HARDING LOEVNER

GLOBAL EQUITY

2017 Second Quarter Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDING JUNE 30, 2017[1]

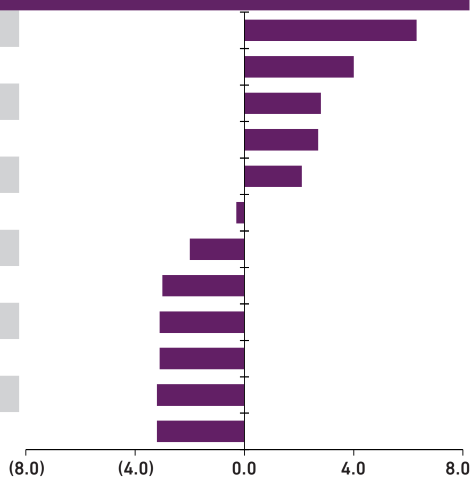
	3 MONTHS	YTD	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL GLOBAL EQUITY (GROSS OF FEES)	7.74	18.09	23.89	9.28	12.69	7.36	9.94
HL GLOBAL EQUITY (NET OF FEES)	7.62	17.82	23.31	8.78	12.18	6.91	9.27
MSCI ALL COUNTRY WORLD INDEX[4,5]	4.45	11.82	19.42	5.39	11.13	4.27	7.00
MSCI WORLD INDEX[5,6]	4.21	11.02	18.86	5.83	12.00	4.56	7.04

[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1989; [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.

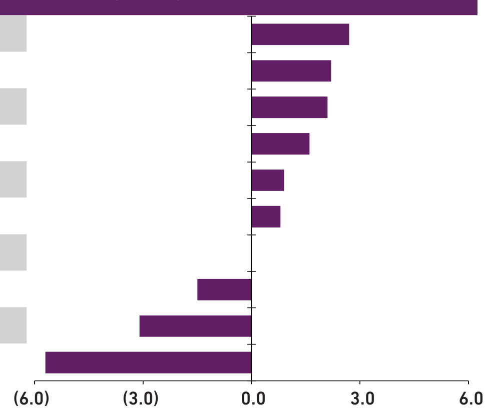
SECTOR EXPOSURE (%)

	HL GLOBAL	MSCI ACWI
INFO TECHNOLOGY	23.2	16.9
HEALTH CARE	15.4	11.4
INDUSTRIALS	13.7	10.9
CASH	2.7	-
MATERIALS	7.3	5.2
CONS DISCRETIONARY	11.8	12.1
ENERGY	4.1	6.1
CONS STAPLES	6.4	9.4
UTILITIES	0.0	3.1
REAL ESTATE	0.0	3.1
FINANCIALS	15.4	18.6
TELECOM SERVICES	0.0	3.2



GEOGRAPHIC EXPOSURE (%)

	HL GLOBAL	MSCI ACWI
CASH	2.7	-
EMERGING MARKETS	13.5	11.3
EUROPE EMU	12.8	10.7
JAPAN	9.3	7.7
MIDDLE EAST	1.1	0.2
EUROPE EX-EMU	11.2	10.4
FRONTIER MARKETS[7]	0.0	-
PACIFIC EX-JAPAN	2.5	4.0
CANADA	0.0	3.1
UNITED STATES	46.9	52.6



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

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

Source: Harding Loevner Global Equity 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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Equity markets maintained their positive momentum as investors responded to broadly positive economic growth around the world and an apparent absence of inflationary pressures.

Positive economic and political developments propelled the eurozone.

Style trends in the market favored stocks whose businesses demonstrated strong growth characteristics.

PORTFOLIO HIGHLIGHTS

The portfolio continues to benefit from its emphasis on faster-growing companies, though at the risk of apparent high valuations.

The technologies that have catalyzed a global boom across online media, enterprise software, and e-commerce have applications in other industries that perhaps are less than fully discounted in stock prices.

Internet-based businesses remain an important part of our portfolio.

MARKET REVIEW

Equity markets maintained their positive momentum in the second quarter as investors responded to broadly positive economic growth around the world and apparent absence of inflation pressures. Reported growth has shown most economies in the most synchronized advances since before the Global Financial Crisis a decade ago. The US Federal Reserve raising short-term interest rates for the third time since December was viewed as a confirmation of expectations for continued economic expansion and a tightening labor market in the US. Commodity markets remained weak, and oil prices in particular continued to soften amid resilient US unconventional production and greater output from Nigeria and Libya.

