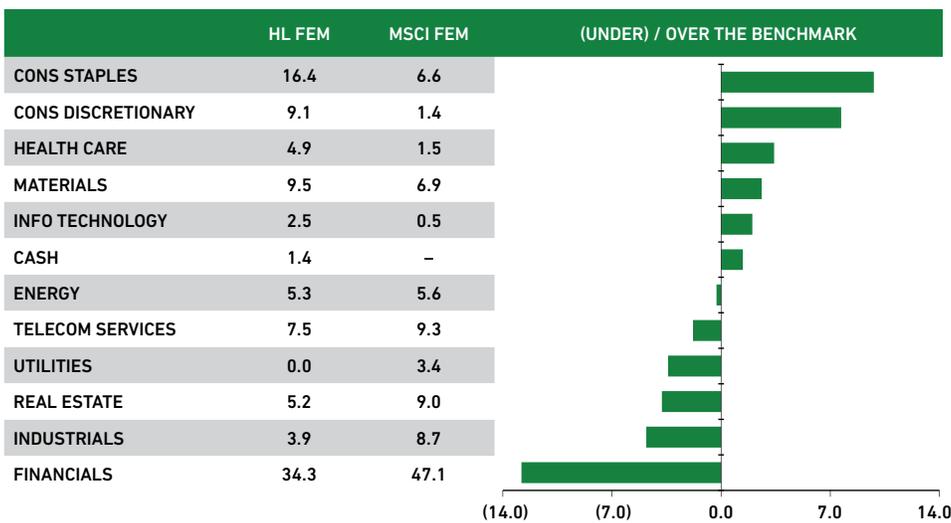
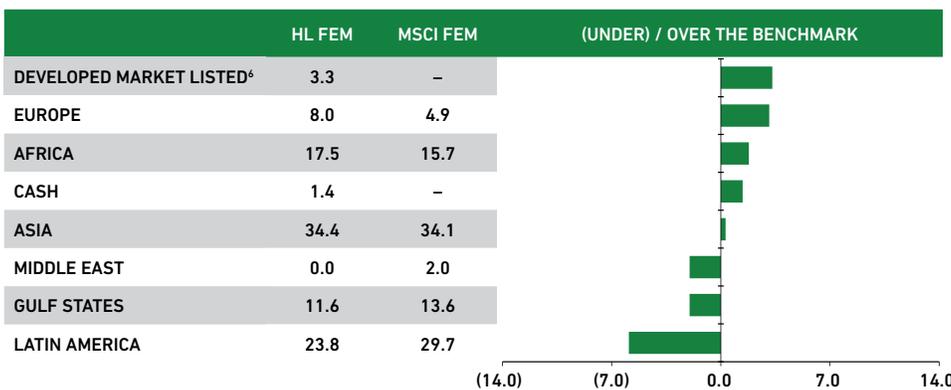


**COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED SEPTEMBER 30, 2017<sup>1</sup>**

	3 MONTHS	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	6.39	20.22	18.97	-0.92	7.74	1.42
HL FRONTIER EMERGING MARKETS (NET OF FEES)	6.04	19.00	17.33	-2.36	6.19	-0.01
MSCI FRONTIER EMERGING MARKETS INDEX <sup>4,5</sup>	6.30	21.06	15.91	-2.12	4.48	-1.51

<sup>1</sup>The Composite performance returns shown are preliminary; <sup>2</sup>Annualized Returns; <sup>3</sup>Inception Date: May 31, 2008; <sup>4</sup>The Benchmark Index; <sup>5</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>6</sup>Includes frontier markets or small emerging markets companies listed in developed markets.

Current Frontier Markets exposure in the portfolio is 54.4% and Emerging Markets exposure is 44.2%.

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 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.

**TABLE OF CONTENTS**

- 2 | Market Review
- 3 | Performance and Attribution
- 4 | Investment Perspectives
- 5 | Portfolio Highlights
- 6 | Portfolio Largest Holdings
- 7 | Portfolio Facts

**MARKET REVIEW**

Every region and sector except Information Technology posted positive returns in the quarter.

