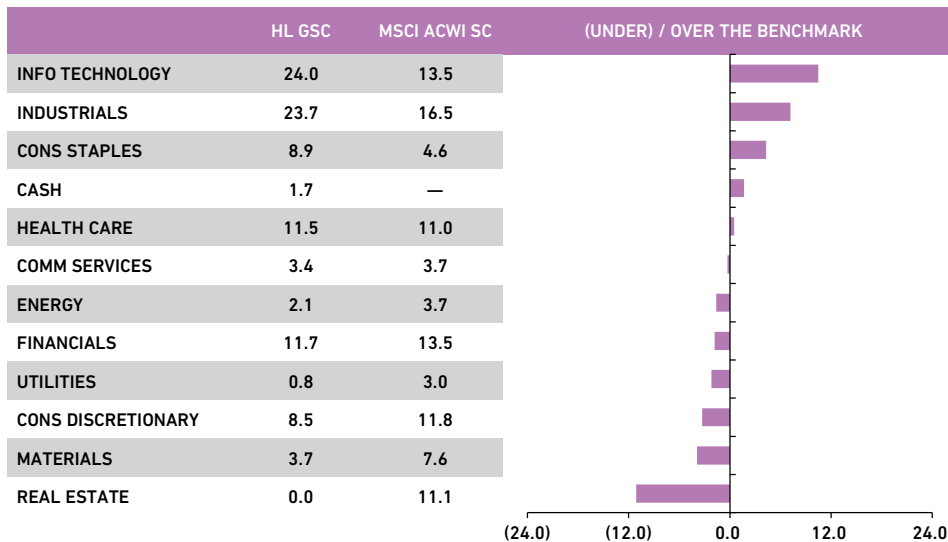
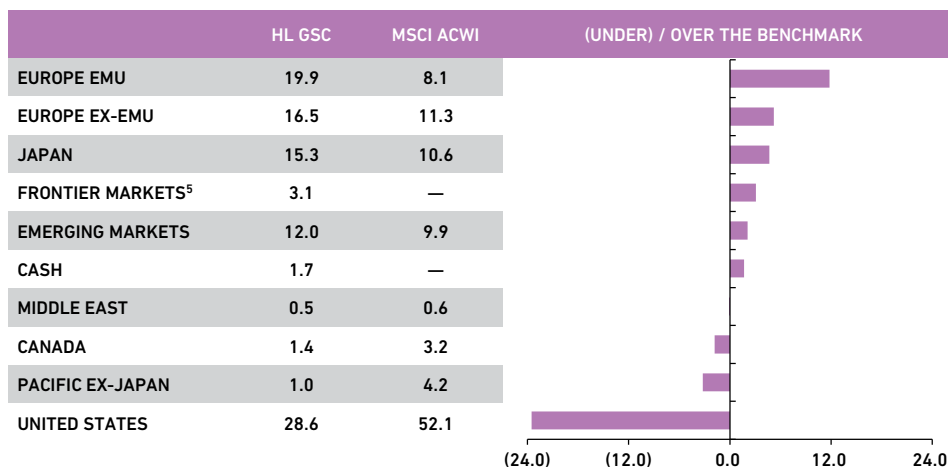


**COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED MARCH 31, 2019<sup>1</sup>**

	3 MONTHS	SINCE INCEPTION <sup>2</sup>
HL GLOBAL SMALL COMPANIES EQUITY (GROSS OF FEES)	14.31	14.31
HL GLOBAL SMALL COMPANIES EQUITY (NET OF FEES)	14.14	14.14
MSCI ALL COUNTRY WORLD SMALL CAP INDEX <sup>3,4</sup>	13.22	13.22

<sup>1</sup>The Composite performance returns shown are preliminary; <sup>2</sup>Inception Date: December 31, 2018; <sup>3</sup>The Benchmark Index; <sup>4</sup>Gross of withholding taxes.

Please read the above performance in conjunction with the footnotes on the last 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 (%)**


<sup>5</sup>Includes countries in less-developed markets outside the Index.

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

Source: Harding Loevner Global 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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**ONLINE SUPPLEMENTS**

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## MARKET REVIEW

Stocks of global small companies gained 13% in the quarter, rebounding strongly from last year's sell-off. Investor sentiment was buoyed by signals that the US Federal Reserve will pause hiking interest rates, and by progress in US-China trade negotiations.

