HARDING LOEVNER

GLOBAL SMALL COMPANIES EQUITY

2019 Year End Report

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

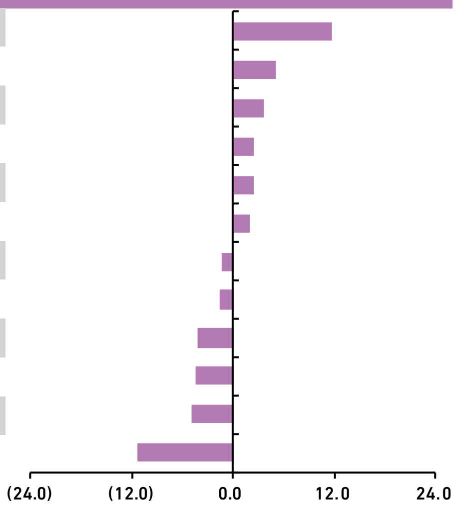
	3 MONTHS	1 YEAR	SINCE INCEPTION[2]
HL GLOBAL SMALL COMPANIES EQUITY (GROSS OF FEES)	10.68	30.99	30.99
HL GLOBAL SMALL COMPANIES EQUITY (NET OF FEES)	10.44	29.82	29.82
MSCI ALL COUNTRY WORLD SMALL CAP INDEX[3,4]	9.85	25.23	25.23

[1]The Composite performance returns shown are preliminary; [2]Inception Date: December 31, 2018; [3]The Benchmark Index; [4]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.

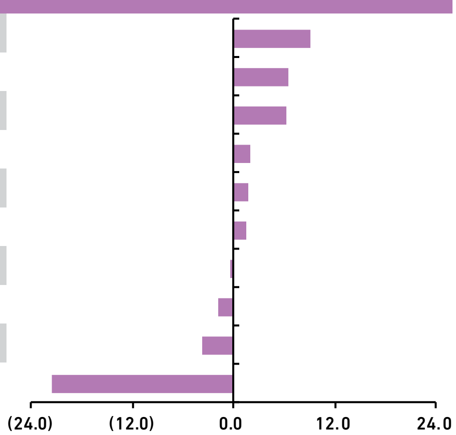
SECTOR EXPOSURE (%)

	HL GSC	MSCI ACWI SC
INFO TECHNOLOGY	24.9	13.2
INDUSTRIALS	22.2	17.2
CONS STAPLES	8.3	4.6
HEALTH CARE	13.0	10.5
COMM SERVICES	6.0	3.6
CASH	2.1	—
ENERGY	2.0	3.4
UTILITIES	1.4	3.0
CONS DISCRETIONARY	8.2	12.3
FINANCIALS	9.3	13.6
MATERIALS	2.6	7.4
REAL ESTATE	0.0	11.2



GEOGRAPHIC EXPOSURE (%)

	HL GSC	MSCI ACWI
EUROPE EMU	17.3	8.1
JAPAN	17.3	10.9
EUROPE EX-EMU	18.4	12.1
CASH	2.1	—
FRONTIER MARKETS[5]	1.8	—
EMERGING MARKETS	11.7	10.3
MIDDLE EAST	0.4	0.7
CANADA	1.6	3.4
PACIFIC EX-JAPAN	0.7	4.3
UNITED STATES	28.7	50.2



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

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

Source: Harding Loevner Global Small Companies 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 of global small companies reflected in the benchmark index rose 10% in the quarter as US-China trade tensions eased, and fears of an imminent global downturn faded amid renewed central bank largesse. For the year, the index gained 25%.

The year began on a pessimistic note. Stocks of small companies had just suffered their sharpest annual decline since 2011, reacting to harbingers of recession: a flattening yield curve, declining inflation expectations, and weak commodity prices. As the year drew on, the US-China trade war took an increasing toll on bilateral trade and global GDP growth. The IMF estimated worldwide growth of just 3% in 2019, the lowest since 2009. In October, China reported that its GDP rose 6% in the third quarter, the weakest in 27 years. India's GDP growth fell from 8% in the first half of 2018 to 4.5% at the end of the third quarter. Developed economies were also weak. In the eurozone, the manufacturing Purchaser's Manager Index (PMI) closed the year at its lowest level since the 2011–12 European debt crisis.

Central banks responded with monetary support, retracing some normalizing steps of 2018. The People's Bank of China cut its bank reserve ratios three times over the course of the year and lowered its short-term funding rate for the first time since 2015. Chinese state-owned banks were guided to increase their lending. The European Central Bank lowered the interest rate on the deposit facility in September and restarted asset purchases in November. In the fourth quarter, calling it insurance against recession, the US Federal Reserve again cut interest rates, almost completely reversing the rate increases of 2018. Not to be left out, the Bank of Japan revised its forward guidance, signaling it may take interest rates deeper into negative territory.

