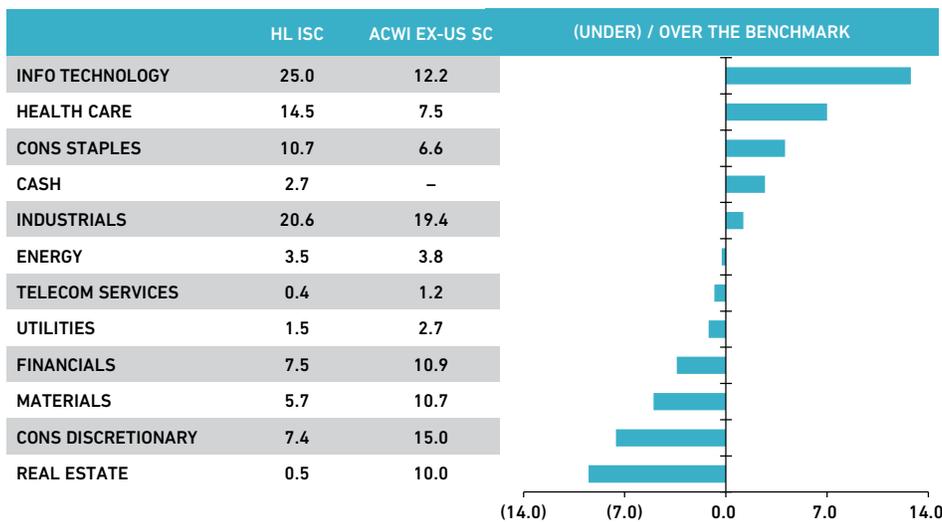
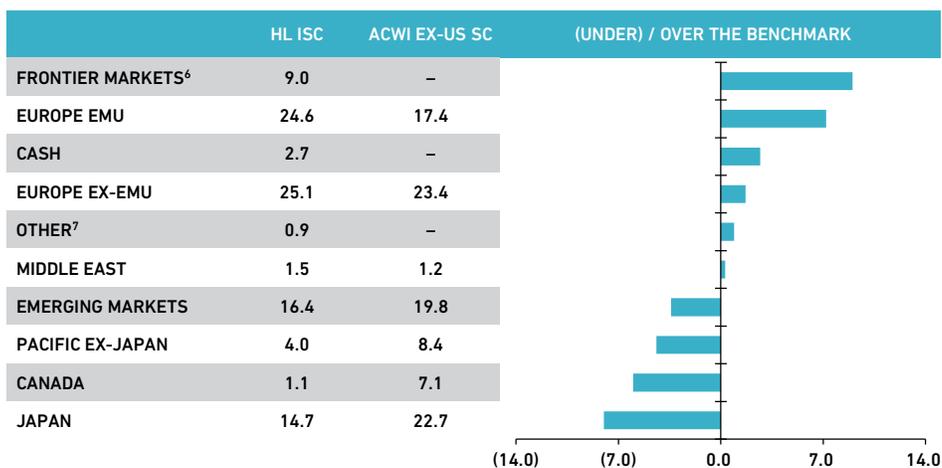


COMPOSITE PERFORMANCE (%TOTAL RETURN) FOR PERIODS ENDED JUNE 30, 2018¹

	3 MONTHS	YTD	1 YEAR	3 YEARS ²	5 YEARS ²	10 YEARS ²	SINCE INCEPTION ^{2,3}
HL INTL SMALL COMPANIES (GROSS OF FEES)	-1.08	-0.06	12.65	11.07	11.31	10.46	9.44
HL INTL SMALL COMPANIES (NET OF FEES)	-1.36	-0.61	11.53	9.93	10.16	9.24	8.25
MSCI ALL COUNTRY WORLD EX-US SMALL CAP INDEX ^{4,5}	-2.44	-2.71	10.97	8.33	9.36	6.14	5.10

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

International small company equities fell 2.4% in the second quarter as investors worried about the impact of rising US interest rates and the strengthening dollar, escalating global trade disputes, and signs that economic growth outside the US may be slowing.

