—
COMM SERVICES	6.8	8.7
FINANCIALS	14.5	16.6
REAL ESTATE	0.0	3.3
UTILITIES	0.0	3.3
CONS STAPLES	4.8	8.4
ENERGY	2.4	6.3



GEOGRAPHIC EXPOSURE (%)

	HL GADR	MSCI ACWI
EMERGING MARKETS	15.8	11.7
EUROPE EMU	11.6	9.6
MIDDLE EAST	1.1	0.2
CASH	0.8	—
FRONTIER MARKETS[7]	0.0	—
JAPAN	6.7	7.2
EUROPE EX-EMU	8.6	9.4
PACIFIC EX-JAPAN	2.9	3.8
UNITED STATES	52.5	55.0
CANADA	0.0	3.1



[7]Includes countries in less-developed markets outside the Index.

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

Source: Harding Loevner Global Equity ADR 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

Global stock markets rose in the quarter, rebounding sharply from last year's sell-off. Investor sentiment was buoyed by signals that the US Federal Reserve will pause hiking interest rates, and by progress in US-China trade negotiations. All sectors and regions ended the quarter in positive territory.

Signs of a global economic slowdown appeared throughout the quarter. In the US, GDP growth forecasts were revised downward. In China, retail sales and manufacturing activity fell amid a sharp decline in bank lending. In Europe, EU officials predicted GDP growth would slow this year to 1.3%, from 1.9% in 2018. Germany's manufacturing sector abruptly contracted, and the country's export sales and orders declined at the fastest rate since the financial crisis in 2008. In Italy, weak business and consumer confidence, precipitated by its populist government's budget standoff with the EU, sent the country into recession. European economists were increasingly concerned about the bloc slipping, Japan-style, into a liquidity trap, where monetary policy loses its ability to stimulate economic growth because would-be lenders fear ultralow rates are unsustainable.

MARKET PERFORMANCE (USD %)

MARKET	1Q 2019	TRAILING 12 MONTHS
CANADA	15.6	3.9
EMERGING MARKETS	10.0	-7.1
EUROPE EMU	10.0	-7.5
EUROPE EX-EMU	12.0	1.7
JAPAN	6.8	-7.5
MIDDLE EAST	10.1	10.2
PACIFIC EX-JAPAN	12.3	4.7
UNITED STATES	13.9	9.5
MSCI ACW INDEX	12.3	3.2

SECTOR PERFORMANCE (USD %)
OF THE MSCI ACW INDEX

SECTOR	1Q 2019	TRAILING 12 MONTHS
COMMUNICATION SERVICES	11.2	2.6
CONSUMER DISCRETIONARY	13.3	0.7
CONSUMER STAPLES	11.5	5.2
ENERGY	14.3	3.7
FINANCIALS	8.4	-7.3
HEALTH CARE	8.2	11.7
INDUSTRIALS	14.0	-0.5
INFORMATION TECHNOLOGY	18.9	11.7
MATERIALS	11.2	-2.6
REAL ESTATE	16.2	12.1
UTILITIES	9.7	13.3

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

Central banks reacted to the downbeat economic data. After downgrading its GDP forecast for this year, the Fed signaled that December's rate hike would be its last for a while, and Chairman Jerome Powell announced a halt to the planned reduction of the Fed's US$4 trillion balance sheet, supporting market liquidity. Bond yields in both developed and emerging markets (EMs) fell markedly in response. The European Central Bank followed suit, extending its time horizon for keeping interest rates low and offering additional cheap funding for banks. China, too, announced measures to lower borrowing costs and encourage loan growth.

The US-instigated trade war, which left stock markets battered and bruised last year, appeared to take a favorable turn. For much of 2018, companies fearful of escalation that would disrupt their global supply chains were discouraged from making fixed-capital investments. In a reversal over the past few months, hopes for trade peace have risen, as both the US and China signaled an eagerness to reach an accord and reported progress in their negotiations.

