

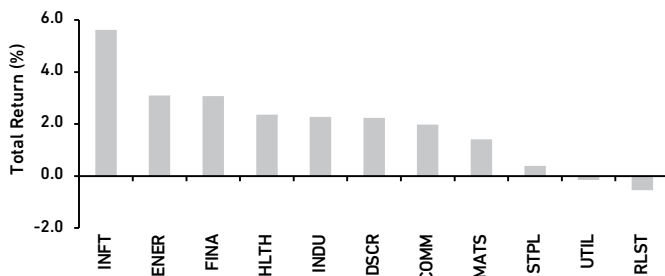
UK online property portal **Rightmove**, a recent portfolio addition, was founded in 2000 with the simple mission of connecting house-and-apartment hunters with available properties and their real estate agents. At first, the site was free to everyone. As the number of site visitors grew, Rightmove started charging agents to list their offerings. More homes and apartments on offer attracted more visitors, which led to higher fees. And so began a virtuous circle that continues today. Over one million UK properties are listed on the site, which logged 1.6 billion visits last year. With 75% market share, agents and buyers have little choice but to use Rightmove, and its market dominance is a durable source of pricing power. Last year, it raised its listing fees despite a weak UK housing market. Its profits grew 11%.

The property-portal market still has room to grow. Nearly half of a UK property agent's marketing budget today is spent on print media, such as leaflets stuffed in mailboxes and newspaper ads. Going forward, we believe agents' spending will continue to shift online, and Rightmove is the company most likely to benefit from this trend.

### PERFORMANCE (% TOTAL RETURN) FOR THE PERIODS ENDED FEBRUARY 28, 2019<sup>1</sup>

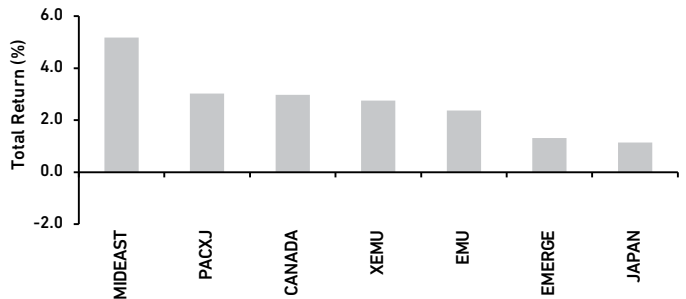
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL INTL SMALL COMPANIES (GROSS OF FEES)	2.30	11.91	-7.50	11.80	5.43	16.72	8.32
HL INTL SMALL COMPANIES (NET OF FEES)	2.21	11.71	-8.54	10.65	4.33	15.45	7.13
MSCI ALL COUNTRY WORLD EX-US SMALL CAP INDEX <sup>4,5</sup>	2.11	10.12	-10.31	10.37	3.63	13.10	4.18

### BENCHMARK PERFORMANCE BY SECTOR – FEBRUARY



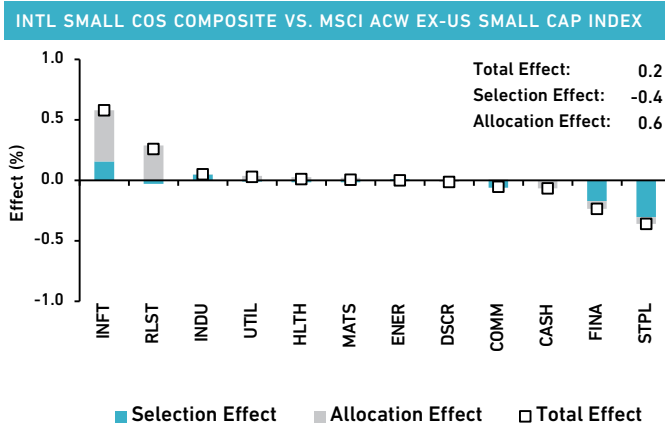
- Utilities and Real Estate widely outperformed the index during the market downturn in the fourth quarter of 2018, but have underperformed in the 2019 rebound.
- The Energy sector rose alongside the recovery in oil prices, which rose after OPEC cut supply in January. February marked the lowest crude oil exports from OPEC countries since 2015.