The US economy continued to gain momentum, fueled by recent tax cuts, rising business investment, and moderate inflation. In June, the Federal Reserve increased interest rates for the seventh time in three years and announced plans for more hikes, which contributed to the dollar's strength against most major currencies. In contrast, on the other side of the Atlantic, the European Central Bank (ECB) revised downward its GDP growth estimate for 2018, noting "uncertainties related to global factors, including the threat of increased protectionism" and signaled that an end to quantitative easing was closer—but that rate hikes would not begin until 2019 at the earliest.¹ Given this apparent short-term divergence in economic performance, it is not surprising that the stocks of non-US small companies underperformed their American peers by over nine percentage points in the period.

Meanwhile, US President Donald Trump escalated his trade dispute with China and US allies alike. International small

MARKET PERFORMANCE (USD %)

MARKET	2Q 2018	TRAILING 12 MONTHS
CANADA	6.2	6.5
EMERGING MARKETS	-8.6	6.0
EUROPE EMU	-3.7	11.5
EUROPE EX-EMU	2.4	13.7
JAPAN	-3.1	14.5
MIDDLE EAST	-0.8	7.7
PACIFIC EX-JAPAN	-1.8	9.4
MSCI ACW EX-US SC INDEX	-2.4	11.0

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

SECTOR	2Q 2018	TRAILING 12 MONTHS
CONSUMER DISCRETIONARY	-3.1	9.0
CONSUMER STAPLES	-0.7	12.5
ENERGY	10.7	17.6
FINANCIALS	-5.1	4.2
HEALTH CARE	-1.3	18.8
INDUSTRIALS	-4.2	6.9
INFORMATION TECHNOLOGY	-1.5	22.4
MATERIALS	-3.0	9.1
REAL ESTATE	-1.9	11.0
TELECOM SERVICES	-2.2	2.1
UTILITIES	-3.3	4.6

Source: FactSet (as of June 30, 2018); MSCI Inc. and S&P.

companies tend on average to focus on their home markets, so many are relatively insulated from the effects of trade disputes. But an all-out trade war would affect all companies by slowing economic activity around the world. The principle of comparative advantage dictates that restraints on trade lead to higher costs and lower output. The further rise in populist movements elsewhere in the world, as illustrated in the results of recent elections in Italy and Mexico, only adds to prospects for increased protectionism and slower growth.

International small companies tend on average to focus on their home markets, so many are relatively insulated from the effects of trade disputes.

Energy was the only market sector to gain in the quarter, rising over 10% as oil prices hovered near three-year highs. In June, Russia joined with OPEC members in an agreement to boost production by one million barrels a day. The additional oil, however, is not thought sufficient to offset supplies lost to US sanctions against Iran and civil unrest in Venezuela. The Financials and Industrials sectors had the sharpest declines, as the Fed and the ECB continued to signal a reduction of quantitative easing at the same time as fears of slower growth rose amid trade tensions.

The strength of the dollar relative to most major currencies, especially those in developing countries, along with the rise in oil prices, added to the sharp decline of Emerging Markets (EMs) this quarter. Small-cap equities of every country in the EM region declined this quarter in US dollar terms. The best-performing "region," by far, was Canada, which benefits from higher oil prices. It was followed by Europe ex-European Monetary Union (EMU), where Norway, another oil-exporting country, rose.

By our categorizations, valuation was the most pronounced style factor to impact returns: the most-expensive quintile of companies in the index outperformed the cheapest quintile by 6.5 percentage points. The impact of growth and quality factors was more muted, although fast-growing and high-quality companies did best in the quarter.

PERFORMANCE AND ATTRIBUTION

The International Small Companies composite fell 1.1% in the quarter, compared with the 2.4% decline of its benchmark. The charts on the following page attribute the quarter's performance by sector and region.

Our strong stock selection in Information Technology (IT) contributed to the portfolio's outperformance, as did our large overweight in software and services, which outpaced the rest of the sector. In software and services, shares of **Infomart**, a

¹ European Central Bank, *Economic Bulletin*, no. 4 (June 14, 2018).