The Kenyan market rose as its Supreme Court annulled the results of the August presidential election, citing vote-counting irregularities, and mandated a new election.

The Gulf States and Financials were buoyed by investors' expectations of Kuwait's upgrade to Emerging Market status by index-provider FTSE Russell.

**PORTFOLIO HIGHLIGHTS**

Several secular trends in frontier economies are strengthening the foundation for growth and expanding the universe of investment opportunities.

We initiated two new holdings in Consumer Staples and Real Estate.

## MARKET REVIEW

Frontier emerging markets (FEMs) posted strong returns in the third quarter of 2017, with the MSCI FEM Index rising 6.3%. Every region and sector except Information Technology advanced.

Latin America was strong across the board. Investors in Argentina applauded the results of August primary elections in which President Mauricio Macri's Cambiemos ("Let's Change") coalition garnered 36% of the nationwide vote, winning several important districts, while populist former President Cristina Fernández de Kirchner who ran in the Buenos Aires province fared poorly. The solid showing for Cambiemos allayed fears that Macri's pro-business reform agenda could be derailed by the return of a populist government in the upcoming parliamentary elections.

Africa rose this quarter, due mostly to the strong Kenyan market. Kenya's Supreme Court, citing vote-counting irregularities, annulled the results of the August presidential election, in

### MARKET PERFORMANCE (USD %)

COUNTRY	3Q 2017	TRAILING 12 MONTHS
PHILIPPINES	3.1	2.6
ARGENTINA	14.4	42.1
KUWAIT	17.2	41.9
COLOMBIA	6.5	12.7
PERU	14.1	32.3
VIETNAM	7.0	8.4
NIGERIA	-2.0	26.2
MOROCCO	1.6	21.7
EGYPT	2.2	-17.6
KENYA	8.8	23.2
MSCI FEM INDEX	6.3	15.9

### SECTOR PERFORMANCE (USD %) OF THE MSCI FEM INDEX

SECTOR	3Q 2017	TRAILING 12 MONTHS
CONS DISCRETIONARY	12.0	4.1
CONS STAPLES	0.7	1.2
ENERGY	5.9	22.4
FINANCIALS	7.7	20.1
HEALTH CARE	6.0	6.6
INDUSTRIALS	3.6	13.2
INFO TECHNOLOGY	-7.8	-4.9
MATERIALS	3.7	11.1
REAL ESTATE	7.5	7.9
TELECOM SERVICES	7.8	18.0
UTILITIES	5.3	26.2

Source: FactSet (as of September 30, 2017). MSCI Inc. and S&P. Selected countries are the 10 largest by weight, representing 83% of the MSCI Frontier Emerging Markets Index.

which incumbent President Uhuru Kenyatta was the apparent victor, and mandated that it be repeated before November 1. The ruling testified to the independent judicial branch's ability to check the executive branch's power and force politicians to dispute election outcomes only by legal means. This is particularly important for Kenya given the violence that erupted when previous election results were contested in 2007.

Nigeria's positive performance in local currency terms was offset by the impact of a change in MSCI's reference exchange rate from the increasingly unobtainable official rate to the NAFEX\* benchmark rate, based on a facility introduced by the Central Bank in April to allow easier and faster capital repatriation by foreign investors. Good liquidity in the NAFEX window has led to the gradual convergence of the NAFEX and the naira's unofficial market rate. We have used the NAFEX rate to value our portfolio holdings since June 2017.

Bangladesh and Vietnam were Asia's top performers. Bangladesh was bolstered by advances in the shares of **Grameen-phone**—the country's largest mobile telecom company. Grameen emerged as the leader in terms of market share, revenue, and network coverage following last year's government-mandated user-registration program, aimed at verifying subscribers' identities. The program, which eliminated unverified subscribers across the telecom market, effectively boosted Grameen's market share as the company had fewer unverified subscribers relative to its competitors. Since the 2016 merger between Robi Axiata and Airtel, the top three players now control 97% of the market. This has led to diminished rivalry. Grameen's growth outlook remains strong, supported by the low mobile penetration in Bangladesh and increasing smartphone adoption that is driving data usage.