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The trade war between the US and China witnessed something of a détente late in the year, with the two parties agreeing to a limited pull-back from their entrenched positions. In mid-December, days before new tariffs were to take effect, officials announced a "Phase One" trade agreement. The deal, hinted at in November, rolls back some US tariffs on Chinese goods while boosting Chinese purchases of US energy, manufactured goods, and agricultural products. The countries also agreed on enhanced protections for intellectual property. The developments bolstered investor sentiment toward China and Emerging Markets (EMs) generally. China's GDP growth, which appeared to falter at the end of last year, stabilized by the end of 2019.

Europe ex-EMU was the top-performing major region in 2019, led by the UK. The Conservative Party's overwhelming election victory in December increased the likelihood of an orderly Brexit. EMs lagged, with notable declines in India, South Korea, and the smaller markets of Peru, Chile, and Argentina.

MARKET PERFORMANCE (USD %)

MARKET	4Q 2019	TRAILING 12 MONTHS
CANADA	10.5	30.9
EMERGING MARKETS	9.7	12.5
EUROPE EMU	11.9	27.0
EUROPE EX-EMU	17.5	31.9
JAPAN	8.2	20.1
MIDDLE EAST	7.4	47.3
PACIFIC EX-JAPAN	5.0	18.9
UNITED STATES	8.6	27.3
MSCI ACW SC INDEX	9.8	25.2

SECTOR PERFORMANCE (USD %) OF THE MSCI ACW SMALL CAP INDEX

SECTOR	4Q 2019	TRAILING 12 MONTHS
COMMUNICATION SERVICES	7.6	18.8
CONSUMER DISCRETIONARY	9.1	21.0
CONSUMER STAPLES	6.2	11.2
ENERGY	8.5	-0.7
FINANCIALS	8.1	21.4
HEALTH CARE	16.5	28.4
INDUSTRIALS	11.1	28.2
INFORMATION TECHNOLOGY	12.7	43.6
MATERIALS	10.9	20.1
REAL ESTATE	5.2	29.0
UTILITIES	4.3	24.0

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

By sector, Information Technology (IT) widely outperformed in 2019, returning 44%. Stocks of semiconductor manufacturers and chip equipment providers led the way, gaining 66% after their 24% drop in 2018. Investors were cheered by signs of a pickup in demand for chips, in addition to the easing of trade tensions. Real Estate, a sector with bond-like characteristics, outperformed on declining interest rates.

PERFORMANCE AND ATTRIBUTION

The Global Small Companies composite rose 10.7% in the fourth quarter, exceeding the index's 9.8% return. For the year, the composite gained 31.0%, outperforming the index's 25.2% rise. The charts on the next page attribute the year's performance by sector and region.

For the year, the portfolio benefited from strong stock selection in IT. Within IT, our semiconductor equipment companies strongly outperformed, led by Netherlands-based **ASM International**, which posted 38% year-over-year revenue growth for the first nine months of 2019 as new orders rose 40%. The company's operating profit jumped over 80% during the same period. IT services stocks also outperformed, helped by Argentine technology consultancy **Globant**. The company reported 24% revenue growth in the first nine months of the year, and its margins expanded due to the Argentine peso's weakness. We also had good stock selection in Health Care, where **Carl Zeiss Meditec**, a German manufacturer of microscopes and ophthalmologic equipment, posted higher-than-expected earnings growth during the year. The company also reported rapidly growing sales of high-margin consumable products required for its equipment.

Poor stock selection in Financials detracted. Shares of South African insurance provider **Discovery Holdings** declined after South Africa's government released a preliminary version of their National Health Insurance bill, which would implement universal health care in the country. This new legislation would permit existing medical insurance providers (a market where Discovery has a 54% market share) to provide coverage only beyond what the government plan covers. Weak stocks in Energy, as well as the portfolio's overweight in Consumer Staples and large underweight in Real Estate detracted as well. Real Estate was one of the index's best-performing sectors, but one where we struggle to find companies that meet our criteria for financial strength because it is dominated by businesses with unpredictable cash flows and high leverage. In a year in which markets rose strongly, our average cash holdings, at 2.5% of the portfolio, also detracted materially.