Signs of a global economic slowdown appeared throughout the quarter. In the US, GDP growth forecasts were revised downward. In Europe, EU officials predicted GDP growth would slow this year to 1.3%, from 1.9% in 2018. Germany's manufacturing sector abruptly contracted, and the country's export sales and orders declined at the fastest rate since the financial crisis. In China, retail sales and manufacturing activity fell amid a sharp decline in bank lending.

Central banks reacted to the downbeat economic data. In January, the US Federal Reserve signaled that December's rate hike would be its last for a while, and Chairman Jerome Powell announced a halt to the planned reduction of the Fed's US\$4 trillion balance sheet, supporting market liquidity. The European Central Bank followed suit, extending its time horizon for keep-

### MARKET PERFORMANCE (USD %)

MARKET	1Q 2019
CANADA	14.2
EMERGING MARKETS	7.8
EUROPE EMU	11.7
EUROPE EX-EMU	12.7
JAPAN	7.3
MIDDLE EAST	13.8
PACIFIC EX-JAPAN	12.5
UNITED STATES	16.0
MSCI ACW SC INDEX	13.2

### SECTOR PERFORMANCE (USD %) OF THE MSCI ACW SMALL CAP INDEX

SECTOR	1Q 2019
COMMUNICATION SERVICES	13.1
CONSUMER DISCRETIONARY	11.2
CONSUMER STAPLES	6.5
ENERGY	18.9
FINANCIALS	8.9
HEALTH CARE	16.4
INDUSTRIALS	12.1
INFORMATION TECHNOLOGY	21.7
MATERIALS	10.3
REAL ESTATE	14.3
UTILITIES	10.0

Source: FactSet (as of March 31, 2019). MSCI Inc. and S&P.

ing interest rates low and offering additional cheap funding for banks. China, too, announced measures to lower borrowing costs and encourage loan growth.

The US-instigated trade war, which left stock markets battered and bruised last year, appeared to take a favorable turn. For much of 2018, companies fearful of escalation that would disrupt their global supply chains were discouraged from making fixed-capital investments. In a reversal over the past few months, hopes for trade peace have risen, as both the US and China signaled an eagerness to reach an accord and reported progress in their negotiations.

### Information Technology, which sold off sharply at the end of 2018, was the best-performing sector in the quarter.

Many market segments hardest hit by last year's rout led in the first quarter's bounce. Information Technology (IT), which sold off sharply at the end of 2018, was the best-performing sector in the quarter. A 27% rise in oil prices thanks to production cuts from OPEC and a slightly improved demand outlook lifted small-cap Energy stocks, which likewise had underperformed in the fourth quarter.

The US was the worst-performing region in last year's sell-off but the best performer in this quarter's rebound. Rising oil prices lifted small-cap stocks in resource-heavy Canada. Emerging Markets and Japan lagged the most, gaining 8% and 7%, respectively. India's upcoming general elections cast uncertainty over its stock market; Prime Minister Narendra Modi is favored in the polls, but any reduction in his party's parliamentary majority may slow his promised reforms.

By style, the most-expensive growth stocks outperformed the rest of the market. However, low-quality stocks were favored in the rebound, especially in the US, leading to a muted style effect on our portfolio.

## PERFORMANCE AND ATTRIBUTION

The Global Small Companies composite rose 14.3% in the quarter, exceeding the benchmark's 13.2% return. The charts on the following page attribute the quarter's performance by sector and region.

Our strong stock selection in the eurozone contributed the most to our relative performance. Shares of Paris-based technology consultant **Alten** rose sharply after the company reported its revenue rose 15% in 2018, its fifth-straight year of double-digit sales growth. In Italy, shares of **FinecoBank** rose after the online bank reported stronger-than-expected results. In 2018, the company's net income grew by 7% and deposits jumped 10%.

Our stocks in the US detracted from relative performance this quarter, and our overweight to the strong US market hurt even more. **EnerSys**, the world's largest industrial battery manufacturer, posted flat growth in the quarter ended in December due to a slowdown in spending by US telecom companies. We believe telecoms are delaying battery purchases until the nationwide rollout of 5G begins in earnest later this year.

By sector, we benefited from our overweight and stock selection in IT. Shares of technology services consultant **EPAM** soared after the company reported year-on-year revenue growth of almost 30% and a 2.5 percentage-point expansion of operating margins. The company focuses primarily on high-end systems development, which is in high demand as businesses increasingly digitize their operations.

