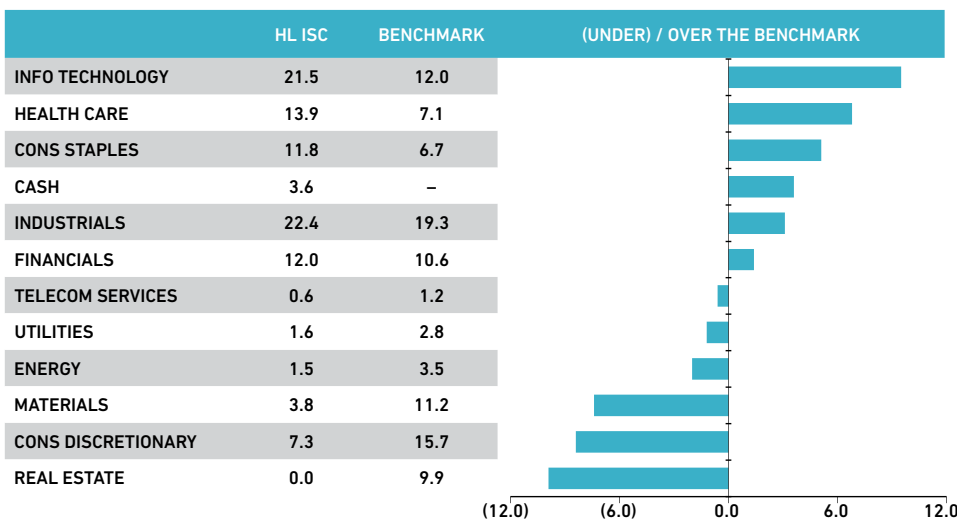
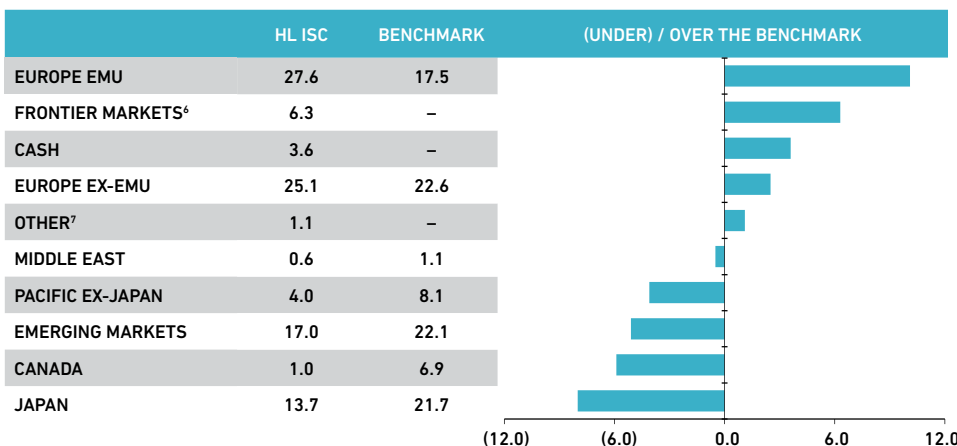


COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED DECEMBER 31 2017¹

	3 MONTHS	1 YEAR	3 YEARS ²	5 YEARS ²	10 YEARS ²	SINCE INCEPTION ^{2,3}
HL INTL SMALL COMPANIES (GROSS OF FEES)	5.69	37.61	13.64	13.02	9.13	9.89
HL INTL SMALL COMPANIES (NET OF FEES)	5.49	36.34	12.48	11.84	7.93	8.70
MSCI ALL COUNTRY WORLD EX-US SMALL CAP INDEX ^{4,5}	6.61	32.12	12.35	10.41	5.06	5.60

¹The Composite performance returns shown are preliminary; ²Annualized Returns; ³Inception Date: December 31, 2006; ⁴The Benchmark Index; ⁵Gross of withholding taxes.

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 (%)

GEOGRAPHIC EXPOSURE (%)


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

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

Source: Harding Loevner International Small Companies 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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MARKET REVIEW

Stocks of small-cap companies soared in 2017, outperforming large-cap and non-US companies.

Shares of the highest-quality and fastest-growing small companies performed best.