Amidst the otherwise strong performance of Asian markets, Pakistan was the worst-performing FEM in the quarter. Shares of Habib Bank suffered heavy losses when the New York Department of Financial Services imposed a multi-million dollar fine and ordered it to close its US branch after investigations revealed serious deficiencies in the bank's anti-money laundering compliance. We discuss Habib further in this report.

Financials were boosted by Kuwaiti banks in anticipation of Kuwait's upgrade to Emerging Market (EM) status by index-provider FTSE Russell. Argentina's **Banco Macro** and **Grupo**

\*NAFEX stands for Nigerian Autonomous Foreign Exchange Rate Fixing. The rate is computed based on the survey of ten Nigerian banks conducting currency operations involving purchases and sales of currency on behalf of their clients. The NAFEX rate is market determined, since it most closely reflects the rate available to investors in open-market transactions.

*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 September 30, 2017 is available on page 6 of this report.*

**Financiero Galicia** also rose strongly. The country's improving economy and declining inflation should stimulate credit demand from local businesses previously unable to afford long-term financing.

Energy shares advanced in the quarter. The price of oil rose 17% as global oil inventories were drawn down. Supply decreased due to production cutbacks, mostly by OPEC countries. At the same time, global oil consumption surpassed expectations, prompting OPEC to increase its global demand forecasts for the next two years.

Materials shares were supported by rebounding commodity prices, particularly copper, which has advanced by over 15% in 2017 to date. Reports that China could ban imports of scrap metal—which would boost demand for virgin copper—helped sustain a rally in Peruvian mining stocks. Peru, the world's second-largest copper producer, has been ramping up production.

## ■ PERFORMANCE AND ATTRIBUTION

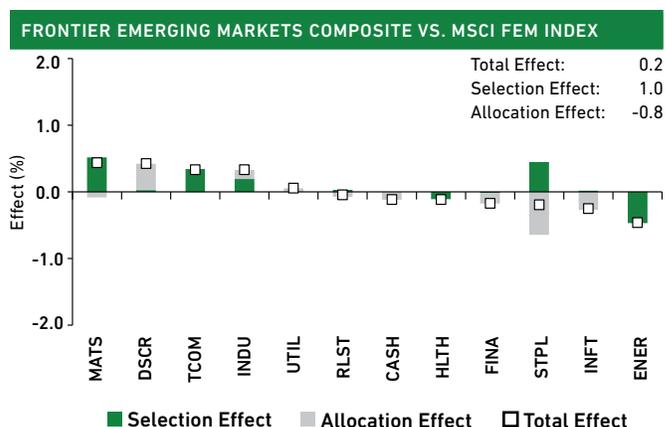
The Frontier Emerging Markets composite performed in line with its benchmark in the third quarter, rising 6.4%, against the MSCI FEM Index's 6.3%. For the year to date, the composite posted a 20.2% return to the benchmark's 21.1%. The charts on the right illustrate performance attribution for the quarter by sector and region, respectively.

By sector, stock selection was strongest in Materials, led by Vietnamese steel producer **Hoa Phat Group (HPG)**, the largest producer of construction steel in the country. Its vertical integration gives HPG a cost advantage that helped it gain market share from smaller producers. HPG has experienced strong volume growth and favorable domestic pricing due to “anti-dumping” tariffs on imports. We have traditionally stayed away from metals and mining companies because, as commodities producers, their returns depend greatly on factors outside their control: fluctuations in global supply and demand and resulting swings in output prices. Very few of them can be considered low-cost producers, and many are encumbered by significant debt. Within Materials, we prefer to focus on producers of cement, construction steel, or other products employed domestically, such as HPG, who can achieve significant competitive advantages in their home market.