By sector, Information Technology (IT) performed best, with strong rebounds in the hardware and software stocks that had performed poorly toward the end of 2018. Energy stocks also recovered as the oil price rebounded sharply from its December low. Health Care and Financials were the weakest sectors. Communication Services slightly lagged index returns, with media and internet services strength outweighed by lackluster returns from telecom stocks, part of the low-volatility cohort that had held up so well last quarter. Asian e-commerce and media stocks, however, returned to the winners' circle after falling steadily for most of last year, helped in part by China's decision to end its moratorium on new video game approvals.

In terms of geography, EMs lagged developed markets in spite of very strong returns from China. Canada was the strongest region, rebounding alongside the US market and the oil price. Developed Asian markets were mixed: Japan's consumer stocks mostly moved sideways in the quarter, while commodity-oriented stocks in the Pacific ex-Japan region gained.

PERFORMANCE AND ATTRIBUTION

The Global Equity ADR composite gained 14.2% in the quarter, outperforming the benchmark's 12.3% rise. The charts on the following page attribute the quarter's performance by sector and region.

Our portfolio's good relative returns were due in large part to a rebound in growth stocks—and our unwavering commitment to them during the fourth quarter's swoon. Nearly one-third of our portfolio's weight is in the quintile of fastest-growing companies, based on our proprietary growth-ranking methodology.

Viewed by sector, our Health Care stocks contributed the most to our relative performance, led by the rebounding share prices of Chinese biotech drug manufacturer **Wuxi Biologics**, its Swiss peer **Lonza Group**, and US lab-instrument maker **Waters**. Our Japanese health care holding, **Sysmex**, also bounced back significantly. In IT, two "fintech" companies, **PayPal** and **Mastercard**, were significant contributors. Several IT companies focused on factory automation, including **Cognex**, and **IPG Photonics**, gained as US-China trade tensions eased along with fears that capital spending was collapsing in China. Our Financials companies—including Hong Kong-based insurer **AIA Group** and our two US banks, **First Republic** and **SVB Financial Group**—were also helpful to our performance.

Weak results in Consumer Discretionary hurt our relative performance. Shares of **EssilorLuxottica** fell as boardroom tensions became public at the recently merged eyewear company. Shares of **Booking Holdings**, an online travel services company (formerly Priceline.com), also detracted.

By geography, our stock selection was helpful in all regions except the eurozone, where EssilorLuxottica and **BMW** dragged down results. Our Japanese stocks outperformed, but not by enough to recover last quarter's losses. In the UK, where our holdings are of internationally rather than domestically focused companies, we lagged amid a strong local market and British pound.

PERSPECTIVE AND OUTLOOK

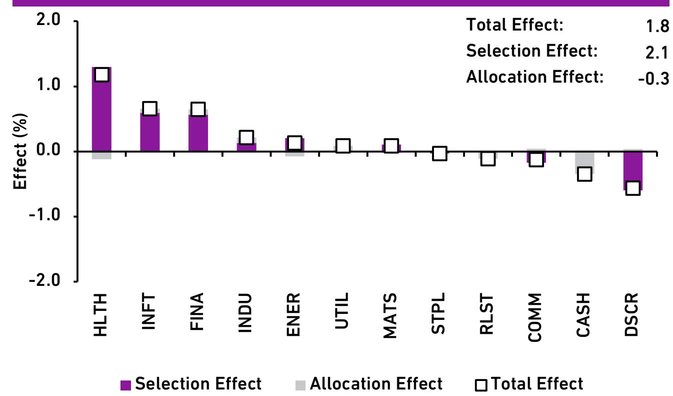
We often review in these letters one or two of the tenets of our investment philosophy or aspects of our process, illustrating our points with examples from our recent purchases or current portfolio holdings. A shortcoming of this didactic approach is that, of course, our process *rejects* far more companies than it ultimately embraces. So, in this letter, we focus on a pair of companies that you will **not** find among our holdings: One that has been publicly traded for almost a century while the other made its public debut just in the last few weeks. Illustrating a few things we try to avoid, food giant Kraft Heinz and ride-sharing service Lyft serve as useful case studies of companies that our investment process has deterred us from owning.