Viewed geographically, stock selection was especially good in the eurozone. German IT services company **Bechtle** reported stellar third-quarter results, including 22% year-over-year sales growth. Poor stocks in the US (where the portfolio's lack of exposure to strong-performing biotech and real estate stocks created headwinds) and Pacific ex-Japan detracted. In the latter region, shares of Hong Kong-based beverage company **Vitasoy** declined as new entrants have ramped up competition in the fast-growing soymilk market, leading to a slowdown in China growth. The company has also experienced slowing growth in Hong Kong (due to an increase in infrastructure spending) and Australia (where extreme drought has disrupted soybean supply).

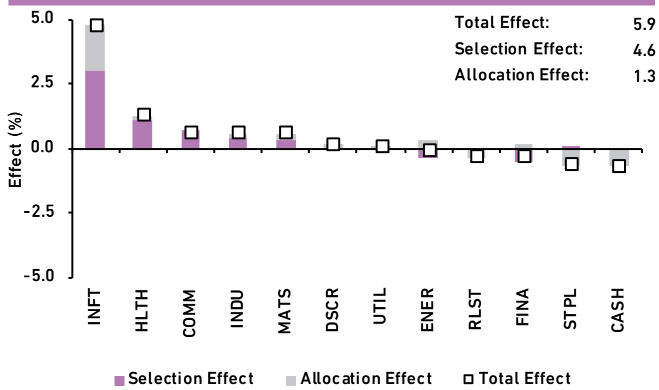
In the quarter, our IT and Financials stocks boosted our returns. In Financials, **Bank of Georgia** posted strong earnings growth due to increasing fee income and lower provisions for bad loans. The relative strength in IT and Financials was partially offset by our poor stock selection in Consumer Staples, Health Care, and Energy. In Consumer Staples, shares of Vitasoy and Japan-based supplier of natural flavorings **Ariake** declined, with the latter reducing guidance for sales growth in China due to weakening consumer demand. In Energy, **Core Laboratories**, a Netherlands-based energy services company listed on the NYSE, underperformed because US shale producers decreased their drilling activity.

Viewed geographically, our stocks in the eurozone (especially Germany's Bechtle) contributed the most to our relative performance. Stocks in the US (Core laboratories) and Pacific ex-Japan (Vitasoy) detracted.

Companies held in the portfolio during the year 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 December 31, 2019 is available on pages 8-9 of this report.

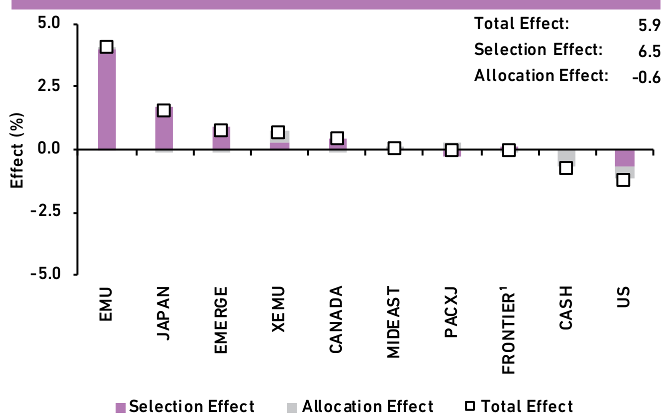
SECTOR PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

GLOBAL SMALL COS COMPOSITE VS. MSCI ACW SMALL CAP INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

GLOBAL SMALL COS COMPOSITE VS. MSCI ACW SMALL CAP INDEX



[1]Includes countries with less-developed markets outside the Index. Source: FactSet; Harding Loevner Global Small Companies 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.

PERSPECTIVE AND OUTLOOK

Finding Quality Growth in Small-Cap Staples

Consumer packaged goods (CPG) companies were long considered quintessential examples of sustainably growing businesses. Thanks to steady demand for staples, such as food and household products, investors could count on the sector as a source of reliable returns. The largest multinational CPG companies such as Nestlé and Unilever were able to achieve economies of scale in manufacturing, marketing, and distribution, and to generate vast amounts of cash to spend advertising their brands, expanding their retail presence, and developing new products to meet the changing tastes of consumers. In a virtuous circle, their spending not only reinforced the dominance of their brands and their financial success but also raised the barriers against upstart brands seeking to enter their markets.

