

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—among 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.

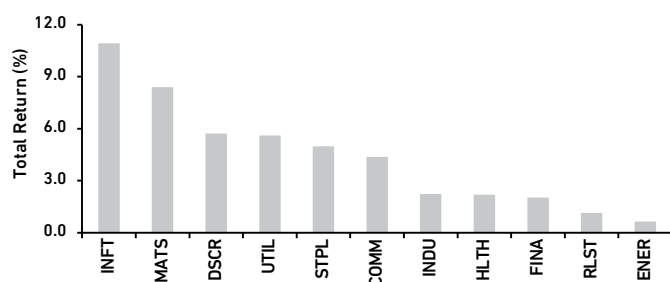
At its core, Lonza is a contract manufacturer—the world’s leader at a time when an increasing share of the pharmaceutical industry is moving to an outsourced manufacturing model. It makes everything from the gel capsules for nutritional supplements to cutting-edge molecular compounds. Year-over-year 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, 2020¹

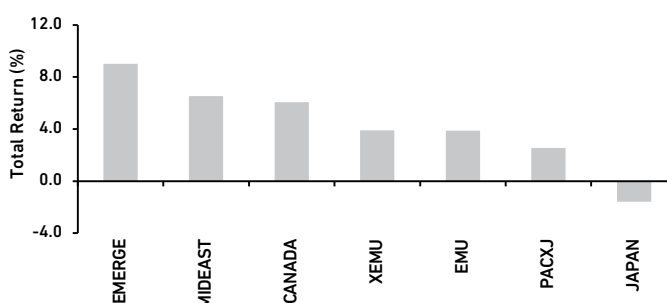
	1 MONTH	YTD	1 YEAR	3 YEARS ²	5 YEARS ²	10 YEARS ²	SINCE INCEPTION ^{2,3}
HL INTERNATIONAL EQUITY ADR (GROSS OF FEES)	6.22	2.29	11.24	5.32	6.80	7.80	8.18
HL INTERNATIONAL EQUITY ADR (NET OF FEES)	6.04	1.78	10.49	4.60	6.08	7.04	7.32
MSCI ALL COUNTRY WORLD EX-US INDEX ^{4,5}	4.50	-6.74	1.11	1.87	3.70	5.00	4.93
MSCI EAFE INDEX ^{5,6}	2.35	-8.97	-1.24	1.12	2.60	5.50	4.52

BENCHMARK PERFORMANCE BY SECTOR – JULY



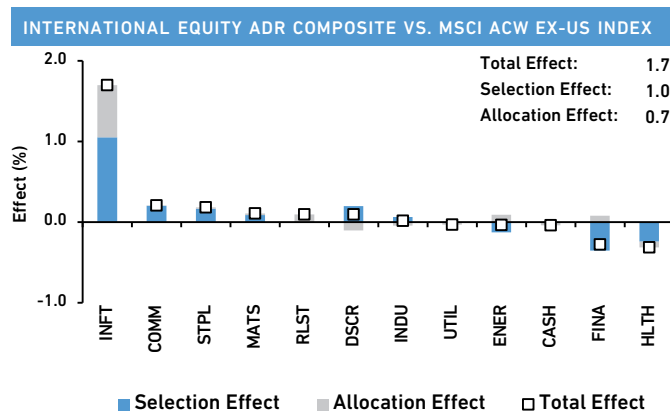
- Information Technology (IT) stocks were the strongest performers due to the positive effects for sector leaders—especially Taiwan-based semiconductor maker **TSMC**—from Intel’s failure to make progress on its next generation of chip design and the potential for more US chip manufacturing to be outsourced to foreign firms.

BENCHMARK PERFORMANCE BY GEOGRAPHY – JULY



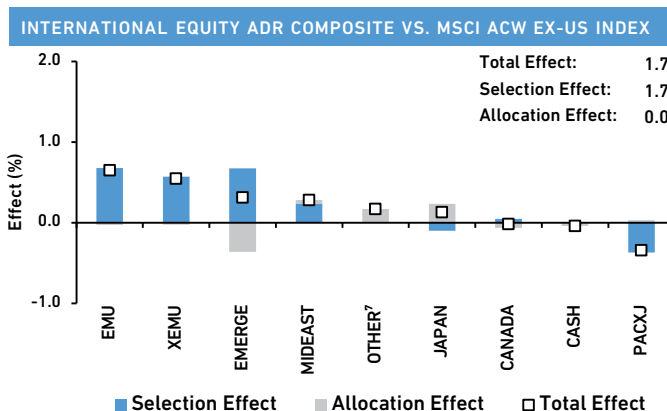
- Strong performance was widespread across Emerging Markets, especially among China’s e-commerce and social media-related stocks.