Japanese e-commerce company that serves the restaurant industry, continued their strong performance from the first quarter. The company reported a 13% increase in sales as more restaurants eliminated paper invoices by adopting Infomart's digital system.

Our stock selection within Energy was poor. Kazakhstan-based **Nostrum Oil & Gas** lowered its oil production targets for the year after the company encountered technical problems with two wells. Despite its challenges, we believe Nostrum's competitive advantages are formidable and its valuation remains attractive. In addition to enjoying low production costs, Nostrum also spends less than its competitors on transportation, because it owns the pipelines and railroad terminals that carry its products to ports.

Our stock selection in Japan contributed more to our relative returns than in any other region. Like Infomart, dentistry tool manufacturer **Nakanishi** released exceptional first-quarter results. Japan's Ministry of Health and Labor enacted stricter regulations requiring more frequent sterilization—in lieu of just cleaning—of dental equipment. Because sterilization takes more time, dentists bought additional instruments to use while others are sanitized. Nakanishi's dental equipment sales in Japan surged 77% in the quarter.

Although some investors see threats to the company's earnings potential from the growing trade dispute, over the longer term we still expect seaborne trade to continue to expand in line with the world's population.

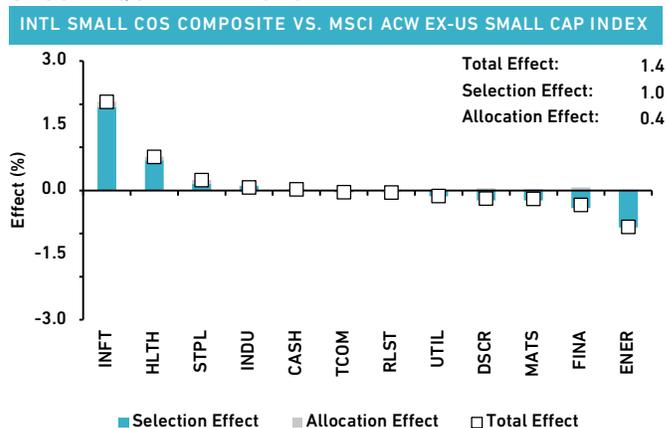
Our poor stock selection in Europe ex-EMU detracted from relative returns. In April, London-based shipbroker **Clarkson** warned that its 2018 profit would be lower than in 2017 due to weak demand for liquefied natural gas. Although some investors see threats to the company's earnings potential from the growing trade dispute, over the longer term we still expect seaborne trade to continue to expand in line with the world's population. Our underweight in Canada, the best-performing region this quarter, also detracted.

INVESTMENT PERSPECTIVES

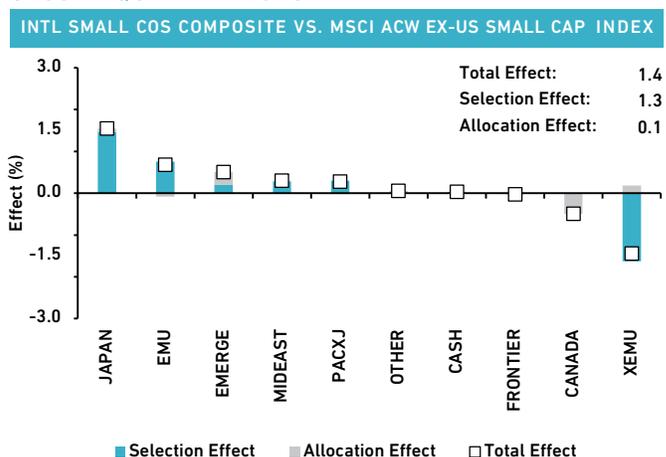
Improvements in life expectancy and declines in fertility rates have narrowed the traditional demographic "pyramid." The percentage of the global population over the age of 60 has nearly doubled since 1950, and forecasters expect this upward trajectory to continue. As people spend a greater portion of their income on health care as they age and there is ample evidence that more health care spending increases life expectancy, rising expenditures in the sector are both a consequence and a cause of the developed world's changing demographics.

