INTERNATIONAL EQUITY RESEARCH

2016 First Quarter Report

COMPOSITE PERFORMANCE (%) FOR PERIODS ENDING MARCH 31, 2016[1]

	3 MONTHS	SINCE INCEPTION[2]
HL INTL EQUITY RESEARCH (GROSS OF FEES)	2.33	2.33
HL INTL EQUITY RESEARCH (NET OF FEES)	2.14	2.14
MSCI ALL COUNTRY WORLD EX-US INDEX[3,4]	-0.26	-0.26
MSCI EAFE INDEX[4,5]	-2.88	-2.88

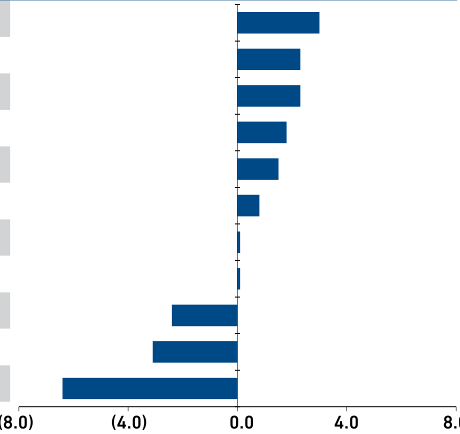
[1]The Composite performance returns shown are preliminary; [2]Inception Date: December 31, 2015; [3]The Benchmark Index; [4]Gross of withholding taxes; [5]Supplemental Index.

Please read the above performance in conjunction with the footnotes on the back 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 IER	ACWI EX-US
INFO TECHNOLOGY	11.5	8.5
CONS DISCRETIONARY	14.3	12.0
CASH	2.3	–
CONS STAPLES	13.0	11.2
INDUSTRIALS	13.0	11.5
HEALTH CARE	9.6	8.8
ENERGY	6.5	6.4
MATERIALS	7.0	6.9
UTILITIES	1.2	3.6
TELECOM SERVICES	2.2	5.3
FINANCIALS	19.4	25.8

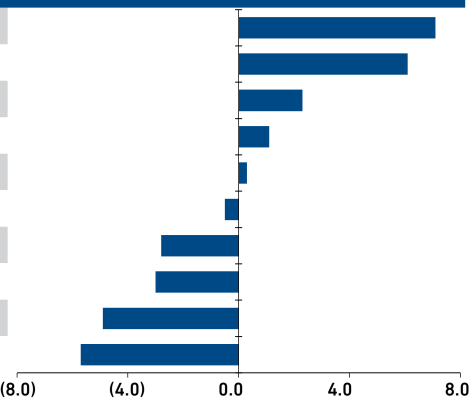
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL IER	ACWI EX-US
EMERGING MARKETS	28.9	21.8
JAPAN	22.2	16.1
CASH	2.3	–
OTHER[6]	1.1	–
FRONTIER MARKETS[7]	0.3	–
MIDDLE EAST	0.0	0.5
CANADA	3.8	6.6
EUROPE EX-EMU	21.3	24.3
PACIFIC EX-JAPAN	3.7	8.6
EUROPE EMU	16.4	22.1

(UNDER) / OVER THE BENCHMARK



[6]Includes companies classified in countries outside the Index; [7]Includes countries with less-developed markets outside the Index.

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

Source: Harding Loevner International Equity Research Model; MSCI Barra and S&P. MSCI Barra 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 declined steeply in the first half of the quarter and rebounded in the second.

Resource-oriented markets rose with oil and metal prices.

Both cyclical and non-cyclical sectors were strong in the quarter, except Financials and Health Care.

PORTFOLIO HIGHLIGHTS

Our newest strategy provides direct exposure to all buy-rated stocks under coverage, with a different approach to portfolio and risk management within Harding Loevner's characteristic quality-growth style.

By sector the strategy's biggest underweight is in Financials, which often have difficulty meeting our balance sheet strength criteria.

By region our largest overweight is in emerging markets, which also provide risk diversification benefits.

