HARDING LOEVNER

FRONTIER EMERGING MARKETS EQUITY

2016 Year End Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDING DECEMBER 31, 2016[1]

	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	SINCE INCEPTION[2,3]
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	-1.04	4.89	-1.78	6.87	-0.60
HL FRONTIER EMERGING MARKETS (NET OF FEES)	-1.40	3.34	-3.23	5.31	-2.01
MSCI FRONTIER EMERGING MARKETS INDEX[4,5]	-4.25	5.41	-2.40	3.34	-3.80

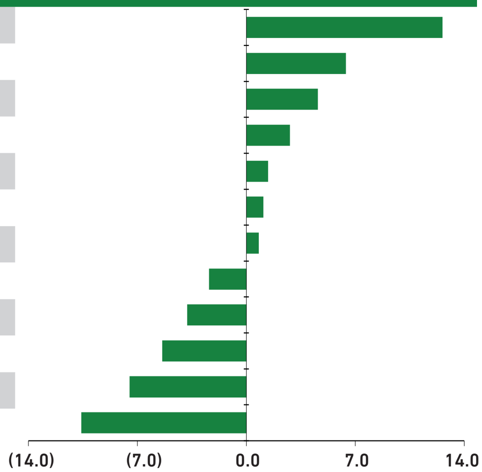
[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: May 31, 2008; [4]The Benchmark Index; [5]Gross of withholding taxes.

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 (%)

	HL FEM	MSCI FEM
CONS STAPLES	19.4	6.8
CONS DISCRETIONARY	7.9	1.5
MATERIALS	13.0	8.4
HEALTH CARE	4.2	1.4
ENERGY	7.1	5.7
CASH	1.1	-
INFO TECHNOLOGY	1.3	0.5
TELECOM SERVICES	7.6	10.0
UTILITIES	0.0	3.8
INDUSTRIALS	2.7	8.1
REAL ESTATE	1.9	9.4
FINANCIALS	33.8	44.4

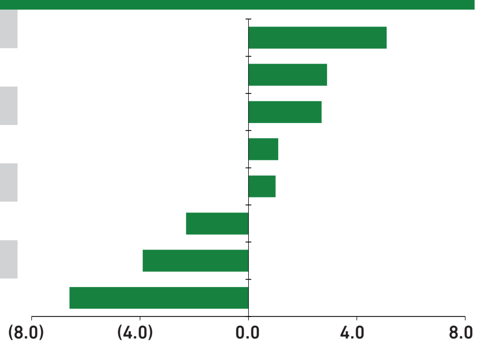
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL FEM	MSCI FEM
EUROPE	9.9	4.8
ASIA	39.7	36.8
DEVELOPED MARKET LISTED[6]	2.7	-
CASH	1.1	-
AFRICA	17.4	16.4
MIDDLE EAST	0.3	2.6
GULF STATES	9.8	13.7
LATIN AMERICA	19.1	25.7

(UNDER) / OVER THE BENCHMARK



[6]Includes frontier markets or small emerging markets companies listed in developed markets.
Current Frontier Markets exposure in the portfolio is 64.6% and Emerging Markets exposure is 34.4%.

Sector and geographic allocations are supplemental information only and complement the fully compliant Frontier Emerging Markets Composite GIPS Presentation.

Source: Harding Loevner Frontier Emerging Markets Model; MSCI 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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A fourth-quarter sell-off dented full-year returns for many frontier markets.

Currency depreciation plagued markets in Africa.

Consumer Staples suffered from poor performance of companies in the Philippines and Nigeria in the full year.

PORTFOLIO HIGHLIGHTS

The impact of rising US interest rates on frontier markets is complex, though we believe our portfolio companies are relatively well protected from the potential consequences.

Egypt faces a challenging economic recovery following currency fluctuations throughout 2016.

MARKET REVIEW

Frontier emerging market (FEM) equities fell in the fourth quarter, with the MSCI FEM Index down 4.3%. The weakness was broad-based as every region except the Gulf States and the Middle East lost value. The fourth-quarter sell-off dented the double-digit gain recorded by the Index for the first nine months of the year, reducing its annual gain to 5.4%. A number of markets saw their fortunes turn, for better or for worse, around the end of the year, as we discuss below.