Our poor stock selection and overweight in Consumer Staples partially offset our gains in IT. **Ariake**, a Japanese supplier of natural flavorings, sold its highly profitable US business, surprising us and other investors who had viewed the US as a source of long-term growth. The company said its American operations were weakening, and the sale will allow it to focus on its fast-growing business in China. We think the company achieved a fair price for its US assets and applaud it for prioritizing long-term growth opportunities in its capital allocation plans.

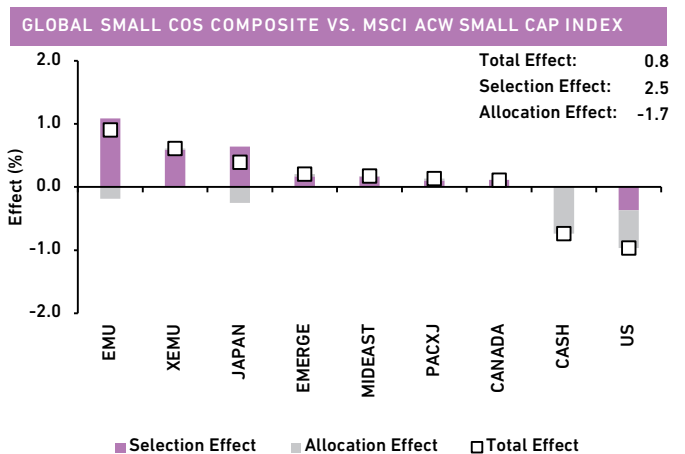
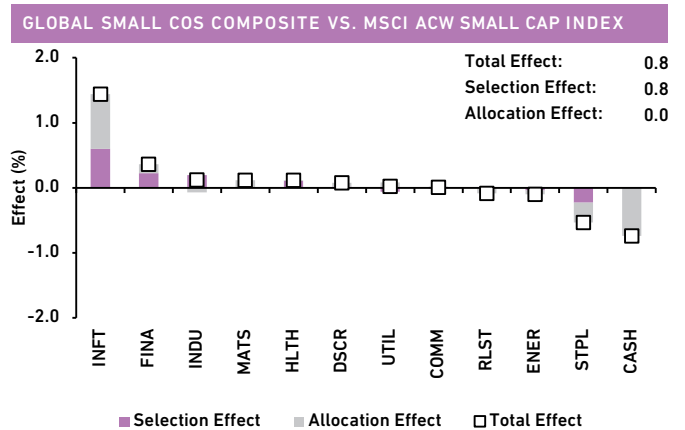
## INVESTMENT PERSPECTIVES

In terms of economic growth, Japan would appear to be one of the least-promising developed markets for investors. Japan's economy has been largely stagnant for more than two decades: since 1997, GDP growth has averaged just 1% per annum and the country has endured six recessions. Prime Minister Shinzo Abe's "Three Arrows" stimulus program of fiscal spending, monetary easing, and structural reforms has shown only limited success over the past five years; the country remains in a malaise and now faces a huge debt burden. One impediment is Japan's aging and shrinking population. Among developed countries, Japan has the highest percentage (27%) of citizens over 65. Last year the population fell by 263,000, around 2%, its eighth consecutive annual decline. The working-age population shrank to 75 million, or 60% of the total—its lowest percentage on record.

As investors, we always seek growth, even in places where it is not readily apparent. Despite Japan's dismal economic performance, some Japanese companies are managing to grow. Our investment challenge is to find them. At 3,534, the number of small companies in Japan is large relative to the

*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 March 31, 2019 is available on pages 6-7 of this report.*

## SECTOR PERFORMANCE ATTRIBUTION FIRST QUARTER 2019



*FactSet; Harding Loevner Global 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.*

size of its economy—significantly greater, for example, than the UK and Germany combined. Further raising the bar for foreign investors, over three-quarters of Japan's small companies publish their investor materials only in Japanese, and the vast majority of company managers do not speak English.

