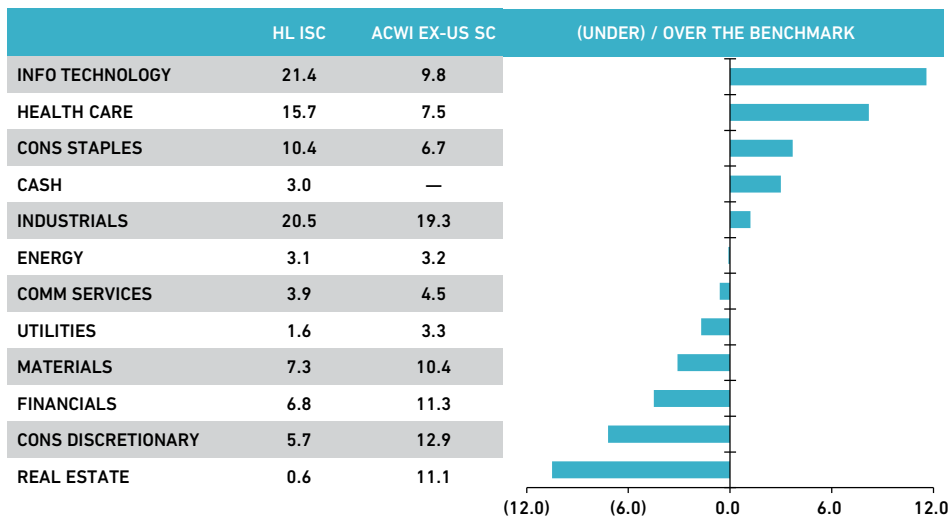
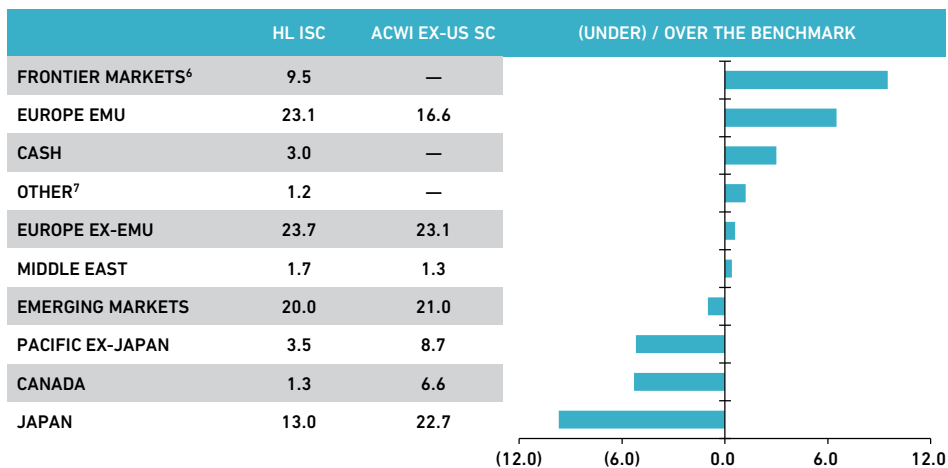


COMPOSITE PERFORMANCE (%TOTAL RETURN) FOR PERIODS ENDED DECEMBER 31, 2018¹

	3 MONTHS	1 YEAR	3 YEARS ²	5 YEARS ²	10 YEARS ²	SINCE INCEPTION ^{2,3}
HL INTL SMALL COMPANIES (GROSS OF FEES)	-16.53	-16.39	5.06	3.73	14.22	7.42
HL INTL SMALL COMPANIES (NET OF FEES)	-16.78	-17.34	3.99	2.65	12.98	6.25
MSCI ALL COUNTRY WORLD EX-US SMALL CAP INDEX ^{4,5}	-14.38	-17.89	4.20	2.32	10.40	3.41

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.

WHAT'S INSIDE
Market Review >

Small-cap equities outside the US posted their steepest annual decline since 2011.

Performance and Attribution >

Sources of relative return by region and sector.

Investment Perspectives >

We are thinking about how our portfolio holdings might—or might not—be affected by Brexit negotiations.

Portfolio Highlights >

Our portfolio's exposure to developing markets remains near our self-imposed ceiling of 30%.

