HARDING LOEVNER

GLOBAL EQUITY

2017 First Quarter Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDING MARCH 31, 2017[1]

	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL GLOBAL EQUITY (GROSS OF FEES)	9.60	17.03	8.60	9.86	7.30	9.73
HL GLOBAL EQUITY (NET OF FEES)	9.48	16.48	8.10	9.37	6.85	9.06
MSCI ALL COUNTRY WORLD INDEX[4,5]	7.05	15.69	5.65	8.96	4.56	6.90
MSCI WORLD INDEX[5,6]	6.53	15.43	6.11	9.98	4.80	6.95

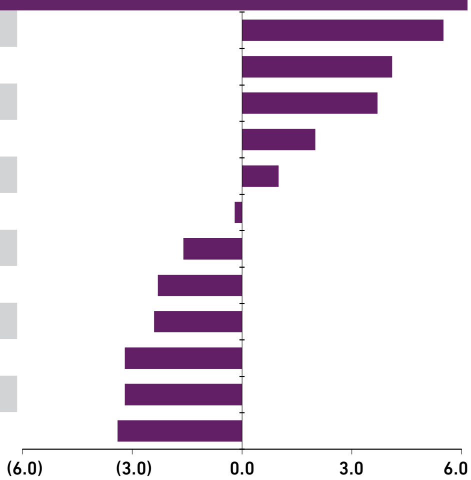
[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: November 30, 1989; [4]The Benchmark Index; [5]Gross of withholding taxes; [6]Supplemental Index.

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	21.9	16.4
HEALTH CARE	15.2	11.1
INDUSTRIALS	14.4	10.7
MATERIALS	7.3	5.3
CASH	1.0	–
CONS DISCRETIONARY	12.0	12.2
ENERGY	5.0	6.6
CONS STAPLES	7.2	9.5
FINANCIALS	16.0	18.4
REAL ESTATE	0.0	3.2
UTILITIES	0.0	3.2
TELECOM SERVICES	0.0	3.4

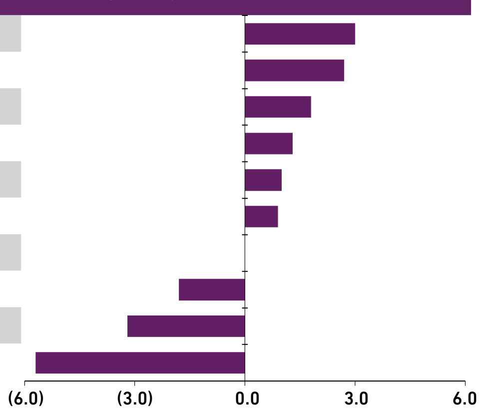
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL GLOBAL	MSCI ACWI
JAPAN	10.6	7.6
EUROPE EMU	13.0	10.3
EMERGING MARKETS	12.8	11.0
EUROPE EX-EMU	11.7	10.4
CASH	1.0	–
MIDDLE EAST	1.1	0.2
FRONTIER MARKETS[7]	0.0	–
PACIFIC EX-JAPAN	2.3	4.1
CANADA	0.0	3.2
US	47.5	53.2

(UNDER) / OVER THE BENCHMARK



[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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The Index posted its best quarterly gains since 2013 as investor optimism returned amidst improving economic data in most regions.

EM stocks staged a broad rebound from last quarter's decline.

Style trends in the market favored stocks whose businesses demonstrated strong growth characteristics, a reversal from the prior quarter.

PORTFOLIO HIGHLIGHTS

We evaluate political risk in terms of potential threats to individual companies' profitability and as a source of risk to portfolio concentrations.

We believe the online retailing space is an emergent area of rapid and increasingly reliable growth.

Our reduced US weight was not driven by political and economic uncertainty associated with the Trump administration, but instead reflects bottom-up valuation considerations.

MARKET REVIEW

Markets posted robust returns for the quarter as investor optimism returned amidst improving economic data in most regions globally. All regions and nearly all countries reported positive US dollar returns, with the MSCI All Country World Index (ACWI) delivering the best quarterly gains since 2013, as many companies published better-than-expected fourth quarter earnings.