In Asia, all markets except Pakistan and Bangladesh fell in the fourth quarter. The region's poor performance was affected most significantly by pronounced weakness in the Philippines, which accounts for approximately three-quarters of Asia's weight in the Index. The market has suffered from the dual dramas of Philippine President Rodrigo Duterte and US President-elect Donald Trump. Duterte's violent war on drugs and inflammatory anti-US discourse has frightened investors, while Trump's protectionist rhetoric (were it to manifest in actual policies) would have serious ramifications for the Philippine economy, which relies heavily on revenues from exports to the US, including business-process-outsourcing services for American companies, and remittances from Filipinos working in the US.

MARKET PERFORMANCE (USD %)

COUNTRY	4Q 2016	TRAILING 12 MONTHS
PHILIPPINES	-12.8	-6.1
KUWAIT	10.9	3.7
COLOMBIA	-2.3	26.5
PERU	2.5	55.6
ARGENTINA	-12.2	5.1
PAKISTAN	16.4	41.5
MOROCCO	11.0	35.5
VIETNAM	-10.4	-7.8
NIGERIA	-4.3	-35.6
EGYPT	-23.3	-11.4
MSCI FEM INDEX	-4.3	5.4

SECTOR PERFORMANCE (USD %)
OF THE MSCI FEM INDEX

SECTOR	4Q 2016	TRAILING 12 MONTHS
CONS DISCRETIONARY	-16.8	-2.8
CONS STAPLES	-9.1	-27.6
ENERGY	0.2	11.0
FINANCIALS	-2.9	8.7
HEALTH CARE	-10.5	-7.0
INDUSTRIALS	-5.4	1.7
INFO TECHNOLOGY	-20.8	-11.1
MATERIALS	3.7	27.7
REAL ESTATE	-9.0	1.9
TELECOM SERVICES	-4.6	5.8
UTILITIES	-7.5	10.3

Source: FactSet (as of December 31, 2016). MSCI Inc. and S&P. Selected countries are the 10 largest by weight, representing 82% of the MSCI Frontier Emerging Markets Index.

Asia finished the year with nearly neutral returns, though there was considerable divergence in performance among individual countries. The poor performance of the Philippines, down 6% for the year, contrasted with stellar performance in Pakistan, up 42%, which stemmed from an improving security situation and increasing foreign direct investment (FDI) flows into the nation's energy and transportation infrastructure under the China-Pakistan Economic Corridor program. Pakistan's impending upgrade by MSCI to Emerging Market status has also resulted in buying ahead of anticipated passive inflows.

Latin America lost ground during the fourth quarter. Argentina, down 12%, was marred by political infighting between pro-business President Mauricio Macri and opposition in Congress as it attempted to derail his reform agenda by proposing a slew of new taxes. Additionally, the Argentine peso fell against the US dollar following the US election.

Despite the tough fourth quarter, Latin America was the best-performing region of 2016 by far, rising 28%. Peru, up 56%, was the biggest contributor to this success; newly elected President Pedro Pablo Kuczynski appears committed to sound fiscal policies that should reinforce Peru's economic recovery. Colombia, up 27%, is also expected to see higher economic growth due to both recovering oil prices and the effective end in late November of a five-decade-long war between the government and FARC rebels. In contrast, Argentina was up just 5%, having given back much of its early 2016 gains in the second half of the year due to the political infighting and a slower-than-expected pace of economic improvement.

Only Africa and the Gulf States did not see fourth-quarter reversals. Africa was dragged down by Egypt when Egyptian authorities' decision to abolish currency controls and introduce a flexible foreign exchange regime catalyzed a sharp fall in the Egyptian pound. We discuss Egypt further in this report.

Africa ended the full year in negative territory, hurt by Egypt and Nigeria, which declined 11% and 36%, respectively. In both instances, positive stock-market performance in local currency terms was negated by massive currency depreciation against the US dollar. Nigeria's Central Bank implemented a free-floating exchange-rate mechanism for its currency, the naira, in June. Despite a 37% fall in its value since then, the naira's exchange rate still does not appear to have been fully liberalized, but instead continues to be "managed," as evidenced by the wide gap between the official rate and that in the still-functioning parallel market.[1]

[1]Kingsley Moghalu, "Nigeria Must Put Its Foreign Exchange Folly Behind It," *Financial Times* (December 8, 2016).