Portfolio Characteristics >

Quality, growth, and risk characteristics of the portfolio.

Portfolio Holdings >

Information about the companies held in our portfolio.

Portfolio Facts >

Contributors, detractors, and completed transactions.

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MARKET REVIEW

Stocks of international small companies plummeted 14% in the quarter amid concerns that the global economy is faltering. For the full year, small-cap equities outside the US fell 18%, the steepest annual decline since 2011. Rate hikes by the US Federal Reserve, a trade war instigated by the US, and slowing economic growth in China sparked a flight to safety by global investors, with bond markets outperforming stocks, developed equity markets outperforming developing, and large-cap stocks outperforming small.

The Fed indicated in October that it planned more short-term interest rate hikes if economic data was supportive and in December it duly delivered its ninth quarter-point rise. However, long-term Treasury yields fell, flattening the US yield curve. That and widening credit spreads in global bond markets suggested investors foresaw an end to the economic expansion. A precipitous decline in crude oil prices reinforced that suggestion. Fears of a slowdown had a pronounced effect on equities, particularly US small caps, which were sporting high valuations on the prospect of continued strong growth. After outperforming for much of 2018, US small companies trailed their larger peers by six percentage points at the end of the year.

In addition to the effects of the trade war, the Chinese economy is reeling from the government's efforts to deleverage.

MARKET PERFORMANCE (USD %)

MARKET	4Q 2018	TRAILING 12 MONTHS
CANADA	-17.7	-19.6
EMERGING MARKETS	-7.0	-18.2
EUROPE EMU	-17.5	-20.9
EUROPE EX-EMU	-18.4	-18.9
JAPAN	-14.9	-15.7
MIDDLE EAST	-11.4	0.0
PACIFIC EX-JAPAN	-11.4	-15.9
MSCI ACW EX-US SC INDEX	-14.4	-18.0

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

SECTOR	4Q 2018	TRAILING 12 MONTHS
COMMUNICATION SERVICES	-12.7	-17.3
CONSUMER DISCRETIONARY	-13.2	-20.5
CONSUMER STAPLES	-12.2	-15.0
ENERGY	-30.1	-24.0
FINANCIALS	-14.6	-19.6
HEALTH CARE	-15.5	-8.6
INDUSTRIALS	-17.5	-22.1
INFORMATION TECHNOLOGY	-18.4	-20.3
MATERIALS	-13.8	-22.2
REAL ESTATE	-5.6	-6.8
UTILITIES	-1.2	-8.2

Source: FactSet (as of December 31, 2018); MSCI Inc. and S&P.

China's Purchasing Managers' Index (PMI) dropped to 49.4 in December, nearing its lowest levels since the global financial crisis. Retail sales growth also decelerated to its lowest level since 2003.

In Europe, where economic indicators are bleaker, equity markets underperformed; small caps inside and outside the European Monetary Union (EMU) were among the worst performing in the index, each declining by about 18%. Protests in France have closed stores and scared away tourists, and Italy's Euroskeptic populist government is threatening the stability of its own financial system, as well as the long-term viability of the European Union (EU). The EU is scheduled to become significantly smaller on March 29, when the UK is set to leave, but there is still no agreed-upon framework for Brexit. The uncertainty is weighing heavily on the UK economy as consumers and businesses delay major purchases and investments. Germany is also struggling, in part due to weakness in the automotive market. New testing requirements for vehicles have increased costs and slowed production, which hurt both car manufacturers and the smaller companies in their supply chains.

Emerging Markets (EMs) performed best in the quarter. Small caps in Brazil returned 23% in US dollar-terms in the wake of Jair Bolsonaro's victory in the presidential election. The new president has outsourced management of the struggling Brazilian economy to former banker and economist Paulo Guedes. Investors are hopeful that the new administration will crack down on the country's widespread corruption and reform its overburdened pension system.

By sector, small caps in Energy were by far the worst performing, falling 30% in the quarter. The price of oil fell 36% in the period as investors worried about increasing supply from top producers, including the US and Russia, and declining demand from a slowing global economy. Information Technology (IT) fell by 18%. As with their large cap IT counterparts, small-cap IT stocks had been among the best performers in 2017 and 2018 but sold off sharply in the recent market downturn.