MARKET REVIEW

Stocks declined steeply in the first half of the quarter, only to recover in the second, ultimately leading the benchmark, the MSCI All Country World ex-US Index, back to levels where it began the quarter. On the first day of the new year, data suggesting a slowing economy in China caused such extreme trading that a circuit breaker was tripped, halting trading on the Shanghai stock exchange, and triggering a decline in equity markets across the world. Anemic global growth data, not only from China, also affected commodity prices. These concerns peaked in February, after which stock and commodity prices experienced a sharp recovery. Oil, already battered in 2015, fell almost 30% through early February, but ultimately ended the quarter with a small net gain despite ongoing forecasts of global oversupply, while iron ore prices rose by nearly a quarter.

Monetary authorities reacted to poor growth and inflation data. The Bank of Japan reapplied aggressive stimulus measures in late January, including a move to negative interest rates. The European Central Bank followed, deepening its move into negative interest rate territory, joining Scandinavian countries, and broadening its bond purchasing program to include corporate bonds. The US Federal Reserve, after raising expectations last year for several interest rate hikes in 2016, signaled a slower pace for increases, with the result that the US dollar declined in the quarter against most major currencies, including both the yen and the euro, despite the interest penalty to hold the latter.

Politics injected uncertainty into a number of markets this quarter. Despite the weak economic activity in Brazil, the real saw a sharp recovery in the quarter against the US dollar, primarily but unintuitively anticipating the potential defenestration of unpopular President Dilma Rousseff, as well as the sharp rebound in commodity prices, which could help a large part of the country's export sector. South Africa's president, Jacob Zuma, faced corruption inquiries, which did hamper the recovery in stocks and the rand, in contrast to Brazil. The election cycle in the US also weighed on Health Care stocks, as the focus of several presidential candidates on health care costs in the US has led to more scrutiny of companies that manufacture and sell high-cost drugs. In Britain, the "Brexit" debate caused weakness in the pound sterling, an exception to broad currency gains against the US dollar, as Prime Minister David Cameron set a June 23 date for a referendum on whether the UK should remain a member of the European Union.

Among major regions, emerging markets (EMs) rose the most, notwithstanding declines in China and India. Indonesia, Russia, and South Africa saw sharp recoveries alongside improving oil and metals prices, and concurrently strengthening currencies. Brazil, another resource-rich market, rose even more dramatically with the impeachment boost to sentiment. Developed markets did not do as well, with Japan and the eurozone and ex-EMU regions all posting declines despite strengthening currencies. Canada rose in line with other resource-oriented markets.

Viewed by sector, non-cyclical sectors (Consumer Staples, Telecom Services, and Utilities) performed well, with the notable exception of Health Care. Cyclical sectors (Energy, Materials, and Industrials) were also strong, despite beginning the quarter with outsized declines. Financials were weak due to profitability worries as negative interest rates (and potentially deflation) spread into more economies. Health Care was the weakest sector.

Returns to style factors exhibited a number of cross-currents. Stocks of high-quality companies again outperformed those of lower-quality companies for the Index as a whole, but Materials

MARKET PERFORMANCE (USD %)

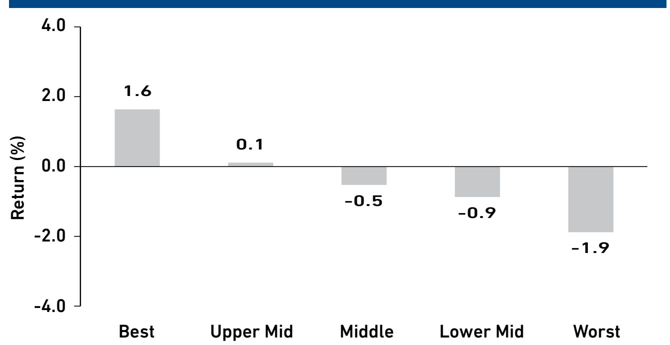
MARKET	1Q 2016	TRAILING 12 MONTHS
CANADA	11.5	-9.5
EMERGING MARKETS	5.7	-11.9
EUROPE EMU	-2.0	-7.7
EUROPE EX-EMU	-2.7	-8.2
JAPAN	-6.4	-6.7
MIDDLE EAST	-10.1	-8.3
PACIFIC EX-JAPAN	1.8	-10.1
MSCI ACW EX-US INDEX	-0.3	-8.8