Stocks inside the European Monetary Union (EMU) were particularly strong. GDP growth in the eurozone exceeded that in the US in the first quarter, indicating that the post-financial crisis recovery in Europe is at long last gaining strength, allowing the European Central Bank to shift its attention away from deflation and towards guiding a normalizing economy. Banks throughout the region continued to heal, with a number of large multinational lenders raising substantial capital this year alongside indications of accelerating loan growth.

MARKET PERFORMANCE (USD %)

MARKET	2Q 2017	TRAILING 12 MONTHS
CANADA	0.8	12.5
EMERGING MARKETS	6.4	24.2
EUROPE EMU	8.5	29.1
EUROPE EX-EMU	6.9	15.4
JAPAN	5.2	19.6
MIDDLE EAST	6.7	-1.8
PACIFIC EX-JAPAN	1.6	19.6
UNITED STATES	3.1	18.0
MSCI ACW INDEX	4.5	19.4

SECTOR PERFORMANCE (USD %)
OF THE MSCI ACW INDEX

SECTOR	2Q 2017	TRAILING 12 MONTHS
CONSUMER DISCRETIONARY	4.2	21.1
CONSUMER STAPLES	4.3	4.9
ENERGY	-4.8	0.9
FINANCIALS	5.3	35.9
HEALTH CARE	7.0	10.2
INDUSTRIALS	5.7	22.5
INFORMATION TECHNOLOGY	6.7	36.1
MATERIALS	2.3	25.1
REAL ESTATE	4.4	4.3
TELECOM SERVICES	-0.1	-1.6
UTILITIES	3.8	4.4

Source: FactSet (as of June 30, 2017); MSCI Inc. and S&P.

Those positive economic signs combined with resounding political victories for centrist candidate Emmanuel Macron and his year-old En Marche! party in the French presidential and parliamentary elections. His success is credited (perhaps prematurely) with halting the momentum of populist movements across the region that threatened to destabilize pan-European institutions, including the single currency, and retreat from global trade. The euro gained 7% against the US dollar, flattering stock market returns in the eurozone.

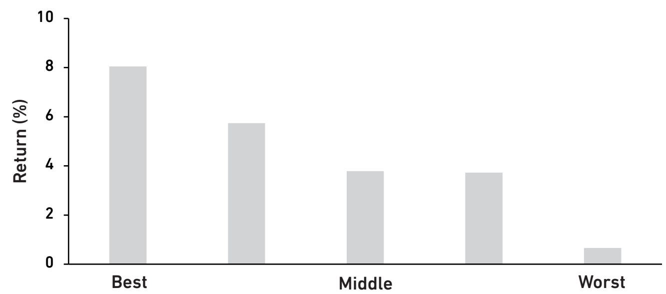
Europe ex-EMU and emerging markets (EMs) were strong as well, benefiting from the burgeoning confidence in broadening global growth. EMs were supported by stocks in the Information Technology (IT) sector, which has expanded thanks to new listings and sustained outperformance; it now comprises more than a quarter of the EM Index.

The US market was again a laggard, as doubts persisted about the ability of President Donald Trump and the Republican Congress to agree upon and implement a domestic agenda. The US dollar fell against nearly all European currencies, with the exception of the Russian ruble.

All sectors except Energy and Telecom Services produced positive returns in the quarter. The two top sectors, Health Care and IT, home to many fast-growing companies, were led by their non-US constituents, while Materials lagged. Market sentiment remained firmly in the corner of growth stocks until the last two weeks of the quarter, when the fastest-growing and most-expensive stocks took a tumble after bond markets fell and the Fed hiked interest rates.

Still, faster growth for companies was met with stronger share-price performance, as illustrated in the chart below which divides the market into quintiles ranked according to our proprietary growth metrics. In contrast, the returns pattern in the quarter for the quality factor was far less clear-cut, while the message from value metrics was that investors didn't mind paying high prices—there was no preference for cheaper stocks.

MSCI ACW INDEX PERFORMANCE BY GROWTH 2Q17



Source: FactSet. Data as of June 30, 2017, MSCI Inc. and S&P.

