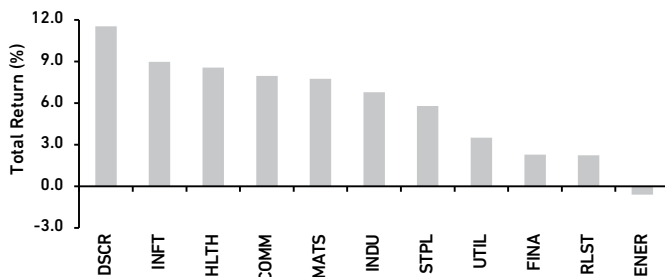


Health Care has been the strongest sector in 2020 as the coronavirus pandemic engulfed the planet, led by the stocks of biotechnology companies as they race to develop tests, treatments, and vaccines for COVID-19. The increased research activity has also boosted the shares of companies that play a supporting role. These businesses build the testing equipment, write the software, or provide other services for biotech companies as they seek to understand the pathogen and identify ways to defeat it.

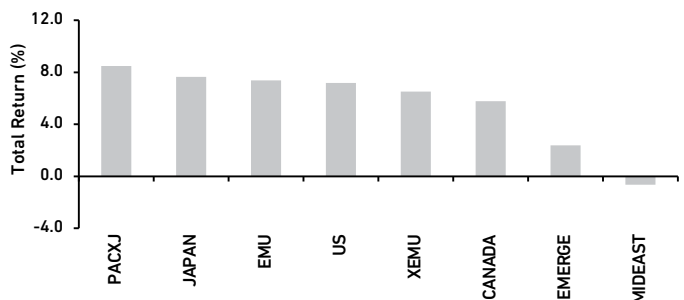
One such company is **STRATEC**, a German-based provider of R&D and contract manufacturing services to makers of medical diagnostic equipment. The company has seen strong demand for analyzers and other products used by labs to perform COVID-19 tests. Unlike some rivals, however, STRATEC has reported strong growth from testing unrelated to the pandemic. We attribute this success to the company's large investments in R&D and the launch of several new products in recent years. These include FACSDuet, an automated fluid- and tissue-sample preparation system it developed for client Becton Dickinson, and Simoa Disc, a low-cost array for Quanterix's testing equipment. Sales of both products have been strong as testing labs seek to improve their efficiency and reduce errors.

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

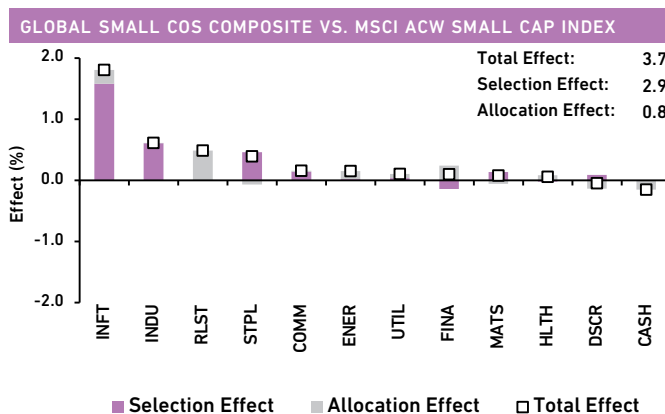
	1 MONTH	YTD	1 YEAR	SINCE INCEPTION <sup>2</sup>
HL GLOBAL SMALL COMPANIES EQUITY (GROSS OF FEES)	10.47	-2.02	12.16	19.26
HL GLOBAL SMALL COMPANIES EQUITY (NET OF FEES)	10.40	-2.38	11.17	18.20
MSCI ALL COUNTRY WORLD SMALL CAP INDEX <sup>3,4</sup>	6.63	-15.40	-2.91	4.16

**BENCHMARK PERFORMANCE BY SECTOR – MAY**


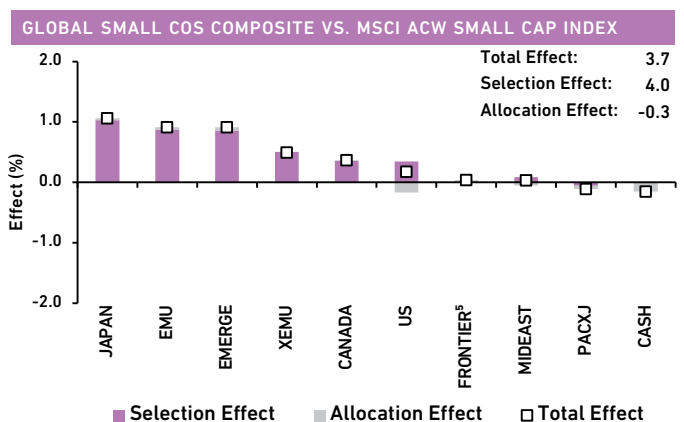
- Information Technology continued to outperform, largely due to the resilience of subscription-software companies, whose recurring revenues are less economically sensitive.

**BENCHMARK PERFORMANCE BY GEOGRAPHY – MAY**


- Stocks in developed markets rose as the number of new COVID-19 infections fell and many countries gradually reopened their economies.

