

For months investors have seen some of their biggest gains from “COVID winners”; **Lonza**, in particular, has been a large beneficiary. The Swiss-based pharmaceutical maker—one of our best-performing stocks in July—has already begun setting up facilities with strategic partner Moderna to produce the latter’s promising vaccine candidate. Lonza’s chemical business, which it has been looking to sell, has also benefitted by capitalizing on the surging demand for anti-microbial household cleaners. The company’s real growth story, however, is much longer-term.

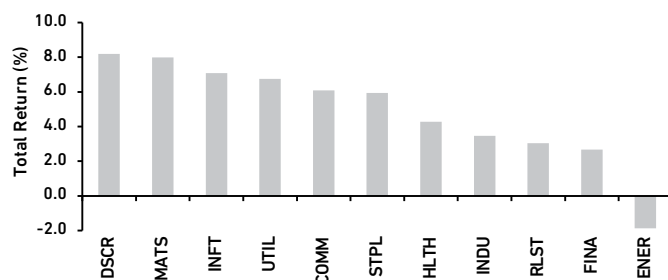
At its core, Lonza is a contract manufacturer—the world’s leader at a time when an increasing share of the pharmaceutical industry is moving to an outsourced manufacturing model. It makes everything from the gel capsules for nutritional supplements to cutting-edge molecular compounds. Year-over-year revenue growth for the first half of 2020 was 10.8% for this part of the business, before any positive vaccine effects flow through, and 7.7% overall\*, as antimicrobial sales offset slumping industrial sales (and presumably boost the price) of the soon-to-be-sold chemicals arm. Continued revenue growth at similarly elevated levels would seem to be in the picture for the foreseeable future.

\*Lonza growth rates are based on constant exchange rates.

#### PERFORMANCE (% TOTAL RETURN) FOR THE PERIODS ENDED JULY 31, 2020<sup>1</sup>

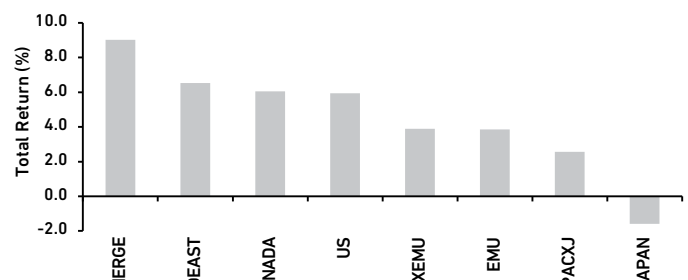
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL GLOBAL EQUITY (GROSS OF FEES)	6.52	11.89	23.27	12.98	12.70	12.45	10.32
HL GLOBAL EQUITY (NET OF FEES)	6.43	11.55	22.75	12.49	12.20	11.97	9.67
MSCI ALL COUNTRY WORLD INDEX <sup>4,5</sup>	5.33	-0.98	7.76	7.55	7.95	9.44	7.13
MSCI WORLD INDEX <sup>5,6</sup>	4.82	-0.93	7.82	8.11	8.12	10.22	7.21

#### BENCHMARK PERFORMANCE BY SECTOR – JULY



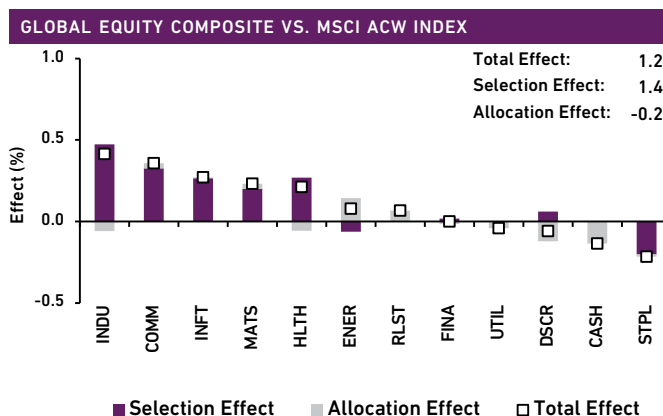
- E-commerce companies led the way for Consumer Discretionary as the worldwide pandemic drove more sales from traditional venues to online channels.

