FRONTIER EMERGING MARKETS EQUITY

2018 Second Quarter Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED JUNE 30, 2018[1]

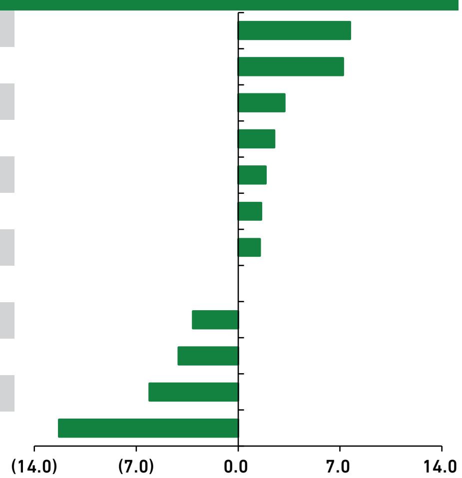
	3 MONTHS	YTD	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	-10.52	-5.31	6.70	2.52	4.71	1.69	1.35
HL FRONTIER EMERGING MARKETS (NET OF FEES)	-10.82	-5.94	5.28	1.07	3.22	0.26	-0.08
MSCI FRONTIER EMERGING MARKETS INDEX[4,5]	-10.92	-9.44	1.15	0.99	2.58	-1.45	-1.88

[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.

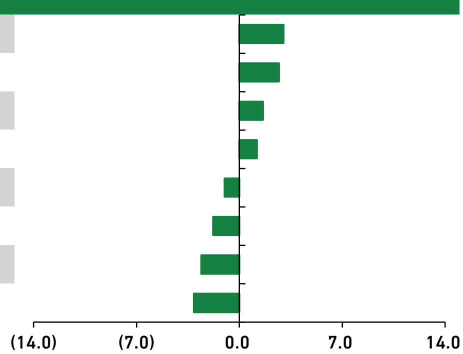
SECTOR EXPOSURE (%)

	HL FEM	MSCI FEM
CONS DISCRETIONARY	9.0	1.3
CONS STAPLES	13.9	6.7
HEALTH CARE	4.8	1.6
INFO TECHNOLOGY	3.3	0.8
ENERGY	7.4	5.5
CASH	1.6	–
MATERIALS	8.9	7.4
TELECOM SERVICES	8.0	8.0
INDUSTRIALS	4.4	7.5
UTILITIES	0.0	4.1
REAL ESTATE	4.9	11.0
FINANCIALS	33.8	46.1



GEOGRAPHIC EXPOSURE (%)

	HL FEM	MSCI FEM
EUROPE	7.8	4.8
AFRICA	19.2	16.5
CASH	1.6	–
DEVELOPED MARKET LISTED[6]	1.2	–
GULF STATES	11.8	12.8
MIDDLE EAST	0.0	1.8
LATIN AMERICA	27.2	29.8
ASIA	31.2	34.3



[6]Includes frontier markets or small emerging markets companies listed in developed markets. Current frontier markets exposure in the portfolio is 51.8% and emerging markets exposure is 45.4%.

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 Inc. and S&P. MSCI Inc. and S&P do not make any express or implied warranties or representations and shall have no liability whatsoever with respect to any GICS data contained herein.

WHAT'S INSIDE

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MARKET REVIEW

Stocks in frontier emerging markets (FEMs) plummeted 10.9% in the quarter. Nearly every region and sector in the MSCI FEM Index posted losses amid rising US interest rates and a stronger dollar, currency devaluations, and escalating trade tensions. It was the sharpest decline since the third quarter of 2015, when China's devaluation of the yuan sparked additional devaluations across Asia, and falling commodity prices hurt Latin American and African markets reliant on exports.

Argentina, the second-largest component of the FEM Index with over 10% weight, was by far the worst-performing market in the quarter. Persistently high inflation, a currency crisis, and rising US interest rates weighed heavily on stock prices. Investors lost confidence in President Mauricio Macri's gradual approach to economic reform, which became markedly less gradual after his government missed inflation targets and imposed an ill-considered tax on bond capital gains. Amid a less accommodative global liquidity environment, the value of the Argentine peso spiraled downward, losing 30% against the US dollar during the quarter. The central bank hiked interest rates by almost 13 percentage points to 40% over less than two weeks, while Macri cut government spending in an effort to reduce Argentina's budget deficit. He also turned to the IMF for assistance, ultimately securing a US$50 billion aid package. The IMF agreement appeared to avert a full-blown crisis, though higher interest rates, stubbornly elevated inflation, and lower government spending will likely slow Argentina's economic growth.