In mid-February, Kraft Heinz announced a US$15 billion write down of the value of its iconic Kraft and Oscar Mayer brands, telling investors that it needed to spend much more heavily on innovation and marketing of those brands to revive their sales and their power to achieve premium prices. As investors took stock of the implications of much lower profit margins and a slashed dividend, the share price of this ostensibly "defensive" company tumbled more than 25% in one day. The shares now trade at just half the price they did 15 months ago.

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 6 of this report.

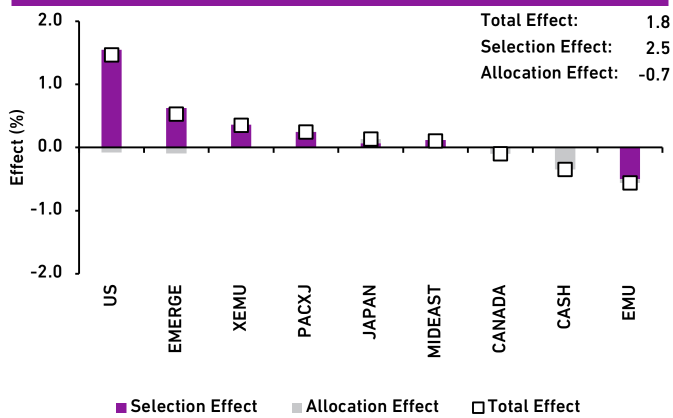
SECTOR PERFORMANCE ATTRIBUTION
FIRST QUARTER 2019

GLOBAL EQUITY ADR COMPOSITE VS. MSCI ACW INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
FIRST QUARTER 2019

GLOBAL EQUITY ADR COMPOSITE VS. MSCI ACW INDEX



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

Harding Loevner, in the person of our food-and-beverage analyst Rick Schmidt, deemed Kraft Heinz unqualified for investment according to our growth and quality criteria, effectively keeping it off-limits to our portfolio managers. In early 2015, he watched Kraft fall under the control of Heinz and the Brazilian investment group 3G Capital, backed by Warren Buffett's Berkshire Hathaway. 3G's playbook was well-known to us from InBev's (another 3G-controlled holding) acquisition of Anheuser Busch (AB). Relying heavily on the enduring strength of AB's existing brands, its new managers set about ruthlessly cutting costs, taking money out of the business, and distributing it to shareholders (including 3G). The strategy proved fruitful for several years at as gilded a company as AB had been under the control of the Busch family. By 2018, however, AB InBev was losing market share and struggling under debt it had taken on to make further acquisitions. [Disclosure: Harding Loevner's International strategy owned shares of AB InBev from 2012 to 2016. We bought into the promise of rising profit margins under the aggressive management but sold on realizing that the company was no longer achieving any organic growth.] Kraft Heinz's write-down vindicated our decision to forego the generous share buybacks and dividends financed by the higher margins that cost-cutting could deliver in the short or even the medium term.

Instead, we have favored Staples companies whose managements still aimed to grow their top lines, by developing their markets through marketing, investing in R&D, and expanding into developing economies. One such company is **Nestlé**, which we have owned in the portfolio for nearly three decades. Nestlé spends more than US$1.5 billion dollars a year on R&D and has consistently spent almost 2% of revenues on innovation. Rather than squeeze its supplier network to minimize use of cash for its working capital needs, it extends strategic seasonal credit terms to farmers and other suppliers of its raw ingredients, in an effort to develop the most reliable supply chain. Nestlé has steadily built its presence in developing markets over many years, and now garners more than 40% of its sales from emerging markets, where the population is generally younger, growing, and enjoying rising disposable incomes—all tailwinds for achieving organic growth. It frequently acquires emergent brands to open new avenues of growth that are complementary to its existing product or distribution strengths, such as the Starbucks brand for packaged coffee sold outside of the eponymous coffee shops. Nestlé has also invested heavily in its online presence and has doubled its sales via e-commerce in the last five years, to almost 7% of its total sales last year. At the cost of more modest operating profit margins, fully a quarter lower than those of Kraft before February's "reset," Nestlé has managed to keep growing its revenues, profits, and dividends. Its share price has ultimately followed, regaining its 25-year record of compound returns to its investors above 10%. By comparison, the MSCI All Country World Index has returned just under 7% over the same period.