### BENCHMARK PERFORMANCE BY GEOGRAPHY – FEBRUARY



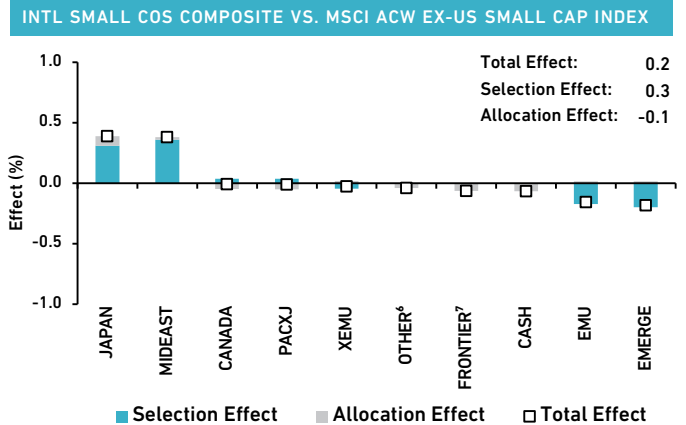
- Brazil lagged as economic growth slowed to 0.1% in the fourth quarter, down from 0.5% in the previous quarter.

### PERFORMANCE ATTRIBUTION BY SECTOR – FEBRUARY



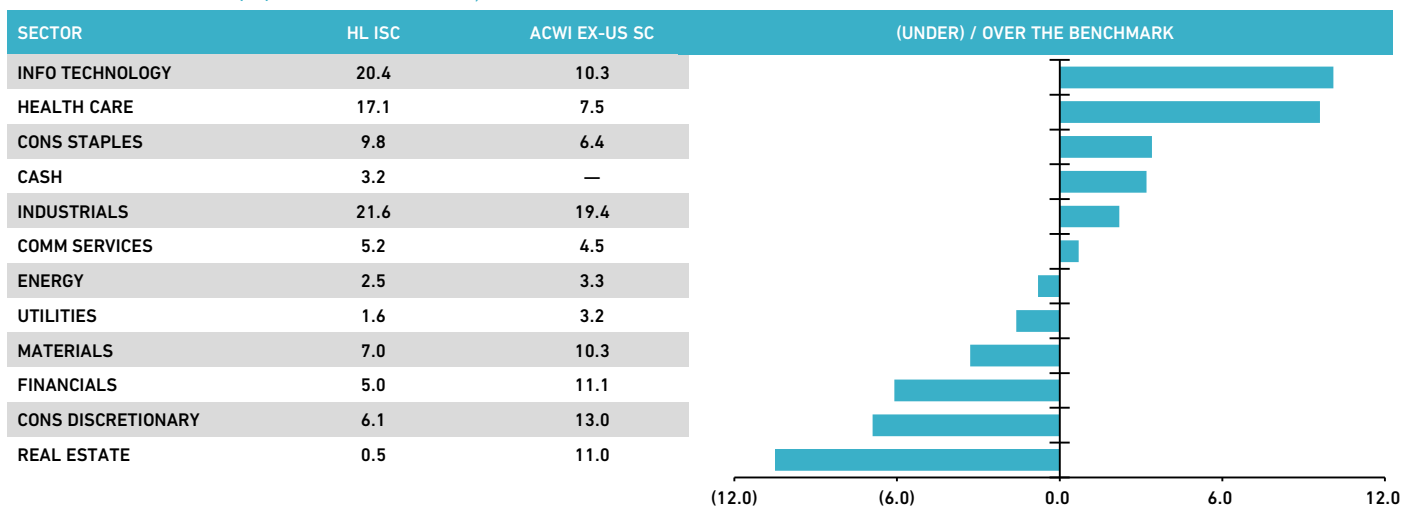
- Our overweight to the software and services industry group was beneficial to returns.