MARKET PERFORMANCE (USD %)

COUNTRY	2Q 2018	TRAILING 12 MONTHS
PHILIPPINES	-11.1	-13.5
COLOMBIA	6.8	20.2
KUWAIT	-0.7	16.7
PERU	-3.2	30.7
ARGENTINA	-41.9	-32.7
VIETNAM	-17.2	42.0
MOROCCO	-9.5	-0.3
NIGERIA	-3.6	5.5
EGYPT	-8.0	2.2
KENYA	-8.2	27.4
MSCI FEM INDEX	-10.9	1.1

SECTOR PERFORMANCE (USD %)
OF THE MSCI FEM INDEX

SECTOR	2Q 2018	TRAILING 12 MONTHS
CONSUMER DISCRETIONARY	-12.6	-14.8
CONSUMER STAPLES	-14.1	2.5
ENERGY	-12.7	17.3
FINANCIALS	-9.9	3.5
HEALTH CARE	-4.3	10.2
INDUSTRIALS	-14.4	-16.1
INFORMATION TECHNOLOGY	10.2	30.7
MATERIALS	-10.2	7.6
REAL ESTATE	-4.3	6.3
TELECOM SERVICES	-13.1	-5.0
UTILITIES	-21.0	-19.0

Source: FactSet (as of June 30, 2018); MSCI Inc. and S&P.
Selected countries are the 10 largest by weight, representing 85% of the MSCI Frontier Emerging Markets Index.

Elsewhere in Latin America, Colombia was a rare bright spot in otherwise dismal markets. Stocks posted a modest gain as investors welcomed the victory of business-friendly presidential candidate Iván Duque over leftist Gustavo Petro in June's runoff election. Economic growth is rebounding due to higher oil prices and a gradual pickup in domestic demand.

Asia declined, largely due to Pakistan and the Philippines. In Pakistan, rapidly dwindling dollar reserves prompted authorities to devalue the rupee by approximately 5% in June—the third such move since December. The weak currency and rising inflation prompted the government to hike interest rates, which is expected to slow economic growth. **MCB Bank** and **United Bank Limited**, however, stand to profit from higher interest rates as they re-price variable-interest loans; a significant proportion of their deposits do not pay interest to savers.

Philippine markets fell in response to accelerating inflation and a widening trade deficit, the latter largely due to imports of machinery for President Rodrigo Duterte's infrastructure projects. However, Philippine real estate developer and mall operator **SM Prime Holdings** continues to see strong same-mall sales growth as consumer spending remains robust, aided by a tax cut last year that boosted disposable income for middle-class Filipinos.

Africa also declined. In Kenya, uncertainty over a law that capped interest rates—and bank profits—weighed on Financials shares. Finance Minister Henry Rotich's proposal to repeal the law stalled in Parliament. In Telecom Services, shares of Kenyan mobile operator **Safaricom** fell on concerns that a proposed tax increase on mobile money transfers could harm its popular M-Pesa digital payment service.

Every sector in the index lost value in the quarter except Information Technology, which owed its performance to Argentinian technology consultant **Globant**. The peso's sharp depreciation helps the company's competitive position and profitability. More than 85% of Globant's revenue are in US dollars, while two-thirds of its costs are in the Argentine peso and other Latin American currencies.

The Energy sector posted record declines in the quarter, primarily due to political and currency factors that hurt companies in Argentina and Pakistan. The sector's losses were partially offset by Colombian oil and gas producer **Ecopetrol**, which reported rising revenue from higher oil prices and improved profit from lower debt and operations costs.

PERFORMANCE AND ATTRIBUTION

The Frontier Emerging Markets composite declined 10.5% in the quarter, slightly ahead of the index's 10.9% drop. For the year to date, the composite fell 5.9% while the benchmark declined 9.4%. The charts on the right attribute the quarter's performance by sector and region.

Our strong stock selection in Consumer Staples contributed the most to our relative returns. Peruvian packaged-food maker **Alicorp** reported accelerating revenue due to strength in its consumer goods business in Peru and market-share gains in the Ecuadorian shrimp feed market. Financials detracted the most primarily due to our exposure to Argentina's banks. Despite posting positive earnings results, **Banco Macro** and **Grupo Financiero Galicia** each fell sharply following the collapse of the peso. The banks remain well capitalized.