Fourth-quarter news was better in the Gulf States, as investors welcomed a late-November deal between OPEC and non-OPEC member countries to cut oil production for the first time since the global financial crisis. This agreement goes into effect in January and, if honored, will reduce the existing supply overhang. It has already been supportive for oil prices, as well as for equities in the region, which gained 8% in the quarter.[2]

The Gulf also ended the year with a positive return of 4% despite volatility throughout, trading largely in sync with oil-price movement. The first quarter marked a trough in the oil price—it touched a ten-year low of US$27 per barrel in January—and in investor sentiment, both of which were at the root of a broad sell-off across the region's equity markets. The mood was further soured by the implementation of austerity measures, including salary freezes and subsidy cuts in several Gulf countries. Thus, there was much relief in the region from the OPEC deal and subsequent oil-price recovery.

Most sectors in the Index ended 2016 with positive returns for the full year. Top-performing Materials was bolstered by strength in Peruvian copper mines and Colombian and Pakistani cement producers. Standout **Hoa Phat Group (HPG)**, a leader in the Vietnamese construction-steel market, achieved record profitability with strong volume growth and stable margins. Its vertically integrated production gives it a cost advantage that has helped it gain market share from smaller producers.

A sizeable contributor to positive overall performance in Financials was Index-heavyweight **Credicorp**, a leading Peruvian financial-services firm. The company delivered strong results backed by lower provision charges and higher asset quality, as well as improvement in net interest margin due to a greater mix of higher-yielding loans.

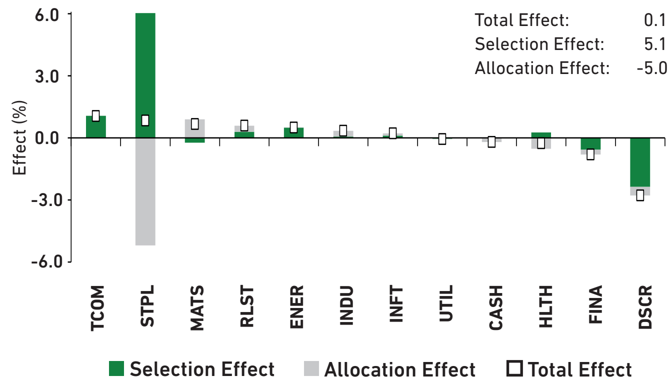
Consumer Staples was the worst-performing sector, with virtually every constituent stock falling. Philippine food and beverage producer **Universal Robina**, which accounts for over 20% of the sector by capitalization, retrenched as the company faced allegations of elevated lead content in its beverage products produced in Vietnam. Though the products were subsequently cleared, the product recalls and audit by the Ministry of Health caused a loss of sales in one of Universal Robina's largest markets. Nigerian consumer companies also contributed to the poor performance of the Consumer Staples sector. These companies generate most of their revenues in naira, so its depreciation led to reduced profitability as companies struggled to pass on the higher costs of imported raw materials to customers without hurting sales.

PERFORMANCE AND ATTRIBUTION

The Frontier Emerging Markets composite outperformed its benchmark, the MSCI FEM Index, in the fourth quarter, falling 1.0% while the Index fell 4.3%. For the year, the composite rose 4.9%, underperforming the Index, which returned 5.4%. The below charts illustrate the sources of relative performance for the year by sector and geography, respectively.

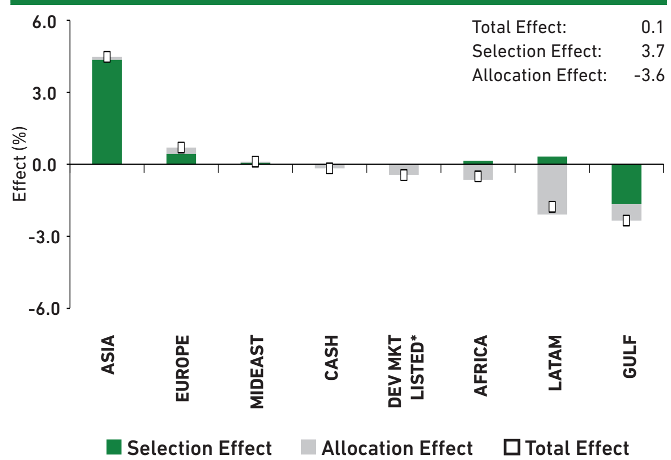
SECTOR PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



*Includes frontier markets or emerging markets companies listed in developed markets. Source: FactSet; Harding Loevner Frontier Emerging Markets 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.