Encouraged by a strengthening global economy and, perhaps, by diminished odds for the enactment of trade-killing tax measures proposed by the new US President Donald Trump, stocks in emerging markets (EMs) staged a broad rebound from last quarter's decline. In China, manufacturing data was better than expected, allaying fears of a severe economic slowdown. The Indian economy was resilient in the face of temporary disruption from the government's unorthodox currency demonetization program. In South Korea, prospects for accelerated improvement in corporate governance rose when the impeachment of President Park Geun-hye on corruption charges was upheld.

UK stocks lagged the Index as uncertainty over how Brexit will affect the UK's important trading relationships left investors less willing to embrace its stock market or its currency. Japanese stocks also lagged the Index, as did markets with heavy Energy representation, such as Norway and Russia.

The US stock market trailed non-US markets as concerns arose that the new administration would be unable to implement its domestic policy agenda, especially after an initial failed attempt to repeal and replace the Affordable Care Act ("Obamacare"). The Federal Reserve raised short-term interest rates for the second time in three months, but signaled a gradual pace of future rate increases. In a sharp reversal from last quarter, the US dollar weakened against most major currencies. The Mexican peso, a weathervane for Trump's agenda, rebounded to its pre-election levels.

By sector, Information Technology (IT) and Health Care stocks recovered from weak performance last quarter, with IT leading other sector returns by a wide margin, delivering the broadest earnings surprises and exhibiting strong growth. Energy shares followed oil prices lower in response to rising US crude oil inventories, themselves a product of increased shale oil production, rendering moot last quarter's OPEC agreement to limit supply.

In contrast to the prior quarter, style trends in the market favored stocks whose businesses demonstrated strong growth characteristics, while there was little differentiation in returns according to valuation. The lower-quality Energy and Financials sectors lagged the Index. The MSCI ACW Growth Index outperformed Value in all regions except Pacific ex-Japan, a reversal from the fourth quarter.

MARKET PERFORMANCE (USD %)

MARKET	1Q 2017	TRAILING 12 MONTHS
CANADA	2.7	15.6
EMERGING MARKETS	11.5	17.7
EUROPE EMU	8.7	13.4
EUROPE EX-EMU	6.5	7.7
JAPAN	4.6	14.8
MIDDLE EAST	5.6	-11.3
PACIFIC EX-JAPAN	11.8	18.5
UNITED STATES	6.2	17.4
MSCI ACW INDEX	7.1	15.7

SECTOR PERFORMANCE (USD %)
OF THE MSCI ACW INDEX

SECTOR	1Q 2017	TRAILING 12 MONTHS
CONSUMER DISCRETIONARY	7.9	12.0
CONSUMER STAPLES	7.2	4.5
ENERGY	-3.8	16.1
FINANCIALS	5.6	25.9
HEALTH CARE	8.6	8.8
INDUSTRIALS	7.4	16.4
INFORMATION TECHNOLOGY	13.1	25.5
MATERIALS	7.8	26.4
REAL ESTATE	5.0	3.7
TELECOM SERVICES	2.3	1.1
UTILITIES	7.1	5.1

Source: FactSet (as of March 31, 2017); MSCI Inc. and S&P.

PERFORMANCE AND ATTRIBUTION

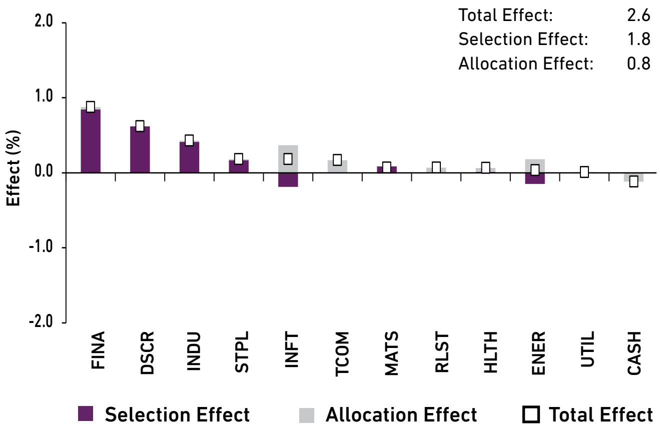
The Global Equity composite returned 9.6% in the first quarter of 2017, outpacing the 7.1% return generated by the MSCI ACWI. The charts on the following page illustrate the sources of relative return for the quarter by sector and region, respectively.