Harding Loevner's Quality, Growth, and Value rankings are proprietary measures determined using objective data. Quality rankings are based on the stability, trend, and level of profitability, as well as balance sheet strength. Growth rankings are based on historical growth of earnings, sales, and assets, as well as expected changes in earnings and profitability. Value rankings are based on several valuation measures, including price ratios.

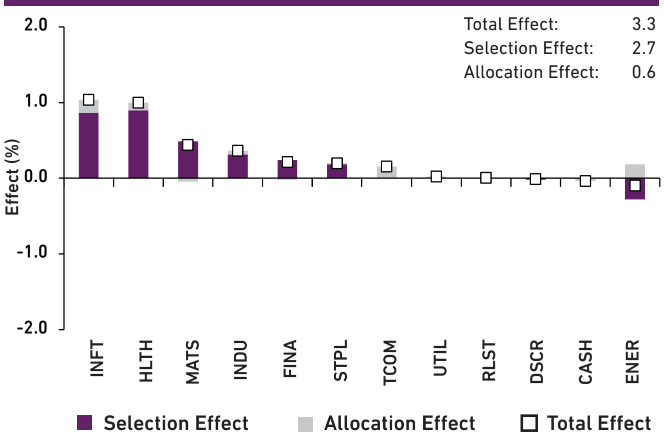
PERFORMANCE AND ATTRIBUTION

The Global Equity composite returned 7.7% in the quarter, ahead of the MSCI All Country World Index, which returned 4.5%. For the trailing six months, the composite is up 18.1%, well ahead of the Index's 11.8% return. The following charts illustrate the sources of relative return for the quarter by sector and region, respectively.

The portfolio outperformed in six of the eight sectors in which we have holdings and benefited from holding no Telecom Services stocks. IT and Health Care contributed the most to relative performance, followed by Materials and Industrials. We are overweight in all of these sectors, but the main contribution came from stock selection. IT companies **Alphabet**, **Tencent**, **PayPal**, **Yandex**, and new purchase **Weibo** stood out in a quarter marked by strong stock-price performance from companies with internet-based business models. Poor performance from network-software provider **F5 Networks** partially offset those strong returns.

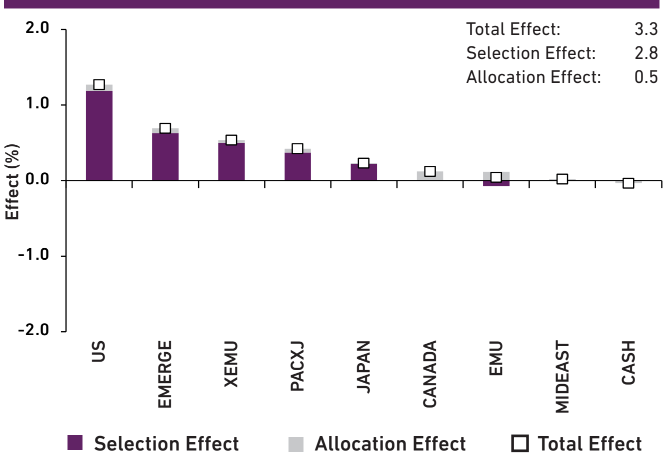
SECTOR PERFORMANCE ATTRIBUTION
SECOND QUARTER 2017

GLOBAL EQUITY COMPOSITE VS. MSCI ACW INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
SECOND QUARTER 2017

GLOBAL EQUITY COMPOSITE VS. MSCI ACW INDEX



Source: FactSet; Harding Loevner Global Equity 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.

Health Care was bolstered by good returns from life-science companies such as **Waters**, **Lonza Group**, and **Abcam**, but also by biotech-drug-maker **Regeneron**, whose new eczema treatment Dupixent was approved and launched to strong prescription uptake. In Energy, **Schlumberger** was particularly weak as continued low oil prices delayed any pickup in its most profitable business segment: providing technical services for complex deep-water offshore exploration and drilling.