SECTOR PERFORMANCE (USD %)
OF THE MSCI ACW EX-US INDEX

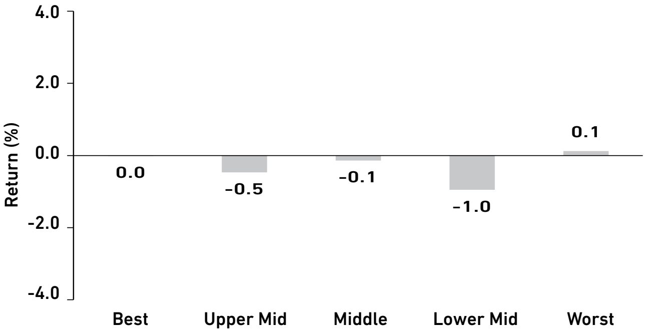
SECTOR	1Q 2016	TRAILING 12 MONTHS
CONSUMER DISCRETIONARY	-2.5	-9.6
CONSUMER STAPLES	4.1	5.6
ENERGY	9.7	-10.3
FINANCIALS	-4.8	-14.6
HEALTH CARE	-7.2	-10.8
INDUSTRIALS	2.4	-5.7
INFORMATION TECHNOLOGY	0.8	-7.6
MATERIALS	7.3	-15.1
TELECOM SERVICES	2.5	-3.2
UTILITIES	2.5	-2.0

Source: FactSet (as of March 31, 2016); MSCI Barra and S&P.

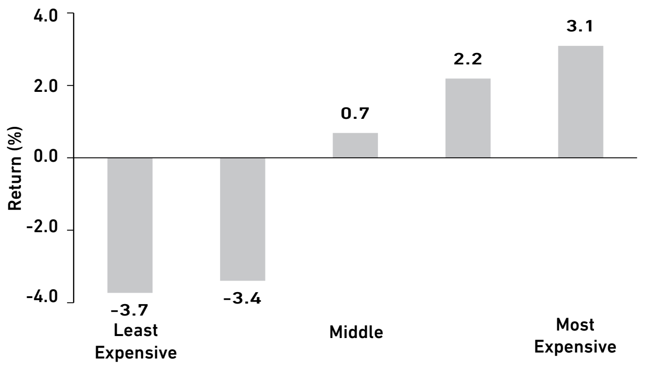
MSCI ACW EX-US INDEX PERFORMANCE BY QUALITY 1Q16



MSCI ACW EX-US INDEX PERFORMANCE BY GROWTH 1Q16



MSCI ACW EX-US INDEX PERFORMANCE BY VALUE 1Q16



Source: FactSet. Data as of March 31, 2016; MSCI Barra and S&P.

The quality, growth, and value rankings are proprietary measures determined using objective data to rank companies on a number of factors that, in the case of quality, attempt to measure the stability, trend, and level of profitability, as well as balance sheet strength. In the case of growth, objective data is utilized to rank companies based on an assessment of historic growth of earnings, sales, and assets, as well as expected moves in earnings and profitability. In the case of value, stocks are ranked based on a combination of several objective valuation measures, including price ratios.

and Energy were an obvious exception—posting strong returns despite cyclically impaired quality metrics. In fact, within Materials, the lowest rungs of quality significantly outperformed the already-strong sector index. Growth was not a particularly differentiating factor for non-US companies.

The value half of the index performed in line with the growth half outside the US. However, in our own valuation metrics, shares of the most expensive non-US companies *out*performed in the quarter, while the cheapest companies *under*performed. The cheapest companies include many Financials companies, but also some Energy and Materials companies, along with many EM-domiciled companies.

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 since inception, please contact Harding Loevner. A list of the 25 largest holdings at March 31, 2016 is available on page 7 of this report.