For the year, all sectors were negative, but Real Estate outperformed, falling just 7%. This was largely due to Japan, where small-cap Real Estate stocks gained 5%. The commercial real estate market in Tokyo performed very well, as vacancies slid below 2% for the first time since 1991. Energy was the worst-performing sector, falling 24% alongside the declining oil price.

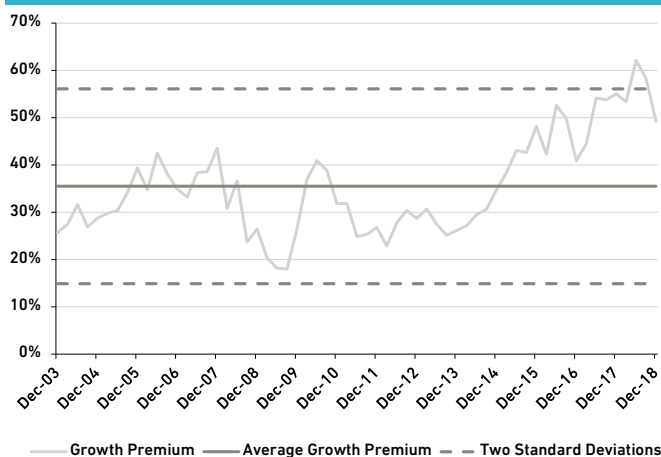
Japan was the best-performing major region in 2018. The Japanese yen is viewed as a safe haven during periods of market distress, and it outperformed nearly all other index currencies by holding flat with the US dollar through the year. Europe

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 Decemehr 31, 2018 is available on pages 6-7 of this report.

EMU was the worst region due to Germany's and France's slowing economies.

During the market's steep fourth-quarter decline, slower-growing companies with cheaper share prices held up best. The underperformance of the faster-growing companies was in part tied to valuation. Over the last five years, the premium afforded to growth stocks expanded significantly and reached an all-time high in the second quarter of the year, as seen in the chart below. The sell-off of growth stocks was particularly acute in the index's two largest markets, Japan and the UK, where growth stocks had fared very well in recent years.

TRAILING P/E PREMIUM OF MSCI ACW EX-US SMALL CAP GROWTH INDEX VS. MSCI ACW EX-US SMALL CAP VALUE INDEX



Source: FactSet. Data as of December 31, 2018. MSCI Inc. and S&P; P/E: Price-to-earnings.

PERFORMANCE AND ATTRIBUTION

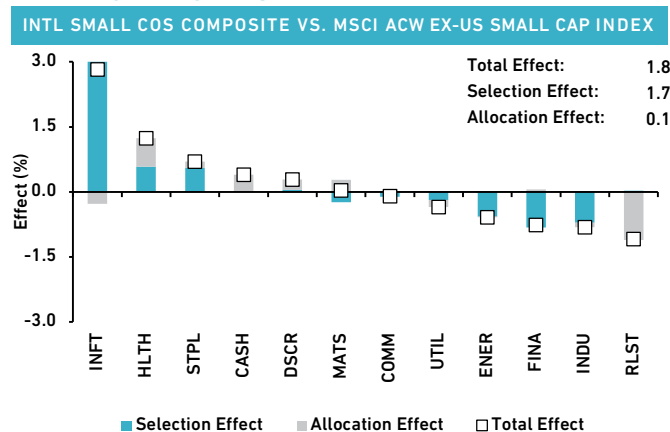
The International Small Companies composite fell 16.5% in the quarter, worse than the benchmark's 14.4% decline. For the full year, the composite lost 16.4%, outperforming the benchmark's 17.9% drop. The charts to the right attribute the year's performance by sector and region.

In the quarter, poor stock selection in the UK and Japan hurt our relative performance. In the UK, shares of aerospace supplier **Senior** fell after management forecasted lower-than-expected margins. The company has increased its sales for popular new airplanes like Boeing's 737 MAX, but startup costs associated with the new business is compressing margins, at least in the short term. **Nostrum Oil & Gas**, which is based in Kazakhstan but listed on the London Stock exchange, also detracted from our UK returns. The company's oil production was lower than expected due to flooding issues in some of its wells. In Japan, ingredients manufacturer **Ariake** sold its highly profitable US business, surprising investors who viewed it as a long-term growth opportunity for the company. Though disappointed in the sale, we believe the price was fair. Our investment thesis remains intact, thanks to the company's Chinese operations, which are growing faster than those in the US.