Viewed geographically, the portfolio added value in every region. Its absence from Canada, which was hindered this quarter by its large Energy and Materials sectors, was beneficial. US performance was aided by Alphabet, PayPal, and Regeneron, as well as Industrials company **Roper** and IT company **IPG Photonics**. Schlumberger's decline partially offset US gains. EM returns were supported by Tencent, Weibo, Yandex, **HDFC Bank**, and **ICICI Bank**, though they were offset somewhat by **Itau Unibanco** and **Televisa**. **Kubota** and **M3** were the lead contributors in Japan. Our hefty weight in the eurozone helped relative performance, although our stocks slightly lagged the strong returns of that region.

Roughly three-quarters of the portfolio consists of companies that rank above average on our composite metric for growth, with more than two-fifths ranking in the fastest-growing quintile in the Index.

The portfolio continues to benefit from its emphasis on faster-growing companies, though at the risk of apparent high valuations. Roughly three-quarters of the portfolio consists of companies that rank above average on our composite metric for growth, with more than two-fifths ranking in the fastest-growing quintile in the Index. That quintile returned over 700 basis points more than the slowest-growing quintile in this quarter alone, and our fastest-growing holdings, weighted by their portfolio size, did even better than their sought-after swift cohort.

For the six months to June, the portfolio has earned its outperformance from the same types of contributors: faster-growing companies across a number of sectors in all geographies. Posting such strong performance in a *rising* market seems unusual, given our longstanding emphasis on high quality which, by contrast, has tended to buffer performance in *falling* markets.

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 June 30, 2017 is available on page 6 of this report.

We looked back over the past twenty years at periods where the benchmark Index has risen more than 10% over two consecutive quarters. It turns out we have outperformed in almost half of those instances depending mostly on whether those periods were marked by growth environments (favorable to us) or by value-and-recovery environments (unfavorable).

HL GLOBAL EQUITY COMPOSITE VS MSCI ACWI ROLLING 6-MONTH PERFORMANCE SINCE INCEPTION[1]

	PERIODS
TOTAL PERIODS	109
MSCI ACWI > 10%	34
HL GLOBAL OUTPERFORMED	16
OVERALL FREQUENCY OF HL OUTPERFORMANCE	*47.1%*
HL GLOBAL OUTPERFORMED AND GROWTH > VALUE	13

[1]Inception Date: November 30, 1989. Rolling periods calculated quarterly. Source: Bloomberg.

In any event, the strong returns we have enjoyed in the year to date must be placed in the context of the severe headwinds that growth investors faced last year, especially in the fourth quarter after the US election augmented a strong surge of lower-priced cyclical and financial stocks. For the trailing twelve months, which saw both growth and value-and-recovery environments, the portfolio has delivered solid, but not spectacular, outperformance.

PERSPECTIVE AND OUTLOOK

The investment environment has become increasingly challenging for investors concerned with the quality, growth, and price tripod that forms the foundation of Harding Loevner's investment philosophy. *Quality* as a standalone factor has become expensive in stock-price terms, in spite of the surge in *value* stocks last year. We have noted the investment industry's efforts to reverse-engineer the successful performance that high-quality portfolios have enjoyed over the past decade by constructing "smart beta" portfolios that use quantitative tools to identify companies with similar high-quality attributes. These approaches implicitly promise future outperformance similar to that observed in the past. Smart beta approaches overlap with other managers employing optimization software to create "low volatility" portfolios that appeal to investors fearful of the inherent ups and downs of stock market investing, overlapping simply because the stocks of high-quality companies have traded with much more restrained gyrations than the average stock in past market tempests. The broader emphasis on quality, enshrined in the documenting by academics of a quality factor effect, and commercialized through the creation of "quality indexes" as benchmarks for passive money, has meant increasingly persistent and decreasingly price-sensitive demand for the stocks of high-quality companies.

Our portfolio response has been to redouble our attention to the other two legs of our philosophical stool: growth and price. If quality is fashionable, based on either a blind embrace of its prior success or a backward-looking fear of another financial crisis, then the fruitful way forward must be one that remains discerning yet is courageously forward-looking. In the past twelve months, this route has involved an emphasis on price, encompassing the strong value rally capped by the "Trump bump," but it has also, in recent months, coalesced around companies achieving faster growth. This latter focus on growth is the topic of this piece.