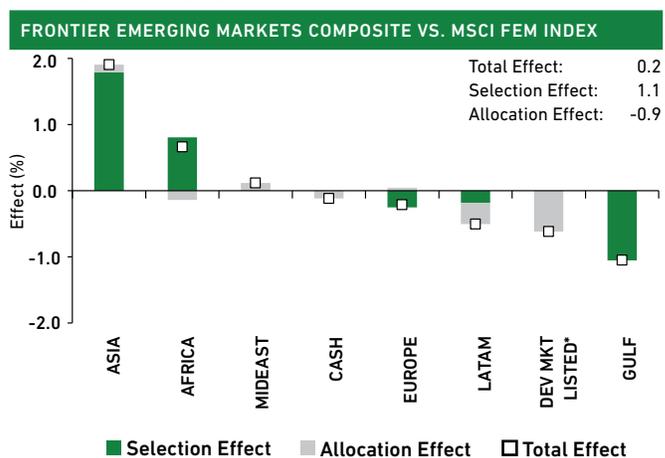
Poor stock selection in Energy detracted. Kazakhstan's **Nostrum Oil & Gas** fell following an English court's ruling allowing Claremont, an entity controlled by former Nostrum Executive Chairman Frank Monstrey, to dispose of its large shareholding.

Viewed by region, stock selection in the outperforming Asian markets contributed most to relative performance. Grameenphone reported sustained subscriber growth and its ninth consecutive quarter of revenue growth: more than 15% year-on-year. The portfolio also benefited from strong stock selection across Africa. With foreign-exchange concerns subsiding in Nigeria, **Guaranty Trust Bank** outperformed while achieving 62% growth in net income during the first half of the year.

## SECTOR PERFORMANCE ATTRIBUTION THIRD QUARTER 2017



## GEOGRAPHIC PERFORMANCE ATTRIBUTION THIRD QUARTER 2017



*\*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.*

Guaranty has maintained high asset quality throughout the recession.

We also benefited from stock selection in Pakistan, upon which the Habib Bank scandal weighed heavily. When we previously examined Habib, we observed that it trailed behind its top peers on profitability and efficiency metrics. Despite being the largest bank in Pakistan with the widest branch footprint, its proportion of low-cost current and savings accounts deposits was lower than that of its main competitors. Moreover, the bank's management pursued lending to the agricultural sector, seemingly prioritizing social objectives ahead of profitability. We ultimately decided to invest in **United Bank Pakistan** and **MCB Bank** instead. Management quality and foresight is one of the key pillars of our investment process; while we could not have foreseen Habib's falling out with the US regulator, paying close attention to management's track record served us well.

The top-performing Gulf States detracted most from our relative returns, especially our underweight to the Kuwaiti market, which makes up nearly three-quarters of the region. As we discussed last quarter, index-inclusion announcements typically trigger a flurry of activity by active investors attempting to front run expected capital flows by passive and other benchmark-driven investors. Such thinking has no bearing on our portfolio construction; rather than speculating on short-term movements, we confine ourselves to seeking financially strong, high-quality, long-duration growth businesses that are run by experienced managers whose interests are aligned with their shareholders. Since we have thus far found few such Kuwaiti companies, we remain underweight that market.

## ■ INVESTMENT PERSPECTIVES

### Secular Trends and Investment Opportunities in Frontier Emerging Markets

Several trends in frontier economies are strengthening the foundation for growth and expanding the universe of investment opportunities: growing investment in education and infrastructure, the increasing adoption of business-friendly policies by governments, and innovations in banking and credit that support broader economic inclusion.