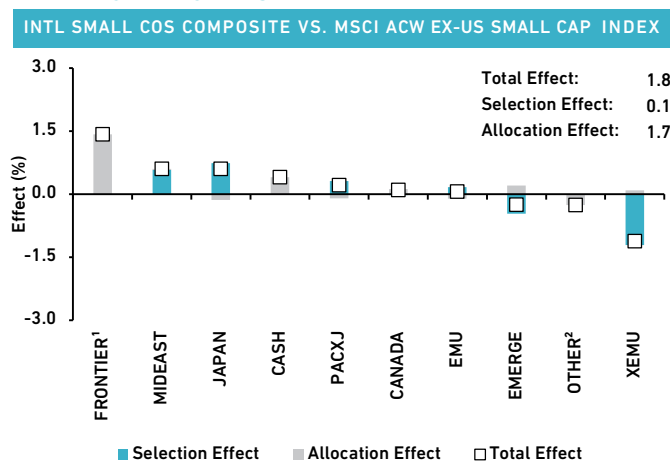
By sector, our underweight in Real Estate hurt our relative performance in the quarter. We have identified few quality, growing businesses in this sector, where companies tend to have high levels of debt and low growth. Our overweight in IT, where we find many more companies that meet our investment criteria, also detracted as demand weakened for semiconductors, dampening sentiment for many tech companies. Our good stock selection in Financials partially offset the negative allocation effects. Revenues of the India-based insurer **Max Financial** grew 17%, exceeding investors' expectations. The company reported that it has increased sales of its life insurance policies.

For the year, the strength of our IT stocks more than offset the impact of our significant underweight to the outperforming Real Estate sector. Over two-thirds of our IT weight is in the software and services industry group, which fared better than the index as a whole and much better than the rest of

SECTOR PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS



GEOGRAPHIC PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS



¹Includes countries with less-developed markets outside the Index; ²Includes companies classified in countries 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.

the IT sector. Security software firm **CyberArk** was a standout performer. In November, the Israeli company reported that its revenues increased 31% year-over-year and its operating margins rose by 3.7 percentage points.

By region, our exposure to Frontier Markets—especially Argentina—helped our performance in the quarter and for the year. Though the country is in the midst of an economic crisis, its market outperformed as panic selling subsided. Cement manufacturer **Loma Negra**, which we purchased in July, supported the portfolio's relative returns.

Despite detracting from fourth-quarter performance, our stock selection in Japan was additive for the year. **Infomart**, an e-commerce company that serves the restaurant industry, was a standout 2018 performer. The company reported that its operating profits surged 28% as its investments in online-invoicing software paid off. Our poor stock selection in Europe ex-EMU, especially in the UK, offset some of these gains. Senior and Nostrum were also notable detractors for the year.

■ INVESTMENT PERSPECTIVES

When the UK voted in June 2016 to leave the EU, nobody denied that the divorce would be a risky, confusing, and complicated affair. But as the March 29 deadline for separation approaches, investors hoping for any clarity about the outcome have only been disappointed. The best chance for an orderly “Brexit” seemed to expire in December, when Prime Minister Theresa May's deal with the EU was pulled before Parliament could reject it. As of this writing, no outcome can be called impossible, from a “hard Brexit” in which the UK leaves with no agreements to a second referendum that could lead to no Brexit at all. While politicians attempt to reach a resolution, company managements are left to prepare for an unknown outcome that might—or might not—end the free movement of labor, goods, services, and capital between the UK and the EU, its largest trading partner.

