HARDING LOEVNER

FRONTIER EMERGING MARKETS EQUITY

2018 Third Quarter Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED SEPTEMBER 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)	-3.41	-8.54	-3.13	5.19	2.87	4.79	0.97
HL FRONTIER EMERGING MARKETS (NET OF FEES)	-3.74	-9.46	-4.43	3.72	1.40	3.33	-0.44
MSCI FRONTIER EMERGING MARKETS INDEX[4,5]	-1.54	-10.84	-6.32	5.19	1.38	0.85	-1.98

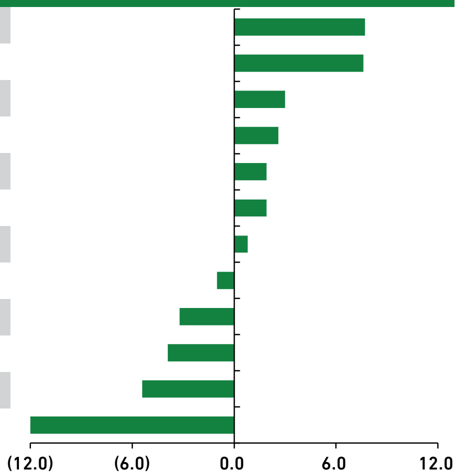
[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: May 31, 2008; [4]The Benchmark Index; [5]Gross of withholding taxes.

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	14.2	6.6
HEALTH CARE	4.6	1.6
INFO TECHNOLOGY	3.5	0.9
ENERGY	8.4	6.5
MATERIALS	8.8	6.9
CASH	0.8	—
TELECOM SERVICES	7.2	8.2
INDUSTRIALS	4.5	7.7
UTILITIES	0.0	3.9
REAL ESTATE	5.7	11.1
FINANCIALS	33.3	45.3

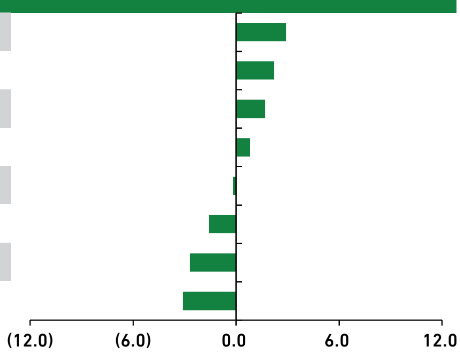
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL FEM	MSCI FEM
EUROPE	7.8	4.9
AFRICA	17.6	15.4
DEVELOPED MARKET LISTED[6]	1.7	—
CASH	0.8	—
GULF STATES	14.1	14.3
MIDDLE EAST	0.0	1.6
LATIN AMERICA	26.2	28.9
ASIA	31.8	34.9

(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 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) fell 1.5% in the quarter. Worries about the economic impact on FEMs of a strengthening US dollar, rising US interest rates, escalating trade tensions, and a slowdown in China remain, but they have not yet manifested in a wide-ranging sell-off.

Argentina suffered a worsening of its economic crisis in August following President Mauricio Macri's unexpected request to the IMF to accelerate disbursements on the US$50 billion line of credit it granted in June. A precipitous sell-off of the peso ensued. Subsequently the IMF agreed to increase its support by US$7 billion and front-load payments to shore up the country's budget in 2018 and 2019, provided Argentina caps its money supply growth and further scales back fiscal spending, with a goal of balancing the primary budget (i.e., excluding interest payments) next year. This medicine should achieve the desired result of quelling high inflation, but it will not prevent the legacy of excessive spending and indebtedness from exacting a heavy toll on the economy, which is expected to slip into recession this year. We discuss Argentina later in this report.

MARKET PERFORMANCE (USD %)

COUNTRY	3Q 2018	TRAILING 12 MONTHS
PHILIPPINES	1.1	-15.3
KUWAIT	8.6	8.1
COLOMBIA	-2.4	10.1
PERU	-2.1	12.1
VIETNAM	1.2	34.3
ARGENTINA	-9.1	-46.4
MOROCCO	-2.7	-4.5
NIGERIA	-14.1	-7.5
EGYPT	-6.8	-6.8
KENYA	-13.0	1.9
MSCI FEM INDEX	-1.5	-6.3

SECTOR PERFORMANCE (USD %)
OF THE MSCI FEM INDEX

SECTOR	3Q 2018	TRAILING 12 MONTHS
CONSUMER DISCRETIONARY	-6.4	-28.8
CONSUMER STAPLES	-3.0	-1.3
ENERGY	19.4	32.2
FINANCIALS	-3.4	-7.1
HEALTH CARE	-4.5	-0.7
INDUSTRIALS	1.0	-18.2
INFORMATION TECHNOLOGY	3.9	47.2
MATERIALS	-8.4	-4.9
REAL ESTATE	-0.8	-1.9
TELECOM SERVICES	2.3	-9.8
UTILITIES	-6.5	-28.1