#### *Investment in Education*

Fast population growth in many frontier nations translates into high proportions of young workers. But an abundant labor force must be educated in order to compete effectively in the global economy. Some frontier countries are making substantial progress in this regard. Vietnam's sizable investment in education, equal to 4.5% of its GDP (ahead of the regional average of 3.0%), has borne fruit: youth illiteracy has been virtually eliminated, and Vietnam now ranks well above most *developed* countries in science, mathematics, and reading. Educational initiatives aimed at skills development have helped to cement Vietnam's position as one of the top foreign direct investment (FDI) destinations among FEMs. The country has attracted multi-billion dollar investments from Korea's Samsung and Taiwan's Hon Hai Precision, which operate technology-manufacturing and assembly plants in Vietnam.

The higher incomes of skilled laborers support consumption and growth in many frontier nations. The Philippines' robust business process outsourcing (BPO) industry employs 1.4 million people and accounts for 9% of the country's GDP. Workers in the BPO industry earn higher wages than the average Filipino, allowing them to spend a larger share of their incomes on discretionary goods. **Robinsons Retail** is poised to benefit from the increased purchasing power and changing lifestyles of urban middle-class Filipinos and from the ongoing formalization of the retail sector in the Philippines. The second-largest multi-format retail group in the Philippines, Robinsons has over 1,500 stores throughout the country, including both staples (super-

markets and pharmacies) and discretionary (department, hardware, and drug stores) formats.

#### *Investment in Infrastructure*

Lack of physical infrastructure is a significant barrier to economic growth for many frontier countries. By easing logistical bottlenecks and increasing efficiency, the modernization of infrastructure creates opportunities for FEMs to integrate their economies more closely in global manufacturing and supply chains.

Pakistan has long suffered from inadequate roads and an unreliable power supply. Beginning in 2013, the Pakistani government partnered with China to promote FDI via the China-Pakistan Economic Corridor (CPEC), a more than US\$50 billion initiative consisting of large-scale construction and infrastructure projects to improve transportation links between China and Pakistan and upgrade the latter's power sector. **Lucky Cement**—the largest cement manufacturer in Pakistan with approximately 18% market share—has benefited from the demand for cement underpinned by CPEC. Lucky is the industry's lowest-cost producer due to the proximity of its Karachi plant to Pakistan's main port, its own captive power plants, and its nationwide distribution network.

FEMs are typically unencumbered by the legacy infrastructure that exists in developed countries, which allows them to leapfrog directly into some of today's newest technologies. Telephony is an example: most frontier countries have bypassed landline telephone networks altogether in favor of wireless connectivity. Despite being a late adopter of 3G technology, Bangladesh has experienced a rapid increase in mobile telephony that has more than tripled smartphone penetration between 2013 and 2016. Local telecom carriers are able to offer Bangladeshi consumers access to data services on par with those in emerging and developed markets. Grameenphone enjoys the widest 3G network footprint in Bangladesh, enabling it to add data subscribers rapidly, which now account for over 40% of the total subscriber base. Additional revenue generated from data permits the company to reinvest in spectrum and network buildout, further extending its distribution reach.

#### *Government Promotion of Business-Friendly Policies*

Many frontier governments are increasingly supporting privatization and other reforms to ease regulatory burdens and encourage FDI. Such initiatives are key to fostering a business-friendly climate conducive to growth. Argentina is undergoing a profound pro-business shift, as the Macri administration embarks on a series of wide-ranging reforms designed to address impediments to economic growth dating to the Nestor and Cristina Kirchner administrations. Initial steps included abolishing foreign-exchange controls and reducing or removing export taxes on grain, beef, and

soybeans. More recently, Macri has implemented energy reforms, reducing heavy consumer subsidies for electricity in order to curb the budget deficit and incent power companies to upgrade their ancient infrastructures.

The Macri administration has also undertaken reforms in the banking sector, abolishing restrictions on minimum deposit rates and fees, relaxing mandatory lending to certain sectors, and eliminating license requirements for opening branches. Macri's reforms, combined with declining inflation, are stimulating lending by Argentine banks, such as Banco Macro and Grupo Financiero Galicia, primarily to local small- and mid-size enterprises. Credit in Argentina is growing at an approximately 15% rate when adjusted for inflation, much faster than in other Latin American countries.