Over the years, we have uncovered numerous quality businesses that are thriving in Japan. While not entirely insulated from the weak economy, their competitive advantages, financial strength, and, most distinctively and importantly, their skillful managers have enabled them to succeed by growing their share of the market in their industries. One example is **M3**, a Japanese company that has achieved extraordinary growth by disrupting how pharmaceutical companies market to doctors. For years, drug companies have marketed their products through legions of highly paid sales representatives who call on doctors at their offices. In 2000, M3 launched an online platform through which drug companies could share product information with doctors digitally. Doctors accessed

the site for free, while pharmaceutical companies paid to post information but at just a fraction of the cost of sales reps' salaries. M3's innovation arrived as drug companies were cutting costs due to revenue pressures from patent expirations, and busy doctors were increasingly turning down in-person marketing meetings.

### **M3 had an advantage of being an early mover in a new, growing market.**

We began covering M3 in 2005. In an early note, our analyst reported that the company had signed up 21 of Japan's 100 drug companies within its first five years of existence, and believed it could capture another 30. The company had an advantage of being an early mover in a new, growing market. She noted that, with more doctors, there would be additional opportunities for M3 to grow by expanding its services beyond pharmaceutical information. In fact, M3's site could become a "must join" for doctors. Once M3 reached critical mass, it would be hard for new entrants to take its market share. By early 2006, nearly half of the country's 257,000 physicians had registered.

Over the last 10 years, M3 has expanded its business to the US, UK, South Korea, and China. It now has access to 4.5 million physicians worldwide and has introduced new services for employee recruitment and career development, electronic medical records management, and support for clinical trials. It has grown its revenues at an annual rate of nearly 20%.

In 2015, at the suggestion of M3's founder, we took a look at **SMS**, a relatively young company providing recruiting services to hospitals and elderly care facilities. Through our research we found that the company was tapping a large but poorly served group: job-seeking nurses. An estimated 10% of Japan's 1.5 million nurses leave their jobs every year, but at the time very few worked with an online recruitment service. SMS offers its services for free to job seekers; hospitals pay on average 20% of a successful recruit's annual salary. It also charges hospitals and health facilities to post job descriptions on its site.

The company quickly established market-leading positions in providing employment services to nurses and senior-care workers, and later developed insurance-billing software for small- and medium-sized nursing homes. The popularity of its services and loyalty of its customers are reflected in SMS's high level of cash-flow return on invested capital, which have averaged 31% over the last five years. In that same period, its revenue and operating profit have grown at a compound annual rate of 21%. Currently, about 80% of SMS's revenues come from Japan, but the company has established a presence in eleven other Asian countries that will eventually face Japan-like demographic trends.

Our analysts, whether they be focused on an industry or a region, are required to investigate companies' fundamentals in

the context of the competitive structures of the global industries in which they participate. This industry-level approach helps us identify broad trends that may represent market opportunities. Our work covering large multinational and regional food-and-beverage companies is informed by the perspectives of two different analysts, one focusing on Consumer Staples and another on Materials. We have learned that food-and-beverage companies are increasingly reliant on specialized ingredient suppliers that help differentiate the taste, color, and smell of a product. These suppliers enjoy strong loyalty as their customers are unlikely to risk altering the taste or smell of their popular products by switching to lower-cost ingredients. A favorable industry competitive structure thus underpins the growth of flavor-and-fragrance companies like Symrise, Givaudan, and International Foods & Fragrances.

### **Food-and-beverage companies are increasingly reliant on specialized ingredient suppliers that help differentiate the taste, color, and smell of a product.**

Based on this insight into the flavors-and-fragrances industry, we looked for related investment opportunities in Japan. We found Ariake, the country's largest maker of meat-extract based natural seasonings. Its products include soups, sauces, bouillon, consommé; meat, seafood, and vegetable extracts; and vegetable oils. The quality and consistency of its products have secured its longstanding relationships with customers. Rising global appreciation of Japanese food and seasonings and consumers' increasing preference for natural rather than chemical ingredients are helping propel the company's growth. Ariake's major overseas markets include China, Taiwan, Indonesia, and France. Ariake has grown its revenues and earnings at compound annual rates of 10% and 16%, respectively, over the last five years while delivering average cash flow return on invested capital of 14%.

While our Japanese holdings show slightly slower sales growth than our average portfolio company, they have managed to deliver faster than average earnings and cash flow growth—despite operating primarily in an economy that perennially lags the rest of the developed world.

## **■ PORTFOLIO HIGHLIGHTS**

The IT and Industrials sectors together represent nearly half the weight of the portfolio. We have found that these sectors offer a diverse range of strong businesses with durable competitive advantages.