Nestlé has invested heavily in its online presence and has doubled its sales via e-commerce in the last five years.

The second illustrative event this quarter was the successful US$2.3 billion initial public offering (IPO) of Lyft, the company behind the ride-sharing platform. As is our custom, we pay attention to some IPOs and assiduously scour offering documents for industry and business model insights, but we rarely participate in such offerings. Our investment process requires we achieve a deep understanding of a company's business model and long-term growth potential, based in part on our analysis of a company's history of disclosures and track record of success. This depth of understanding is generally difficult to achieve for IPOs. Private companies do not hold themselves to the same level of disclosure that laws and customs require of public companies. Thus we were not buyers in the IPO, choosing to leave the potential first-day "pop" in the share price to others.

In Lyft's case, the disclosures the company offered made clear that, however rapid the growth of revenues so far and attractive the model could turn out to be, the business is still loss-making—and substantially so: Lyft lost 43 cents for every dollar of revenue it earned last year. In its quest to grow and to compete against first-mover Uber, Lyft subsidizes fares and shares a larger portion of those reduced ride revenues with drivers in order to keep drivers plentiful and prowling for customers. All that is fine, and it is easy to extrapolate current growth to a point where the company would be highly profitable if things went its way. But it's not for us. We like to see a track record of profitable growth and make arguments for why that shouldn't change, instead of a track record of losses with arguments for why it will be different in the future.

Russian internet search giant Yandex has built that country's largest ride-hailing business.

Lyft notwithstanding, we do like the value proposition that ride-hailing platforms offers to both customers and independent drivers. And we understand the powerful self-reinforcing benefits that can accrue to platforms as they gain customers. One of our holdings—Russian internet search giant **Yandex**—has built that country's largest ride-hailing business. Yandex's strong profitability from online search in Russia, where it has edged out Google as the dominant search engine, allowed it to bankroll Yandex Taxi while still delivering profits overall. The company's willingness to fight for critical mass and its ability to finance the resulting losses helped it win a brutal battle for dominance of Russia's ride-hailing market against Uber. When Uber suffered management turmoil at home in the US, Yandex Taxi capitalized on its rival's setback, merging Uber's loss-making Russian subsidiary into its own business. Once having vanquished its most formidable competitor, Yandex Taxi stanched its losses by slashing rider subsidies. Scott Crawshaw, co-lead portfolio manager of our Emerging Markets Equity strategy, uncovered on a trip to Moscow this quarter that the business is already profitable in its home market.

Nor are we averse to companies that are trying to enable autonomous-driving vehicles, which Lyft and Uber see as the natural evolution of their ride-hailing platforms. But rather than Lyft or Uber, we bought **WABCO**, the former Westinghouse Air Brake Company, whose focus on braking and steering components for the trucking industry has led it to develop software for autonomously guided trucks. Yet, unlike Uber and Lyft, WABCO remains highly profitable, with stable profit margins in the teens. Unfortunately, WABCO has several potent competitors in this field, including Tesla, Uber, and **Alphabet's** Waymo. In March, WABCO agreed to be acquired by the German car parts maker ZF Friedrichshafen, citing the need for deeper pockets to sustain the required investment in its new products.