Health care investors are caught between the enormous growth opportunities offered by demographic trends, and the con-

SECTOR PERFORMANCE ATTRIBUTION SECOND QUARTER 2018



GEOGRAPHIC PERFORMANCE ATTRIBUTION SECOND QUARTER 2018



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 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.

straints imposed by cash-strapped governments. Governments pay for the bulk of health care spending in almost all countries. Aging electorates will put more pressure on political leaders to keep prices low and services plentiful. As the predominant customer at the bargaining table, governments have responded to higher costs by pressuring drug manufacturers and medical-device companies to reduce prices.

In our International Small Companies portfolio, we hold stakes in firms that can benefit from the secular growth trends and can

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 June 30, 2018 is available on page 6 of this report.

profit from helping to address some of the hardest challenges facing the industry. Our companies have less direct exposure to state expenditures, as they are primarily selling products to other companies in the supply chain. By offering efficient diagnostic testing, facilitating effective R&D, and expanding affordable access to drugs in the developing world they help to alleviate costs and improve outcomes across health care systems.

Italy-based **DiaSorin** has developed highly automated in-vitro (test-tube) diagnostics tests that are cheaper, faster, and more accurate than earlier, manual tests. The company's narrow focus on two key testing market segments—immunodiagnostics and molecular diagnostics—has enabled it to concentrate its own R&D investments, thereby building and sustaining competitive advantages in these segments. Recognizing DiaSorin's head start and technical edge, larger rivals will often partner with it to address these market segments. DiaSorin's accurate automated equipment allows health care providers to make better, faster clinical decisions, 60% of which depend on the results of diagnostics tests.

Recognizing DiaSorin's head start and technical edge, larger rivals will often partner with it to address these market segments.

Antibodies—the proteins our bodies produce to fight harmful bacteria and viruses—are also produced in labs and serve important roles in medical R&D. **Abcam**, a UK-based manufacturer of antibodies used in life science research, offers a user-friendly e-commerce platform that invites customers to post reviews for each of its 112,000 products, introducing a peer review process to antibody procurement. While manufactured antibodies tend to be inexpensive, quality is critical. Primary R&D in pharmaceuticals is increasingly divided among a host of new players, with independent venture-funded labs and

small biotechnology companies now competing with the pharma giants. These new entrants are expanding and diversifying Abcam's customer base.

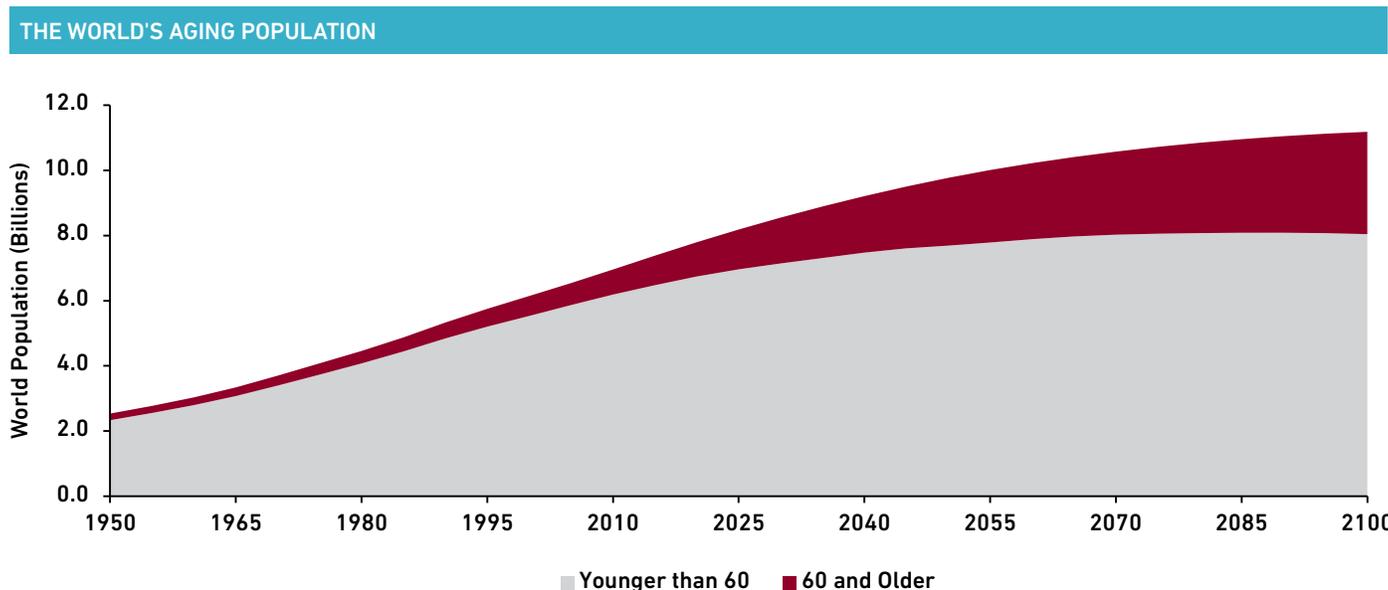
Small-cap pharma companies are a rare breed. **Square Pharmaceuticals** has carved out a niche for itself, in Bangladesh. Its extensive distribution networks, longstanding relationships with the country's doctors, and well-known brand make it a dominant generics supplier in the country. The health care needs of Bangladesh are a mirror-image of those in the developed world—the population is young and fertile, but the quality of food and water is dubious, and infectious diseases like malaria and dengue fever still pose major public health risks. The country's elderly population is small, and health care spending as a proportion of income is low. In this environment, Square can generate tremendous value by producing affordable antibiotics, vitamins, and anti-ulcerents to treat the basic health needs of the population.