Many of our IT companies build software for their customers' specific business needs. For example, Switzerland-based **Temenos Group** designs banking applications that replace legacy, customized in-house software at financial institutions globally. We expect Temenos to benefit as banks renovate their

outdated IT systems in order to be more competitive with “fintech” startups. US-based **Guidewire Software** specializes in software for the property-and-casualty insurance industry. The company’s InsuranceSuite helps customers automate their underwriting, claims, and billing processes. Guidewire is in the early stages of transitioning to a cloud-based subscription model, which should allow the company to lock-in recurring revenues for the long term. Another US-based company, **Synopsys**, develops software that automates computer-chip design, enabling engineers to be more productive as their work increases in complexity. The company’s suite of integrated programs leads the market. In addition, Synopsys derives almost all of its revenue from non-cancellable contracts, illustrating its strong bargaining power over customers.

We also find the Industrials sector to be rich in high-quality, durable-growth businesses. A number of our holdings are taking advantage of growth opportunities stemming from demographic trends. **Nihon M&A Center Inc.**, for example, is a Japanese merger-and-acquisition adviser to small- and medium-sized domestic companies. It faces a growing target

market as increasing numbers of founders are reaching retirement age without successors. Many will seek help to arrange a sale. In the US, **Healthcare Services** provides housekeeping and dietary services to acute- and long-term care facilities. We expect more of these businesses to outsource these tasks to reduce costs.

Some small manufacturing companies are insulated from pricing pressure because they make critical products that are but a small part of the bill of materials of their customers’ end products. For instance, **Spirax-Sarco** helps industrial clients to build or upgrade steam systems used in various manufacturing processes. These systems, which include steam traps and control valves, are a small part of the operating budget of a factory, yet critical to energy efficiency and safe production. **LEM Holdings** is a leading provider of transducers used for electrical power management in a broad range of applications globally, including locomotives, elevators, electric vehicles, and wind turbines, components that, while relatively inexpensive, are vital.

## PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL GSC	ACWI SMALL CAP
PROFIT MARGIN <sup>1</sup> (%)	12.9	8.0
RETURN ON ASSETS <sup>1</sup> (%)	10.2	5.1
RETURN ON EQUITY <sup>1</sup> (%)	17.2	10.7
DEBT/EQUITY RATIO <sup>1</sup> (%)	12.9	57.8
STD DEV OF 5 YEAR ROE <sup>1</sup> (%)	2.4	4.5
SALES GROWTH <sup>1,2</sup> (%)	8.4	5.6
EARNINGS GROWTH <sup>1,2</sup> (%)	13.0	10.7
CASH FLOW GROWTH <sup>1,2</sup> (%)	11.5	7.9
DIVIDEND GROWTH <sup>1,2</sup> (%)	8.8	6.7

RISK & VALUATION	HL GSC	ACWI SMALL CAP
PRICE/EARNINGS <sup>3</sup>	22.6	16.1
PRICE/CASH FLOW <sup>3</sup>	18.7	11.0
PRICE/BOOK <sup>3</sup>	3.4	1.7
DIVIDEND YIELD <sup>4</sup> (%)	1.6	2.1
SIZE	HL GSC	ACWI SMALL CAP
WTD MEDIAN MKT CAP (US \$B)	4.4	2.6
WTD AVG MKT CAP (US \$B)	5.3	3.3

<sup>1</sup>Weighted median; <sup>2</sup>Trailing five years, annualized; <sup>3</sup>Weighted harmonic mean; <sup>4</sup>Weighted mean. Source: FactSet (Run Date: April 2, 2019); Harding Loevner Global Small Companies Model, based on the underlying holdings; MSCI Inc.