By design, our process requires consummated investments to meet a number of criteria, not just one. Kraft had steady profitability and a reasonably sound balance sheet, but few avenues of growth. Lyft achieves plenty of growth but cannot do so without resorting repeatedly to capital markets to fund the subsidies and advertising needed to drive that growth; it has not yet managed to attain profits from its sole current line of business. We're seeking growing, sustainably profitable businesses, whose managements have the vision to risk investment in future growth that doesn't depend on uninterrupted access to fickle capital markets.

PORTFOLIO HIGHLIGHTS

Last year, in the fourth quarter, investors shunned stocks of the most rapidly growing companies (whose stocks were among the priciest in the market) as two pillars of support appeared gravely at risk: ultra-low interest rates and a favorable global trade environment. Just a few months later, threats to those pillars have receded, and the fastest-growing stocks are back in favor. We hold many such companies but do not limit ourselves to this select group. In fact, only about a third of the portfolio falls within the top quintile of our fundamental-growth rankings. The remainder of our holdings shows our bias for growth and reasonable prices. They represent a range of companies across an array of geographies and industries, including many moderately growing businesses (like Nestlé or WABCO) that have also carried more moderate valuations. That diversifying habit helped us in the fourth quarter while it made the portfolio a bit less racy in the first. It's a habit we're unlikely to shed.

Only about a third of the portfolio falls within the top quintile of our fundamental-growth rankings. The remainder of our holdings shows our bias for growth and reasonable prices.

In the fourth quarter of 2015, we described a "baker's dozen" of holdings whose businesses were primarily based on online relationships with their customers. Today, we can still point to a dozen or so companies, comprising nearly a quarter of the portfolio, that are centered on the internet, and the current list is remarkably similar to that one four years ago. These businesses continue to grow, both by creating new markets (such as Yandex, discussed above, or **Amazon.com**, whose video streaming business was never contemplated in our original investment thesis), and by taking share from the established, brick-and-mortar incumbents in their various industries (such as **MonotaRO**, from wholesalers of industrial supplies, or **Alibaba**, from traditional retailers.)

This quarter, we re-established a position in Alphabet, believing that the regulatory threats that prompted our sale in 2017 are now fully discounted in its share price. Google's sustained revenue and profit growth remains attractive—as does Alphabet's willingness to invest widely in new business ventures. Several of those ventures have the potential to broaden the company's scope of business, such as autonomous driving at Waymo, or in artificial-intelligence medical diagnosis at Verily.

We also made several new investments in the Health Care sector, boosting holdings in that sector to more than 17%, and now our largest overweight. We bought **Vertex Pharmaceuticals**, a leading developer of drugs to treat cystic fibrosis, a fatal pulmonary disease. In recent late-stage studies, the company's therapy led to significant improvement in patients' lung functions. We believe Vertex's methods may lead to treatments of other diseases with similar pathologies. Another purchase, **Illumina**, is a leading producer of genetic sequencing tools. The company's products are in high demand as life science researchers investigate new gene-based therapies. We also bought **UnitedHealth Group**, a US medical insurer, which is using the scale of its medical-payment platform to encourage coordinated care and thus better patient outcomes. We believe the company's direction may prove to be a fruitful avenue to improve the efficacy and efficiency of US health care delivery. Partial funding for these investments came from the sale of **AmerisourceBergen**, a US drug wholesaler, whose growth prospects are dimmed by reforms in pharmacy rebate practices and the backlash against widespread opioid prescription abuses.

In addition to AmerisourceBergen, we sold two other holdings after our investment theses unraveled. **Tenaris**, a maker of specialized pipes used in oil and gas wells, has been unable to grow its volumes independent of rising energy prices, as we had once hoped it could due to its advantages in the horizontal applications used in unconventional drilling. We also sold **Reckitt Benckiser** after the sudden departure of its CEO left questions about its recent strategy changes unanswered.