We have had a longstanding focus on growth companies in the IT sector, where the Global Equity model portfolio has held an overweight position for over a decade. Our holdings have emphasized the emerging winners and beneficiaries of the promise now being realized by "Internet 2.0" and "Big Data." Fifteen years after the tech bubble (wrongly) priced the first advent of internet-based business ("Internet 1.0"), we are witnessing the emergence in a number of industry segments of dominant or even winner-take-all internet-based businesses skillfully exploiting the "network effect" to secure their supremacy. While investors are clearly paying high prices for these businesses, their surge in the current year can mostly be explained by stronger-than-expected reported earnings rather than a re-estimation of their future growth rate.

We have been fortunate to own a number of internet businesses that continue to generate strong results. We are aware of the great promise—and considerable hype—around emergent technologies such as artificial intelligence (AI), machine learning, and Big Data analytics of all types. For example, **Facebook's** intimate personal profiles on hundreds of millions of consumers across the Western world (echoed in Tencent's data on consumer behavior across China) have vast monetization potential. It is possible, however, that current valuations reflect peak optimism for the monetization of consumer data. Certainly, there is insufficient appreciation by investors of the rising risk that the collection and sale of consumer-behavior and other personal data will face more stringent regulation. At some point, Facebook's ability to deliver yet another highly customized mobile advertisement or **Amazon.com's** disruption of yet another consumer category will face diminishing marginal returns, but the share prices of these companies don't discount that happening for many years.

The technologies that have catalyzed a global boom across online media, enterprise software, and e-commerce have applications in other industries that perhaps are less than fully discounted in stock prices. Our research efforts extend to companies in health care and life sciences that can use similar technology toolkits as Facebook or Amazon but whose products and penetration of end markets have yet to be fully realized. For example, there is now an extensive amount of human genetic data that is ripe for analysis by Health Care companies capable of exploiting advances in AI. By combining gene-sequencing data with other large data sets such as anonymized patient health records and diagnostic test results, Big Data can help make drug development faster and more precise. Portfolio holding Regeneron, a leading biotechnology company, is using Big Data today at its Regeneron Genetics Center to identify genomic biomarkers for new drug therapies and other applications at the intersection of pharmacology and genomics (“pharmacogenomics”). Regeneron is also an early investor in rapidly emerging gene-editing technologies, which have the potential to transform drug-discovery productivity and economics.

Advancements in gene sequencing could also present opportunities for industrial application. **Novozymes**, the global leader in industrial enzymes, uses Big Data analytics to alter microbe DNA to create new enzymes that can replace polluting chemicals in consumer products such as detergents, as well as in agricultural fertilizers, an application it is currently pursuing through an alliance with **Monsanto**. **Christian Hansen**, the global leader in bacterial cultures for food, is similarly using Big Data analytics to develop bacteria strains for promising new markets in bio-protection, animal health, and human health.

PORTFOLIO HIGHLIGHTS

For over two years, roughly a fifth of our portfolio has been comprised of a dozen or so companies for whom their online relationships with customers is central to their business. We wrote in our Fourth Quarter 2015 report: “That baker’s dozen of stocks is spread across four markets on three continents and represents four different sectors…In a market environment that saw the highest quintile of valuation deliver the best returns, it will not surprise that two-thirds of [our] online-oriented holdings reside in that rarefied and pricey stratum of the market. This is an area where we have been rewarded—so far—to remain tolerant of high apparent valuations in the face of disruptive business models and high-growth expectations.”

That price tolerance has continued to be rewarded as the underlying growth in those businesses has, if anything, surprised the market on the upside. Although we have sold a couple of the original baker’s dozen, we have added a few others along the way. This quarter we purchased Chinese social media platform Weibo, which is China’s second-largest social media network after Tencent. Weibo combines the features that Twitter, Facebook, and Instagram offer to users in the US and elsewhere but are blocked from offering in mainland China. As with Facebook, advertisers are Weibo’s main revenue source. The company will continue to benefit from the shift towards mobile advertising, growth in user-generated video content, and a burgeoning celebrity culture.