Large-cap health care companies find themselves in a straitened position as they reach the limits of their ability to consume the wealth of nations. Our small-cap holdings, on the other hand, are less exposed to political risks while still positioned to benefit from the favorable demographic trends.

PORTFOLIO HIGHLIGHTS

The addition of Anix Vyas, CFA as a co-lead portfolio on April 2 led to above-average activity this quarter as the strategy portfolio was adjusted to incorporate the investment decisions of each of the portfolio managers, taken independently. The number of holdings increased from 89 to 99.

Viewed by sector, exposure to Financials declined, moving from index-weight last quarter to over 300 basis points under-



Source: United Nations. World Population Prospects: The 2017 Revision. Estimated population by broad age group, 1950-2100 (billions).

weight. Our overweight to IT increased and now represents a quarter of the portfolio. We also purchased our first holding in the Real Estate sector.

Viewed by geography, our exposure Japan grew, while we reduced our exposure to EMs. We remain overweight to Europe (both within and outside the eurozone), but our exposure to Europe EMU has declined.

Our purchases this quarter included three EM companies: Chinese furniture retailer **Suofeiya**, Philippines-based independent port operator **ICTSI**, and Kuwaiti real estate developer **Mabane**. We also bought Japanese gas appliance maker **Rinnai**.

Customized furniture—which is tailored to specific measurements and built into the home to save space—represents one-fifth of the Chinese furniture market, and is growing three times faster than the standard furniture market. Suofeiya offers custom-made furniture through over 3,000 franchised stores across China. As the largest company in its segment, Suofeiya has lower production costs than its rivals, especially the small independent stores that represent the vast majority of this segment. Suofeiya also reduces costs by automating the production of certain furniture parts. We believe Suofeiya’s revenues will grow as consumers increasingly prefer customized furniture from recognized brands over off-the-shelf furniture from independent stores.

We have difficulty identifying high-quality real estate businesses, but we found an exception in Kuwaiti developer Mabane. The company owns and manages The Avenues, Kuwait’s largest shopping mall. The Avenues, which already accounts for more than 30% of the country’s total retail space, is undergoing an expansion project, which should provide a boost to Mabane’s

revenue and profits over the next three years. In a country with few large malls, Mabane’s competitive advantage lies in the exclusive franchise agreement that its majority shareholder, Alshaya Group, has with nearly 90 international retail brands in Kuwait, which will also help it grow.

As the largest company in its segment, Suofeiya has lower production costs than its rivals, especially the small independent stores that represent the vast majority of this segment.