PERFORMANCE ATTRIBUTION BY SECTOR – JULY



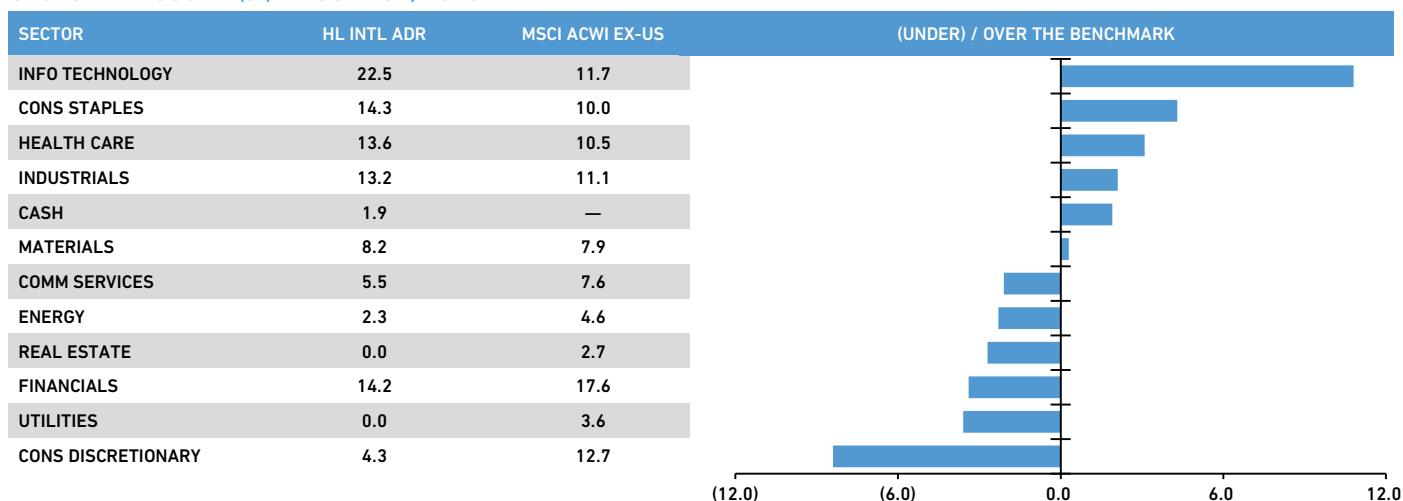
- IT was by far the greatest contributor to positive returns, and TSMC by far the greatest contributor in IT.
- In Financials, life insurer **AIA Group** suffered from subdued revenue expectations for its key market—Hong Kong—as the Chinese government’s new, more restrictive policies add to tensions in the city that have already curtailed visits by mainland Chinese travelling there to purchase insurance policies.

PERFORMANCE ATTRIBUTION BY GEOGRAPHY – JULY

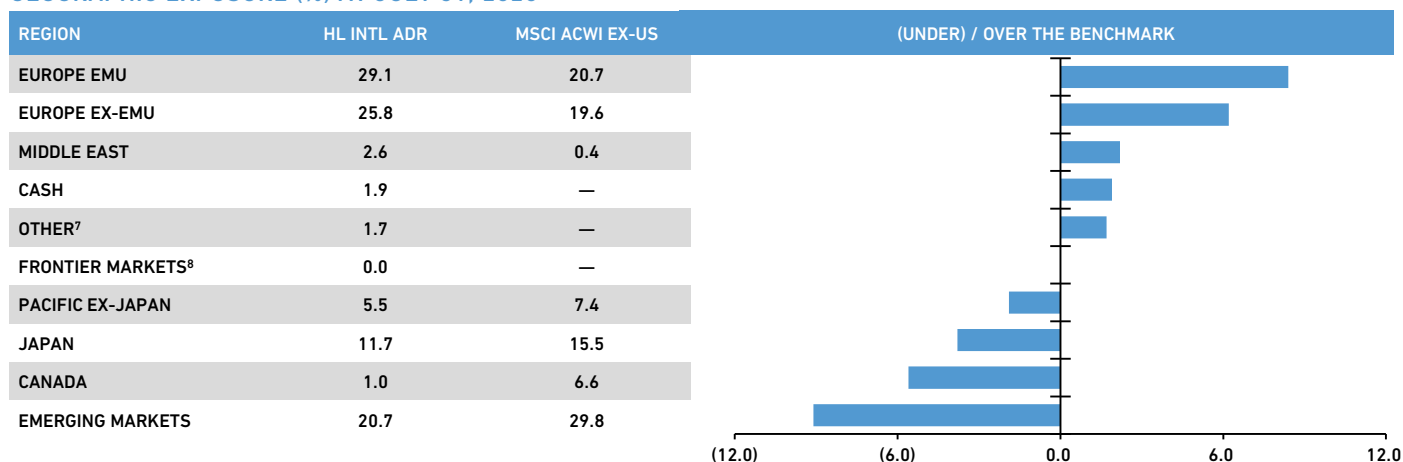


- Here again, TSMC was the primary driver of outperformance in Emerging Markets.
- Japan-based drug manufacturer **Chugai Pharmaceutical** underperformed after a rheumatoid arthritis drug that had previously shown promise in treating COVID-19 pneumonia failed to help all but the most critically ill patients.

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: December 31, 1989 corresponds to that of the linked International Equity Composite (4) The Benchmark Index (5) Gross of withholding taxes (6) Supplemental Index (7) Includes companies classified in countries outside the Index (8) Includes countries with less-developed markets outside the Index.

SOURCES

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

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

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

DISCLOSURES

The International Equity ADR Composite contains fully discretionary, fee-paying accounts investing in non-US equity and equity-equivalent securities and cash reserves. Securities are held in Depositary Receipt (DR) form, including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), or are otherwise traded on US exchanges. For comparison purposes, the Composite return is measured against the MSCI All Country World ex-US Total Return Index. From 1999 (when the net index first became available) through December 30, 2012, the index return is presented net of foreign withholding taxes. Beginning December 31, 2012, Harding Loevner LP presents the gross version of the index to conform the benchmark's treatment of dividend withholding with that of the Composite. Harding Loevner presents the gross version of the index to conform the benchmark's treatment of dividend withholding with that of the Composite. Harding Loevner 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 International Equity ADR Composite has been examined for the periods January 1, 1990 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 International Equity ADR Composite, please contact Harding Loevner at (908) 218-7900 or visit www.hardingloevner.com. The firm maintains a complete list and description of composites, which 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 48 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 and Canada. The Index consists of 21 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 International Equity ADR 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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