The eurozone outperformed this year amid the strong economy and “easy money” environment.

The IT sector surged thanks to strength in demand for semiconductor chips.

PORTFOLIO HIGHLIGHTS

Financial strength is one of our key investment criteria, leading the portfolio to have strong financial characteristics relative to the index.

We established positions in five high-quality companies in diverse sectors and countries whose shares were attractively priced.

MARKET REVIEW

The MSCI All Country World (ACW) ex-US Small Cap Index rose 6.6% in the fourth quarter of 2017, bringing the gain in the index for the full year to 32.1%, the strongest annual return since 2009's bounce back from lows amidst the global financial crisis. Revenues and earnings of non-US small-cap companies benefited from accelerating economic growth across developed and emerging markets. The weaker US dollar boosted stock returns to US-dollar-based investors. Returns to eurozone stocks especially benefited, as the euro rose 14% against the dollar in 2017.

Non-US small caps also had strong relative performance, ending the year more than 400 basis points ahead of large caps (MSCI ACW ex-US Index). Currency movements likely contributed to the gap. Weakening of the dollar dampens the earnings of non-US companies in their reporting currency. Larger companies are more likely to have global business footprints with significant dollar-denominated revenues, while smaller companies tend to focus domestically, where they are insulated, at least in the short run, from the revenue impact of exchange rate movements.

Non-US small caps also handily outperformed US small caps (MSCI US Small Cap Index) by over 1,400 basis points. In the

MARKET PERFORMANCE (USD %)

MARKET	4Q 2017	TRAILING 12 MONTHS
CANADA	3.5	13.5
EMERGING MARKETS	9.3	34.2
EUROPE EMU	3.6	42.9
EUROPE EX-EMU	4.8	31.1
JAPAN	8.8	31.7
MIDDLE EAST	5.6	35.7
PACIFIC EX-JAPAN	8.7	26.4
MSCI ACW EX-US SMALL CAP INDEX	6.6	32.1

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

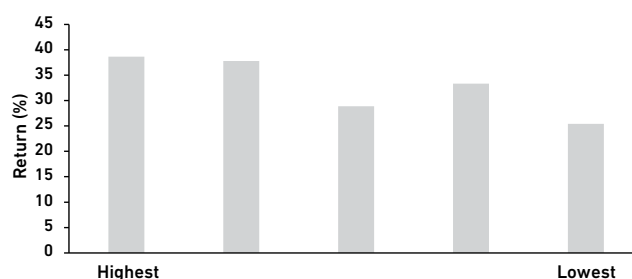
SECTOR	4Q 2017	TRAILING 12 MONTHS
CONSUMER DISCRETIONARY	6.7	29.0
CONSUMER STAPLES	9.2	29.4
ENERGY	2.6	0.6
FINANCIALS	3.2	29.1
HEALTH CARE	11.0	35.1
INDUSTRIALS	4.7	35.0
INFORMATION TECHNOLOGY	9.9	52.0
MATERIALS	8.3	33.2
REAL ESTATE	5.2	25.4
TELECOM SERVICES	7.8	35.5
UTILITIES	4.3	28.1

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

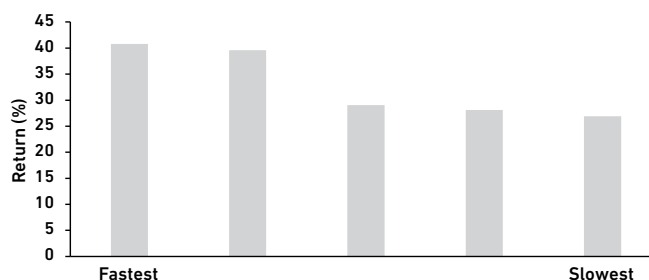
two months following the 2016 US presidential election, US small-cap stock prices soared in anticipation of pro-business policy changes, leaving their non-US counterparts behind. Non-US stocks caught up through the course of 2017, rising alongside the accelerating growth outside the US, especially in the eurozone.