By geography, Latin America contributed the most to relative performance, primarily because of Argentina's Globant. Our stocks in the Gulf States region, especially in Saudi Arabia, also boosted relative returns. Our two Kazakhstan-based holdings detracted from performance. UK-listed **Nostrum Oil & Gas** was the most costly. It lowered its guidance despite rising oil prices and scaled back capital expenditures to conserve cash. **Halyk Savings Bank's** shares declined following news of US sanctions on Russia. Kazakhstan and Russia have strong trade ties, so the sanctions could have spillover effects on Kazakhstan's currency and economy.

PERSPECTIVE AND OUTLOOK

Investors become nervous about frontier and emerging economies when US interest rates rise and the dollar strengthens against their currencies. Central to their concerns are how much these countries must borrow externally each year to fund their current accounts, how much they already owe to foreigners, and how much more they will have to spend to service that foreign-currency-denominated debt. Weaker currencies can also profoundly affect economies and companies. Consumers' purchasing power declines as imports become expensive. Companies' profit margins compress as input costs rise for raw materials and components sourced from abroad.

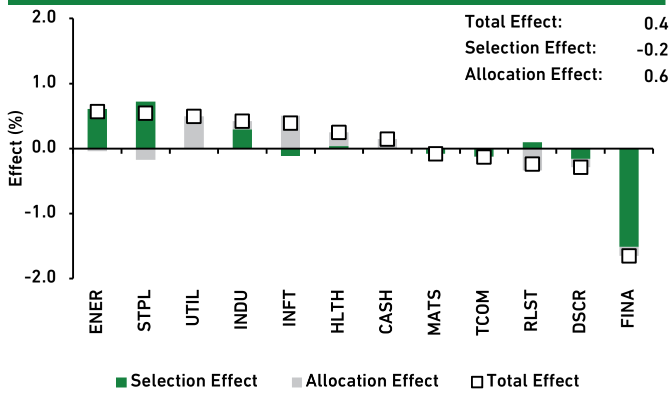
For investors, volatile currencies in emerging and frontier markets are a fact of life. Developing economies that are investing for growth often import more than they export, run fiscal deficits, and have significant public and private debt loads and thus have high financing and refinancing needs. Countries with high fiscal and trade deficits and significant dependence on foreign capital flows to fund them are often vulnerable to sell-offs triggered by adverse developments in local economies and financial markets or higher levels of US interest rates. Often the resulting bout of risk aversion becomes widespread and spares virtually no country. It happened in 1997–98, when an abrupt devaluation of the Thai baht led to cascading declines in currencies across Asia and later in Russia and Brazil. Five years ago, the Federal Reserve hinted that it would begin tapering bond purchases, triggering another sell-off. The story played out yet again, in the quarter just passed, amid higher US rates and a strengthening greenback.

We do not know if the current situation will be contained or escalate further; yet we believe developing economies are better

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 June 30, 2018 is available on page 6 of this report.

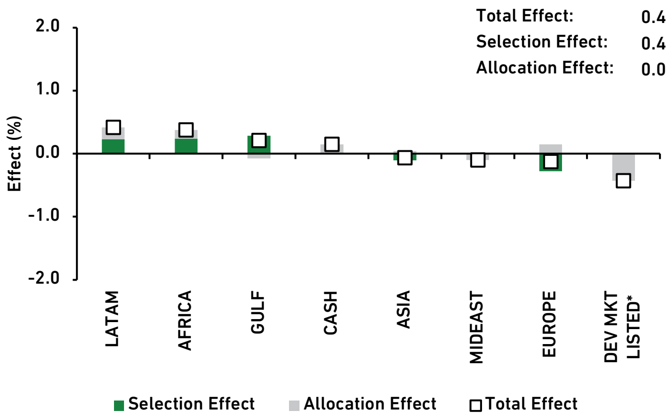
SECTOR PERFORMANCE ATTRIBUTION
SECOND QUARTER 2018

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
SECOND QUARTER 2018

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.*

prepared to weather a storm. Some larger FEM countries such as the Philippines and Vietnam have bolstered their fiscal accounts, and many have built up sizable hard-currency buffers. Policy responses to crises have generally been getting better as well. For example, Egypt and Argentina, which in the past relied on administrative controls, have, with the help of the IMF, embraced market-based approaches that include controlling their fiscal spending and allowing their currencies to float freely. While FEMs are not insulated from future upheavals that are beyond their control, we believe they should be in a better position to manage them.