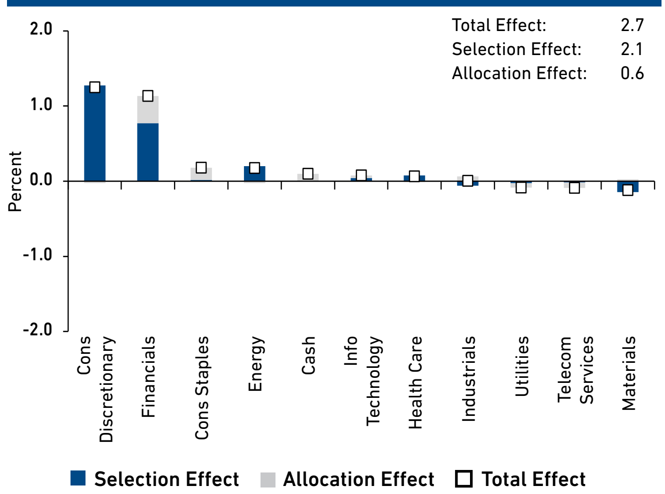
PERFORMANCE AND ATTRIBUTION

The International Equity Research strategy rose 2.4% in the quarter, outperforming the MSCI All Country World ex-US Index, which fell 0.3%. The charts below illustrate performance attribution for the quarter by sector and region, respectively.

The strategy benefited most from strong stock selection within Consumer Discretionary, Financials, and Energy. Top performers in Consumer Discretionary included South Korea's **Hankook Tire**, Turkish white goods producer **Arcelik**, Canadian-headquartered **Lululemon Athletica**, Macau casino **Sands China**, and Japanese retailers **ABC-Mart** and **Start Today**. No sectors significantly detracted from performance, though our Materials stocks did slightly lag the benchmark.

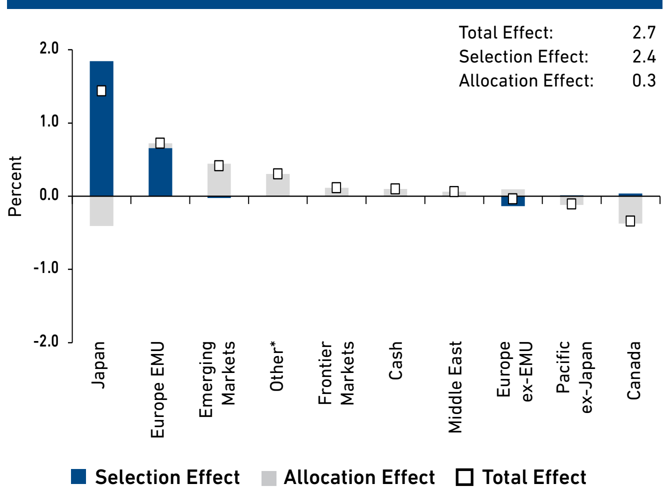
SECTOR PERFORMANCE ATTRIBUTION FIRST QUARTER 2016

INTERNATIONAL EQUITY RESEARCH COMPOSITE VS. MSCI ACW EX-US INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION FIRST QUARTER 2016

INTERNATIONAL EQUITY RESEARCH COMPOSITE VS. MSCI ACW EX-US INDEX



**Includes companies classified in countries outside the Index. Source: FactSet; Harding Loevner International Equity Research Composite; MSCI Barra and S&P. The total effect shown here may differ from the variance of the Composite performance and benchmark performance shown on page 1 of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS presentation.*

INVESTMENT PROCESS CASE STUDY: VALEANT PHARMACEUTICALS

Few companies have received more media attention in the past year than Valeant Pharmaceuticals. Once an investor darling, the company's market capitalization has collapsed from over US$90 billion in August 2015 to less than US$9 billion at the end of March 2016.

Valeant is headquartered in Canada and therefore eligible for inclusion in both our Global and International Equity strategies. By mid-2015, we had responded to many investor inquiries about our failure to invest in Valeant, as its stock has risen approximately 75% from the start of year. It had posted industry-leading revenue growth for a number of years; was headed by a former McKinsey partner as CEO and a Goldman Sachs banker as CFO; and had an impressive shareholder base, including firms we hold in high esteem such as ValueAct Capital and Ruane, Cunniff & Goldfarb. Many investors regarded Valeant as, to use Michael Lewis's term, the "new-new thing": a health care company that eschewed research and development, assumed a low-tax domicile, and aggressively boosted drug prices of companies acquired using debt.