Based on our categorizations, stocks of the highest-quality and fastest-growing companies performed best. Unsurprisingly, all regions and sectors rose in the fourth quarter and in the full year. By geography, the eurozone performed best in 2017 as small-cap stocks rose about 43% amid the strong economy and continued availability of inexpensive capital. The economic outlook for 2018 remains favorable, as indicated by strong domestic demand, capital expenditures, falling unemployment rates, and high business confidence, as reflected in the highest Eurozone Manufacturing Purchasing Managers' Index level since 1997.¹ "Easy money" also seems set to continue, with the European Central Bank reiterating only last month that it has decided to keep interest rates at present levels for an extended period of time.

MSCI ACW EX-US SMALL CAP INDEX PERFORMANCE BY QUALITY TRAILING 12 MONTHS



MSCI ACW EX-US SMALL CAP INDEX PERFORMANCE BY GROWTH TRAILING 12 MONTHS



Source: FactSet. Data as of December 31 2017, MSCI Inc. and S&P.

Harding Loevner's Quality and Growth rankings are proprietary measures determined using objective data. Quality rankings are based on the stability, trend, and level of profitability, as well as balance sheet strength. Growth rankings are based on historical growth of earnings, sales, and assets, as well as expected changes in earnings and profitability.

¹European Central Bank, *Eurosystem staff macroeconomic projections for the euro area*. (December 2017).

By sector, Information Technology (IT) performed best, up 52% during the year. Its most cyclical constituent industry—semiconductors—gained 72%, thanks to surging demand for computer chips for use in automobiles, industrial-automation equipment, data-center servers, and consumer appliances such as washing machines and refrigerators. Worldwide semiconductor revenue is estimated to have reached US\$411 billion in 2017, an increase of 19.7% from 2016.²

Energy was the worst-performing sector in 2017 due to low oil and gas prices, but it represents only 3.5% of the small-cap index weight. Unsurprisingly, Canada—which has many exploration and production companies—was 2017’s worst-performing “region” in the index.

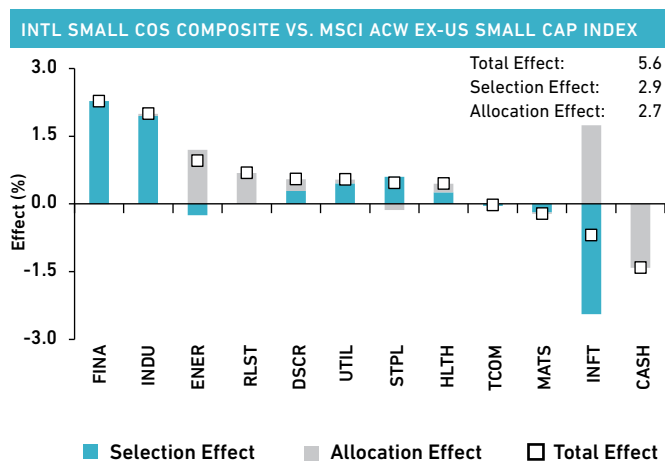
■ PERFORMANCE AND ATTRIBUTION

The International Small Companies composite rose 5.7% in the final quarter of 2017, lagging its benchmark’s 6.6% return. For the year, the composite advanced 37.6%, outpacing the benchmark’s 32.1% return. The following charts illustrate the sources of relative return for the year by sector and region, respectively.

Throughout the year, the market favored the high-quality, growing companies in which we invest. Our portfolio, however, did not keep pace with the rise of the index in the final quarter—primarily due to our poor stock selection in the software and services industry group within IT.

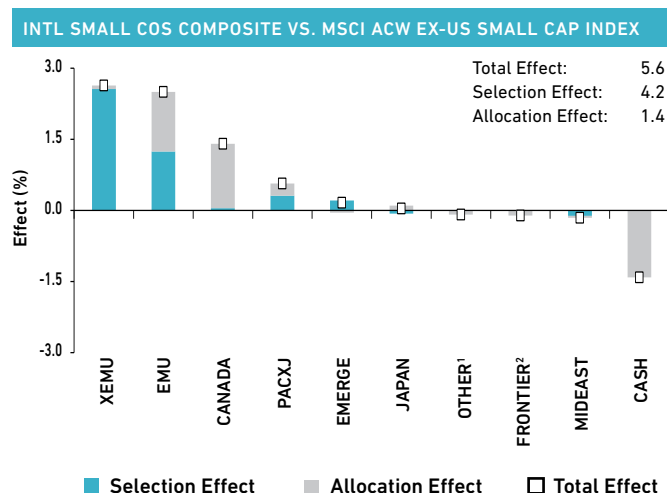
In 2017, our heavy overweight to IT helped relative returns, but we were not overweight in the semiconductors industry group, which outperformed the sector as a whole by 20%. However, we benefited from exposure to the strong semiconductor trend from stocks outside of the IT sector. One example is **Pfeiffer Vacuum Technology**, a company that makes sophisticated