We do not attempt to forecast currency movements, but we monitor them closely to assess their impact on our portfolio companies. We seek to manage currency risk by ensuring that the portfolio we build is diversified across countries and currencies. We invest in companies with strong finances and competitive positions. While they can be adversely affected by currency devaluations, because they have staying power and the pricing power that comes from bargaining power over customers, they are generally able to recover their margins over time. In most cases, they will come out of the economic crises significantly strengthened relative to their industry rivals. We illustrate this with the examples of Nigeria's **Dangote Cement** and Egypt's **Integrated Diagnostic Holdings**.

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Dangote Cement is Africa's largest cement producer with 46 million tons of installed cement production capacity across 10 countries. Nigeria, Dangote's largest and most profitable market, accounts for two-thirds of its total capacity. The majority of the company's revenue is in naira, while approximately 60% of its costs are dollar-linked: Dangote imports machinery and spare parts from abroad, and the gas that powers its kilns is priced in US dollars. In June 2016, the naira lost 30% of its value against the dollar after Nigeria's central bank began to liberalize its foreign exchange rate regime. Dangote's operating costs soared, crushing its operating margin, which declined by over 20 percentage points from 2015 to the third quarter of 2016.

The Nigerian cement industry is highly consolidated with only three players, of which Dangote is by far the largest with 65% market share. As the market leader with the widest distribution reach across the country, Dangote is able to set cement prices in the market. The company used its pricing power to its advantage: starting in the second half of 2016, Dangote implemented several price increases to protect its profitability in the face of the naira's devaluation. Dangote's hard currency revenues generated in other African countries provided the dollars needed to fund growth outside of Nigeria. As Dangote experienced difficulty in sourcing dollars in Nigeria, where the foreign currency market was not fully liberalized until April 2017, the company ramped up production in existing markets like Tanzania and Senegal and launched new operations in Congo and Sierra Leone. The company also moved aggressively to control its costs, particularly in energy, the largest expense in cement production. By the end of 2017, Dangote converted its plants to operate on multiple fuel sources, enabling it to increase the use of locally sourced coal and reduce the use of gas and fuel oil, which are paid for in dollars and are significantly more expensive than coal.

These initiatives helped restore Dangote's operating margins to pre-devaluation levels and positioned the company for future growth. Africa's urban population is projected to quadruple to over 1.4 billion people by 2050, which will require more spending on housing and infrastructure—and cement.

Another portfolio holding that successfully mitigated the impact of a sharp currency depreciation is Integrated Diagnostic Holdings (IDH), Egypt's largest private lab diagnostic company. When Egypt allowed its currency to float freely in November 2016, the pound lost 50% of its value against the dollar. Inflation spiked and dented consumers' purchasing power. Many of IDH's patients who had paid out of pocket for diagnostic tests switched to insurance plans provided by unions, insurance companies, and large corporations who contract with IDH for lab testing services. IDH's test volumes remained robust because its extensive footprint of over 300 branches makes it the only company able to serve corporate and government clients nationwide.

IDH's reagent kits, used in tests, are imported from foreign suppliers, so their cost is linked to the US dollar. But the company's "contract" patients supported growth in test volumes in the face of declining walk-ins, putting IDH in a stronger position to negotiate favorable kit prices. In 2017, IDH's suppliers agreed to absorb partially the cost impact of the pound's devaluation. As a result, the company's profits have been gradually recovering as the growth of test volumes returns to pre-crisis levels. 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 solid long-term growth potential for IDH.

Sharp currency swings are disruptive in the short-term to companies, including the high-quality businesses in our portfolio, but their competitive strength, financial wherewithal, and managerial acumen better enable them to ride out short-term turmoil and eventually return to growing their businesses.

PORTFOLIO HIGHLIGHTS

During the quarter, we sold our long-held stake in **Olympic Industries**, Bangladesh's largest maker of biscuits and confections, after growing concerned about unfavorable changes in the company's strategic direction and governance.

Olympic dominates the country's biscuit market and benefits from a distribution network of over 600,000 mom-and-pop shops that ensure that its products reach virtually the entire population of Bangladesh. The company realizes economies of scale as it distributes new products through its existing network without having to make additional investments. From 2010 to 2017, Olympic's revenues and profits compounded at an average annual growth rate of 29% and 43%, respectively.