Opportunity cost matters; what we don't own for our clients can hurt them. Indeed, not owning Valeant detracted from the relative performance of our portfolio in the summer of 2015. Regardless of performance, Valeant has never met the fundamental quality and growth criteria required for all companies Harding Loevner will consider for investment.

The process of vetting a company that may be suitable for investment rests wholly in the hands of the analysts. Each analyst examines all of the companies in the sector or region they cover, and identifies companies that may meet our criteria. Approximately 85% of candidates are eliminated at this point, and further research reduces the pool to about 10% of the original universe. Each analyst shares their research on a company with other members of the team, and may incorporate colleagues' insights and opinions in the analysis. Ultimately, though, the analyst alone decides whether a company meets our criteria for potential investment by portfolio managers. All research, discussions, and decisions are documented by email and saved to our central research database that enables us to see what our thinking was at any given time.

As Health Care analysts, Alec Walsh and I have always questioned the durability of Valeant's acquisition-fueled growth—a staggering US$27 billion spent over five years—and heavily leveraged balance sheet, which had ballooned from US$4 billion in 2010 to US$30 billion in 2015. Despite the near-universal praise for Valeant from Wall Street, we noted serious issues, including a heavy reliance on non-GAAP earnings measures; a CFO who also served on the Board of Directors; and a domineering leader with dual roles as both Chairman and CEO. Further warning signs—including several components of our corporate governance checklist—were also apparent, such as opaque accounting and corporate disclosure, and excessive management compensation.

Alec and I each decided to exclude Valeant from our research coverage in July 2014, as the company failed several components of our investment criteria: growth seemed unstainable; leverage was excessive; management was badly incentivized; and corporate governance was weak. Eventually our doubts about Valeant were reflected in the market, and the damage was significantly beyond our expectations—both in speed and magnitude. Valeant's CEO Mike Pearson was forced to resign over accounting irregularities, violation of the company's debt covenants, and threat of default. The Board of Directors now seems to agree with our initial assessment, writing last month, "[T]he Company has determined that the tone at the top of the organization and the performance-based environment at the company, where challenging targets were set and achieving those targets was a key performance expectation, may have been contributing factors resulting in the company's improper revenue recognition . . ."[1]

Patrick Todd, CFA
Health Care Analyst

[1] *United States Securities and Exchange Commission, Valeant Pharmaceuticals International, Inc. Form 8-K (March 2016).*

Viewed geographically, the strategy saw good stock selection in most regions, especially Japan, where our stocks rose 1% in contrast to the country's 6% decline (**Daito Trust**, **M3**, **MonotaRO**, ABC-Mart, and Start Today each delivered significant gains), and the eurozone (helped by **ASML Holdings**, **Royal Vopak**, **Kone**, and **Jeronimo Martins**). Our overweighting of EMs was beneficial. Our underweighting of resource-heavy Canada detracted, though we matched the country's 12% return through good stock selection.

PERSPECTIVE AND OUTLOOK

The creation of the International Equity Research strategy was inspired by our confidence in the experience and skill of our 25 research analysts, the structure of our research process, and the incentives we have in place for our analysts to identify outperforming stocks of high-quality, growing companies. In the portfolio, we seek to own all of the stocks recommended by our analysts that are appropriate for an ACWI ex-US–benchmarked strategy. The strategy therefore reflects all of our analysts' individual perspectives and outlooks about their areas of expertise, rather than one or two particular authors, whose job it is to distill those insights into a more concentrated portfolio. Importantly, despite varying views relevant to security performance, our research team is unified by a common approach to analyzing companies and stocks.