### *Innovations in Banking and Credit*

Today, frontier nations have considerably lower levels of credit penetration than countries in the emerging and developed world. At just 38%, the private sector credit-to-GDP ratio for frontier countries is less than half of EM levels. The promotion of financial inclusion by governments of many FEMs combined with new technologies that expand low-cost access to banking and credit should sustain secular growth in their financial sectors.

The success of “mobile money” in Kenya demonstrates how technological innovation can overcome the lack of a traditional banking infrastructure. M-Pesa, a mobile money-transfer and payment platform launched by **Safaricom** in 2007, currently counts 19 million active users, with an annual transaction value equal to approximately half of Kenya's GDP. The value of transactions carried out through M-Pesa, which accounts for over 80% of all mobile money transactions in Kenya, has grown at 27% per year on average since 2013. By giving them access to mobile money accounts, M-Pesa has brought millions of people and small businesses—including those in rural areas where bank branches are sparse—into the modern banking system. It has also facilitated the creation of an electronic payment ecosystem encompassing payment processing, savings, lending, and, eventually, e-commerce, in a country underpenetrated by branch banking.

These four broad trends should sustain growth into the future. They act as tailwinds to current holdings and create fertile environments for the emergence of the next generation of high-quality, long-duration growth businesses.

Like Safaricom, companies meeting our investment criteria often make a substantial impact on their local economies that goes far beyond generating shareholder profits. For example, **Vietnam Dairy Products** has been instrumental in developing and growing a domestic dairy industry in Vietnam over the past forty years. In addition to directly employing more than 10,000 workers in its factories and processing facilities, the company

procures fresh milk from a vast network of dairy farmers, supporting nearly 7,700 farming households across the country.

The impact of leading frontier companies like Vietnam Dairy and Safaricom is not lost on politicians; it can help shield such companies from political meddling or regulatory overreach. The high-quality companies we own in the portfolio thus tend to demonstrate greater resilience against the political upheavals inherent in frontier markets and, in fact, can serve as “safe havens” in times of elevated geopolitical risk.

Each country in the frontier universe follows its own unique development path. The underlying economic and political diversity of FEMs coupled with the lower level of global investor engagement in frontier equities—which are generally overlooked and under-owned—contributes to their lower correlations with both emerging and developed markets. Thus FEMs can be powerful diversifiers of global investment portfolios, reducing their overall risk while providing the opportunity to benefit from frontier markets' potential long-term growth.

## ■ PORTFOLIO HIGHLIGHTS

During the quarter, we initiated new positions in two high-quality growth companies.

**Nestlé Nigeria** is a leading food and beverage producer that has operated in the country since the 1960s. Its iconic products such as Maggi bouillon cubes, Milo fortified drinks, and Golden Morn breakfast cereal are staples and essential sources of nutrients for many Nigerians. Demand for these trusted products is relatively inelastic, enabling the company to sustain growth even in the face of slowing consumer demand.

Nigeria's relatively underdeveloped infrastructure makes it difficult to operate conventional modern retail formats outside of major cities. This makes Nestlé Nigeria's robust distribution platform, encompassing an extensive network of regional warehouses and depots that serve over 300,000 retail shops across the country, one of its unique competitive strengths.

Nestlé Nigeria demonstrated its resilience during a particularly challenging time for the country's economy after the naira devaluation in June 2016, when economic growth turned negative for the first time in a decade and inflation spiked to over 18%. In order to offset the impact of a rise in dollar-linked input costs, the company raised prices on most products and instituted a rigorous cost-savings program. The result was a strong rebound in revenue and profitability. We believe Nestlé Nigeria is positioned to realize its long-term growth potential once Nigeria's economy recovers and consumer demand improves.

**SM Prime Holdings** is the Philippines' leading integrated property developer, which builds and operates malls, residential properties, offices, and hotels. Rental income from the company's shopping mall, office, and hospitality assets, accounting for three-quarters of its operating income, provides a steady

stream of cash, which SM Prime uses to fund its development activities and makes it more resilient than others in the cyclical real estate development business.