The company's outlook has clouded, however. To combat a slowdown in biscuit demand, Olympic expanded into instant noodles and snacks—categories where it lacks brand recognition. These categories are also less profitable than Olympic's biscuit business. Corporate governance risks arose in January with the death of Olympic Chairman Mohammad Bhai, who founded the company in 1979. His position remains vacant, and no succession plans have been announced. The vacancy adds to our concerns about the company's strategic direction.

To combat a slowdown in biscuit demand, Olympic Industries expanded into instant noodles and snacks—categories where it lacks brand recognition.

We used the proceeds from the sale of Olympic to buy **Loma Negra**, Argentina's largest cement producer. In business since 1926, Loma Negra has developed a reputation for superior-quality cement and leads the national market with a 46% share. Thanks to its strong brand, the company prices its product 3% higher than its competitors. Loma Negra operates eight plants with total production capacity of 9 million tons. It also controls a nationwide railroad network that connects five of its plants to its distribution centers. This transportation advantage enables Loma Negra to enjoy lower freight costs, deliver to customers faster, and optimize the utilization of its plants based on local demand.

The long-term fundamentals of the Argentinian cement market are compelling. Argentina's incumbent cement companies are unlikely to face new rivals. A dearth of economically viable reserves of limestone, cement's key ingredient, prevents new companies from gaining a foothold. Argentina's ports not being configured to handle bulk cement and inland transport logistics being costly restrict imports to less than one percent of total cement consumed in the country. Additionally, years of economic mismanagement by the Kirchner government resulted in chronic infrastructure underinvestment. President Macri's administration plans to upgrade the country's roads, airports, ports, and power plants, which should be supportive for long-term cement demand. To take advantage of the expected pickup in demand from Macri's infrastructure initiatives, Loma Negra plans to open a new plant in Buenos Aires province in 2020, expanding its Argentinian capacity by 30%. The plant is expected to bolster Loma Negra's overall profits by keeping production costs below those of its existing plants.

We remain confident in Loma Negra's ability to withstand short-term headwinds as it executes its well-defined growth strategy. We acknowledge that recent interest rate hikes could drag down construction activity and cement demand while higher inflation may increase operating costs. Yet these risks appear to be largely discounted in Loma's current share price, which has fallen dramatically since the beginning of the year.

MSCI Announcements

In the second quarter, index provider MSCI made announcements regarding the classification of several countries of interest to FEM investors:

- Saudi Arabia will be included in the MSCI Emerging Markets (EM) Index in a two-step inclusion process in May and August 2019. It will not be included in the FEM Index.
- Argentina will be reclassified from Frontier to EM status in May 2019.
- Kuwait will be considered for a reclassification from Frontier to EM status in 2020.

Benchmark changes—or even just the announcement of potential changes—often lead to increased activity in affected markets as investors try to take advantage of the resulting capital flows, especially from passive investors. Prospective benchmark changes have no bearing on our portfolio actions. Our additions and reductions this quarter were guided, as always, by our judgment of the fundamental attractiveness of the individual businesses as well as valuation and risk considerations.

FRONTIER EMERGING MARKETS TEN LARGEST HOLDINGS (AS OF JUNE 30, 2018)

COMPANY	COUNTRY	SECTOR	END WT.(%)
SAFARICOM Mobile network operator	KENYA	TELECOM SERVICES	4.5
HOA PHAT GROUP Steel producer	VIETNAM	MATERIALS	4.3
ECOPETROL Oil and gas producer	COLOMBIA	ENERGY	4.1
JOLLIBEE FOODS Restaurant chain operator	PHILIPPINES	CONS DISCRETIONARY	4.0
CREDICORP Commercial bank	PERU	FINANCIALS	3.9
ALICORP Consumer products manufacturer	PERU	CONS STAPLES	3.4
SM PRIME HOLDINGS Real estate developer	PHILIPPINES	REAL ESTATE	3.0
SQUARE PHARMACEUTICALS Pharma manufacturer	BANGLADESH	HEALTH CARE	2.8
JARIR MARKETING Consumer products retailer	SAUDI ARABIA	CONS DISCRETIONARY	2.8
AL RAJHI BANK Commercial bank	SAUDI ARABIA	FINANCIALS	2.8

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.