GLOBAL EQUITY ADR HOLDINGS (AS OF MARCH 31, 2019)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
ALPHABET Internet products and services	US	2.8
BAIDU Internet products and services	China	1.1
DISNEY Diversified media and entertainment provider	US	1.0
TELEVISA News and entertainment broadcaster	Mexico	0.6
YANDEX Internet products and services	Russia	1.2
CONSUMER DISCRETIONARY		
ALIBABA E-commerce retailer	China	1.9
AMAZON.COM E-commerce retailer	US	1.6
BMW Automobile manufacturer	Germany	0.7
BOOKING HOLDINGS Online travel services	US	2.6
EBAY E-commerce retailer	US	0.9
ESSILORLUXOTTICA Eyewear manufacturer and retailer	France	2.4
NASPERS Internet and media services	South Africa	1.0
NIKE Athletic footwear and apparel retailer	US	1.8
ZOZO E-commerce retailer	Japan	0.8
CONSUMER STAPLES		
COLGATE PALMOLIVE Consumer products manufacturer	US	1.4
L'ORÉAL Cosmetics manufacturer	France	1.1
NESTLÉ Foods manufacturer	Switzerland	1.4
WALGREENS BOOTS ALLIANCE Drugstores operator	US	1.0
ENERGY		
EXXONMOBIL Oil and gas producer	US	1.4
SCHLUMBERGER Oilfield services	US	1.0
FINANCIALS		
AIA GROUP Insurance provider	Hong Kong	2.9
BANK CENTRAL ASIA Commercial bank	Indonesia	1.5
BBVA Commercial bank	Spain	1.3
FIRST REPUBLIC BANK Private bank and wealth manager	US	2.5
HDFC BANK Commercial bank	India	1.1
ICICI BANK Commercial bank	India	2.7
ITAÚ UNIBANCO Commercial bank	Brazil	1.6
SVB FINANCIAL GROUP Commercial bank	US	0.8
HEALTH CARE		
ABBOTT LABS Health care products manufacturer	US	1.6
ABCAM Life science services	UK	0.5
GRIFOLS Blood plasma fractionation operator	Spain	1.3
ILLUMINA Life science products and services	US	1.0
LONZA Life science products developer	Switzerland	3.2
REGENERON Biopharma manufacturer	US	1.8

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
SONOVA HOLDING Hearing aids manufacturer	Switzerland	1.1
SYSMEX Clinical laboratory equipment manufacturer	Japan	1.1
UNITEDHEALTH GROUP Health care products and services	US	1.1
VERTEX PHARMACEUTICALS Pharma manufacturer	US	1.1
WATERS Analytical instruments manufacturer	US	1.6
WUXI BIOLOGICS Biopharma manufacturer	China	1.6
INDUSTRIALS		
3M COMPANY Diversified product manufacturer	US	0.9
FANUC Industrial robot manufacturer	Japan	0.7
INTRUM JUSTITIA Credit management services	Sweden	1.0
KONE Elevator and escalator manufacturer	Finland	1.3
KUBOTA Industrial and consumer equipment manufacturer	Japan	1.0
MAKITA Power tool manufacturer	Japan	0.7
MONOTARO Factory materials supplier	Japan	1.7
PARK24 Automated parking lot operator	Japan	0.6
ROPER Diversified technology businesses operator	US	3.6
VERISK Risk analytics and assessment services	US	2.8
WABCO Vehicle control systems supplier	US	1.5
INFORMATION TECHNOLOGY		
AAC TECHNOLOGIES Smartphone components manufacturer	China	0.8
APPLE Consumer electronics and software developer	US	2.1
CHECK POINT Cybersecurity software developer	Israel	1.1
COGNEX Machine vision systems manufacturer	US	1.0
COGNIZANT TECHNOLOGY IT consultant	US	1.0
IPG PHOTONICS Lasers and amplifiers manufacturer	US	1.0
MASTERCARD Electronic payment services	US	2.1
MICROSOFT Consumer electronics and software developer	US	1.7
NVIDIA Semiconductor chip designer	US	1.7
PAYPAL Electronic payment services	US	4.6
MATERIALS		
AIR LIQUIDE Industrial gases producer	France	1.0
CHR. HANSEN Natural ingredients developer	Denmark	1.4
LINDE Industrial gases supplier and engineer	US	1.5
SASOL Energy and chemical technology developer	South Africa	0.8
SYMRISE Fragrances and flavors manufacturer	Germany	2.5
REAL ESTATE		
No Holdings		
UTILITIES		
No Holdings		
CASH		0.8