#### BENCHMARK PERFORMANCE BY GEOGRAPHY – JULY



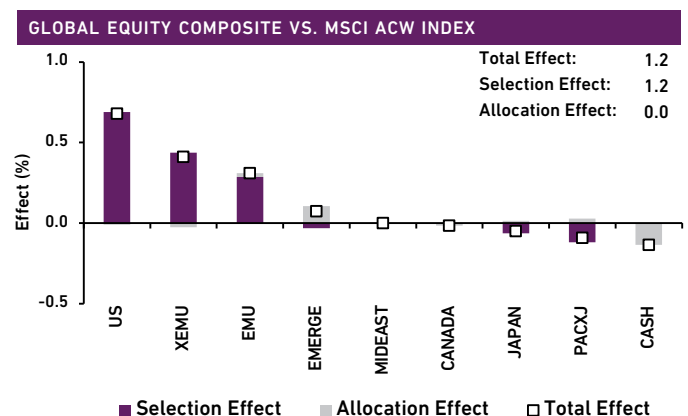
- Strong performance was seen across Emerging Markets, especially in China’s e-commerce and social media-related companies.

#### PERFORMANCE ATTRIBUTION BY SECTOR – JULY



- Roper**, a US-based industrial software, instruments and equipment manufacturer, led Industrials as management maintained its 2020 guidance, implying a strong rest of the year.
- Shiseido**, the Japanese Consumer manufacturer, underperformed as tourism-related retail sales in Japan dropped to virtually zero, even as the company shouldered high fixed costs from its marketing agreement with Dolce & Gabbana in Europe and its R&D center in the US.

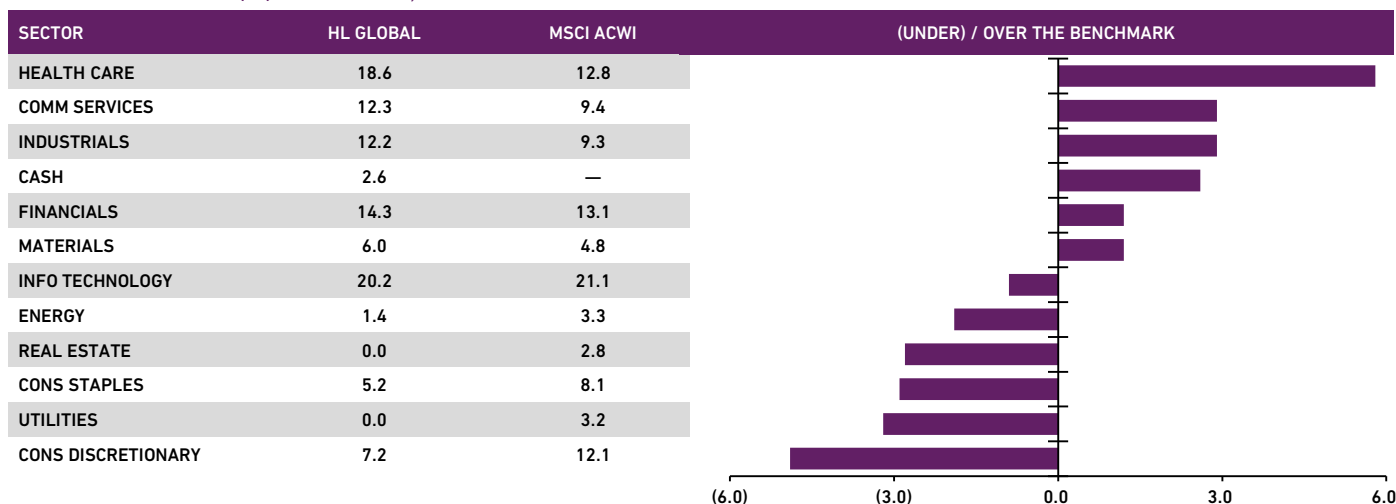
#### PERFORMANCE ATTRIBUTION BY GEOGRAPHY – JULY