2Q18 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
AL RAJHI BANK	FINA	2.5	0.29
GLOBANT	INFT	2.3	0.27
ECOPETROL	ENER	4.0	0.26
BANCOLOMBIA	FINA	2.2	0.25
SM PRIME HOLDINGS	RLST	2.7	0.14

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
HOA PHAT GROUP	MATS	4.5	2.43
ECOPETROL	ENER	2.9	2.11
SAFARICOM	TCOM	4.5	1.35
CREDICORP	FINA	3.5	0.90
ALICORP	STPL	3.1	0.88

2Q18 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
GRUPO FINANCIERO GALICIA	FINA	2.5	-1.57
BANCO MACRO	FINA	2.9	-1.56
TELECOM ARGENTINA	TCOM	1.7	-0.86
CABLEVISION	DSCR	0.9	-0.65
JOLLIBEE FOODS	DSCR	4.1	-0.57

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
NOSTRUM OIL & GAS	ENER	1.7	-1.39
BANCO MACRO	FINA	3.1	-1.12
TELECOM ARGENTINA	TCOM	0.5	-0.94
CABLEVISION	DSCR	1.0	-0.67
EMAAR PROPERTIES	RLST	2.3	-0.66

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL FEM	MSCI FEM
PROFIT MARGIN[1] (%)	17.7	17.3
RETURN ON ASSETS[1] (%)	6.6	4.3
RETURN ON EQUITY[1] (%)	19.1	14.5
DEBT/EQUITY RATIO[1] (%)	46.5	88.7
STD DEV OF 5 YEAR ROE[1] (%)	2.9	2.9
SALES GROWTH[1,2] (%)	6.2	5.7
EARNINGS GROWTH[1,2] (%)	9.5	9.5
CASH FLOW GROWTH[1,2] (%)	10.9	10.6
DIVIDEND GROWTH[1,2] (%)	4.8	3.6
SIZE & TURNOVER	**HL FEM**	**MSCI FEM**
WTD MEDIAN MKT CAP (US $B)	4.3	5.6
WTD AVG MKT CAP (US $B)	8.6	9.0
TURNOVER[3] (ANNUAL %)	28.6	—

RISK AND VALUATION	HL FEM	MSCI FEM
ALPHA[2] (%)	2.50	—
BETA[2]	0.84	—
R-SQUARED[2]	0.83	—
ACTIVE SHARE[3] (%)	68	—
STANDARD DEVIATION[2] (%)	10.93	11.87
SHARPE RATIO[2]	0.39	0.18
TRACKING ERROR[2] (%)	4.9	—
INFORMATION RATIO[2]	0.43	—
UP/DOWN CAPTURE[2]	85/75	—
PRICE/EARNINGS[4]	13.9	14.5
PRICE/CASH FLOW[4]	11.0	11.0
PRICE/BOOK[4]	2.2	1.9
DIVIDEND YIELD[5] (%)	3.0	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: July 5, 2018); Harding Loevner Frontier Emerging Markets Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
LOMA NEGRA	ARGENTINA	MATS

POSITIONS SOLD	COUNTRY	SECTOR
OLYMPIC INDUSTRIES	BANGLADESH	STPL
PRICESMART	US	STPL

The portfolio is actively managed therefore holdings identified above do not represent all of the securities held in the portfolio and holdings may not be current. It should not be assumed that investment in the securities identified has been or will be profitable. The following information is available upon request: (1) information describing the methodology of the contribution data in the charts above; and (2) a list showing the weight and contribution of all holdings during the quarter and the last 12 months. Past performance does not guarantee future results. In the charts above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall performance over the period. Contributors and detractors exclude cash and securities in the Composite not held in the Model Portfolio. Quarterly data is not annualized. Portfolio attribution and characteristics are supplemental information only and complement the fully compliant 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 JUNE 30, 2018)

	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 (%)
2018 YTD[4]	-5.31	-5.94	-9.44	11.61	12.63	N.A.[5]	1	463	0.83
2017	27.33	25.62	27.19	10.84	11.87	N.M.	1	480	0.89
2016	4.89	3.34	5.41	11.22	12.43	N.M.	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[7]	-53.41	-53.77	-54.74	+	+	N.A.	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 2018 YTD performance returns and assets shown are preliminary; [5]N.A.–Internal dispersion less than a 12-month period; [6]N.M.–Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year; [7]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 accounts investing in non-US equity and equity-equivalent securities, and cash reserves of companies domiciled predominately in frontier emerging markets and is measured against the MSCI Frontier Emerging Markets 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 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 March 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 Frontier Emerging Markets 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.

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