Growth of CPG companies—particularly the largest ones—has turned anemic over the last five years, calling into question the future of their business models. We attribute their slowing growth to changes in the competitive landscape. Traditional barriers to entry to the CPG business have been eroded, largely by digital transformation of consumer marketing and retail distribution. Historically, established CPG companies have sheltered behind three key barriers to new entrants: (i) the high cost of creating and sustaining brand awareness through advertising; (ii) the large manufacturing scale required to achieve low production costs; and (iii) the difficulty of obtaining a share of limited shelf space in major retail chains. Digital technology has dramatically lowered each of these barriers, enabling new brands to enter long-settled markets and directly challenge incumbents. Highly targeted digital advertising, for example, makes it feasible to create awareness of new brands at relatively modest cost. New brands no longer have to achieve large sales volume to drive down production costs because manufacturing can increasingly be outsourced to an expanding global array of contract manufacturers—a result not of digital technology, per se, but certainly facilitated by its adoption for communications, design, and payments, especially by manufacturers in low-cost locations far from wealthy consumers. And, thanks to the explosion of business-to-consumer e-commerce, "virtual" retail shelf space is now unlimited.

The way in which established CPG companies respond to the challenges arising from these changes in the competitive landscape is critical to their long-term health. In response to loss of market share and slowing sales growth, some of the largest companies, like Unilever, have aggressively cut their spending on advertising and product innovation to improve their profitability, though at the expense of sales growth. Others, like Nestlé, have taken the opposite approach and kept their focus on long-term growth. As growth investors, our preference, clearly, is for the latter, underlining the importance we place on financial strength, without which sustained spending on advertising and innovation in the face of competitive challenges may not be possible. (For this reason we do not typically invest in new entrants, because in lacking scale, they also lack the requisite financial strength. In eschewing new brands, the tradeoff we are making is that we miss the highest growth phase of those that ultimately succeed.) The CPG companies we hold in our portfolio are established brands that have more in common with large multinational CPG companies than with early-stage companies: dominant market shares, well-established brands, and financial strength. Our companies are still "small" simply because their focus, in terms of product line or geography, is narrower.

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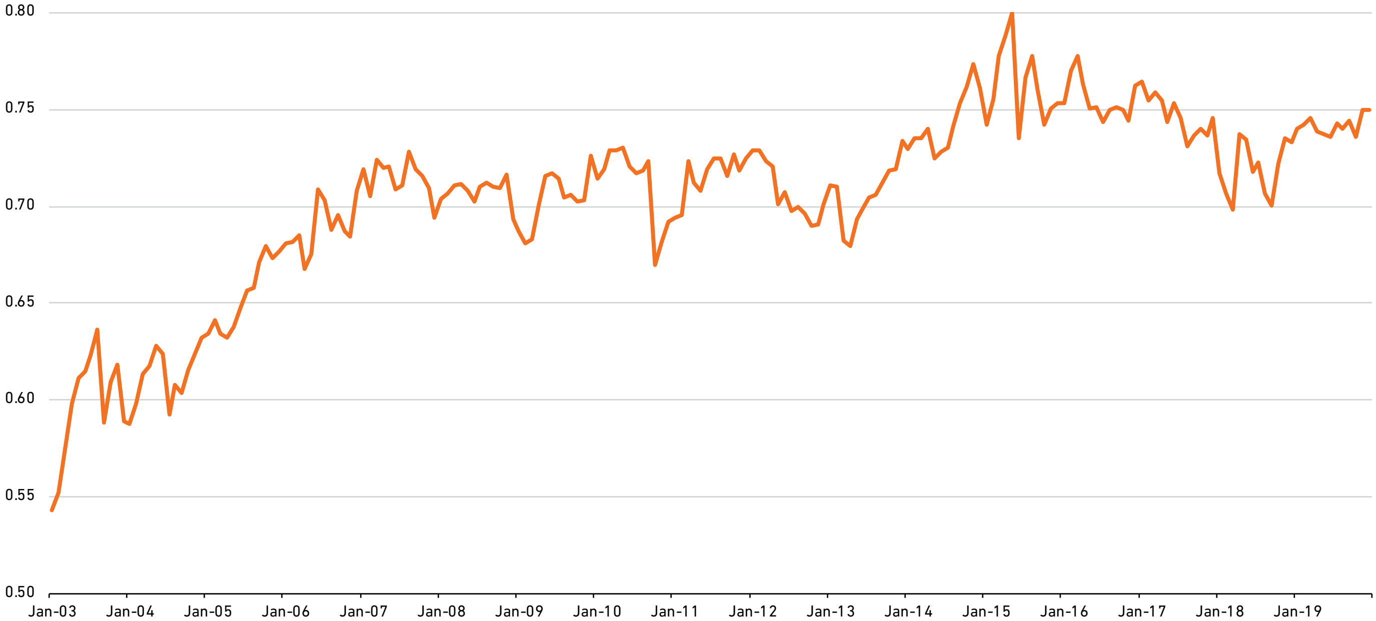
One example of a small, attractively valued CPG company that we hold is **Grupo Herdez**, a Mexican producer of processed foods. The company has dominant market share in several categories, such as tomato puree (74% share) and mayonnaise (72%), and it is a significant competitor in others, such as pasta (29%) and home-style salsa (44%). The company enjoys pricing power due to the strength of its brands; according to management, it is the price-setter for about 80% of its product portfolio. The company also innovates in many categories. In salsa, a Mexican staple, for example, the company sponsors a recipe contest that helps it capture changing customer tastes. The combination of pricing power and product innovation has enabled the company to deliver operating profit growth in double digits over the last five years.