[2]Neil Hume, Anjli Raval, David Sheppard, "Oil Back Above $50 as OPEC Agrees Supply Cut," *Financial Times* (November 30, 2016).

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 list of the ten largest holdings at December 31, 2016 is available on page 6 of this report.

The portfolio outperformed in the fourth quarter across all sectors except Industrials and Materials, with strong stock selection in the Consumer sectors and Energy being the primary contributors to relative performance. In Consumer Staples, Bangladeshi packaged-food manufacturer **Olympic Industries** benefited from strong volume growth in its biscuit and confectionary business and a margin gain due to lower commodity prices. Olympic's strong return was partially offset by our large overweight in the otherwise poorly performing sector. In Energy, we benefited most from **Pakistan Petroleum**, which entered into an agreement with the Pakistani government to extend the lease on its Sui gas field. The agreement also includes a large contractual price increase for wellhead gas.

By geography, our allocations within Asia boosted relative returns. Our large underweight in the poorly performing Philippine market and overweight in the top-performing Pakistani market were especially beneficial. Stock selection in frontier Europe detracted from performance. Kazakhstan-based **Halyk Savings Bank** hurt performance as loan growth remained low.

Our modest underperformance for the year stemmed from poor stock selection in Consumer Discretionary that was somewhat mitigated by strong stocks in Consumer Staples, particularly Olympic Industries.

From a geographic perspective, stock picks in the Gulf States detracted. Our holdings in Saudi Arabia, which is not included in the benchmark, such as fast-food retailer **Herfy Food Services** and electronics retailer **Jarir Marketing**, detracted as sentiment weighed on consumer confidence in the Kingdom before the OPEC agreement was reached. Asia was the top contributor to relative performance due to good stock selection in Vietnam, particularly HPG.

INVESTMENT PERSPECTIVES

The Impact of US Interest Rates on Frontier Markets

Following Donald Trump's electoral win, capital outflows and currency depreciation have put pressure on emerging and frontier markets. Broadly, investors' concerns appear to be focused on the prospect of rising US interest rates, which would further strengthen the US dollar and potentially accelerate capital outflows from emerging economies, resulting in further local currency weakness. While we acknowledge the importance of the US interest rate trajectory to frontier markets, the issue is complex. We make two observations:

First, some frontier countries exhibit virtually no scope for currency movement. This is the case for oil exporters in the Gulf States region that have longstanding US dollar pegs. Others, namely the small European nations of Estonia, Slovenia, and Lithuania, use the euro, whose exchange rate against the US dollar is determined by conditions in the larger eurozone economies and by European Central Bank policies. It is the frontier countries with low foreign exchange reserves and unfavorable balances of payments that are most vulnerable to rising US rates. In response to the tightening of US monetary policy, such countries may be forced to raise their domestic interest rates to discourage capital outflows and support their currencies.

Second, the frontier universe comprises a very diverse set of countries; the economy of each has its unique drivers, like inflation expectations, FDI and portfolio investment patterns, inbound remittances, and export and trade flows. Such country-specific factors often play a more important role in determining monetary policies and exchange rates than exogenous factors, including the trend of US interest rates.

The effects of rising US rates on frontier markets thus are not generalizable from a regional perspective. They are, however, more clearly discernable on a sector level, especially in Financials. Financial companies are heavily represented in the frontier asset class, constituting close to 45% of the Index. Banks' profitability generally benefits from rising interest rates, as interest income from loans typically rises faster than increases in the cost of deposits due to a portion of current account deposits which are non-interest bearing. In countries with currencies pegged to the US dollar such as Saudi Arabia, the transmission mechanism between US interest rates and local interest rates is direct and immediate, so banks in these countries stand to benefit from higher US rates. Our Saudi Arabian holding **Al Rajhi Bank**, the largest Islamic bank by capital in the world, has already seen its net interest margin expand as it has redeployed excess liquidity from Saudi treasury bills into longer-duration government bonds at higher yields.