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

**GLOBAL SMALL COMPANIES EQUITY HOLDINGS (AS OF MARCH 31, 2019)**

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)	SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
<b>COMMUNICATION SERVICES</b>			<b>HEALTH CARE</b>		
BHARTI INFRATEL Telecom infrastructure provider	India	0.4	ABCAM Life science services	UK	1.9
CHEIL WORLDWIDE Marketing and advertising services	South Korea	0.5	CARL ZEISS MEDITEC Medical technology provider	Germany	1.6
IPSOS Market-research services	France	0.2	DECHRA Veterinary pharma manufacturer	UK	1.5
KAKAKU.COM E-commerce retailer	Japan	0.7	DIASORIN Reagent kits developer	Italy	1.3
PARADOX INTERACTIVE Video game publisher	Sweden	0.5	EMIS GROUP Health care software developer	UK	0.5
RIGHTMOVE Online property listings operator	UK	1.1	FINDEX Health care software developer	Japan	0.4
<b>CONSUMER DISCRETIONARY</b>			<b>INDUSTRIALS</b>		
ABC-MART Footwear retailer	Japan	1.6	ALFA LAVAL Industrial equipment manufacturer	Sweden	0.4
BORGWARNER Automotive parts manufacturer	US	1.4	ALLEGION Security equipment manufacturer	US	0.5
CHARGEURS Specially fabrics and coatings manufacturer	France	0.5	BBA AVIATION Flight support systems and services	UK	0.4
COWAY Consumer appliances manufacturer	South Korea	0.5	BOSSARD Industrial components supplier	Switzerland	0.7
ECLAT TEXTILE Technology-based textile manufacturer	Taiwan	1.1	BRUNEL INTERNATIONAL Employment services	Netherlands	0.3
HANKOOK TIRE Tire manufacturer	South Korea	0.2	CLARKSONS Shipping services	UK	0.3
NOKIAN TYRES Tire manufacturer	Finland	0.3	COPART Vehicle remarketing services	US	0.8
RINNAI Consumer appliances manufacturer	Japan	0.5	ENERSYS Industrial-battery manufacturer	US	1.8
STANLEY ELECTRIC Automotive lighting manufacturer	Japan	0.5	EXPONENT Engineering and scientific consultant	US	0.9
THULE GROUP Transportation equipment manufacturer	Sweden	0.4	HAITIAN Plastic injection-molding machines manufacturer	China	1.0
YUME NO MACHI SOUZOU IINKAI Food delivery services	Japan	0.4	HEALTHCARE SERVICES Housekeeping and dining services	US	1.6
ZOZO E-commerce retailer	Japan	0.9	HEICO Aerospace parts manufacturer	US	1.9
<b>CONSUMER STAPLES</b>			<b>INFORMATION TECHNOLOGY</b>		
AGTHIA Foods and beverages manufacturer	UAE	0.2	ADVANTECH Industrial PCs manufacturer	Taiwan	1.1
ALICORP Consumer products manufacturer	Peru	0.6	ALTEN Technology consultant and engineer	France	1.9
ARIAKE Natural seasonings manufacturer	Japan	1.5	ASM INTERNATIONAL Semiconductor equipment manufacturer	Netherlands	0.8
CHURCH & DWIGHT Consumer products manufacturer	US	0.6	BECHTLE IT services and IT products reseller	Germany	1.7
COSMOS PHARMACEUTICAL Drugstores operator	Japan	1.1	COGNEX Machine vision systems manufacturer	US	1.2
EAST AFRICAN BREWERIES Alcoholic beverages manufacturer	Kenya	0.5	CYBERARK Cybersecurity software developer	Israel	0.5
GRUPO HERDEZ Processed foods manufacturer	Mexico	1.3	EPAM IT consultant	US	1.5
KERNEL Foods and agricultural products manufacturer	Ukraine	0.6	GARTNER Market-research services	US	0.9
SUGI HOLDINGS Drugstores operator	Japan	0.9	GLOBANT Software developer	Argentina	0.9
TIGER BRANDS Foods and consumer products manufacturer	South Africa	0.3	GUIDEWIRE SOFTWARE Insurance software developer	US	2.2
ÜLKER Processed foods manufacturer	Turkey	0.3	IPG PHOTONICS Lasers and amplifiers manufacturer	US	1.5
VITASOY Foods and beverages manufacturer	Hong Kong	1.0			
<b>ENERGY</b>					
CORE LABORATORIES Oilfield services	US	1.0			
HELMERICH & PAYNE Oil driller	US	1.2			
<b>FINANCIALS</b>					
ANADOLU HAYAT EMEKLILIK Insurance provider	Turkey	0.2			
BANK OF GEORGIA Commercial bank	UK	0.7			
DISCOVERY HOLDINGS Insurance provider	South Africa	0.7			
FINECOBANK Banking and financial services	Italy	1.1			
FIRST REPUBLIC BANK Private bank and wealth manager	US	0.7			
LAZARD Financial advisory	US	0.7			
MAX FINANCIAL Financial services and insurance provider	India	1.2			
MOSCOW EXCHANGE Clearing house and exchange	Russia	1.0			
RATHBONE BROS Wealth manager	UK	0.9			
RGA Reinsurance provider	US	0.7			
SIGNATURE BANK Commercial bank	US	2.3			
SVB FINANCIAL GROUP Commercial bank	US	0.9			
ZENITH BANK Commercial bank	Nigeria	0.4			

CONTINUED ON FOLLOWING PAGE >

Model Portfolio holdings are supplemental information only and complement the fully compliant Global 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.