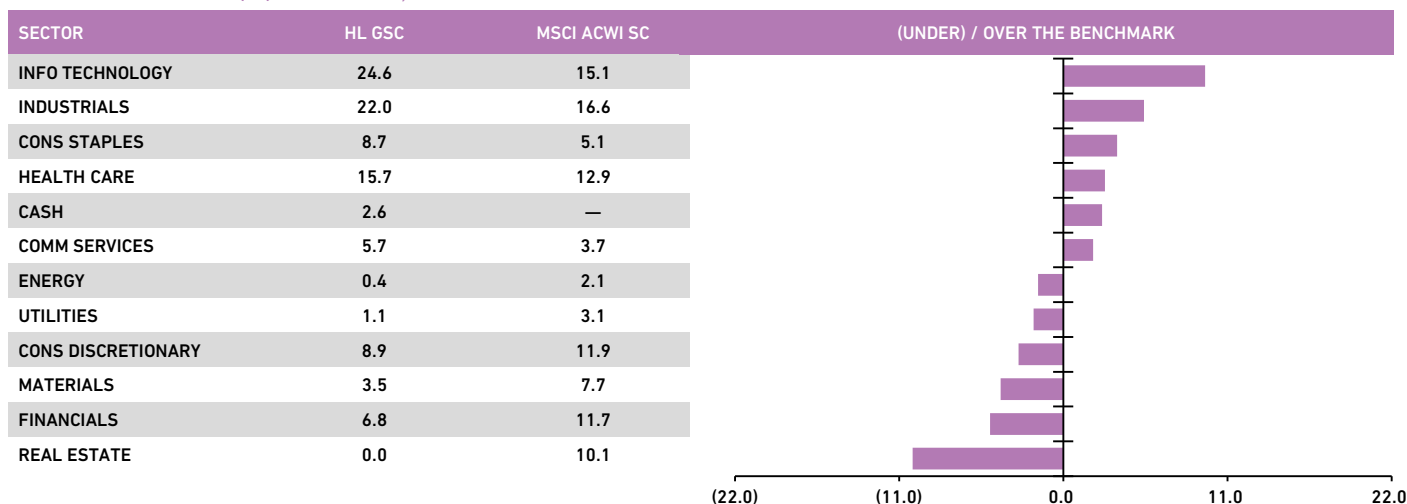
**PERFORMANCE ATTRIBUTION BY SECTOR – MAY**


- In Industrials, shares of contract manufacturer **Protolabs** rose following strong first-quarter earnings. During the pandemic this US-based maker of 3D-printed components nimbly shifted production to scarce parts for ventilators and medical diagnostic equipment.

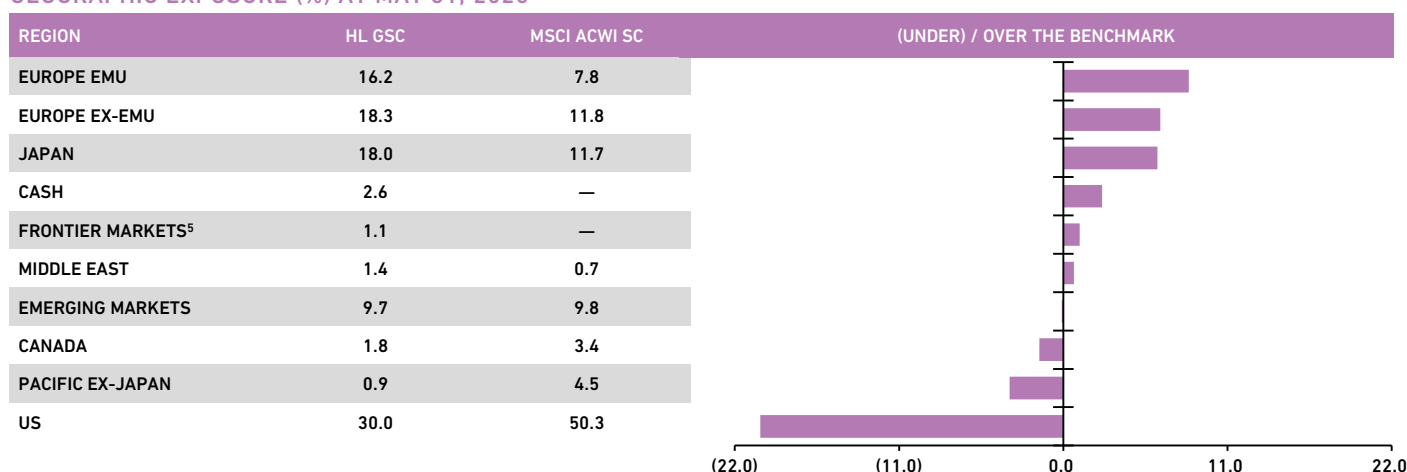
**PERFORMANCE ATTRIBUTION BY GEOGRAPHY – MAY**


- In the US, shares of animal health company **Elanco** fell after it reported a US\$60 million inventory reduction, an unexpected result of its decision to consolidate its US distribution network.

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



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



## ENDNOTES

(1) The May 2020 Composite performance shown is preliminary (2) Inception date: December 31, 2018 (3) The Benchmark Index (4) Gross of withholding taxes (5) 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 Small Companies Composite; MSCI Inc. and S&P.  
Sector/Geographic Exposure: FactSet; Harding Loevner Global Small Companies Model; MSCI Inc. and S&P.

## DISCLOSURES

The Global Small Companies Composite contains fully discretionary, fee-paying equity 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. For comparison purposes, the Composite is measured against the MSCI All Country World Small Cap Total Return Index (Gross). 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 December 31, 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. The Global Small Companies Composite has not received a performance examination. 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 Small Companies 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 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 12-17,240 million (as of March 31, 2020). You cannot invest directly in this Index.

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 Small Companies 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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