Alicorp is another small-cap CPG company whose products are dominant in a single market, Peru. It has a diverse portfolio of well-known brands, an extensive product range (over ten thousand SKUs!), and a distribution network that spans Peru. In several categories, including flour, edible oil, laundry detergent, shortening, mayonnaise, margarine, and powdered juice, it holds the majority of the market. Like larger multinational CPG companies, Alicorp has achieved economies of scale in manufacturing, marketing, and distribution. Unlike some of them, however, Alicorp has continued to grow, compounding its revenues at a 7% annual rate over the last decade. We attribute its success to management's foresight. Instead of opting to pull back spending on product innovation and marketing in categories where Alicorp was lagging, they ramped up this investment. One such category is canned tuna, where it is now approaching 25% market share due to rapid gains; another is salsa, where sales have grown 12%. The company is also continuously repositioning its products across its portfolio to ensure they are competitive in value segments, while still maintaining their reputation for high quality.

CONSUMER STAPLES HISTORICAL BETA - ALL COUNTRY WORLD SMALL CAP INDEX



Source: Axioma (as of December 31, 2019).

Japan-based **Pigeon** is a company that has found growth by expanding its geographic footprint rather than broadening its product range. Pigeon makes baby bottles, skincare products, and other goods for infants. Building on its nearly 50 years of research into breastfeeding and child development, Pigeon has established its brand as synonymous with high quality. The company has become the leader in maternity and infant care products in Japan, where it has more than 60% market share in multiple segments including nursing bottles, breast pumps, and breast pads. Its reputation helped the company gain a foothold in China, a market that now accounts for more than half its profits. Pigeon's success is reflected in its growth: over the last decade, it has grown revenue at about 6% annually, despite declining birthrates in both Japan and China. Nonetheless, Pigeon's growth outlook remains cloudy, due to changes in the nature of retail distribution already mentioned. For example, it is unclear what impact increasing e-commerce penetration in Japan and China may have on Pigeon products that have traditionally been sold in stores. Pigeon is actively exploring new internet retail channels to ensure that it is represented in those that will turn out to be relevant. In China, the company sells its products on JD.com, Tmall, and through its own websites, while continuing to distribute through brick-and-mortar retail stores where customers can touch its products. E-commerce now accounts for about 53% of Pigeon's China sales, which grew 33% year-over-year through the first three quarters of 2019. New sales channels, however, require higher investments, resulting in compressed profit margins. It remains to be seen whether Pigeon will succeed in retooling its distribution.

We have maintained an overweight to Consumer Staples since the strategy's inception. Though the sector still boasts quality companies with durable growth prospects, we are increasingly worried about the prices we are required to pay for them. Despite the threat to the heart of their business models posed by digital disruption, companies in the sector appear more expensive today in terms of real earnings yield than at any point over the past two decades (which is in large part due to the ultra-low interest rate environment). Balancing precariously on that high perch, the sector has become more volatile. The chart above illustrates the rising beta of Staples stocks in the small-cap index in recent years.

PORTFOLIO HIGHLIGHTS

Historically, video game publishers' revenues relied heavily on new releases. Sales surged immediately after a game's launch and trailed off quickly until the next title came out. In recent years, however, game companies have made their revenue streams more stable and predictable by continuing to sell features after the initial purchase. Gamers can now buy virtual characters, special weapons, and costumes to enhance play, or even purchase expansion packs that extend storylines beyond the original endings. The new model has paid off spectacularly for many game companies, including Epic Games, Electronic Arts, Activision-Blizzard, Ubisoft, and **Paradox Interactive**. In 2018, for example, Epic's "Fortnite" generated a record US$2.4 billion in sales—all from in-game purchases and special passes that unlocked premium features.