## GLOBAL SMALL COMPANIES EQUITY HOLDINGS (AS OF MARCH 31, 2019)

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
<b>INFORMATION TECHNOLOGY (CONTINUED)</b>		
KINAXIS Supply chain software developer	Canada	1.4
LEM HOLDINGS Electrical components manufacturer	Switzerland	1.8
NOMURA RESEARCH INSTITUTE IT consultant	Japan	0.6
REPLY IT consultant	Italy	0.6
RIB SOFTWARE Software developer	Germany	1.8
SILERGY Electronics chips manufacturer	Taiwan	0.8
SYNOPSIS Software developer and chip designer	US	1.0
TEMENOS GROUP Banking software developer	Switzerland	1.0
VAISALA Atmospheric measuring devices manufacturer	Finland	1.0

SECTOR/COMPANY/DESCRIPTION	COUNTRY	END WT (%)
<b>MATERIALS</b>		
CHR. HANSEN Natural ingredients developer	Denmark	1.0
FUCHS PETROLUB Lubricants manufacturer	Germany	1.2
HOA PHAT GROUP Steel producer	Vietnam	0.4
SYMRISE Fragrances and flavors manufacturer	Germany	1.1
<b>UTILITIES</b>		
RUBIS Liquid chemical storage and distribution	France	0.9
<b>CASH</b>		
		1.7

### 1Q19 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
SIGNATURE BANK	FINA	2.5	0.61
ALTEN	INFT	2.0	0.52
EPAM	INFT	1.3	0.51
NIHON M&A CENTER INC.	INDU	1.5	0.51
IPG PHOTONICS	INFT	1.3	0.40

### 1Q19 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
ENERSYS	INDU	2.1	-0.32
ARIAKE	STPL	1.6	-0.31
HEALTHCARE SERVICES	INDU	1.8	-0.29
DISCOVERY HOLDINGS	FINA	1.2	-0.15
PARADOX INTERACTIVE	COMM	0.3	-0.03

### COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
PARADOX INTERACTIVE	SWEDEN	COMM
TOMRA	NORWAY	INDU

POSITIONS SOLD	COUNTRY	SECTOR
NOSTRUM OIL & GAS	UK	ENER

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

## GLOBAL SMALL COMPANIES COMPOSITE PERFORMANCE (AS OF MARCH 31, 2019)

	HL GLOBAL SMALL COS GROSS (%)	HL GLOBAL SMALL COS NET (%)	MSCI ACW SMALL CAP INDEX <sup>1</sup> (%)	HL GLOBAL SMALL COS 3-YR STD DEVIATION <sup>2</sup> (%)	MSCI ACW SMALL CAP INDEX 3-YR STD DEVIATION <sup>2</sup> (%)	INTERNAL DISPERSION <sup>3</sup> (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS (\$M)	FIRM ASSETS (%)
<b>2019 YTD<sup>4</sup></b>	<b>14.31</b>	<b>14.14</b>	<b>13.22</b>	<b>+</b>	<b>+</b>	<b>N.A.<sup>5</sup></b>	<b>1</b>	<b>1</b>	<b>0.00</b>

<sup>1</sup>Benchmark Index; <sup>2</sup>Variability of the Composite and the Index returns over the preceding 36-month period, annualized; <sup>3</sup>Asset-weighted standard deviation (gross of fees); <sup>4</sup>The 2019 YTD performance returns and assets shown are preliminary; <sup>5</sup>N.A.—Internal dispersion less than a 12-month period; +Less than 36 months of return data.

The Global Small Companies Composite contains fully discretionary, fee-paying accounts investing primarily in US and 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, and is measured against the MSCI All Country World Small Cap Total Return Index (Gross) for comparison purposes. 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 Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 47 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 62-21,864 million (as of March 31, 2019). 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 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. Verification does not ensure the accuracy of any composite presentation. The verification 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 Global Small Companies Equity 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 Global Small Companies Composite was created on December 31, 2018.