The shopping mall segment—SM Prime’s crown jewel and largest profit contributor—consists of 63 malls in the Philippines, accounting for over half of the mall floor space nationwide. One of SM Prime’s key competitive advantages is its association with sister company SM Retail, which operates some of the country’s best-known retail chains. By securing these retailers as the anchor tenants of its malls under development, SM Prime is able to draw other well-known domestic and interna-

tional retailers to the properties and quickly achieve high occupancy levels. Many popular local retailers, such as Bench and **Jollibee Foods**, and international brands, such as Uniqlo and H&M, have opened flagship stores in SM Prime malls.

Despite retail-space expansion in recent years, the Philippines still ranks among the lowest in Asia on the basis of retail space per capita. The Philippine economy’s current momentum features strong employment and rising disposable income and consumer spending, thus supporting the continued growth of SM Prime’s mall and residential operations.

#### FRONTIER EMERGING MARKETS TEN LARGEST HOLDINGS (AS OF SEPTEMBER 30, 2017)

COMPANY	COUNTRY	SECTOR	END WT. (%)
HOA PHAT GROUP Steel producer	VIETNAM	MATERIALS	4.8
SAFARICOM Mobile operator	KENYA	TELECOM SERVICES	4.2
CREDICORP Commercial bank	PERU	FINANCIALS	3.5
BANCO MACRO Commercial bank	ARGENTINA	FINANCIALS	3.2
SQUARE PHARMACEUTICALS Pharmaceuticals manufacturer	BANGLADESH	HEALTH CARE	3.1
EMAAR PROPERTIES Real estate developer	UNITED ARAB EMIRATES	REAL ESTATE	2.8
ALICORP Consumer goods manufacturer	PERU	CONS STAPLES	2.8
JOLLIBEE FOODS Quick service restaurant chain	PHILIPPINES	CONS DISCRETIONARY	2.6
GRUPO FINANCIERO GALICIA Commercial bank	ARGENTINA	FINANCIALS	2.6
SECURITY BANK Commercial bank	PHILIPPINES	FINANCIALS	2.5

*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.*

### 3Q17 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
HOA PHAT GROUP	MATS	4.2	0.88
BANCO MACRO	FINA	2.7	0.70
SAFARICOM	TCOM	4.3	0.57
CREDICORP	FINA	3.5	0.48
JOLLIBEE FOODS	DSCR	2.6	0.45

### 3Q17 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
NOSTRUM OIL & GAS	ENER	2.2	-0.39
UNIVERSAL ROBINA	STPL	2.1	-0.16
GLOBANT	INFT	1.9	-0.15
KERNEL	STPL	1.1	-0.14
VIETNAM DAIRY PRODUCTS	STPL	2.1	-0.09

### PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL FEM	MSCI FEM
PROFIT MARGIN <sup>1</sup> (%)	18.1	16.9
RETURN ON ASSETS <sup>1</sup> (%)	6.4	4.2
RETURN ON EQUITY <sup>1</sup> (%)	19.5	14.0
DEBT/EQUITY RATIO <sup>1</sup> (%)	47.8	95.5
STD DEV OF 5 YEAR ROE <sup>1</sup> (%)	3.5	3.0
SALES GROWTH <sup>1,2</sup> (%)	8.9	7.8
EARNINGS GROWTH <sup>1,2</sup> (%)	12.9	8.4
CASH FLOW GROWTH <sup>1,2</sup> (%)	18.7	11.0
DIVIDEND GROWTH <sup>1,2</sup> (%)	2.2	-0.1
SIZE & TURNOVER	HL FEM	MSCI FEM
WTD MEDIAN MKT CAP (US \$B)	4.2	6.6
WTD AVG MKT CAP (US \$B)	6.5	8.0
TURNOVER <sup>3</sup> (ANNUAL %)	31.8	—

### LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
BANCO MACRO	FINA	2.5	1.20
JARIR MARKETING	DSCR	1.9	1.17
CREDICORP	FINA	3.1	1.14
HALYK SAVINGS BANK	FINA	2.6	1.13
HOA PHAT GROUP	MATS	3.7	1.13

### LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
UNIVERSAL ROBINA	STPL	2.4	-0.52
EAST AFRICAN BREWERIES	STPL	1.7	-0.36
JOLLIBEE FOODS	DSCR	2.7	-0.35
BPI	FINA	2.3	-0.26
AGTHIA	STPL	0.9	-0.20

RISK & VALUATION	HL FEM	MSCI FEM
ALPHA <sup>2</sup> (%)	3.94	—
BETA <sup>2</sup>	0.82	—
R-SQUARED <sup>2</sup>	0.81	—
ACTIVE SHARE <sup>3</sup> (%)	70	—
STANDARD DEVIATION <sup>2</sup> (%)	10.59	11.56
SHARPE RATIO <sup>2</sup>	0.71	0.37
TRACKING ERROR <sup>2</sup> (%)	5.1	—
INFORMATION RATIO <sup>2</sup>	0.64	—
UP/DOWN CAPTURE <sup>2</sup>	92/72	—
PRICE/EARNINGS <sup>4</sup>	14.5	14.9
PRICE/CASH FLOW <sup>4</sup>	10.4	11.1
PRICE/BOOK <sup>4</sup>	2.3	2.0
DIVIDEND YIELD <sup>5</sup> (%)	2.5	2.5

<sup>1</sup>Weighted median; <sup>2</sup>Trailing five years, annualized; <sup>3</sup>Five-year average; <sup>4</sup>Weighted harmonic mean; <sup>5</sup>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: October 4, 2017); Harding Loevner Frontier Emerging Markets Model, based on the underlying holdings; MSCI Inc.

### COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
NESTLÉ NIGERIA	NIGERIA	STPL
SM PRIME HOLDINGS	PHILIPPINES	RLST

POSITIONS SOLD	COUNTRY	SECTOR
BANK AUDI	LEBANON	FINA
PETROVIETNAM DRILLING & WELL SERVICES	VIETNAM	ENER
QATAR NATIONAL BANK	QATAR	FINA

The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. The following information is available upon request: (1) information describing the methodology of the contribution data in the charts above; and (2) a list showing the weight and contribution of all holdings during the quarter and the last 12 months. Past performance does not guarantee future results. In the charts above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall performance over the period. Contributors and detractors exclude cash and securities in the Composite not held in the Model Portfolio. Quarterly data is not annualized. Portfolio attribution and characteristics are supplemental information only and complement the fully compliant 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 SEPTEMBER 30, 2017)

	HL FEM GROSS	HL FEM NET	MSCI FEM INDEX <sup>1</sup>	HL FEM 3-YR STD DEVIATION <sup>2</sup>	MSCI FEM INDEX 3-YR STD DEVIATION <sup>2</sup>	INTERNAL DISPERSION <sup>3</sup>	NO. OF ACCOUNTS	COMPOSITE ASSETS	FIRM ASSETS
	(%)	(%)	(%)	(%)	(%)	(%)		(\$M)	(%)
2017 YTD <sup>4</sup>	20.22	19.00	21.06	10.92	12.24	N.A. <sup>5</sup>	1	467	0.92
2016	4.89	3.34	5.41	11.22	12.43	N.M. <sup>6</sup>	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 <sup>7</sup>	-53.41	-53.77	-54.74	+	+	N.A.	1	5	0.15

<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 2017 YTD performance returns and assets shown are preliminary; <sup>5</sup>N.A.—Internal dispersion is less than a 12-month period; <sup>6</sup>N.M.—Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year; <sup>7</sup>2008 represents the partial year, June 1, 2008 to December 31, 2008; +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 29 frontier markets and 5 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 for the period November 1, 1989 through June 30, 2017.

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 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 Frontier Emerging Markets Composite was created on May 31, 2008.