In October, we established a position in Paradox Interactive, a leader in historically-themed strategy games like "Crusader Kings 2" and "Europa Universalis." The Swedish company continues to launch new titles, but the bulk of its revenue is from older games that it updates each year with new features and expansion packs to keep players playing—and paying. Paradox also sells monthly and annual subscriptions to its library of over 100 games. The company's revenues have grown at a compounded annual rate of 33% over the last five years, while its operating profits have soared 64% over the same period.

A similar shift toward recurring revenue is taking place in the enterprise software industry. In the past, business customers paid enterprise software companies a hefty upfront fee to license software in perpetuity. Customers installed the application and maintained the associated data on their own systems and paid additional, recurring fees, usually around 20% of the software's initial price annually, for ongoing technical support and bug fixes. Whenever the vendor released a major new version, customers eventually had to buy another license. Thus, like with video games, revenue surged with new product launches and ebbed in the intervening years.

Increasingly, vendors are licensing software on a subscription basis, which assures customers always have the latest version. This business model—known as Software as a Service—has smoothed vendors' revenues and helped expand their markets by allowing capital-constrained businesses to become customers for a low monthly fee rather than a large upfront cost.

We recently purchased Germany-based **Nemetschek**, a leading developer of software used in the design, construction, and maintenance of buildings. The company has been shifting to the subscription model, with about a quarter of its titles now available only on a subscription basis. Recurring revenue has increased to 54% of sales and will become an even larger part of the mix as Nemetschek converts its remaining applications. So far, the company has made the transition without experiencing any significant customer losses and while maintaining strong organic revenue growth.

GLOBAL SMALL COMPANIES EQUITY HOLDINGS (AS OF DECEMBER 31, 2019)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES		
BHARTI INFRATEL Telecom infrastructure provider	India	0.7
CABLE ONE Cable operator	US	0.4
CHEIL WORLDWIDE Marketing and advertising services	South Korea	0.4
IPSOS Market-research services	France	0.3
KAKAKU.COM E-commerce retailer	Japan	0.5
MACROMILL Market-research services	Japan	1.2
MEGACABLE Cable operator	Mexico	0.4
PARADOX INTERACTIVE Video game publisher	Sweden	0.4
RIGHTMOVE Online property listings operator	UK	1.2
SARANA MENARA NUSANTARA Telecom infrastructure provider	Indonesia	0.5
CONSUMER DISCRETIONARY		
ABC-MART Footwear retailer	Japan	1.6
BORGWARNER Automotive parts manufacturer	US	1.4
CHARGEURS Specialty fabrics and coatings manufacturer	France	0.4
COWAY Consumer appliances manufacturer	South Korea	0.5
DEMAE-CAN Food delivery services	Japan	0.3
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	1.0
HANKOOK TIRE Tire manufacturer	South Korea	0.2
NOKIAN TYRES Tire manufacturer	Finland	0.3
RINNAI Consumer appliances manufacturer	Japan	0.5
STANLEY ELECTRIC Automotive lighting manufacturer	Japan	0.5
THULE GROUP Transportation equipment manufacturer	Sweden	1.7
CONSUMER STAPLES		
AGTHIA Foods and beverages manufacturer	UAE	0.2
ALICORP Consumer products manufacturer	Peru	0.4
ARIAKE Natural seasonings manufacturer	Japan	1.8
COSMOS PHARMACEUTICAL Drugstores operator	Japan	1.2
EAST AFRICAN BREWERIES Alcoholic beverages manufacturer	Kenya	0.4
GRUPO HERDEZ Processed foods manufacturer	Mexico	1.0
KERNEL Foods and agricultural products manufacturer	Ukraine	0.5
PIGEON Consumer products manufacturer	Japan	0.8
SUGI HOLDINGS Drugstores operator	Japan	0.9
ÜLKER Processed foods manufacturer	Turkey	0.3
VITASOY Foods and beverages manufacturer	Hong Kong	0.7
ENERGY		
CORE LABORATORIES Oilfield services	US	1.2
HELMERICH & PAYNE Oil driller	US	0.8
FINANCIALS		
ANADOLU HAYAT EMEKLILIK Insurance provider	Turkey	0.2
BANK OF GEORGIA Commercial bank	UK	0.6
DISCOVERY HOLDINGS Insurance provider	South Africa	1.0
FINECOBANK Banking and financial services	Italy	0.9
LAZARD Financial advisory	US	0.7
MAX FINANCIAL Financial services and insurance provider	India	1.3
RATHBONE BROS Wealth manager	UK	0.8
RGA Reinsurance provider	US	0.5
SIGNATURE BANK Commercial bank	US	2.2
SVB FINANCIAL GROUP Commercial bank	US	0.9
ZENITH BANK Commercial bank	Nigeria	0.3