We organize our team of equity analysts primarily by global industry, because understanding industry competitive forces is key to our fundamental research process. We also have regional specialists to cover companies in places like China, Japan, EMs, and frontier markets, where in our experience, local knowledge is a necessary ingredient for generating successful investment ideas. On average our analysts have 19 years of industry experience, supporting a long-term outlook to our analysis of companies, industries, and global markets. Analysts' stock-picking skill is key to the strategy's future relative returns. We have observed for more than a decade that our analysts' stock recommendations tend to be correct more often than they are wrong, and that their successes tend to be larger than their mistakes. Analysts develop their insights via our structured and repeatable research process, and their ideas are then allocated into the portfolio by the portfolio managers:

Initial Qualification

Analysts' first task is to qualify companies as high-quality growth companies. Companies are deemed qualified if they possess: competitive advantage (a strong position in an industry with a favorable structure); financial strength (low debt, access to credit, and strong free cash flow); quality management (a successful track record and a clearly articulated strategy); and sustainable growth (in revenues, earnings, and cash flow, with low volatility). To find promising candidates for investigation, analysts review rankings of historical financial results of companies within their industry or geographic area of responsibility, looking for high returns on assets and equity with low volatility, high profit margins, and low debt. Competitors, suppliers, and customers of companies already under coverage, as well as companies encountered through trade shows, conferences, on-site company visits, and other research travel, provide other candidates.

In-Depth Research

Analysts study the qualified companies to gain a full understanding of their business models and to assess their growth potential and risks. Using Harding Loevner's proprietary Quality Assessment Framework, each company is scored on ten specific factors related to business quality, growth potential, and industry structure. This common analytic framework facilitates collaboration and ensures the consistency of our approach across analysts, industries, and regions. It also serves as a tool for quantifying business risk.

Valuation & Rating

Analysts then prepare long-term financial projections for each company that survives the intensive research stage. Using a cash-flow-return-on-investment model, they estimate the fair value of the company's shares and compare it to the market price to assess return potential. At the end of the research process, they establish fundamental "mileposts" for monitoring future business results. Analysts then submit their work to the broader investment team for discussion and comment. Finally, they rate the company "buy", "hold", or "sell", subsequently maintaining the rating or adjusting when required.

Our professional culture encourages collaboration by requiring continual communication about investment ideas among all members of the research team. At the same time, our firm fosters independent thinking and the development of unique insights by ensuring that actions never require more than a single author and by holding each professional separately accountable for his or her recommendations and decisions.

The measured performance of analyst ratings relative to appropriate benchmarks represents a substantial portion of an analyst's annual bonus, and we have been pleased to reward our analysts' many successes over the years.

Portfolio Construction

Only stocks that have undergone the Initial Qualification, In-Depth Research, and Valuation & Rating stages and have been rated "buy" may be considered for investment in the International Equity Research strategy. The strategy thus provides direct exposure to all buy-rated stocks under coverage, and offers investors a different approach to portfolio and risk management within Harding Loevner's characteristic quality-growth style. The portfolio managers, Andrew West and Moon Surana, combine these securities into a portfolio that meets the strategy's risk-control guidelines and objectives of below-market volatility and controlled tracking error over the long term.

The strategy's risk-control constraints are simple rules that mandate common sense diversification at several levels. We require region and country diversification—for instance, emerging and frontier stocks combined cannot exceed 30% of the portfolio—and place limits on weights in specific countries. We also mandate that no economic sector represent more than 25% of the model portfolio, no industry more than 15%, and no single stock more than 3%. To achieve the goal of reducing portfolio risks, the strategy's portfolio managers employ a multifactor global risk model and an optimization algorithm to determine position sizes that fall within the aforementioned constraints. The risk model incorporates global company, market, industry, style, and statistical factors data going back many years. The portfolio managers review the position weights that the optimizer suggests; review the resulting impacts on risk constraints, other portfolio characteristics, and trading costs; and may revise the optimization settings further. Thus the portfolio managers use the optimization output to place trades expected to provide favorable risk/return characteristics for the portfolio.