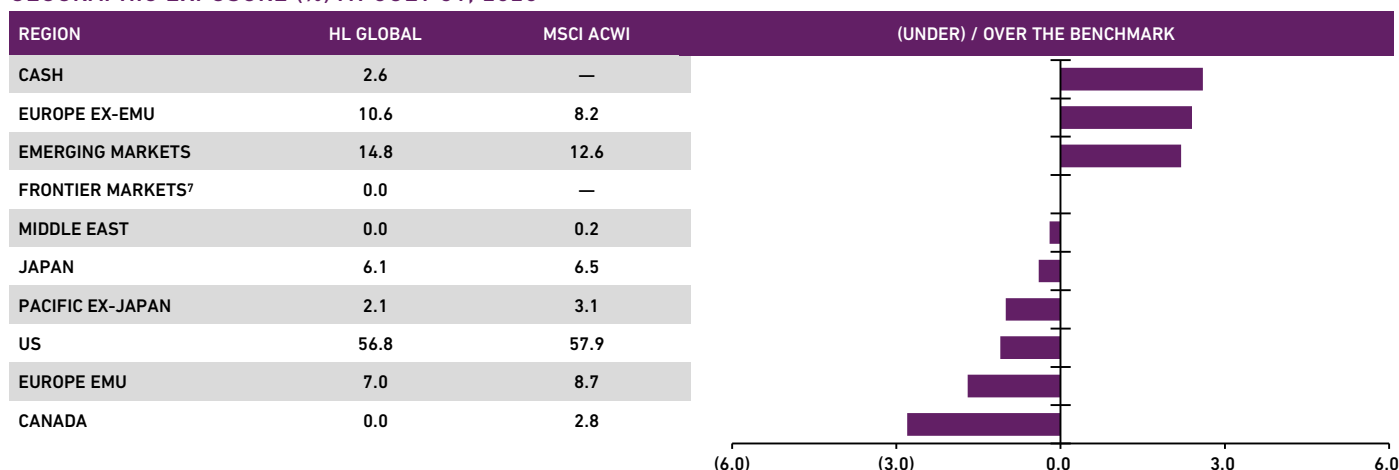
- The US was our strongest region, helped by **PayPal**, which delivered strong growth despite lower travel-related payments revenue.
- In Pacific ex-Japan, life insurer **AIA Group** suffered from subdued revenue expectations for its key market—Hong Kong—as the Chinese government’s new, more restrictive policies add to tensions that have already curtailed visits by mainland Chinese travelling there to purchase insurance policies.

Please read the disclosures on the last page, which are an integral part of this presentation.

## SECTOR EXPOSURE (%) AT JULY 31, 2020



## GEOGRAPHIC EXPOSURE (%) AT JULY 31, 2020



## ENDNOTES

(1) The July 2020 Composite performance shown is preliminary (2) Annualized returns (3) Inception date: November 30, 1989 (4) The Benchmark Index (5) Gross of withholding taxes (6) Supplemental Index (7) Includes countries with less-developed markets outside the Index.

## SOURCES

Benchmark Performance: FactSet; MSCI Inc. and S&P.

Sector/Geographic Attribution: FactSet; Harding Loevner Global Equity Composite; MSCI Inc. and S&P.

Sector/Geographic Exposure: FactSet; Harding Loevner Global Equity Model; MSCI Inc. and S&P.

## DISCLOSURES

The Global Equity Composite contains fully discretionary, fee-paying equity accounts investing in US and non-US equity and equity-equivalent securities and cash reserves, and is measured against the MSCI All Country World Total Return Index (Gross) for comparison purposes. 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. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner has been independently verified for the period November 1, 1989 through March 31, 2020. Verification assesses whether (1) the firm has complied with all composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policy and procedures are designed to calculate and present performance in compliance with GIPS standards. The Global Equity Composite has been examined for the periods December 1, 1989 through March 31, 2020. The verification and performance examination reports are available upon request. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the Global Equity Composite, please contact Harding Loevner at (908) 218-7900 or visit [www.hardingloevner.com](http://www.hardingloevner.com). The firm maintains a complete list and description of composites, which 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 49 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.

Companies held in the portfolio during the month appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings may not be current. They should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the securities identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner.

Portfolio holdings, portfolio attribution, and sector/geographic allocations are supplemental information only and complement a fully compliant Global Equity Composite GIPS Presentation, which is available upon request. The Composite and Attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is obtained from Harding Loevner's accounting system and Attribution returns are obtained from the FactSet portfolio analysis system. Please note returns from FactSet are not audited for GIPS compliance and are for reference only.

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