Our sales included actuator manufacturer **Rotork**, whose shares had grown expensive, and pharmaceutical packaging manufacturer **Gerresheimer**, which is facing slower growth as governments and insurers press drug makers to reduce costs.

We also sold Japan’s **Suruga Bank**, which admitted that its employees fabricated loan documents in a failed real estate investment scheme. Suruga provided loans of US\$1 million or more to investors to buy urban housing units that were leased to a property-management company and sublet in turn to low-income workers. Because of low occupancy rates, the properties failed to generate enough cash for the investors to repay their loans to Suruga. In May, the bank’s internal investigation found that senior managers had pressured loan screeners to approve falsified applications.

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL ISC	ACWI EX-US SC
PROFIT MARGIN ¹ (%)	9.7	7.3
RETURN ON ASSETS ¹ (%)	8.1	5.6
RETURN ON EQUITY ¹ (%)	14.7	11.1
DEBT/EQUITY RATIO ¹ (%)	13.5	45.8
STD DEV OF 5 YEAR ROE ¹ (%)	3.1	4.3
SALES GROWTH ^{1,2} (%)	5.4	2.2
EARNINGS GROWTH ^{1,2} (%)	10.5	11.2
CASH FLOW GROWTH ^{1,2} (%)	12.4	7.0
DIVIDEND GROWTH ^{1,2} (%)	6.3	5.0
SIZE & TURNOVER	HL ISC	ACWI EX-US SC
WTD MEDIAN MKT CAP (US \$B)	2.3	1.9
WTD AVG MKT CAP (US \$B)	2.9	2.4
TURNOVER ³ (ANNUAL %)	24.8	—

RISK AND VALUATION	HL ISC	ACWI EX-US SC
ALPHA ² (%)	3.01	—
BETA ²	0.87	—
R-SQUARED ²	0.87	—
ACTIVE SHARE ³ (%)	97	—
STANDARD DEVIATION ² (%)	10.49	11.28
SHARPE RATIO ²	1.04	0.80
TRACKING ERROR ² (%)	4.1	—
INFORMATION RATIO ²	0.48	—
UP/DOWN CAPTURE ²	93/75	—
PRICE/EARNINGS ⁴	22.5	15.1
PRICE/CASH FLOW ⁴	15.6	10.7
PRICE/BOOK ⁴	3.0	1.5
DIVIDEND YIELD ⁵ (%)	2.0	2.4

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: July 5, 2018); Harding Loevner International Small Companies Model, based on the underlying holdings; MSCI Inc.

Portfolio characteristics are supplemental information only and complement the fully compliant International Small Companies Composite GIPS Presentation.

INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF JUNE 30, 2018)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)	SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
CONSUMER DISCRETIONARY			HEALTH CARE (CONT.)		
ABC-MART Footwear retailer	Japan	0.1	FINDEX Health care software developer	Japan	0.5
CHEIL WORLDWIDE Marketing and advertising services	South Korea	0.5	INTEGRATED DIAGNOSTICS Medical laboratory services	Egypt	1.2
COWAY Consumer appliances manufacturer	South Korea	0.3	NAKANISHI Dental instruments manufacturer	Japan	2.7
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	0.5	SQUARE PHARMACEUTICALS Pharma manufacturer	Bangladesh	0.4
HANKOOK TIRE Tire manufacturer	South Korea	0.7	STRATEC BIOMEDICAL Diagnostic equipment manufacturer	Germany	1.0
IPSOS Market-research services	France	1.2	INDUSTRIALS		
JARIR MARKETING Consumer products retailer	Saudi Arabia	0.9	51JOB INC. Online human resource services	China	0.8
PICO FAR EAST HOLDINGS Event marketing services	Hong Kong	1.1	ALFA LAVAL Industrial equipment manufacturer	Sweden	0.9
RINNAI Consumer appliances manufacturer	Japan	0.3	ARCADIS Built asset manager and consultant	Netherlands	1.5
STANLEY ELECTRIC Automotive lighting manufacturer	Japan	1.3	BBA AVIATION Flight support systems and services	UK	1.3
SUOFEIYA Home-furnishings retailer	China	0.5	BERTRANDT Industrial development services	Germany	0.7
CONSUMER STAPLES			BOSSARD Industrial components supplier	Switzerland	0.8
AGTHIA Foods and beverages manufacturer	UAE	1.0	BRUNEL INTERNATIONAL Employment services	Netherlands	0.5
ALICORP Consumer products manufacturer	Peru	0.3	CLARKSON Shipping services	UK	1.1
ARIAKE Natural seasonings manufacturer	Japan	2.5	DANIELI Industrial equipment manufacturer	Italy	0.4
BRITVIC Beverages manufacturer	UK	0.9	DIPLOMA Specialized technical services	UK	1.2
COSMOS PHARMACEUTICAL Drugstores operator	Japan	0.3	HAITIAN Plastic injection-molding machines manufacturer	China	1.1
EAST AFRICAN BREWERIES Alcoholic beverages manufacturer	Kenya	0.3	ICTSI Container-terminal operator	Philippines	0.8
EMAMI Consumer products manufacturer	India	0.3	INTRUM JUSTITIA Credit management services	Sweden	1.2
GRUPO HERDEZ Processed foods manufacturer	Mexico	1.0	LISI Industrial components manufacturer	France	1.2
KERNEL Foods and agricultural products manufacturer	Ukraine	0.8	MISUMI GROUP Machinery-parts supplier	Japan	0.5
KWS SAAT Agricultural products producer	Germany	1.0	MONOTARO Factory materials supplier	Japan	0.3
NESTLÉ NIGERIA Foods manufacturer	Nigeria	0.6	PFEIFFER VACUUM Vacuum pump manufacturer	Germany	0.9
TANZANIA BREWERIES Alcoholic beverages manufacturer	Tanzania	0.8	RATIONAL Commercial kitchen equipment manufacturer	Germany	0.2
VITASOY Foods and beverages manufacturer	Hong Kong	0.9	RPS GROUP Environmental consultant	UK	0.7
ENERGY			SENIOR Aerospace and auto parts manufacturer	UK	2.2
CORE LABORATORIES Oilfield services	US	0.6	SENSATA TECHNOLOGIES Industrial sensors manufacturer	US	0.3
DIALOG GROUP BERHAD Petrochemical services	Malaysia	1.0	TOMRA Industrial sensors manufacturer	Norway	1.9
NOSTRUM OIL & GAS Oil and gas producer	UK	0.7	INFORMATION TECHNOLOGY		
ROMGAZ Natural gas producer	Romania	1.1	ADVANTECH Industrial PCs manufacturer	Taiwan	0.2
FINANCIALS			ALTEN Technology consultant and engineer	France	2.5
ANADOLU HAYAT EMEKLILIK Insurance provider	Turkey	1.1	ASM INTERNATIONAL Semiconductor equipment manufacturer	Netherlands	0.6
BANK OF GEORGIA Commercial bank	UK	1.1	ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.8
BRAC BANK Commercial bank	Bangladesh	0.4	BECHTLE IT services and IT products reseller	Germany	1.8
EQUITY BANK Commercial bank	Kenya	0.3	CHIPBOND TECHNOLOGY Electronic chip packager	Taiwan	1.0
GEORGIA CAPITAL Investment services	UK	0.1	CYBERARK Cybersecurity software developer	Israel	1.5
JARDINE LLOYD THOMPSON Insurance provider	UK	0.6	GLOBANT Software developer	Argentina	1.5
MAX FINANCIAL Financial services and insurance provider	India	1.2	GMO PAYMENT GATEWAY Payment processing services	Japan	1.1
MOSCOW EXCHANGE Clearing house and exchange	Russia	1.1	HALMA Health and safety products manufacturer	UK	0.7
RATHBONE BROS Wealth manager	UK	1.3	INFOMART Restaurant supply chain operator	Japan	2.8
SECURITY BANK Commercial bank	Philippines	0.3	KINAXIS Supply chain software developer	Canada	1.1
HEALTH CARE			LEM HOLDINGS Electrical components manufacturer	Switzerland	1.3
ABCAM Life science services	UK	2.5	REPLY IT consultant	Italy	3.0
BML Clinical testing and information services	Japan	0.8	RIB SOFTWARE Software developer	Germany	1.1
CARL ZEISS MEDITEC Medical technology provider	Germany	2.4	SILERGY Electronics chips manufacturer	Taiwan	0.6
DECHRA Veterinary pharma manufacturer	UK	1.5	SMS Health care employment services	Japan	1.4
DIASORIN Reagent kits developer	Italy	0.6	TEMENOS GROUP Banking software developer	Switzerland	0.5
EMIS GROUP Health care software developer	UK	0.9	VAISALA Atmospheric measuring devices manufacturer	Finland	1.7