The portfolio benefited from its overt embrace of high-growth companies but also from stock selection more than sector or geographic allocation. We had good stocks within Consumer Discretionary, especially online-retailing businesses **Priceline**, **Amazon.com**, and **Ctrip.com**, each of which reported strong earnings in stark contrast to their brick-and-mortar peers. Additionally, our Financials holdings returned nearly twice the Index, led by faster-growing EM banks **HDFC Bank** and **ICICI Bank** of India, and **Itau Unibanco** of Brazil. Meanwhile, US Financials **SVB Financial Group** and **Lazard** bettered the lag-

Companies held in the portfolio during the quarter appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner. A complete list of holdings at March 31, 2017 is available on page 6 of this report.

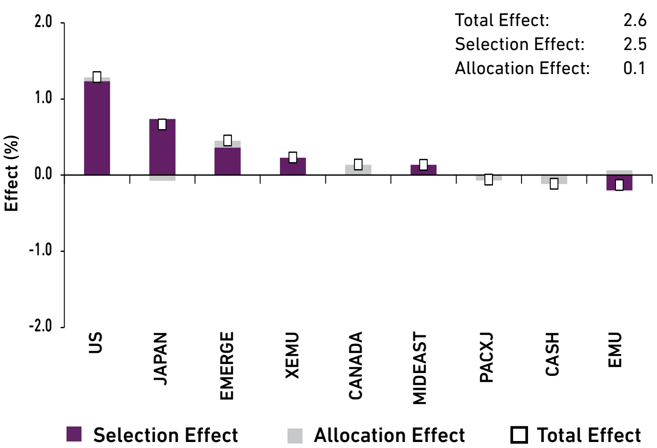
SECTOR PERFORMANCE ATTRIBUTION
FIRST QUARTER 2017

GLOBAL EQUITY COMPOSITE VS. MSCI ACW INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
FIRST 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.

ging US sub-index. IT holdings struggled to keep pace with the robust gains of the benchmark, although the portfolio benefited from its large weight in the top-performing sector. Our Energy holdings lagged even their poorly performing Index, partially offsetting the good IT results.

Viewed geographically, the portfolio benefited from excellent stock selection in the US, led by **Facebook**, Priceline, and Amazon, as well as industrially focused IT businesses **Cognex** and **IPG Photonics**. Good stocks in Japan included **MonotaRO**, **Pigeon**, and **Fanuc**. The portfolio's EM stocks returned more than the strong EM region in the Index, led by Ctrip, **Televisa**, and HDFC Bank, the latter two newly purchased on last quarter's price corrections. The eurozone and Pacific ex-Japan were the only regions where the portfolio lagged.

PERSPECTIVE AND OUTLOOK

Readers of our year-end report will recall that we held, amongst ourselves, widely diverging views about the investment implications of the US election result. Fortunately, in our investment system, consensus is neither required nor sought. As it turned out, subsequent events would have dashed whichever consensus we might have hammered out. Had we sided with the optimists, who focused on prospective infrastructure investment and tax reforms, we would have had to postpone our hopes, given the Trump administration's fumbling efforts to make headway toward anything requiring Congressional action. Had we sided with the pessimists, who feared harm to international trade, curtailed private-sector capital investment, and rising inflation, we would have had to eat crow when confronted with the rebound of EMs and the general strength of economic data and earnings reports. Pessimists also did not expect the renewed surge in stocks of the fastest-growing companies, which required optimism about the duration of their rapid growth as well as about the rate at which to discount their future profits back into the present.

Our response to the election was stoical non-response: we stuck to our last, parsing which companies could be relied upon to deliver profitable growth, and worrying about what we were being asked to pay for those companies. If all we did in the wake of the election was avoid the temptation to let our emotions, whether happiness or dismay, sway our investment decisions, it nonetheless feels today like a victory for process and discipline.