PORTFOLIO STRUCTURE

At the sector level, the strategy's biggest underweight versus the benchmark is Financials. We are also underweight Telecom Services and Utilities. Our underweight in Financials is not for a lack of analyst recommendations—we own 38 Financial stocks—but rather a function of our risk-control constraints, the more volatile risk characteristics of financial stocks, and the portfolio's objectives. Financials tend to have more difficulty meeting our balance sheet strength criteria, and developed country Financials tend to fail our sustainable growth criteria. The underweights in Telecom Services and Utilities reflect our analysts' difficulty in finding companies within these sectors that meet our four criteria for investing. Telecom Services broadly faces slower growth, rising competition, and margin pressure, and Utilities is heavily regulated and asset intensive.

We are overweight in Industrials, Consumer Staples, Consumer Discretionary, and Information Technology. Though Industrials and Consumer Discretionary tend to be cyclical, our analysts have found numerous companies with strong competitive advantages and growth prospects in a range of developed and emerging countries, with a particularly significant cluster of Japanese industrials that have strong intellectual property and industry positioning. While we own a larger number of Consumer Staples companies than Industrials, our Staples weight is slightly lower because a larger proportion of them are found in EMs, where growth prospects tend to be higher, but position weights are lower to temper portfolio risk.

By region our largest overweight is in EMs. Our analysts find a number of quality-growth companies in EMs, especially Financials, Consumer Staples, and Consumer Discretionary businesses, and EM stocks provide portfolio risk diversification benefits. Our largest EM weights are China, India, Taiwan, Qatar, Mexico, and South Africa.

The portfolio also has an above-benchmark weight in Japan. Our analysts have identified 27 Japanese stocks that they expect to outperform. Japanese stocks tend to march to the beat of their own drum, providing diversification benefits to an international portfolio. Roughly one-third of our Japanese holdings are Industrials, with Consumer Discretionary and Staples companies contributing another third.

The most significant regional underweight is the eurozone. Our analysts currently have a buy-rating on only two French stocks (**Air Liquide** and **Dassault Systèmes**), while France represents over 7% of the Index. Our analysts find many more attractive companies in Germany, where eight stocks are recommended.

We are underweight the Pacific ex-Japan, primarily due to few buy-rated Australian stocks, which represent 5% of the Index.

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL IER	ACWI EX-US
PROFIT MARGIN[1] (%)	11.0	9.4
RETURN ON ASSETS[1] (%)	7.0	4.8
RETURN ON EQUITY[1] (%)	15.3	12.9
DEBT/EQUITY RATIO[1] (%)	37.9	61.8
STD DEV OF 5 YEAR ROE[1] (%)	2.8	3.6
SALES GROWTH[1,2] (%)	3.7	0.3
EARNINGS GROWTH[1,2] (%)	6.8	3.4
CASH FLOW GROWTH[1,2] (%)	5.3	2.1
DIVIDEND GROWTH[1,2] (%)	7.7	5.4

RISK & VALUATION	HL IER	ACWI EX-US
PRICE/EARNINGS[3]	19.3	14.5
PRICE/CASH FLOW[3]	13.3	8.8
PRICE/BOOK[3]	2.4	1.5
DIVIDEND YIELD[4] (%)	2.4	3.3
SIZE & TURNOVER	**HL IER**	**ACWI EX-US**
WTD MEDIAN MKT CAP (US $B)	11.1	27.7
WTD AVG MKT CAP (US $B)	30.0	49.6

[1]Weighted median; [2]Trailing five years, annualized; [3]Weighted harmonic mean; [4]Weighted mean. Source: FactSet (Run Date: April 7, 2016); Harding Loevner International Equity Research Model, based on the underlying holdings; MSCI Barra.

Portfolio characteristics are supplemental information only and complement the fully compliant International Equity Research Composite GIPS Presentation.