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

1Q19 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
PAYPAL	INFT	4.8	1.08
ROPER	INDU	3.4	0.88
WUXI BIOLOGICS	HLTH	1.5	0.62
AIA GROUP	FINA	2.8	0.58
VERISK	INDU	2.7	0.56

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
PAYPAL	INFT	4.3	1.51
LONZA	HLTH	3.2	0.79
ICICI BANK	FINA	2.2	0.74
ROPER	INDU	3.2	0.68
VERISK	INDU	2.5	0.61

1Q19 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
ESSILORLUXOTTICA	DSCR	2.8	-0.39
TELEVISA	COMM	0.7	-0.10
MONOTARO	INDU	0.8	-0.09
UNITEDHEALTH GROUP	HLTH	0.8	-0.09
WALGREENS BOOTS ALLIANCE	STPL	1.1	-0.06

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
AAC TECHNOLOGIES	INFT	0.8	-1.04
SYSMEX	HLTH	1.9	-0.62
SCHLUMBERGER	ENER	1.6	-0.60
ESSILORLUXOTTICA	DSCR	2.2	-0.49
IPG PHOTONICS	INFT	1.1	-0.46

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL GADR	MSCI ACWI
PROFIT MARGIN[1] (%)	15.4	12.5
RETURN ON ASSETS[1] (%)	8.7	7.2
RETURN ON EQUITY[1] (%)	18.3	16.4
DEBT/EQUITY RATIO[1] (%)	62.4	72.3
STD DEV OF 5 YEAR ROE[1] (%)	3.9	4.7
SALES GROWTH[1,2] (%)	9.2	3.6
EARNINGS GROWTH[1,2] (%)	12.3	10.1
CASH FLOW GROWTH[1,2] (%)	12.3	8.5
DIVIDEND GROWTH[1,2] (%)	8.9	7.4
SIZE & TURNOVER	**HL GADR**	**MSCI ACWI**
WTD MEDIAN MKT CAP (US $B)	47.0	57.3
WTD AVG MKT CAP (US $B)	139.7	152.0
TURNOVER[3] (ANNUAL %)	24.0	—

RISK AND VALUATION	HL GADR	MSCI ACWI
ALPHA[2] (%)	2.25	—
BETA[2]	1.07	—
R-SQUARED[2]	0.94	—
ACTIVE SHARE[3] (%)	89	—
STANDARD DEVIATION[2] (%)	12.05	10.98
SHARPE RATIO[2]	0.76	0.57
TRACKING ERROR[2] (%)	2.9	—
INFORMATION RATIO[2]	0.95	—
UP/DOWN CAPTURE[2]	114/97	—
PRICE/EARNINGS[4]	24.3	16.8
PRICE/CASH FLOW[4]	18.0	11.0
PRICE/BOOK[4]	3.8	2.2
DIVIDEND YIELD[5] (%)	1.1	2.5

[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 Global Equity ADR Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: April 2, 2019); Harding Loevner Global Equity ADR Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
ALPHABET	US	COMM
ILLUMINA	US	HLTH
UNITEDHEALTH GROUP	US	HLTH
VERTEX PHARMACEUTICALS	US	HLTH
ZOZO	JAPAN	DSCR