While we resist making wholesale, top-down portfolio decisions based on political policy predictions, it is not the case that we don't think about politics. Rather, our tendency is to think about politics in terms of potential threats to individual companies' profitability and as a source of risk to portfolio concentrations. From this perspective, we currently see more sources of risk than usual in the world. The UK's intention to leave the European Union, induced by politics, seems highly risky to us. The risk of policy missteps by the Trump administration seems high, particularly in the sphere of trade. Military-conflict risks also seem high, with the potential for tensions on the Korean Peninsula to spin out of control sitting at the top of our list of worries. In general, these risks, although elevated, are best defended against by portfolio diversification and by choosing to invest in the most-resilient companies.

Given the indicators of improving economic growth around the world that could foster expanding corporate profit growth more generally, greater optimism may well be warranted. Over the remainder of the year, we expect to wrestle repeatedly with the question of whether the last eight years' "long, hard slog" of recovery from the global financial crisis is at last reaching its end.

We continue to aim for longer-term insights and more durable trends in constructing our portfolio. Our consumer analyst Maria Lernerman, CFA discusses one emergent area of rapid and increasingly reliable growth: the online retailing space.

> This year has not been kind to traditional US retailers, as bankruptcies and store closures continue to pile up. Their online sales are growing, but for many this does not compensate for weak in-store sales. E-commerce is not the only reason for the malaise, but it is a big one.
>
> Many investors have viewed makers of branded goods sold through third-party retailers as more insulated from changing purchasing behavior than the traditional retailers themselves. Consumers tend to seek out their favorite brands in whichever venue suits them, making the shift from brick-and-mortar to online channels less troublesome for the brand owner. But the shift to e-commerce retailing companies is proving to be disruptive to brands as well as to stores, as increasingly informed and empowered consumers grow resistant to paying premium prices for merchandise whose brand conveys no meaningful difference in quality of construction or design.
>
> Online shopping is not a new phenomenon. Why does it seem to have become so disruptive now? For one, online merchandise selection continues to improve. Platforms like Amazon enable little-known manufacturers to sell directly to consumers, and ongoing investments in logistics that now allow seamless shopping across national borders have multiplied the opportunity. Emerging brands have benefited from the expanded advertising services offered by e-commerce and social media platforms to promote their products. Peer reviews, consumer-protection policies, and better shipping and return terms increasingly offered by the platform sellers have lowered the risks of purchasing lesser-known brands and larger-ticket merchandise online.
>
> As a result, even the strongest consumer-goods brands feel pressured to accelerate innovation, improve design, and shorten time to production, all of which require greater employee coordination and faster decision-making. Producers are having to work more closely with their suppliers and to re-evaluate their sourcing choices. When speed and flexibility are crucial, ordering from local sources can sometimes make sense despite the higher cost. **Nike**, for example, envisioned the benefits of sourcing locally early on, and is working with its suppliers towards establishing automated facilities close to its markets that are fast, responsive, and able to manufacture customized products efficiently at scale.
>
> Having a range of desirable merchandise, whether customized or otherwise differentiated, allows branded-goods companies to steer consumers to the brands' own websites. On the other hand, major e-commerce retailing platforms such as Amazon are training their customers to habitually start their search at the platform with incentives such as faster shipping and the broadest product assortment. Expanding the range of fast-moving products is one of the ways e-commerce platforms can improve order frequency. In China, JD.com and Alibaba, the two e-commerce heavyweights, have been making progress in selling food. The nature of the products has necessitated a rethink of logistics, including partnerships with traditional retailers and experimentation with innovative delivery methods like crowdsourcing.
>
> Logistics innovation is particularly important in reaching consumers who have yet to shop online. Even in China, a market with one of the highest e-commerce penetration rates in the world, the user rate in smaller cities is a low 62% relative to the 89% rate in larger cities. To attract more rural customers, the dominant online retailers have established local offices to assist with ordering, selling, and delivery.
>
> Online shopping is even less prevalent in many other developing markets, where e-commerce penetration rates are still in the single digits. Amazon's announced acquisition of Souq, the dominant Middle Eastern online-shopping platform, along with its expansion of Prime in Mexico and its logistics buildout in Southeast Asia reflect its ambitions in these markets. India is a key battleground market; companies are investing billions of dollars in an effort to attain early dominance and protection against potential unfavorable regulations.
>
> Regulatory risk is not limited to developing markets: Australia is moving to levy a tax on many cross-border online purchases, while a possible border tax in the US would likely disrupt cross-border shopping for American consumers. The dominant platforms may even face antitrust action in the future, although in the US that would require some changes to current antitrust doctrine. Amidst the uncertainties, what is certain is the continued evolution of e-commerce, as experimentation and reinvention are key pursuits of the successful companies.