1Q16 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	WEIGHT	CONTRIBUTION
LULULEMON	DSCR	1.1	0.29
JERONIMO MARTINS	STPL	1.1	0.28
DAITO TRUST CONSTRUCTION	FINA	1.2	0.27
ENCANA	ENER	0.4	0.25
START TODAY	DSCR	0.4	0.21

1Q16 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	WEIGHT	CONTRIBUTION
NOVO NORDISK	HLTH	0.4	-0.23
NGK INSULATORS	INDU	0.9	-0.23
HIKMA PHARMACEUTICALS	HLTH	0.9	-0.23
HSBC	FINA	0.9	-0.21
SURUGA BANK	FINA	0.9	-0.20

INTERNATIONAL EQUITY RESEARCH 25 LARGEST HOLDINGS (AS OF MARCH 31, 2016)

COMPANY/DESCRIPTION	SECTOR	COUNTRY	END WT.(%)
DAITO TRUST CONSTRUCTION Construction company of rental apartments	Japan	Financials	1.2
VOPAK Largest global independent liquid bulk storage provider	Netherlands	Energy	1.2
JERONIMO MARTINS Food retailer	Portugal	Cons Staples	1.2
ABC-MART Footwear retailer	Japan	Cons Discretionary	1.1
TAIWAN SEMICONDUCTOR Semiconductor chip foundry	Taiwan	Info Technology	1.1
CANADIAN NATIONAL RAILWAY Railway operator	Canada	Industrials	1.1
ASML Lithographic equipment supplier	Netherlands	Info Technology	1.1
MAKITA Power tool manufacturer	Japan	Industrials	1.1
SGS Business services provider	Switzerland	Industrials	1.1
LULULEMON Athletic apparel designer and retailer	United States	Cons Discretionary	1.1
IMPERIAL OIL Integrated oil and gas company	Canada	Energy	1.1
KOMATSU Construction & mining machinery manufacturer	Japan	Industrials	1.0
LONZA GROUP Biopharmaceuticals/pharma manufacturing	Switzerland	Health Care	1.0
LAWSON Convenience store chain operator	Japan	Cons Staples	1.0
UNILEVER Consumer products manufacturer	United Kingdom	Cons Staples	1.0
HENKEL Consumer goods and adhesives company	Germany	Cons Staples	1.0
GIVAUDAN Global flavor and fragrance supplier	Switzerland	Materials	1.0
QATAR NATIONAL BANK Retail and corporate bank	Qatar	Financials	1.0
KEYENCE Sensor and measurement equipment	Japan	Info Technology	1.0
HAKUHODO DY HOLDINGS Second largest advertisement agency in Japan	Japan	Cons Discretionary	1.0
SHISEIDO Cosmetics company	Japan	Cons Staples	1.0
TENARIS Steel pipe manufacturer	Italy	Energy	1.0
QATAR ELECTRIC & WATER Electricity and water utilities	Qatar	Utilities	1.0
SAP Enterprise software provider	Germany	Info Technology	1.0
RINNAI Tankless water gas heater maker	Japan	Cons Discretionary	1.0

Model Portfolio holdings are supplemental information only and complement the fully compliant International Equity Research 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. The portfolio holdings identified above do not represent all of the securities held in the portfolio. 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. 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.

INTERNATIONAL EQUITY RESEARCH COMPOSITE PERFORMANCE (AS OF MARCH 31, 2016)

	INTL EQUITY RESEARCH GROSS (%)	INTL EQUITY RESEARCH NET (%)	MSCI ACWI EX-US[1] (%)	MSCI EAFE[2] (%)	INTL EQUITY RESEARCH 3-YR STD DEVIATION[3] (%)	MSCI ACWI EX-US 3-YR STD DEVIATION[3] (%)	MSCI EAFE 3-YR STD DEVIATION[3] (%)	INTERNAL DISPERSION[4] (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS ($M)	FIRM ASSETS (%)
2016 YTD[5]	2.33	2.14	-0.26	-2.88	+	+	+	N.A.[6]	1	6	0.02

[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 2016 YTD performance returns and assets shown are preliminary; [6]N.A.–Internal dispersion less than a 12-month period.

The International Equity Research Composite contains fully discretionary, fee paying international equity accounts investing in 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 ex-US 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 ex-US Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. The Index consists of 45 developed and emerging market countries. The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. The Index consists of 21 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 by Ashland Partners & Company, LLP for the period November 1, 1989 through December 31, 2015.

Verification assesses whether (1) the firm has complied with all the 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 the 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 International Equity Research 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 International Equity Research Composite was created on December 31, 2015.