We bought back our prior holding in **eBay**. The company is arguably one of the best values among internet-based businesses; its shares are currently out of favor due to lackluster growth while it reoriented its business after spinning off PayPal. eBay’s multinational footprint and strong cash generation, along with its large and still-growing user base, is a rare combination among online businesses. The appeal of its platform to vendors, branded-goods producers, and even traditional retailers is rising given secular shifts towards mobile e-commerce as they each look to offset Amazon’s growing bargaining power. Another holding in this relative value vein within the online space is **Priceline**, whose growing dominance of the online travel business in Europe and the US continues to be underestimated and therefore modestly priced. Our sales of Salesforce and Red Hat last fall, along with reductions to our holdings in Amazon, Yandex, **Ctrip.com**, and M3 this quarter, have kept the overall weight of internet-based businesses at roughly one-fifth of the portfolio in spite of their outperformance this year.

More deeply into the realm of relative value amidst high quality, we also bought a new holding in **BMW**. The German automaker continues to stand out for maintaining its high profitability while growing sales and for investing heavily in the engineering and technological innovations required to compete effectively in the emerging electric vehicle and autonomous-driving spaces.

eBay’s multinational footprint and strong cash generation, along with its large and still-growing user base, is a rare combination among online businesses.

We exited our position in French 3D-software and design specialist **Dassault Systémes** and trimmed Japanese baby-care products company **Pigeon**. In neither case was prospective growth fast enough to justify the high prices their shares have attained.

We told you previously about our addition over the last two quarters of companies in the Materials sector, such as Novozymes and Christian Hansen, which are focused on innovative enzymes and other specialty ingredients for food and chemicals. When these are taken together with our holdings in Monsanto and **Linde**, the portfolio is significantly overweight in Materials, despite having few holdings that look or act like typical companies in that sector, which tend to be more dependent on commodity prices and the overall economy, and thus more cyclical.

The resulting shift in sector and geographic weights has been slight, with our US holdings slipping lower such that we are now almost 600 basis points under the Index weight for the US. IT and Health Care remain our largest overweight sectors, while Real Estate, Telecom Services, and Utilities continue to have no representation.

Changes to Portfolio Guidelines

Each of Harding Loevner’s investment strategies complies with a set of internal guidelines designed to ensure portfolio diversification. Effective October 1, 2017, we will adjust the Global Equity strategy’s guidelines to reflect shifts in the relative sizes and risk profiles of the markets within its investment universe. For further information on guideline adjustments, please contact Harding Loevner.

GLOBAL EQUITY HOLDINGS (AS OF JUNE 30, 2017)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT.(%)
CONSUMER DISCRETIONARY		
AMAZON.COM Online retailer	US	1.0
BMW Automobile manufacturer	Germany	1.0
CTRIP.COM Travel agent	China	0.8
LUXOTTICA Eyeglass frames and sunglasses designer	Italy	1.3
NIKE Global athletic footwear and apparel	US	2.9
PRICELINE Online travel search services	US	2.7
TELEVISA Media, broadcasting, and entertainment	Mexico	1.0
WPP Advertising and marketing services	UK	1.1
CONSUMER STAPLES		
COLGATE PALMOLIVE Household products	US	1.5
L'ORÉAL Beauty and personal care products	France	1.0
NESTLÉ Food company	Switzerland	1.4
PIGEON Baby care goods	Japan	0.5
RECKITT BENCKISER Home and hygiene products	UK	1.1
WALGREENS BOOTS ALLIANCE Pharmacy/wholesaler	US	1.0
ENERGY		
EXXON MOBIL Integrated oil and gas company	US	1.0
SCHLUMBERGER Oilfield services company	US	2.2
TENARIS Steel pipe manufacturer	Italy	0.9
FINANCIALS		
AIA GROUP Life insurance	Hong Kong	2.5
BANK CENTRAL ASIA Commercial bank	Indonesia	1.2
BBVA Commercial bank	Spain	1.4
FIRST REPUBLIC BANK Private banking & wealth management	US	1.7
GARANTI BANK Commercial bank	Turkey	0.7
HDFC BANK Commercial bank	India	1.2
ICICI BANK Commercial bank	India	1.8
ITAU UNIBANCO Commercial bank	Brazil	1.0
LAZARD Financial advisory and asset management	US	1.0
SIGNATURE BANK Commercial bank	US	0.8
SVB FINANCIAL GROUP Commercial bank	US	2.1
HEALTH CARE		
ABBOTT LABS Health care and nutrition products	US	0.9
ABCAM Research antibody manufacturer/distributor	UK	0.8
AMERISOURCE BERGEN Pharmaceutical company	US	1.2
ESSILOR INTERNATIONAL Ophthalmic lens manufacturer	France	1.4
GRIFOLS Biopharmaceutical and diagnostics	Spain	1.5
LONZA GROUP Biopharmaceuticals/pharma manufacturing	Switzerland	1.5
M3 Medical information services	Japan	2.0
REGENERON Biotech company	US	2.1
SHIRE Prescription medication developer	UK	0.9
SONOVA HOLDING Hearing aid manufacturer	Switzerland	1.0
SYSMEX Clinical testing equipment	Japan	0.7
WATERS Analytic instruments for life sciences	US	1.3