It is not a coincidence that many of our strongest-performing holdings during the quarter were companies enjoying secular tailwinds from the continued spread of e-commerce, especially mobile commerce companies whose businesses are optimized for today's installed base of an estimated two billion smartphones. Amazon, Priceline, Facebook, Ctrip (China's dominant online travel services company), and **Tencent** (China's dominant online gaming and social media company) are all experiencing a self-reinforcing growth dynamic known as the network effect, through which their services gain additional value as more consumers and businesses use them. These companies may look expensive on traditional measures such as price-to-earnings ratios, but we believe they have a reasonable chance to extend the duration of rapid growth beyond consensus expectations and thus "beat the fade" embedded in current share prices.

PORTFOLIO HIGHLIGHTS

In the last 12 months, the portfolio's weight in US companies has declined from 54% to less than 48%, leaving the portfolio almost 6 percentage points underweight the US relative to the MSCI ACWI at quarter-end. Conversely, the eurozone's weight in the portfolio has leapt from 8% to 13%. Our reduced US weight was not driven by political and economic uncertainty associated with the Trump administration, but instead reflects bottom-up valuation considerations.

Early in the quarter we reduced longstanding holdings in **First Republic Bank** and SVB Financial Group after sharp share-price appreciation left their valuations already reflecting much of the probable earnings growth from the multiple Federal Reserve rate hikes now expected by consensus in the US. We redeployed proceeds from these reductions into several high-quality, stable-growth companies we have long admired but previously found too expensive. In each case, the company's share price had fallen, seemingly due only to those same expectations of rising US interest rates.

Christian Hansen is a Danish biosciences company that develops cultures, enzymes, and probiotics for the food, nutritional, pharmaceutical, and agricultural industries. The company supplies technologies and ingredients to help its customers develop new products associated with improved nutrition, longer-lasting fresh foods, and wellness benefits. The highly profitable company has a history of strong organic growth and continuous product innovation.

Symrise is a German provider of flavors and fragrances and a leading player in a consolidating global industry characterized by high barriers to entry and favorable growth dynamics. Nearly a third of Symrise's sales are in faster-growing categories such as pet food, baby food, and cosmetics. The company produces some 30,000 products, primarily from natural ingredients such as vanilla, citrus fruits, onions, fish, meat, and plant materials. The resulting flavors, scents, active cosmetic ingredients, and aroma molecules help customers create unique product attributes, including increasing "all-natural" content.

Finally, **Reckitt Benckiser** is an Anglo-Dutch household-product and personal-care company that has proved over its 100-year history to be a formidable innovator and consumer-oriented marketing machine. The company's culture and business structure allow it to quickly adjust its product portfolio to capture evolving growth trends. Reckitt Benckiser has become one of the few fast-moving consumer-goods companies with an undivided focus on the consumer health and hygiene markets, where we expect growth to enjoy structural tailwinds. The company's entry into baby-food production through the acquisition of Mead Johnson should allow Reckitt Benckiser to outgrow peers and the market.

In closing, we offer our thoughts on the IT sector, a hotbed of innovative growth. One can find many companies in the sector that are, in the present moment, growing very fast. But from innovation comes the creative destruction of the previous paradigm. We have to be on our guard for the ever-present risk of rapid obsolescence, which is the flip side of the rapid-innovation coin. Establishing which companies can maintain their growth, as well as their profits, in the face of such existential threat is difficult, but well worth the effort when successful.