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
HEALTH CARE		
ABCAM Life science services	UK	2.0
AMBU Medical device manufacturer	Denmark	1.4
CARL ZEISS MEDITEC Medical technology provider	Germany	1.4
DECHRA Veterinary pharma manufacturer	UK	1.4
DIASORIN Reagent kits developer	Italy	1.5
ELANCO Animal health care products	US	0.4
EMIS GROUP Health care software developer	UK	0.4
FINDEX Health care software developer	Japan	0.5
LEMAITRE VASCULAR Medical device manufacturer	US	0.7
NAKANISHI Dental instruments manufacturer	Japan	1.3
REPLIGEN Biopharma equipment supplier	US	0.8
SQUARE PHARMACEUTICALS Pharma manufacturer	Bangladesh	0.3
STRATEC BIOMEDICAL Life science products manufacturer	Germany	0.8
INDUSTRIALS		
51JOB INC. Online human resource services	China	0.8
ALFA LAVAL Industrial equipment manufacturer	Sweden	0.4
ALLEGION Security equipment manufacturer	US	0.6
BBA AVIATION Flight support systems and services	UK	0.4
BOSSARD Industrial components supplier	Switzerland	0.7
CLARKSON Shipping services	UK	0.3
COPART Vehicle remarketing services	US	1.0
ENERSYS Industrial-battery manufacturer	US	2.2
EXPONENT Engineering and scientific consultant	US	1.0
HAITIAN Plastic injection-molding machines manufacturer	China	0.5
HEALTHCARE SERVICES Housekeeping and dining services	US	1.4
HEICO Aerospace parts manufacturer	US	0.6
INTRUM JUSTITIA Credit management services	Sweden	1.0
KANSAS CITY SOUTHERN Railroad operator	US	0.5
LISI Industrial components manufacturer	France	0.6
MISUMI GROUP Machinery-parts supplier	Japan	1.5
MONOTARO Factory materials supplier	Japan	0.8
NIHON M&A CENTER INC. Financial advisory	Japan	1.7
PROTOLABS Prototype manufacturing services	US	1.1
RATIONAL Commercial kitchen equipment manufacturer	Germany	1.2
ROLLINS Pest control services	US	0.6
SENIOR Aerospace and auto parts manufacturer	UK	0.4
SENSATA TECHNOLOGIES Industrial sensors manufacturer	US	0.5
SMS Health care employment services	Japan	0.4
SPIRAX-SARCO Industrial components manufacturer	UK	1.1
TOMRA Industrial sensors manufacturer	Norway	0.9
INFORMATION TECHNOLOGY		
ADVANTECH Industrial PCs manufacturer	Taiwan	0.8
ALTAIR ENGINEERING Design and engineering software developer	US	1.6
ALTEN Technology consultant and engineer	France	2.0
ASM INTERNATIONAL Semiconductor equipment manufacturer	Netherlands	0.6
BECHTLE IT services and IT products reseller	Germany	1.7
COGNEX Machine vision systems manufacturer	US	1.7
CYBERARK Cybersecurity software developer	Israel	0.4
EPAM IT consultant	US	0.5

CONTINUED ON FOLLOWING PAGE >

Model Portfolio holdings are supplemental information only and complement the fully compliant Global Small Companies Compsite 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.

GLOBAL SMALL COMPANIES EQUITY HOLDINGS (AS OF DECEMBER 31, 2019)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
INFORMATION TECHNOLOGY		
GARTNER Market-research services	US	0.8
GLOBANT Software developer	Argentina	0.9
GUIDEWIRE SOFTWARE Insurance software developer	US	2.2
INFOMART Restaurant supply chain operator	Japan	1.0
IPG PHOTONICS Lasers and amplifiers manufacturer	US	1.2
KINAXIS Supply chain software developer	Canada	1.6
LEM HOLDINGS Electrical components manufacturer	Switzerland	1.0
NEMETSCHEK Engineering software developer	Germany	0.9
NOMURA RESEARCH INSTITUTE IT consultant	Japan	0.7
REPLY IT consultant	Italy	0.7
SILERGY Electronics chips manufacturer	Taiwan	0.6
SIMCORP Asset management software provider	Denmark	1.6