Companies with leveraged balance sheets, especially those with US dollar-denominated debt and currency mismatches, would be hurt by rising interest rates and would suffer from the cost of servicing such debt when the US dollar strengthens. Because we invest only in companies with modest levels of financial leverage, we believe our portfolio companies are relatively well protected from rising rates.

Egypt

Egypt boasts one of the largest and most diversified economies in Africa, with exposure to business services, agriculture, oil and gas, and tourism. The country benefits from a large and young population; the population of more than 90 million has a median age of just 24.

Recently, Egypt has endured significant political turmoil, with two revolutions in three years. This has led to capital outflows, sharp declines in tourism, and underinvestment by the private sector, all of which have taken a toll on the Egyptian economy.

Rising inflation, subdued growth, and an acute shortage of foreign currency have pushed Egyptian authorities to abandon their prior defense of the pound through capital controls and instead to adopt a market-based approach. In November 2016, the Central Bank of Egypt abolished currency controls in place since March 2013 and introduced a free-floating exchange-rate regime. Currency liberalization should discourage US dollar hoarding by the population, gradually clear the sizeable backlog of requests for foreign currency, and alleviate the bottleneck faced by local importers who need hard currency to pay for raw materials, components, and equipment from abroad.

The adjustment process is not without its challenges. The sharply lower value of the pound has led to accelerating inflation, which, combined with fiscal austerity, is denting consumer purchasing power. Interest rate hikes, designed to curb inflation, increase the cost of borrowing and weigh on growth. Egypt must now pursue further structural reforms that boost exports and tourism, attract FDI, and improve its external competitiveness in order to increase productivity and investment and sustain growth in the long term.

Our portfolio was able to weather the currency fluctuations in Egypt partially due to our handling of longtime holding **Commercial International Bank (CIB)**, the largest private-sector bank in Egypt and one of its strongest corporate lending franchises. CIB shares are among the most liquid in Egypt and trade on both the local Egyptian market and the London Stock Exchange in the form of global depository receipts (GDRs). During 2016, we observed that the GDRs were trading at a large discount to local Egyptian shares. Foreign exchange controls restricted corporates' ability to repatriate US dollars out of Egypt. Companies that wished to take funds out of the country would bypass these restrictions by buying CIB shares on the Egyptian market with pounds, converting them to GDRs, and selling the GDRs in London for US dollar proceeds. This drove the price of CIB's local share upward and the price of GDRs down. In anticipation of a devaluation of the pound, we sold our CIB local shares in August and purchased GDRs. That paid off in November when Egypt abandoned its fixed exchange-rate regime. As the pound depreciated, the discount of the GDRs to the local shares was practically eliminated as the latter's price fell sharply in US dollar terms.

Also in the fourth quarter, we initiated a new position in **Integrated Diagnostic Holdings (IDH)**, the largest private lab diagnostics company in Egypt. The company's well-established brand, strong reputation among patients and doctors, and quick turnaround time for test results allow it to exercise pricing power, with its tests priced at a 5–10% premium relative to other labs. Additionally, IDH has developed expertise in performing highly complex, esoteric tests, which few competitors can match. IDH's wide lab footprint of over 300 locations helps to attract corporate and government clients nationwide. Its scale also allows the company to obtain reagents at a lower price than its competitors.

Tough economic conditions have constrained Egyptian consumers in all areas of discretionary spending, including lab testing. While IDH's growth in patient volumes slowed during 2016 relative to prior years, we think this is a cyclical phenomenon. Egypt has a high prevalence of lifestyle diseases such as obesity, diabetes, and hypertension; yet, it has one of the lowest levels of tests per capita, suggesting that the long-term drivers of IDH's growth remain intact. Backed by a strong debt-free balance sheet and low capital intensity business model, IDH is poised to return to robust growth as the Egyptian economy normalizes, inflation subsides, and consumer confidence and purchasing power improves.

Portfolio Management Team Update

Rusty Johnson, CFA has stepped down as a PM for the Frontier Emerging Markets Equity strategy as of year-end. While instrumental at the strategy's inception in 2008, Rusty's role on the FEM PM team evolved over time to that of consultant to the co-lead PMs. The remaining members of the FEM Equity strategy PM team are Pradipta Chakrabortty and Tunde Ojo, CFA (co-lead PMs), and Rick Schmidt, CFA. Rusty continues as a co-lead PM on our Emerging Markets Equity strategy.