Over the years, we have found the UK a fertile hunting ground for the quality, growing smaller companies that we seek for our portfolio. The British economy has benefited from its relationship with the EU. We are not top-down investors and are making no prediction about the ultimate outcome of Brexit negotiations and votes. But we are not ignoring developments out of London or Brussels, either. Should the UK leave the bloc without a deal, there is little doubt that the ensuing disruption will impair the profitability of all British and European companies, including small ones. Specifically, we are thinking about how our companies might be affected by slowing overall growth in the UK and Europe, by the disruption of trade by bottlenecks in logistical networks, and by changes in customs agreements that impact labor availability and cost. The possible response of the British pound to each scenario also figures in our ruminations.

Roughly 14% of our portfolio is invested in the UK, more than in any other country.¹ The average direct revenue exposure of

our UK holdings to their domestic market is only about 40%, but nine other portfolio holdings outside the UK have 5% or more revenue exposure to the UK market.

Two of our largest UK investments are health care companies that derive most of their revenues from exports. Because of this, **Abcam**, a manufacturer of antibodies used in pre-clinical research, and **Dechra Pharmaceuticals**, a manufacturer of veterinary pharmaceuticals, are directly exposed to the risk of a disruption to logistics networks, which could severely impair their ability to get products to customers. In both cases, the companies are bulking up capabilities in other markets; Dechra is investing in new facilities outside the UK, while Abcam is building up inventory in its existing offshore facilities. For both companies, a hard Brexit has one potential upside: a weaker pound would reduce their costs and allow them to price their products more cheaply in other markets, boosting sales. We expect demand for antibodies and veterinary pharmaceuticals to grow in the longer term regardless of which Brexit scenario materializes, and the strong competitive positions that these companies enjoy in their respective niches are not likely to change.

A weaker pound obviously is not good for all companies. While we spend no time forecasting unpredictable currency movements, we are cognizant of how such movements would impact the results of our companies. **Britvic**, a beverage manufacturer and distributor headquartered in Hertfordshire, is the most perilously exposed to a collapse in the pound. In contrast to our health care companies, roughly 60% of Britvic's revenues come from the UK. Making matters worse, roughly a third of the costs in its UK operations are paid in euros (for raw materials supplied from Europe), creating a dangerous currency mismatch. While the company has hedged this currency exposure using derivatives, they will postpone the pain of a hard-Brexit scenario only for a while. Britvic could also face considerable logistics challenges if Britain's new trading arrangements make it more difficult to import supplies from Europe. To mitigate this risk, Britvic is stocking up on supplies, which will lead to higher costs over the short-term. Britvic is an extremely durable business with an extensive distribution infrastructure and strong portfolio of brands that have been around since 1845. We think these risks of consequences of a bad Brexit, while substantial, are adequately reflected in Britvic's current share price and we have maintained our position.

Non-UK companies that do business in the country are another source of Brexit exposure in the portfolio. Italy's **Reply** is one such company. It has a network of small subsidiaries, including one in the UK, focused on providing technology services to business clients. One Brexit-related risk for Reply is that an end to the free movement of labor, and potentially stricter immigra-

¹The model portfolio held an end weight of 15.3% in the UK as of December 31, 2018. This number includes two frontier market companies that are listed on the London Stock Exchange. Excluding Bank of Georgia (0.9%), and Nostrum Oil & Gas (0.5%) yields a weight of 13.9% UK companies, which is the largest country weight in the portfolio, followed by Japan (13.0%), and Germany (11.9%).

tion controls, impairs its ability to use EU workers in the UK, and vice versa. Management has highlighted that enterprise and cyber security software are important growth drivers in the UK specifically, and expects the country to represent up to 15% of revenue over time. On the other hand, Brexit could actually be a boon for Reply, as a new trading arrangement with the EU, and possibly other countries, would create extensive work re-configuring IT systems for new routing, sourcing, customs, and tax information, potentially boosting our already solid revenue growth expectations for the company.

■ PORTFOLIO HIGHLIGHTS

During the quarter, we sold only one UK holding, and for a reason unrelated to Brexit. London-based insurer **Jardine Lloyd Thompson** is being acquired by Marsh & McLennan at a 34% premium. With no other bids expected, we exited our position and used the proceeds to buy other quality-growth companies, such as **Nihon M&A Center Inc.**, a Tokyo-based financial advisor that connects potential buyers of businesses with potential sellers. Nihon M&A focuses on advising small companies, and is three times larger than its closest competitor in this segment. This scale provides multiple advantages: a platform with a wider range of transaction choices for buyers and seller, as well as the ability to provide better quality of service while maintaining higher profitability. Nihon M&A also maintains the largest proprietary database on small company M&A activity in Japan.