### PERFORMANCE ATTRIBUTION BY GEOGRAPHY – FEBRUARY

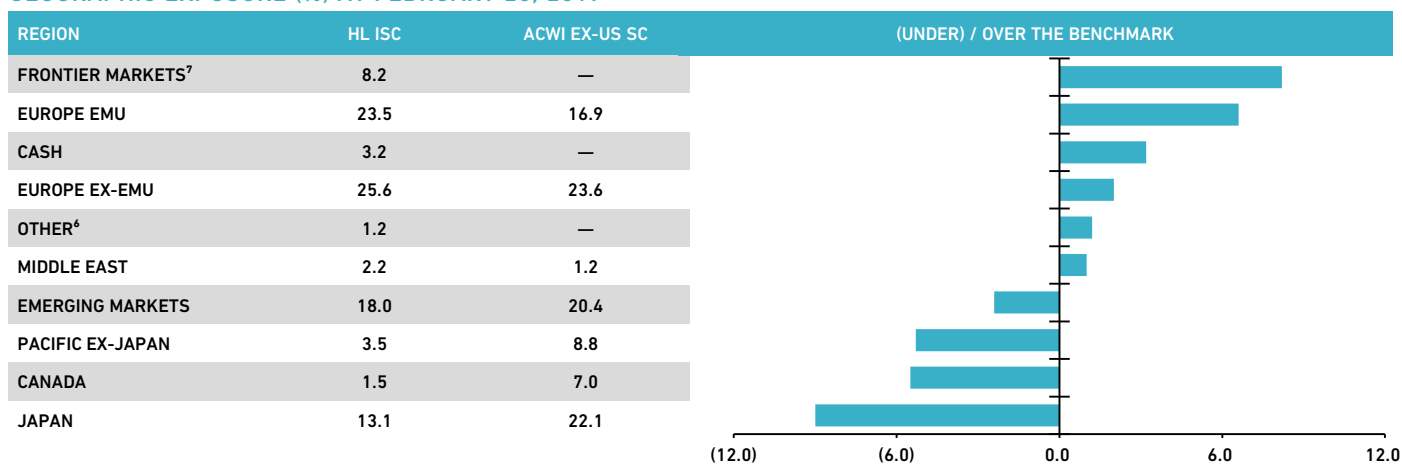


- Israel-based software developer **Cyberark** reported fourth-quarter earnings that surpassed expectations.

## SECTOR EXPOSURE (%) AT FEBRUARY 28, 2019



## GEOGRAPHIC EXPOSURE (%) AT FEBRUARY 28, 2019



## ENDNOTES

(1) The February 2019 Composite performance shown is preliminary (2) Annualized returns (3) Inception date: December 31, 2006 (4) The Benchmark Index (5) Gross of withholding taxes (6) Includes companies classified in countries outside the Index (7) Includes countries with less-developed markets outside the Index.

## SOURCES

Benchmark Performance: FactSet; MSCI Inc. and S&P.  
Sector/Geographic Attribution: FactSet; Harding Loevner International Small Companies Composite; MSCI Inc. and S&P.  
Sector/Geographic Exposure: FactSet; Harding Loevner International Small Companies Model; MSCI Inc. and S&P.

## DISCLOSURES

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). Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. Harding Loevner is an affiliate of Affiliated Managers Group, Inc. (NYSE: AMG), an investment holding company with stakes in a diverse group of boutique firms. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner has been independently verified for the period November 1, 1989 through December 31, 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 December 31, 2018. The verification and performance examination reports are available upon request. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the International Small Companies Equity Composite, please contact Harding Loevner at (908) 218-7900 or visit [www.hardingloevner.com](http://www.hardingloevner.com). The firm maintains a complete list and description of composites, which is available upon request.

The MSCI All Country World 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.

Companies held in the portfolio during the month appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings may not be current. They should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the securities identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner.

Portfolio holdings, portfolio attribution, and sector/geographic allocations are supplemental information only and complement a fully compliant International Small Companies Composite GIPS Presentation, which is available upon request. The Composite and Attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is obtained from Harding Loevner's accounting system and Attribution returns are obtained from the FactSet portfolio analysis system. Please note returns from FactSet are not audited for GIPS compliance and are for reference only.

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