CONTINUED ON FOLLOWING PAGE >

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.

INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF JUNE 30, 2018) - CONTINUED

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
MATERIALS		
CHR. HANSEN Natural ingredients developer	Denmark	0.6
DULUXGROUP Paints and coatings manufacturer	Australia	1.2
FUCHS PETROLUB Lubricants manufacturer	Germany	0.8
HOA PHAT GROUP Steel producer	Vietnam	1.5
RPC Plastic products designer and engineer	UK	1.0
SH KELKAR Fragrances and flavors manufacturer	India	0.6

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
REAL ESTATE		
MABANEE Real estate developer and manager	Kuwait	0.5
TELECOM SERVICES		
TOWER BERSAMA Telecom infrastructure provider	Indonesia	0.4
UTILITIES		
RUBIS Liquid chemical storage and distribution	France	1.5
CASH		
		2.7

2Q18 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
INFOMART	INFT	2.3	0.76
REPLY	INFT	2.6	0.55
NAKANISHI	HLTH	2.5	0.28
CYBERARK	INFT	1.3	0.27
ROTORK	INDU	1.3	0.23

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
INFOMART	INFT	1.8	1.14
TOMRA	INDU	1.8	1.04
REPLY	INFT	2.5	0.99
NAKANISHI	HLTH	1.7	0.92
ABCAM	HLTH	2.5	0.85

2Q18 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
NOSTRUM OIL & GAS	ENER	1.0	-0.43
CLARKSON	INDU	0.9	-0.33
HAITIAN	INDU	1.2	-0.28
BANK OF GEORGIA	FINA	1.1	-0.28
HANKOOK TIRE	DSCR	0.8	-0.24

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
NOSTRUM OIL & GAS	ENER	0.8	-0.76
MAX FINANCIAL	FINA	1.4	-0.58
LISI	INDU	2.1	-0.43
INTRUM JUSTITIA	INDU	1.3	-0.41
DIGNITY	DSCR	0.3	-0.40

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
ICTSI	PHILIPPINES	INDU
MABANEE	KUWAIT	RLST
RINNAI	JAPAN	DSCR
SUOFEIYA	CHINA	DSCR

POSITIONS SOLD	COUNTRY	SECTOR
CEMEX LATAM	COLOMBIA	MATS
GERRESHEIMER	GERMANY	HLTH
HIDAY HIDAKA	JAPAN	DSCR
ROTORK	UK	INDU
SHENZHOU INTERNATIONAL	CHINA	DSCR
SURUGA BANK	JAPAN	FINA

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 JUNE 30, 2018)

	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	FIRM ASSETS
	(%)	(%)	(%)	(%)	(%)	(%)		(\$M)	(%)
2018 YTD ⁴	-0.06	-0.61	-2.71	11.08	11.51	N.A. ⁵	1	255	0.46
2017	37.61	36.34	32.12	10.76	11.54	N.M. ⁶	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

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 2018 YTD performance returns and assets shown are preliminary; ⁵N.A.—Internal dispersion less than a 12-month period; ⁶N.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 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 and cash reserves. For comparison purposes, the Composite is measured against the MSCI All Country World ex-US Small Cap Total Return Index (Gross). 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 62-9,688 million (as of June 30, 2018). 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 March 31, 2018.

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 March 31, 2018. 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 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.