We also sold two expensive-looking securities in small developing markets—Bangladesh’s **Brac Bank** and Kenya’s **Equity Bank**—in exchange for a more attractively priced holding in India’s largest wireless tower operator, **Bharti Infratel**. Bharti Infratel builds and manages a network of 92,000 telecom tow-

ers and related communications infrastructure across all of India’s 29 states, and leases space to wireless telecom operators—including Bharti Airtel, Vodafone-Idea, and Jio Communications—under contracts that typically range from 10 to 15 years. The merger of two of the company’s largest customers, Vodafone and Idea, resulted in a consolidation of the antennas and wireless equipment on Infratel’s towers and, consequently, a decline in leases in the third quarter. We saw the subsequent fall in share price as a good opportunity to invest, as we think this is only a short-term setback. We expect Infratel’s revenues to recover quickly as telecom operators lease more tower space to meet the requirements of serving growing numbers of smartphone users in India, where penetration remains relatively low, and deploying faster data networks. In fact, another 100,000 towers are needed just to meet current demand, according to the Tower and Infrastructure Providers Association of India.

With these transactions, our portfolio’s exposure to developing markets remains near our self-imposed ceiling of 30%.

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL ISC	ACWI EX-US SC
PROFIT MARGIN ¹ (%)	9.9	7.5
RETURN ON ASSETS ¹ (%)	8.1	5.5
RETURN ON EQUITY ¹ (%)	14.9	10.9
DEBT/EQUITY RATIO ¹ (%)	17.1	48.3
STD DEV OF 5 YEAR ROE ¹ (%)	2.5	3.5
SALES GROWTH ^{1,2} (%)	5.8	2.3
EARNINGS GROWTH ^{1,2} (%)	10.5	10.8
CASH FLOW GROWTH ^{1,2} (%)	9.7	6.9
DIVIDEND GROWTH ^{1,2} (%)	6.5	5.7
SIZE & TURNOVER	HL ISC	ACWI EX-US SC
WTD MEDIAN MKT CAP (US \$B)	2.0	1.6
WTD AVG MKT CAP (US \$B)	2.5	2.0
TURNOVER ³ (ANNUAL %)	27.4	—

RISK AND VALUATION	HL ISC	ACWI EX-US SC
ALPHA ² (%)	1.62	—
BETA ²	0.91	—
R-SQUARED ²	0.88	—
ACTIVE SHARE ³ (%)	97	—
STANDARD DEVIATION ² (%)	11.40	11.79
SHARPE RATIO ²	0.27	0.15
TRACKING ERROR ² (%)	4.1	—
INFORMATION RATIO ²	0.35	—
UP/DOWN CAPTURE ²	90/83	—
PRICE/EARNINGS ⁴	18.4	12.7
PRICE/CASH FLOW ⁴	13.1	8.7
PRICE/BOOK ⁴	2.5	1.3
DIVIDEND YIELD ⁵ (%)	2.4	2.9