FRONTIER EMERGING MARKETS TEN LARGEST HOLDINGS (AS OF DECEMBER 31, 2016)

COMPANY	COUNTRY	SECTOR	END WT (%)
SAFARICOM Mobile operator	KENYA	TELECOM SERVICES	3.9
HOA PHAT GROUP Steel producer	VIETNAM	MATERIALS	3.6
SQUARE PHARMACEUTICALS Pharmaceuticals manufacturer	BANGLADESH	HEALTH CARE	3.1
OLYMPIC INDUSTRIES Consumer product company	BANGLADESH	CONS STAPLES	3.0
CREDICORP Commercial bank	PERU	FINANCIALS	3.0
CEMENTOS ARGOS Cement manufacturer	COLOMBIA	MATERIALS	2.9
BANCA TRANSILVANIA Commercial bank	ROMANIA	FINANCIALS	2.8
HALYK SAVINGS BANK Commercial bank	KAZAKHSTAN	FINANCIALS	2.6
JOLLIBEE FOODS Quick service restaurant chain	PHILIPPINES	CONS DISCRETIONARY	2.6
ALICORP Consumer goods manufacturer	PERU	CONS STAPLES	2.6

Source: Harding Loevner Frontier Emerging Markets Model.
Model Portfolio holdings are supplemental information only and complement the fully compliant Frontier Emerging Markets 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.

4Q16 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	WEIGHT	CONTRIBUTION
JARIR MARKETING	DSCR	1.5	0.37
LUCKY CEMENT	MATS	1.3	0.35
PAKISTAN PETROLEUM	ENER	2.1	0.32
SAUDI BRITISH BANK	FINA	1.0	0.31
NOSTRUM OIL & GAS	ENER	1.2	0.31

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	WEIGHT	CONTRIBUTION
HOA PHAT GROUP	MATS	3.0	1.48
CREDICORP	FINA	2.7	1.40
SAFARICOM	TCOM	3.9	0.90
CEMENTOS ARGOS	MATS	2.7	0.79
OLYMPIC INDUSTRIES	STPL	2.9	0.74

4Q16 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	WEIGHT	CONTRIBUTION
JOLLIBEE FOODS	DSCR	3.0	-0.77
BPI	FINA	2.5	-0.45
BANCO MACRO	FINA	2.3	-0.44
EAST AFRICAN BREWERIES	STPL	2.3	-0.35
HOA PHAT GROUP	MATS	3.8	-0.33

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	WEIGHT	CONTRIBUTION
JARIR MARKETING	DSCR	1.9	-0.87
EQUITY BANK	FINA	2.1	-0.82
HERFY FOOD SERVICES	DSCR	1.4	-0.75
JOLLIBEE FOODS	DSCR	2.9	-0.51
ROBINSONS RETAIL	STPL	0.9	-0.42

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL FEM	MSCI FEM
PROFIT MARGIN[1] (%)	16.1	16.1
RETURN ON ASSETS[1] (%)	6.3	4.5
RETURN ON EQUITY[1] (%)	20.4	13.8
DEBT/EQUITY RATIO[1] (%)	47.5	97.1
STD DEV OF 5 YEAR ROE[1] (%)	3.1	2.5
SALES GROWTH[1,2] (%)	10.0	8.6
EARNINGS GROWTH[1,2] (%)	13.0	8.5
CASH FLOW GROWTH[1,2] (%)	15.6	7.8
DIVIDEND GROWTH[1,2] (%)	4.2	1.1
SIZE & TURNOVER	**HL FEM**	**MSCI FEM**
WTD MEDIAN MKT CAP (US $B)	2.8	5.1
WTD AVG MKT CAP (US $B)	4.7	6.4
TURNOVER[3] (ANNUAL %)	32.3	–

RISK & VALUATION	HL FEM	MSCI FEM
ALPHA[2] (%)	3.93	–
BETA[2]	0.86	1.00
R-SQUARED[2]	0.82	1.00
ACTIVE SHARE[3] (%)	71	–
STANDARD DEVIATION[2] (%)	11.36	11.89
SHARPE RATIO[2]	0.60	0.27
TRACKING ERROR[2] (%)	5.1	–
INFORMATION RATIO[2]	0.69	–
UP/DOWN CAPTURE[2]	98/78	–
PRICE/EARNINGS[4]	13.0	13.9
PRICE/CASH FLOW[4]	10.5	10.5
PRICE/BOOK[4]	2.2	1.7
DIVIDEND YIELD[5] (%)	3.2	2.9