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT.(%)
INDUSTRIALS		
3M COMPANY Diversified industrial conglomerate	US	1.0
ATLAS COPCO Industrial compressors & mining equipment	Sweden	1.2
FANUC Industrial robots, controls, machine tools	Japan	0.9
KONE Elevator and escalator manufacturer	Finland	1.0
KUBOTA Farming and construction machinery	Japan	1.9
MAKITA Power tool manufacturer	Japan	0.9
MONOTARO Online distributor of maintenance supplies	Japan	1.1
ROPER Niche industrial business conglomerate	US	2.8
VERISK Risk analytics	US	2.0
WABCO Supplier of commercial vehicle control technologies	US	1.0
INFORMATION TECHNOLOGY		
ALPHABET Internet search and multimedia	US	3.8
BAIDU Internet search provider	China	1.0
CHECK POINT Software company	Israel	1.1
COGNEX Electrical components manufacturer	US	1.3
EBAY Internet shopping/payment solutions	US	1.0
F5 NETWORKS Network technology	US	1.7
FACEBOOK Social network	US	1.5
IPG PHOTONICS High performance fiber lasers/amplifiers	US	1.7
KEYENCE Sensor and measurement equipment	Japan	1.4
MASTERCARD Global payments	US	1.2
MICROSOFT Software company	US	0.8
PAYPAL Electronic payment solutions	US	2.6
TENCENT Internet, mobile, and telecom provider	China	1.5
WEIBO Social media platform	China	1.2
YANDEX Internet search provider	Russia	1.2
MATERIALS		
AIR LIQUIDE Industrial gas company	France	1.0
CHR. HANSEN Natural food ingredients producer	Denmark	1.2
LINDE Industrial gases and engineering	Germany	1.3
MONSANTO Seed, genomics, and agricultural products	US	0.9
NOVOZYMES Biotech company	Denmark	1.1
SASOL Refined product and chemicals group	South Africa	0.8
SYMRISE Global flavor and fragrance supplier	Germany	1.1
REAL ESTATE		
No holdings		
TELECOM SERVICES		
No holdings		
UTILITIES		
No holdings		
CASH		2.7

Model Portfolio holdings are supplemental information only and complement the fully compliant Global Equity 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.

2Q17 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
PAYPAL	INFT	2.4	0.55
REGENERON	HLTH	1.9	0.45
AIA GROUP	FINA	2.5	0.41
ALPHABET	INFT	3.9	0.39
TENCENT	INFT	1.5	0.33

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
SVB FINANCIAL GROUP	FINA	2.8	2.35
ALPHABET	INFT	3.9	1.23
PRICELINE	DSCR	2.6	1.18
COGNEX	INFT	1.3	1.00
FIRST REPUBLIC BANK	FINA	2.1	0.98

2Q17 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
SCHLUMBERGER	ENER	2.5	-0.41
F5 NETWORKS	INFT	2.0	-0.26
SVB FINANCIAL GROUP	FINA	2.2	-0.13
ITAU UNIBANCO	FINA	1.1	-0.10
TENARIS	ENER	0.9	-0.08

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
M3	HLTH	2.8	-1.00
SCHLUMBERGER	ENER	2.9	-0.35
ROCHE HOLDING	HLTH	0.5	-0.23
EXXONMOBIL	ENER	1.2	-0.17
SHIRE	HLTH	1.0	-0.15