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 9, 2019); 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 DECEMBER 31, 2018)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)	SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
COMMUNICATION SERVICES			HEALTH CARE (continued)		
BHARTI INFRA TEL Telecom infrastructure provider	India	0.4	FINDEX Health care software developer	Japan	0.4
CHEIL WORLDWIDE Marketing and advertising services	South Korea	0.7	INTEGRATED DIAGNOSTICS Medical laboratory services	Egypt	1.4
IPSOS Market-research services	France	1.0	NAKANISHI Dental instruments manufacturer	Japan	2.3
PICO FAR EAST HOLDINGS Event marketing services	Hong Kong	1.2	SQUARE PHARMACEUTICALS Pharma manufacturer	Bangladesh	0.5
TOWER BERSAMA Telecom infrastructure provider	Indonesia	0.7	STRATEC BIOMEDICAL Life science products manufacturer	Germany	1.3
CONSUMER DISCRETIONARY			INDUSTRIALS		
ABC-MART Footwear retailer	Japan	0.2	51JOB INC. Online human resource services	China	0.6
CHARGEURS Specialty fabrics and coatings manufacturer	France	0.4	ALFA LAVAL Industrial equipment manufacturer	Sweden	1.0
COWAY Consumer appliances manufacturer	South Korea	0.3	BBA AVIATION Flight support systems and services	UK	0.9
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	0.5	BERTRANDT Industrial development services	Germany	0.7
HANKOOK TIRE Tire manufacturer	South Korea	0.8	BOSSARD Industrial components supplier	Switzerland	1.3
JARIR MARKETING Consumer products retailer	Saudi Arabia	1.3	BRUNEL INTERNATIONAL Employment services	Netherlands	0.2
RINNAI Consumer appliances manufacturer	Japan	0.3	CLARKSON Shipping services	UK	1.1
STANLEY ELECTRIC Automotive lighting manufacturer	Japan	1.3	DANIELI Industrial equipment manufacturer	Italy	0.4
SUOFEIYA Home-furnishings retailer	China	0.3	DIPLOMA Specialized technical services	UK	1.3
THULE GROUP Transportation equipment manufacturer	Sweden	0.4	HAITIAN Plastic injection-molding machines manufacturer	China	1.0
CONSUMER STAPLES			ICTSI Container-terminal operator	Philippines	1.2
AGTHIA Foods and beverages manufacturer	UAE	1.2	INTRUM JUSTITIA Credit management services	Sweden	1.5
ALICORP Consumer products manufacturer	Peru	0.3	LISI Industrial components manufacturer	France	0.9
ARIAKE Natural seasonings manufacturer	Japan	1.9	MISUMI GROUP Machinery-parts supplier	Japan	0.5
BRITVIC Beverages manufacturer	UK	1.0	MONOTARO Factory materials supplier	Japan	0.3
COSMOS PHARMACEUTICAL Drugstores operator	Japan	0.3	NIHON M&A CENTER INC. Financial advisory	Japan	0.7
EAST AFRICAN BREWERIES Alcoholic beverages manufacturer	Kenya	0.3	PFEIFFER VACUUM Vacuum pump manufacturer	Germany	0.8
EMAMI Consumer products manufacturer	India	0.3	RATIONAL Commercial kitchen equipment manufacturer	Germany	0.2
GRUPO HERDEZ Processed foods manufacturer	Mexico	1.2	RPS GROUP Environmental consultant	UK	0.4
KERNEL Foods and agricultural products manufacturer	Ukraine	1.2	SENIOR Aerospace and auto parts manufacturer	UK	1.6
KWS SAAT Agricultural products producer	Germany	1.0	SENSATA TECHNOLOGIES Industrial sensors manufacturer	US	0.3
NESTLÉ NIGERIA Foods manufacturer	Nigeria	0.6	SMS Health care employment services	Japan	1.4
TIGER BRANDS Foods and consumer products manufacturer	South Africa	0.6	TOMRA Industrial sensors manufacturer	Norway	1.5
VITASOY Foods and beverages manufacturer	Hong Kong	0.4	VAT GROUP Vacuum valve manufacturer	Switzerland	0.5
ENERGY			INFORMATION TECHNOLOGY		
CORE LABORATORIES Oilfield services	US	0.9	ADVANTECH Industrial PCs manufacturer	Taiwan	0.3
DIALOG GROUP BERHAD Petrochemical services	Malaysia	1.2	ALTEN Technology consultant and engineer	France	2.2
NOSTRUM OIL & GAS Oil and gas producer	UK	0.5	ASM INTERNATIONAL Semiconductor eqpt manufacturer	Netherlands	0.5
ROMGAZ Natural gas producer	Romania	0.5	ASM PACIFIC TECHNOLOGY Semiconductor eqpt manufacturer	Hong Kong	0.7
FINANCIALS			BECHTLE IT services and IT products reseller	Germany	2.2
ANADOLU HAYAT EMEKLILIK Insurance provider	Turkey	0.8	CHIPBOND TECHNOLOGY Electronic chip packager	Taiwan	1.2
BANK OF GEORGIA Commercial bank	UK	0.9	CYBERARK Cybersecurity software developer	Israel	1.7
MAX FINANCIAL Financial services and insurance provider	India	2.1	GLOBANT Software developer	Argentina	1.8
MOSCOW EXCHANGE Clearing house and exchange	Russia	1.2	GMO PAYMENT GATEWAY Payment processing services	Japan	1.0
RATHBONE BROS Wealth manager	UK	1.4	INFOMART Restaurant supply chain operator	Japan	1.6
SECURITY BANK Commercial bank	Philippines	0.3	KINAXIS Supply chain software developer	Canada	1.3
HEALTH CARE			LEM HOLDINGS Electrical components manufacturer	Switzerland	1.1
ABCAM Life science services	UK	2.4	REPLY IT consultant	Italy	2.0
BML Clinical testing and information services	Japan	0.9	RIB SOFTWARE Software developer	Germany	1.5
CARL ZEISS MEDITEC Medical technology provider	Germany	3.3	SILERGY Electronics chips manufacturer	Taiwan	0.4
DECHRA Veterinary pharma manufacturer	UK	1.7	TEMENOS GROUP Banking software developer	Switzerland	0.5
DIASORIN Reagent kits developer	Italy	0.5	VAISALA Atmospheric measuring devices manufacturer	Finland	1.5
EMIS GROUP Health care software developer	UK	1.1			