SECTOR PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS



²Gartner, “Gartner Says Worldwide Semiconductor Revenue to Reach \$411 Billion in 2017,” news release, October 12, 2017.

GEOGRAPHIC PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS



¹Includes companies classified in countries outside the Index; ²Includes countries with less-developed markets outside the Index. Source: FactSet; Harding Loevner International Small Companies 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 page 1 of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS Presentation.

vacuum pumps used in semiconductor manufacturing that is nonetheless classified as an Industrial, not an IT, company. Its sales to chip makers grew by 59% year-over-year through the first nine months of 2017.

Our strong stock selection in Financials and Industrials more than overcame the overall detraction of IT. Within Financials, two banks in rapidly growing economies contributed to relative returns. In Bangladesh, **BRAC Bank**, under its relatively new CEO Selim Hussain, accelerated earnings growth to 50% year-over-year by reducing lending to corporate borrowers in favor of more-profitable loans to small- and medium-sized businesses. In India, mortgage lender **GRUH Finance** grew earnings by 23% in the six months ended September 30. We expect GRUH to benefit from the Indian government’s multi-year affordable housing development plan. Its stock’s surge in the second half of the year suggests the market now shares our enthusiasm and we exited our position in December due to valuation concerns.

Our stock selection in Europe was very strong in 2017, especially outside of the EMU. Swiss-based **Bossard**—a distributor of industrial screws, nuts, and bolts—profited from broad-based economic growth in Europe. Also, demand from two of its largest clients surged—Tesla introduced new models and

Companies held in the portfolio during the year 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 December 31, 2017 is available on page 6 of this report.

Deere saw a cyclical recovery in the agricultural machinery industry. These factors enabled Bossard to grow revenues by 14% through the first nine months of 2017 over the same period in 2016.

Our 2017 efforts were not without mistakes. We maintained an average cash level of 4.6% (just below our portfolio limit of 5%), which was a costly drag in a year of high returns. Our IT stocks, including [Infomart](#), [Alten](#), and [Wasion Group Holdings](#) were the next largest detractors. We sold Wasion in September due to concern about rising competition in the Chinese smart meter market. Another detractor was our holding in Kazakh oil producer [Nostrum Oil & Gas](#). When the company failed to meet its December target for completing a gas-treatment facility that will more than double its production capacity to 100,000 barrels of hydrocarbon liquids per day, its stock price slumped.

■ INVESTMENT PERSPECTIVES

Economic forecasters and market strategists are celebrating the continued economic growth and exceptionally strong returns of small caps. Sell-side analyst estimates of revenues and earnings paint a rosy picture for the year ahead.

We offer no such prognostications. Instead, we remain focused on monitoring what we can effectively assess. Financial strength is one of the key criteria we apply when considering any company for investment. We monitor financial strength through ratios such as debt-to-equity and liquidity measures such as earnings before interest and taxes (EBIT) over interest expense. Strong financials are especially crucial in the small-cap universe, where a weak balance sheet could rapidly lead to an existential crisis. Unlike larger companies, small caps tend to have a smaller range of product and therefore are more dependent on potentially volatile niche markets, and they have fewer avenues for accessing capital if business turns sour.

Healthy balance sheets can also be a source of competitive advantage when interest rates are high or the business cycle weakens. During difficult times, financially strong companies can continue to allocate capital to where they see the promise of returns, and they don't have to delay R&D activities or investment projects at the cost of undermining their ability to sustain their growth in revenues and earnings.

During difficult times, financially strong companies can continue to allocate capital to where they see the promise of returns.