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
INFORMATION TECHNOLOGY		
SYNOPSYS Software developer and chip designer	US	1.1
TEMENOS GROUP Banking software developer	Switzerland	0.6
VAISALA Atmospheric measuring devices manufacturer	Finland	0.7
MATERIALS		
FUCHS PETROLUB Lubricants manufacturer	Germany	1.5
HOA PHAT GROUP Steel producer	Vietnam	0.3
SYMRISE Fragrances and flavors manufacturer	Germany	0.7
REAL ESTATE		
No Holdings		
UTILITIES		
RUBIS Liquid chemical storage and distribution	France	1.4
CASH		2.1

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
LEMAITRE VASCULAR	US	HLTH
NEMETSCHEK	GERMANY	INFT

POSITIONS SOLD	COUNTRY	SECTOR
ZOZO	JAPAN	DSCR

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4Q19 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
BECHTLE	INFT	1.5	0.49
ABCAM	HLTH	1.9	0.48
SIMCORP	INFT	1.4	0.38
THULE GROUP	DSCR	1.6	0.36
KINAXIS	INFT	2.0	0.35

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
ASM INTERNATIONAL	INFT	1.0	1.15
HEICO	INDU	1.6	1.13
BECHTLE	INFT	1.6	0.99
KINAXIS	INFT	1.8	0.99
NIHON M&A CENTER INC.	INDU	1.5	0.96

4Q19 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
CORE LABORATORIES	ENER	1.5	-0.26
DEMAE-CAN	DSCR	0.4	-0.19
VITASOY	STPL	1.2	-0.18
STRATEC BIOMEDICAL	HLTH	0.9	-0.11
ARIAKE	STPL	1.9	-0.09

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
HEALTHCARE SERVICES	INDU	1.5	-0.76
CORE LABORATORIES	ENER	1.2	-0.44
DISCOVERY HOLDINGS	FINA	1.3	-0.29
SQUARE PHARMACEUTICALS	HLTH	0.4	-0.10
MACROMILL	COMM	0.6	-0.08

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL GSC	ACWI SMALL CAP
PROFIT MARGIN[1] (%)	11.4	7.9
RETURN ON ASSETS[1] (%)	10.4	4.9
RETURN ON EQUITY[1] (%)	16.5	10.5
DEBT/EQUITY RATIO[1] (%)	27.1	63.3
STD DEV OF 5 YEAR ROE[1] (%)	2.3	3.9
SALES GROWTH[1,2] (%)	8.6	5.6
EARNINGS GROWTH[1,2] (%)	14.1	9.8
CASH FLOW GROWTH[1,2] (%)	11.1	7.3
DIVIDEND GROWTH[1,2] (%)	8.4	6.7

RISK & VALUATION	HL GSC	ACWI SMALL CAP
PRICE/EARNINGS[3]	24.0	17.2
PRICE/CASH FLOW[3]	19.1	11.2
PRICE/BOOK[3]	3.6	1.7
DIVIDEND YIELD[4] (%)	1.5	2.1
SIZE	**HL GSC**	**ACWI SMALL CAP**
WTD MEDIAN MKT CAP (US $B)	4.3	2.8
WTD AVG MKT CAP (US $B)	5.4	3.3

[1]Weighted median; [2]Trailing five years, annualized; [3]Weighted harmonic mean; [4]Weighted mean. Source: FactSet (Run Date: January 7, 2020); Harding Loevner Global Small Companies Model, based on the underlying holdings; MSCI Inc.

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

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GLOBAL SMALL COMPANIES COMPOSITE PERFORMANCE (AS OF DECEMBER 31, 2019)

	HL GLOBAL SMALL COS GROSS (%)	HL GLOBAL SMALL COS NET (%)	MSCI ACW SMALL CAP INDEX[1] (%)	HL GLOBAL SMALL COS 3-YR STD DEVIATION[2] (%)	MSCI ACW SMALL CAP INDEX 3-YR STD DEVIATION[2] (%)	INTERNAL DISPERSION[3] (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS ($M)	FIRM ASSETS (%)
2019[4]	30.99	29.82	25.23	+	+	N.M.[5]	1	1	0.00

[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 performance returns and assets shown are preliminary; [5]N.A.–Internal dispersion less than a 12-month period; +Less than 36 months of return data.

The Global Small Companies Composite contains fully discretionary, fee-paying accounts investing primarily in US and non-US equity and equity-equivalent securities of companies with market capitalizations that fall within the range of the Composite's benchmark index and cash reserves, and is measured against the MSCI All Country World Small Cap 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 All Country World Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 49 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 35-27,339 million (as of December 31, 2019). 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 September 30, 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. Verification does not ensure the accuracy of any composite presentation. The verification 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 Small Companies Equity accounts is 1.00% annually of the market value up to $20 million; 0.80% 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 Small Companies Composite was created on December 31, 2018.