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL GLOBAL	MSCI ACWI
PROFIT MARGIN[1] (%)	15.7	10.8
RETURN ON ASSETS[1] (%)	7.8	5.5
RETURN ON EQUITY[1] (%)	15.5	13.8
DEBT/EQUITY RATIO[1] (%)	46.8	75.1
STD DEV OF 5 YEAR ROE[1] (%)	3.4	4.2
SALES GROWTH[1,2] (%)	6.9	1.6
EARNINGS GROWTH[1,2] (%)	11.0	7.1
CASH FLOW GROWTH[1,2] (%)	13.8	6.8
DIVIDEND GROWTH[1,2] (%)	11.3	8.1
SIZE & TURNOVER	**HL GLOBAL**	**MSCI ACWI**
WTD MEDIAN MKT CAP (US $B)	28.8	50.3
WTD AVG MKT CAP (US $B)	83.3	112.1
TURNOVER[3] (ANNUAL %)	20.3	–

RISK & VALUATION	HL GLOBAL	MSCI ACWI
ALPHA[2] (%)	1.29	–
BETA[2]	1.02	1.00
R-SQUARED[2]	0.92	1.00
ACTIVE SHARE[3] (%)	89	–
STANDARD DEVIATION[2] (%)	10.48	9.89
SHARPE RATIO[2]	1.20	1.11
TRACKING ERROR[2]	3.0	–
INFORMATION RATIO[2]	0.52	–
UP/DOWN CAPTURE[2]	107/97	–
PRICE/EARNINGS[4]	25.9	19.1
PRICE/CASH FLOW[4]	19.0	11.8
PRICE/BOOK[4]	3.7	2.2
DIVIDEND YIELD[5] (%)	1.1	2.4

[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 Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: July 6, 2017); Harding Loevner Global Equity Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
BMW	GERMANY	DSCR
EBAY	UNITED STATES	INFT
WEIBO	CHINA	INFT

POSITIONS SOLD	COUNTRY	SECTOR
DASSAULT SYSTÈMES	FRANCE	INFT
ROTORK	UNITED KINGDOM	INDU

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

GLOBAL EQUITY COMPOSITE PERFORMANCE (AS OF JUNE 30, 2017)

	HL GLOBAL EQUITY GROSS (%)	HL GLOBAL EQUITY NET (%)	MSCI ACWI[1] (%)	MSCI WORLD[2] (%)	HL GLOBAL EQUITY 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	COMPOSITE ASSETS ($M)	FIRM ASSETS (%)
2017 YTD[5]	18.09	17.82	11.82	11.02	11.29	10.64	10.49	N.A.[6]	28	8,479	18.08
2016	7.13	6.62	8.48	8.15	11.37	11.07	10.94	0.1	29	7,976	20.45
2015	2.65	2.18	-1.84	-0.32	11.16	10.78	10.80	0.5	28	7,927	23.81
2014	6.91	6.43	4.71	5.50	10.82	10.48	10.21	0.3	31	9,961	28.46
2013	21.64	21.12	23.44	27.37	13.92	13.92	13.52	0.5	32	11,165	33.69
2012	18.44	17.98	16.80	16.54	16.49	17.11	16.72	0.1	25	9,071	40.03
2011	-6.96	-7.31	-6.86	-5.02	19.03	20.59	20.16	0.2	13	5,316	39.10
2010	16.54	16.16	13.21	12.34	22.85	24.51	23.74	N.M.[7]	6	2,879	26.15
2009	42.85	42.42	35.41	30.79	20.82	22.37	21.44	N.M.	4	1,463	22.86
2008	-37.98	-38.27	-41.84	-40.33	17.07	17.98	17.03	N.M.	3	118	3.61
2007	17.62	16.92	12.18	9.57	8.72	8.64	8.09	N.M.	3	124	1.95

[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]The 2017 YTD performance returns and assets shown are preliminary; [6]N.A.–Internal dispersion is less than a 12-month period; [7]N.M.–Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year.

The Global Equity Composite contains fully discretionary, fee paying global equity accounts investing in US and non-US equity and equity-equivalent securities with the objective of long-term capital appreciation. For comparison purposes, the Composite is measured against the MSCI All Country World Index (gross of 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 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 March 31, 2017.

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 Composite has been examined for the periods December 1, 1989 through March 31, 2017. 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 Global Equity accounts is 1.00% annually of the market value up to $20 million; 0.50% of amounts from $20 million to $100 million; 0.45% of amounts from $100 million to $250 million; above $250 million on request. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The Global Equity Composite was created on November 30, 1989.