[1]Weighted median; [2]Trailing five years, annualized; [3]Five-year average; [4]Weighted harmonic mean; [5]Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner Frontier Emerging Markets Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: January 6, 2017); Harding Loevner Frontier Emerging Markets Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
CLARIN	ARGENTINA	DSCR
GLOBANT	ARGENTINA	INFT
INTEGRATED DIAGNOSTICS HOLDINGS	EGYPT	HLTH
MAPLE LEAF CEMENT	PAKISTAN	MATS
MASAN	VIETNAM	STPL

POSITIONS SOLD	COUNTRY	SECTOR
NO POSITIONS WERE SOLD DURING THE QUARTER.		

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 Frontier Emerging Markets Composite GIPS Presentation. Portfolio holdings should not be considered recommendations to buy or sell any security.

FRONTIER EMERGING MARKETS COMPOSITE PERFORMANCE (AS OF DECEMBER 31, 2016)

	HL FEM GROSS (%)	HL FEM NET (%)	MSCI FEM INDEX[1] (%)	HL FEM 3-YR STD DEVIATION[2] (%)	MSCI FEM INDEX 3-YR STD DEVIATION[2] (%)	INTERNAL DISPERSION[3] (%)	NO. OF ACCOUNTS	COMPOSITE ASSETS ($M)	FIRM ASSETS (%)
2016[4]	4.89	3.34	5.41	11.22	12.43	N.M.[5]	1	387	0.99
2015	-16.76	-18.00	-17.99	11.28	11.81	N.M.	1	432	1.30
2014	8.51	6.93	7.52	10.19	10.76	N.M.	1	537	1.53
2013	19.77	18.09	4.59	12.68	11.82	N.M.	1	317	0.96
2012	22.92	21.08	21.23	14.01	13.97	N.M.	1	88	0.39
2011	-19.63	-20.83	-17.26	20.62	20.70	N.M.	1	95	0.70
2010	27.25	25.59	29.07	+	+	N.M.	1	96	0.87
2009	42.83	41.02	25.85	+	+	N.M.	1	10	0.16
2008[6]	-53.41	-53.77	-54.74	+	+	N.A.[7]	1	5	0.15

[1]Benchmark Index; [2]Variability of the composite and the Index returns over the preceding 36-month period, annualized; [3]Asset-weighted standard deviation (gross of fees); [4]The 2016 performance returns and assets shown are preliminary; [5]N.M.–Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year; [6]2008 represents the partial year, June 1, 2008 to December 31, 2008; [7]N.A.–Internal dispersion is less than a 12-month period; +Less than 36 months of return data.

The Frontier Emerging Markets Composite contains fully discretionary, fee paying frontier emerging markets accounts investing in non-US equity and equity equivalent securities of companies domiciled predominantly in frontier and smaller emerging markets countries with the objective of long-term capital appreciation. For comparison purposes, the Composite is measured against the MSCI Frontier Emerging Market Index (gross of withholding taxes). Returns include the effect of foreign currency exchange rates. The exchange rate source of the benchmark index is Reuters. The exchange rate source of the Composite is Bloomberg. Additional information about the benchmark index, including the percentage of composite assets invested in countries or regions not included in the Index, is available upon request.

The MSCI Frontier Emerging Markets Index is a free float-adjusted market capitalization index designed to measure equity market performance in all countries from the MSCI Frontier Markets Index and the lower size spectrum of the MSCI Emerging Markets Index. The Index consists of 23 frontier markets and 4 emerging markets. 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 by Ashland Partners & Company, LLP for the period November 1, 1989 through September 30, 2016.

Verification assesses whether (1) the firm has complied with all the 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 the 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 is not indicative of future results. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The US dollar is the currency used to express performance. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The standard fee schedule generally applied to separate Frontier Emerging Market accounts is 1.50% annually of the market value up to $20 million; 1.15% of amounts from $20 million to $100 million; above $100 million on request. 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 Frontier Emerging Markets Composite was created on May 31, 2008.

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