We have to be on our guard for the ever-present risk of rapid obsolescence, which is the flip side of the rapid-innovation coin.

We sold our shares in **Red Hat**, an open-source software and services provider, this quarter. We believed the shares fairly discounted the firm's mid-teens growth rate; however, we are concerned that the automation of technology services, epitomized by rapid innovation and the use of algorithms and "machine learning" technologies at Amazon Web Services, among others, threatens to disrupt the company's rapid earnings growth trajectory, a possibility that is not accounted for in its valuation. We will continue to monitor this issue and, if our fears prove misplaced, will revisit Red Hat.

GLOBAL EQUITY HOLDINGS (AS OF MARCH 31, 2017)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT.(%)
CONSUMER DISCRETIONARY		
AMAZON.COM Online retailer	US	1.4
CTRIP.COM Travel agent	China	1.2
LUXOTTICA Eyeglass frames and sunglasses designer	Italy	1.3
NIKE Global athletic footwear and apparel	US	3.0
PRICELINE Online travel search services	US	2.8
TELEVISA Media, broadcasting, and entertainment	Mexico	1.2
WPP Advertising and marketing services	UK	1.3
CONSUMER STAPLES		
COLGATE PALMOLIVE Household products	US	1.6
L'ORÉAL Beauty and personal care products	France	1.0
NESTLÉ Food company	Switzerland	1.3
PIGEON Baby care goods	Japan	1.2
RECKITT BENCKISER Home and hygiene products	UK	1.0
WALGREENS BOOTS ALLIANCE Pharmacy/wholesaler	US	1.1
ENERGY		
EXXON MOBIL Integrated oil and gas company	US	1.1
SCHLUMBERGER Oilfield services company	US	2.8
TENARIS Steel pipe manufacturer	Italy	1.1
FINANCIALS		
AIA GROUP Life insurance	Hong Kong	2.3
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	0.6
HDFC BANK Commercial bank	India	1.1
ICICI BANK Commercial bank	India	1.7
ITAU UNIBANCO Commercial bank	Brazil	1.2
LAZARD Financial advisory and asset management	US	1.4
SIGNATURE BANK Commercial bank	US	0.9
SVB FINANCIAL GROUP Commercial bank	US	2.4
HEALTH CARE		
ABBOTT LABS Health care and nutrition products	US	0.9
ABCAM Research antibody manufacturer/distributor	UK	0.7
AMERISOURCE BERGEN Pharmaceutical company	US	1.3
ESSILOR INTERNATIONAL Ophthalmic lens manufacturer	France	1.4
GRIFOLS Biopharmaceutical and diagnostics	Spain	1.5
LONZA GROUP Biopharmaceuticals/pharma manufacturing	Switzerland	1.4
M3 Medical information services	Japan	2.4
REGENERON Biotech company	US	1.7
SHIRE Prescription medication developer	UK	1.0
SONOVA HOLDING Hearing aid manufacturer	Switzerland	0.9
SYSMEX Clinical testing equipment	Japan	0.8
WATERS Analytic instruments for life sciences	US	1.2

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	1.0
KONE Elevator and escalator manufacturer	Finland	0.9
KUBOTA Farming and construction machinery	Japan	1.8
MAKITA Power tool manufacturer	Japan	0.9
MONOTARO Online distributor of maintenance supplies	Japan	1.1
ROPER Niche industrial business conglomerate	US	2.7
ROTORK Electric actuator maker	UK	0.7
VERISK Risk analytics	US	2.1
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
DASSAULT SYSTÈMES CAD/CAM software designer	France	1.1
F5 NETWORKS Network technology	US	2.1
FACEBOOK Social network	US	1.6
IPG PHOTONICS High performance fiber lasers/amplifiers	US	1.6
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	2.2
TENCENT Internet, mobile, and telecom provider	China	1.3
YANDEX Russian search engine	Russia	1.4
MATERIALS		
AIR LIQUIDE Industrial gas company	France	1.0
CHR. HANSEN Natural food ingredients producer	Denmark	1.1
LINDE Industrial gases and engineering	Germany	1.2
MONSANTO Seed, genomics, and agricultural products	US	0.9
NOVOZYMES Enzymes producer	Denmark	1.0
SASOL Refined product and chemicals group	South Africa	0.9
SYMRISE Global flavor and fragrance supplier	Germany	1.1
REAL ESTATE		
No holdings		
TELECOM SERVICES		
No holdings		
UTILITIES		
No holdings		
CASH		1.0

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.