POSITIONS SOLD	COUNTRY	SECTOR
AMERISOURCEBERGEN	US	HLTH
ATLAS COPCO	SWEDEN	INDU
NOVOZYMES	DENMARK	MATS
RECKITT BENCKISER	UK	STPL
TENARIS	ITALY	ENER

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 Global Equity ADR Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

GLOBAL EQUITY ADR COMPOSITE PERFORMANCE (AS OF MARCH 31, 2019)

	HL GLOBAL ADR GROSS (%)	HL GLOBAL ADR NET (%)	MSCI ACWI[1] (%)	MSCI WORLD[2] (%)	HL GLOBAL ADR 3-YR STD DEVIATION[3] (%)	MSCI ACWI 3-YR STD DEVIATION[3] (%)	MSCI WORLD 3-YR STD DEVIATION[3] (%)	INTERNAL DISPERSION[4] (%)	NO. OF ACCOUNTS[5]	COMPOSITE ASSETS[5] ($M)	FIRM ASSETS (%)
2019 YTD[6]	14.24	14.02	12.33	12.65	11.29	9.86	9.91	N.A.[7]	2	2	0.00
2018	-9.05	-9.85	-8.93	-8.20	11.85	10.48	10.39	N.M.[8]	2	2	0.00
2017	32.97	32.00	24.62	23.07	11.33	10.37	10.24	N.M.	3	3	0.01
2016	5.91	5.04	8.48	8.15	11.56	11.07	10.94	N.M.	3	2	0.00
2015	2.89	2.07	-1.84	-0.32	11.22	10.78	10.80	N.M.	5	4	0.01
2014	6.34	5.47	4.71	5.50	10.90	10.48	10.21	N.M.	5	4	0.01
2013	20.91	19.95	23.44	27.37	14.53	13.92	13.52	0.1	7	5	0.02
2012	18.53	17.56	16.80	16.54	17.52	17.11	16.72	0.5	7	4	0.02
2011	-8.70	-9.41	-6.86	-5.02	20.15	20.59	20.16	0.2	15	8	0.06
2010	13.33	12.44	13.21	12.34	22.87	24.51	23.74	0.8	37	31	0.28
2009	37.05	35.88	35.41	30.79	20.48	22.37	21.44	N.M.	35	21	0.33

[1]Benchmark Index; [2]Supplemental Index; [3]Variability of the composite and the Index returns over the preceding 36-month period, annualized; [4]Asset-weighted standard deviation (gross of fees); [5]Total product accounts and assets are 2,996 and are $521 million, respectively, at March 31, 2019, and are presented as supplemental information; [6]The 2019 YTD performance returns and assets shown are preliminary; [7]N.A.–Internal dispersion less than a 12-month period; [8]N.M.–Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year.

The Global Equity ADR Composite contains fully discretionary, dual contract, fee-paying accounts that may also pay a wrap fee to their custodian investing in US and non-US equity and equity-equivalent securities and cash reserves. The composite was re-defined in March 2018, to allow for the inclusion of dual contract wrap portfolios. Securities are held in Depository Receipt (DR) form, including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), or are otherwise traded on US exchanges. For comparison purposes the Composite return is measured against the MSCI All Country World Total Return Index. From 2001 (when the net index first became available) through December 30, 2012, the index return is presented net of foreign withholding taxes. Beginning December 31, 2012, Harding Loevner LP presents the gross version of the index to conform the benchmark's treatment of dividend withholding with that of the Composite. 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 47 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 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 Global Equity ADR Composite has been examined for the periods December 1, 1989 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 withholding taxes on dividends, interest income and capital gains. Additional information is available upon request. Past performance does not guarantee future results. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Performance for accounts paying a wrap fee is calculated including the trading costs associated with their wrap program.

Under a wrap fee program, a client is charged a specified fee, which is not based directly upon transactions in a client's account, for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisors) and execution of client transactions.

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 Global Equity ADR accounts is 0.80% annually of the market value up to $20 million; 0.40% of amounts above $20 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 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.