[LEM Holdings](#), which we have owned since the strategy's inception in 2006, used its strong cash flows to continue investing during the Great Recession. The company makes transducers—devices that control and measure current and voltage—for applications such as elevators, electric trains, and industrial machinery. LEM has had a net cash position since 2006. During the

global financial crisis, when capital markets were impaired and credit was tight, LEM used its cash flows to continue investing in the development of new products for the emerging market in electric and hybrid vehicles. It also strengthened its global distribution and sales network and opened an office in India. As a result, the company was able to build a leading (50%) market share in electrical transducers, even while delivering healthy earnings growth.

During the global financial crisis, LEM used its cash flows to continue investing in the development of new products for the emerging market in electric and hybrid vehicles.

We are not rigid in assessing the adequacy of companies' financial strength. We may qualify a company with high leverage or low interest-coverage ratios if we believe its business is of sufficiently high quality in other respects and in whose potential for future growth we have sufficiently high confidence. In such marginal cases, our analysts will incorporate specific balance sheet improvement goals when setting the mileposts against which we monitor companies' progress toward our expectations.

An example is [Sensata Technologies](#), a manufacturer of sensors and controls for the automotive and industrial market. When our analyst initiated coverage in April 2016, Sensata was highly leveraged. The high debt was the result of Bain Capital's leveraged buyout of the company in 2006, four years prior to its initial public offering in 2010. Though its ratio of net debt to earnings before interest, taxes, depreciations, and amortization (EBITDA) of 4.6x was well above our preferred level, we chose to admit Sensata to our investment universe on the basis that its strong competitive advantage would result in healthy sales growth, margins, and cash flows that would enable it to continue to pay down debt. Sensata's automotive and industrial customers rely on its innovative and competitively priced products to improve vehicle safety and advance manufacturing plant efficiency. In qualifying the company, our analyst set as a milestone a reduction of its net-debt-to-EBITDA ratio to 3.0x or below by the end of 2017. As we had expected, Sensata has advanced toward this target every quarter since the first quarter of 2016. We purchased the shares in August 2017, when the ratio was already down to 3.3x. In November, management said it would be down to 3.0x by year-end 2017.

The result of our company-level analysis is a portfolio with strong financial characteristics relative to the index. As shown in the following table, the weighted median debt-to-equity ratio for our portfolio holdings is about 20% compared with nearly 50% for the index. Furthermore, over half of the companies in our portfolio have net cash on their balance sheets.

MEASURES OF FINANCIAL STRENGTH DECEMBER 31, 2017

	Debt/ Equity	EBIT/Interest Expense	Net Debt/ EBITDA
HL Intl Small Cos Model	19.7	41.5	-0.2
MSCI ACW ex-US Small Cap Index	49.5	9.0	1.0

Source: FactSet. Weighted median.

■ PORTFOLIO HIGHLIGHTS

In the fourth quarter, we sold our positions in **Clicks Group**, GRUH Finance, and Pfeiffer Vacuum Technology and trimmed positions in several other strongly performing stocks that had become overvalued, including **Alten**, **Bechtle**, **Vaisala**, and BRAC Bank.

We used the cash from these sales to establish positions in high-quality growth companies whose stocks appeared more attractively priced:

Clarkson, the world's largest shipbroker. Clarkson provides a wide range of shipping-related services—from contracting shipyards to build new ships to chartering cargo vessels. Clarkson's industry-leading investment in advanced software and a fully staffed research department allows it to harvest proprietary datasets on vessels, shipping companies, and shipyards, from which it is able to glean insights on the industry. Clarkson sells both the raw data and data analyses to clients; it also uses the information to source more shipping deals than its competitors, thereby growing faster than the industry.

Security Bank, a commercial bank in the Philippines. We expect the bank to grow as demand for financial services accelerates in its home market. The company's proven ability to assess credit risks places it at a strong competitive advantage in a national market that lacks a fully functioning credit bureau.

SH Kelkar, the largest local fragrance and flavors company in India. With over 20% market share in fragrances and about 4% in flavors, the company should continue to benefit from strong demand as the middle class expands, leading to greater adoption of cosmetics, household care products, confections, and other consumer products that incorporate its ingredients.

We also purchased **Kinaxis** and **RIB Software** and added to several existing positions, including **Rubis**, **RPC Group**, **Max Financial**, **Grupo Herdez**, **Intrum Justitita**, and **Kernel**, because their valuations appeared attractive.

INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF DECEMBER 31, 2017)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)	SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
CONSUMER DISCRETIONARY			BBA AVIATION Flight support and services		
ABC-MART Footwear retailer	Japan	0.3	BERTRANDT Engineering services	Germany	1.8
CHEIL WORLDWIDE Marketing services	South Korea	0.4	BOSSARD Fasteners distributor	Switzerland	2.0
DIGNITY Funeral services provider	UK	0.5	BRUNEL INTERNATIONAL Employment services	Netherlands	1.2
HIDAY HIDAKA Restaurants	Japan	2.8	CLARKSON Shipping services provider	UK	0.7
IPSOS Market research	France	1.1	DANIELI Builds iron and steel facilities	Italy	0.7
PICO FAR EAST HOLDINGS Events services	Hong Kong	1.5	HAITIAN Plastic injection molding machine maker	China	1.3
SHENZHO INTERNATIONAL Textile manufacturer	China	0.7	INTRUM JUSTITIA Credit management	Sweden	1.6
CONSUMER STAPLES			LISI Industrial fasteners manufacturer	France	2.2
ALICORP Consumer goods manufacturer	Peru	0.6	MISUMI GROUP Machinery parts distributor	Japan	1.0
ARIAKE Produces seasonings from meat products	Japan	1.5	MONOTARO Online distributor of maintenance supplies	Japan	0.4
BRITVIC Soft drink supplier	UK	0.8	RATIONAL Semi combi-steamers for industrial kitchens	Germany	0.5
COSMOS PHARMACEUTICAL Drug store operator	Japan	0.6	ROTORK Actuator maker	UK	0.5
EAST AFRICAN BREWERIES Beverage manufacturer	Kenya	0.7	RPS GROUP Environmental health, safety and risk	UK	1.6
EMAMI LIMITED Consumer health	India	0.8	SENIOR Aerospace and auto parts manufacturer	UK	1.5
GRUPO HERDEZ Processed foods	Mexico	1.2	SENSATA TECHNOLOGIES Sensor supplier	US	0.6
KERNEL Diversified agribusiness conglomerate	Ukraine	1.7	TOMRA Creates solutions to critical industries	Norway	1.8
KWS SAAT Agricultural products	Germany	1.2	INFORMATION TECHNOLOGY		
PRICESMART Membership club warehouse retailer	US	0.5	ADVANTECH Manufacturer and marketer of industrial PCs	Taiwan	0.4
TANZANIA BREWERIES Beverage manufacturer	Tanzania	0.6	ALTEN Technology consulting	France	2.0
VITASOY INTL HOLDINGS Soy-based foods & bev. mfg.	Hong Kong	1.5	ASM INTERNATIONAL Semiconductor equipment	Netherlands	1.4
ENERGY			BECHTLE IT servicing and IT product reseller	Germany	1.7
DIALOG GROUP BERHAD Petrochemical tech. services	Malaysia	0.6	CHIPBOND TECHNOLOGY Chip packaging service	Taiwan	1.0
NOSTRUM OIL & GAS Kazakhstani oil and gas company	UK	0.9	CYBERARK SOFTWARE Cybersecurity software	Israel	0.6
FINANCIALS			GLOBANT Software solutions	Argentina	1.0
ANADOLU HAYAT EMEKLILIK Life insurance/pension	Turkey	1.4	GMO PAYMENT GATEWAY Credit card transaction services	Japan	0.8
BANK OF GEORGIA Commercial bank	UK	1.5	HALMA Health and safety sensors	UK	0.8
BRAC BANK Commercial bank	Bangladesh	0.9	INFOMART Online restaurant supply chain operator	Japan	1.3
EQUITY BANK Commercial bank	Kenya	0.5	KINAXIS Supply chain software	Canada	1.0
JARDINE LLOYD THOMPSON Insurance brokerage	UK	0.5	LEM HOLDINGS Electrical components mfg.	Switzerland	1.5
MAX FINANCIAL Life insurance	India	2.6	PAX GLOBAL Electronic payments	China	0.9
MOSCOW EXCHANGE Clearing house and exchange	Russia	1.4	REPLY IT services company	Italy	2.4
RATHBONE BROS Wealth management	UK	1.7	RIB SOFTWARE Software developer	Germany	0.6
SECURITY BANK Commercial bank	Philippines	0.9	SMS Nursing care service provider	Japan	0.7
SURUGA BANK Retail bank	Japan	0.7	TEMENOS GROUP Banking software	Switzerland	0.8
HEALTH CARE			VAISALA Atmospheric measuring devices	Finland	2.4
ABCAM Research antibody mfg. and distributor	UK	2.1	MATERIALS		
BML Medical laboratory operator	Japan	1.5	CEMEX LATAM Multinational building materials company	Colombia	0.3
CARL ZEISS MEDITEC Ophthalmology systems	Germany	2.2	CHR. HANSEN Produces natural food ingredients	Denmark	0.5
DIASORIN Producer of reagents for diagnostics	Italy	0.5	DULUXGROUP Paints and varnishes manufacturer	Australia	0.7
EMIS GROUP Health care information technology	UK	0.7	RPC Plastic packaging manufacturer	UK	1.5
FINDEX Health care software developer	Japan	0.5	SH Kelkar Fragrance and flavors	India	0.8
GERRESHEIMER Specialty packaging manufacturer	Germany	1.3	REAL ESTATE No holdings		
INTEGRATED DIAGNOSTICS Medical laboratory services	Egypt	1.4	TELECOM SERVICES		
NAKANISHI Dental tool manufacturer	Japan	1.5	TOWER BERSAMA Wireless telecom towers	Indonesia	0.3
SQUARE PHARMACEUTICALS Pharma manufacturer	Bangladesh	0.9	TPG TELECOM Telecom services	Australia	0.2
STRATEC BIOMEDICAL Diagnostic equipment manufacturer	Germany	1.5	UTILITIES		
INDUSTRIALS			RUBIS Liquid chemical storage and distribution	France	1.6
ALFA LAVAL Heat exchangers/separation/fluid handling eqpt.	Sweden	0.7	CASH 3.6		
ARCADIS Engineering consulting services	Netherlands	1.6			