CONTINUED ON FOLLOWING PAGE >

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INTERNATIONAL SMALL COMPANIES HOLDINGS (AS OF DECEMBER 31, 2018)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
MATERIALS		
CHR. HANSEN Natural ingredients developer	Denmark	0.7
DULUXGROUP Paints and coatings manufacturer	Australia	1.2
FUCHS PETROLUB Lubricants manufacturer	Germany	0.8
HOA PHAT GROUP Steel producer	Vietnam	1.7
LOMA NEGRA Cement manufacturer	Argentina	1.0
RPC Plastic products designer and engineer	UK	0.9
SH KELKAR Fragrances and flavors manufacturer	India	1.0

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
REAL ESTATE		
MABANEE Real estate developer and manager	Kuwait	0.6
UTILITIES		
RUBIS Liquid chemical storage and distribution	France	1.6
CASH		
		3.0

4Q18 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
MAX FINANCIAL	FINA	1.7	0.29
LOMA NEGRA	MATS	0.8	0.19
AGTHIA	STPL	0.9	0.16
JARIR MARKETING	DSCR	1.1	0.12
ICTSI	INDU	1.1	0.10

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
INFOMART	INFT	2.0	0.53
CYBERARK	INFT	1.2	0.53
CARL ZEISS MEDITEC	HLTH	2.6	0.48
TOMRA	INDU	1.7	0.46
VITASOY	STPL	0.8	0.25

4Q18 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
NOSTRUM OIL & GAS	ENER	1.3	-1.02
ARIAKE	STPL	2.4	-0.95
SENIOR	INDU	2.0	-0.94
REPLY	INFT	2.1	-0.65
ABCAM	HLTH	2.4	-0.62

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
NOSTRUM OIL & GAS	ENER	1.1	-1.21
LISI	INDU	1.4	-0.84
SENIOR	INDU	2.0	-0.73
RIB SOFTWARE	INFT	1.0	-0.69
ARCADIS	INDU	1.4	-0.68

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
BHARTI INFRATEL	INDIA	COMM
CHARGEURS	FRANCE	DSCR
NIHON M&A CENTER INC.	JAPAN	INDU
THULE GROUP	SWEDEN	DSCR
VAT GROUP	SWITZERLAND	INDU

POSITIONS SOLD	COUNTRY	SECTOR
ARCADIS	NETHERLANDS	INDU
BRAC BANK	BANGLADESH	FINA
EQUITY BANK	KENYA	FINA
JARDINE LLOYD THOMPSON	UK	FINA
TANZANIA BREWERIES	TANZANIA	STPL

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, 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 ⁴	-16.39	-17.34	-17.89	12.47	12.36	N.M. ⁵	1	165	0.29
2017	37.61	36.34	32.12	10.76	11.54	N.M.	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 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 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 96-8,807 million (as of December 31, 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 September 30, 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 September 30, 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.