1Q17 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	WEIGHT	CONTRIBUTION
PRICELINE	DSCR	2.6	0.53
MONOTARO	INDU	1.0	0.40
COGNEX	INFT	1.2	0.34
ROPER	INDU	2.7	0.34
FACEBOOK	INFT	1.5	0.33

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	WEIGHT	CONTRIBUTION
SVB FINANCIAL	FINA	2.9	2.10
COGNEX	INFT	1.2	1.04
FIRST REPUBLIC BANK	FINA	2.3	0.95
AMAZON.COM	DSCR	1.8	0.89
PRICELINE	DSCR	2.5	0.86

1Q17 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	WEIGHT	CONTRIBUTION
SCHLUMBERGER	ENER	3.0	-0.19
EXXONMOBIL	ENER	1.2	-0.11
TENARIS	ENER	1.1	-0.05
F5 NETWORKS	INFT	2.3	-0.03
M3	HLTH	2.6	-0.03

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	WEIGHT	CONTRIBUTION
NIKE	DSCR	3.2	-0.37
AMÉRICA MÓVIL	TCOM	0.4	-0.31
BAIDU	INFT	1.2	-0.18
GARANTI BANK	FINA	0.7	-0.18
ROCHE HOLDING	HLTH	0.8	-0.13

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL GLOBAL	MSCI ACWI
PROFIT MARGIN[1] (%)	15.7	10.8
RETURN ON ASSETS[1] (%)	7.7	5.4
RETURN ON EQUITY[1] (%)	15.2	13.7
DEBT/EQUITY RATIO[1] (%)	40.3	74.8
STD DEV OF 5 YEAR ROE[1] (%)	3.2	4.1
SALES GROWTH[1,2] (%)	6.7	1.5
EARNINGS GROWTH[1,2] (%)	11.0	6.9
CASH FLOW GROWTH[1,2] (%)	12.1	5.9
DIVIDEND GROWTH[1,2] (%)	10.7	8.0
SIZE & TURNOVER	**HL GLOBAL**	**MSCI ACWI**
WTD MEDIAN MKT CAP (US $B)	26.5	48.7
WTD AVG MKT CAP (US $B)	82.2	109.8
TURNOVER[3] (ANNUAL %)	20.7	–

RISK & VALUATION	HL GLOBAL	MSCI ACWI
ALPHA[2] (%)	0.87	–
BETA[2]	1.00	1.00
R-SQUARED[2]	0.94	1.00
ACTIVE SHARE[3] (%)	89	–
STANDARD DEVIATION[2] (%)	11.32	10.97
SHARPE RATIO[2]	0.86	0.81
TRACKING ERROR[2]	2.8	–
INFORMATION RATIO[2]	0.32	–
UP/DOWN CAPTURE[2]	102/96	–
PRICE/EARNINGS[4]	27.6	19.2
PRICE/CASH FLOW[4]	20.9	11.9
PRICE/BOOK[4]	3.7	2.2
DIVIDEND YIELD[5] (%)	1.2	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: April 5, 2017); Harding Loevner Global Equity Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
CHR. HANSEN	DENMARK	MATS
RECKITT BENCKISER	UNITED KINGDOM	STPL
SYMRISE	GERMANY	MATS

POSITIONS SOLD	COUNTRY	SECTOR
RED HAT	UNITED STATES	INFT

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 MARCH 31, 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]	9.60	9.48	7.05	6.53	11.16	10.65	10.50	N.A.[6]	28	8.342	19.53
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 46 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 by Ashland Partners & Company, LLP for the period November 1, 1989 through December 31, 2016.

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 December 31, 2016. 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.

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