Model Portfolio holdings are supplemental information only and complement the fully compliant International Small Companies 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.

4Q17 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
LEM HOLDINGS	INFT	1.5	0.45
STRATEC BIOMEDICAL	HLTH	1.5	0.38
CARL ZEISS MEDITEC	HLTH	2.0	0.37
BERTRANDT	INDU	1.5	0.32
BRAC BANK	FINA	1.0	0.32

4Q17 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
INFOMART	INFT	1.5	-0.29
LISI	INDU	2.4	-0.25
ALTEN	INFT	2.4	-0.23
REPLY	INFT	2.4	-0.22
NOSTRUM OIL & GAS	ENER	0.8	-0.19

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL ISC	ACWI EX-US SC
PROFIT MARGIN ¹ (%)	9.3	7.0
RETURN ON ASSETS ¹ (%)	8.6	5.2
RETURN ON EQUITY ¹ (%)	14.6	10.3
DEBT/EQUITY RATIO ¹ (%)	19.7	49.5
STD DEV OF 5 YEAR ROE ¹ (%)	2.7	3.7
SALES GROWTH ^{1,2} (%)	4.4	0.7
EARNINGS GROWTH ^{1,2} (%)	11.7	9.9
CASH FLOW GROWTH ^{1,2} (%)	12.4	8.6
DIVIDEND GROWTH ^{1,2} (%)	6.5	4.2
SIZE & TURNOVER	HL ISC	ACWI EX-US SC
WTD MEDIAN MKT CAP (US \$B)	2.1	2.1
WTD AVG MKT CAP (US \$B)	2.8	2.5
TURNOVER ³ (ANNUAL %)	31.0	-

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
BECHTLE	INFT	2.9	1.60
BOSSARD	INDU	2.2	1.56
REPLY	INFT	2.2	1.49
VAISALA	INFT	2.8	1.43
CARL ZEISS MEDITEC	HLTH	2.1	1.37

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
PAX GLOBAL	INFT	1.4	-0.48
NOSTRUM OIL & GAS	ENER	0.5	-0.33
FINDEX	HLTH	0.4	-0.20
WASION GROUP HOLDINGS	INFT	0.8	-0.13
DIGNITY	DSCR	0.7	-0.10

RISK & VALUATION	HL ISC	ACWI EX-US SC
ALPHA ² (%)	3.67	-
BETA ²	0.87	-
R-SQUARED ²	0.86	-
ACTIVE SHARE ³ (%)	97	-
STANDARD DEVIATION ² (%)	10.61	11.28
SHARPE RATIO ²	1.20	0.90
TRACKING ERROR ²	4.2	-
INFORMATION RATIO ²	0.63	-
UP/DOWN CAPTURE ²	97/76	-
PRICE/EARNINGS ⁴	23.2	16.3
PRICE/CASH FLOW ⁴	15.8	11.5
PRICE/BOOK ⁴	3.1	1.7
DIVIDEND YIELD ⁵ (%)	1.8	2.2

¹Weighted median; ²Trailing five years, annualized; ³Five-year average; ⁴Weighted harmonic mean; ⁵Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner International Small Companies Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: January 4, 2018); Harding Loevner International Small Companies Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
CLARKSON	UNITED KINGDOM	INDU
KINAXIS	CANADA	INFT
RIB SOFTWARE	GERMANY	INFT
SECURITY BANK	PHILIPPINES	FINA
SH KELKAR	INDIA	MATS

POSITIONS SOLD	COUNTRY	SECTOR
CLICKS GROUP	SOUTH AFRICA	STPL
GRUH FINANCE	INDIA	FINA
PFEIFFER VACUUM TECHNOLOGY	GERMANY	INDU

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 International Small Companies Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

INTERNATIONAL SMALL COMPANIES COMPOSITE PERFORMANCE (AS OF DECEMBER 31, 2017)

	HL ISC GROSS (%)	HL ISC NET (%)	ACWI EX-US SMALL CAP ¹ (%)	HL ISC 3-YR STD DEVIATION ² (%)	ACWI EX-US SMALL CAP 3-YR STD DEVIATION ² (%)	INTERNAL DISPERSION ³ (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS (\$M)	FIRM ASSETS (%)
2017 ⁴	37.61	36.34	32.12	10.76	11.54	N.M. ⁵	3	323	0.60
2016	0.79	-0.22	4.29	10.78	12.15	N.M.	2	154	0.40
2015	5.83	4.63	2.95	10.26	11.32	N.M.	1	95	0.29
2014	-2.12	-3.14	-3.69	12.30	13.13	N.M.	3	157	0.45
2013	28.37	26.92	20.13	16.41	16.65	N.M.	3	166	0.50
2012	25.73	24.31	18.96	19.24	19.96	N.M.	2	119	0.53
2011	-11.90	-12.80	-18.21	23.37	23.89	N.M.	2	84	0.62
2010	25.94	24.40	25.58	28.53	30.38	N.M.	1	18	0.16
2009	75.88	73.80	63.50	26.81	28.45	N.M.	1	8	0.13
2008	-47.01	-47.67	-50.01	+	+	N.M.	1	3	0.09
2007	17.80	16.73	11.11	+	+	N.M.	1	6	0.09

¹Benchmark Index; ²Variability of the Composite and the Index returns over the preceding 36-month period, annualized; ³Asset-weighted standard deviation (gross of fees); ⁴The 2017 performance returns and assets shown are preliminary; ⁵N.M.—Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year; +Less than 36 months of return data.

The International Small Companies Composite contains fully discretionary, fee paying international equity accounts investing primarily in non-US equity and equity-equivalent securities of companies with market capitalizations that fall within the range of the Composite's benchmark index which is described below. The investment objective of the Composite is long-term capital appreciation. For comparison purposes, the Composite is measured against the MSCI All Country World ex-US Small Cap 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 Small Cap Index is a free-float market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 46 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 43–10,158 million (as of December 31, 2017). You cannot invest directly in this Index.

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 for the period November 1, 1989 through September 30, 2017.

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 Small Companies Composite has been examined for the periods January 1, 2007 through September 30, 2017. The verification and performance exam 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 is not indicative of 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 Small Companies accounts is 1.00% annually of the market value up to \$20 million; 0.80% of amounts above \$20 million. 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 Small Companies Composite was created on December 31, 2006.