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

Africa's performance was dragged down by Nigeria and Kenya. Nigeria's market sold off after the central bank accused the telecom company MTN Nigeria and four banks of failing to secure government approval to transfer more than US$8 billion out of the country between 2007 and 2015. The companies, which are appealing the decision, were ordered to pay substantial fines and back taxes. Investors feared the central bank's move was a prelude to additional crackdowns ahead of next year's presidential election. The sell-off triggered by the unexpected regulatory action created a headwind for equities despite numerous supportive factors, including rising oil prices, growing crude production, and a relatively stable currency.

In Kenya, shares of mobile operator **Safaricom** slid after the government raised excise taxes on mobile money transfers and other telecom services. Safaricom is likely to pass on the excise hikes to its customers by increasing how much users pay for the company's popular M-Pesa mobile phone-based payment platform and its core voice-and-data business. The impact, however, should be minor due to the relatively inelastic nature of demand for voice-and-data services and the dominance of M-Pesa, which accounts for about 80% of mobile money transactions in the country.

Gains in the Philippines and Vietnam contributed to Asia's positive performance. In the Philippines, shares of food-and-beverage producer **Universal Robina** advanced after its new CEO unveiled plans to turn around the company's struggling coffee business and improve its relationship with distributors. In Vietnam, consumer products manufacturer **Masan** rose after it reported a rebound in sales and profitability in its core branded-food segment. The company also secured a US$470 million investment from South Korean conglomerate SK Group. It will use the money to reduce debt and launch new products in its noodles, energy drinks, and processed-meat categories.

By sector, performance was mixed. In Materials, falling copper prices hurt shares of Peruvian mining companies. Investors are concerned that escalating trade tensions and slower-than-expected growth in China are sapping demand for the metal. In Colombia, **Cementos Argos** fell due to the continued softness of cement demand, which declined by 1.4% in the first half of 2018, according to the National Department of Statistics.

Energy was the best-performing sector as the price of oil topped US$80 for the first time since November 2014. Iran's oil exports have plummeted in advance of new US sanctions taking effect in November, while Russia and members of OPEC have refused to boost output significantly. In Colombia, **Ecopetrol's** profits grew 180% (year over year) in the first half of 2018 due to higher oil prices; increased production volumes, including from its new Cartagena refinery; cost-savings measures; and lower corporate taxes.

PERFORMANCE AND ATTRIBUTION

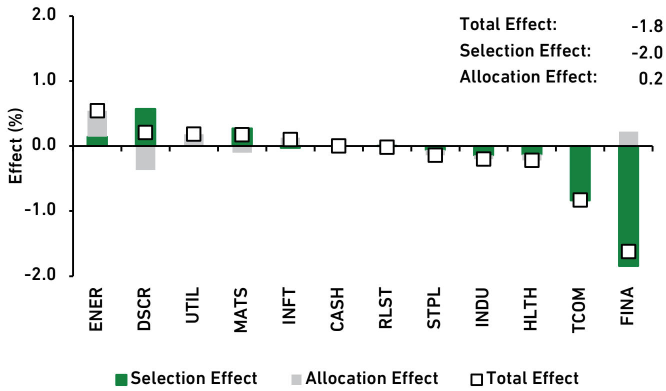
The Frontier Emerging Markets composite fell 3.4% in the quarter, underperforming its benchmark, which declined 1.5%. The charts to the right illustrate performance attribution for the quarter by sector and region, respectively.

Viewed by sector, our poor stock selection in Financials detracted most from relative performance. Shares of Philippines-based **Security Bank** dropped after the commercial bank reported weak second-quarter results. Loan growth deteriorated, falling to 12% from 20% in the first quarter, which the bank blamed on the delayed booking of some infrastructure loans. Deposit growth also decelerated. Nigerian banks **Guaranty Trust Bank**, **Zenith Bank**, and **Access Bank** also dragged on our relative performance. Their shares declined in the wake of regulatory actions against MTN Nigeria and four other banks. Our stocks in the Energy sector contributed to our returns. Ecopetrol's second-quarter results exceeded expectations.

Our stock selection in all regions was poor. In Latin America, Argentine commercial banks **Grupo Financiero Galicia** and **Banco Macro** were hurt by the country's escalating economic crisis and weakening economy. Grupo Financiero Galicia missed its second-quarter expectations due to higher provision charges. Banco Macro was hit with a large trading loss and an ongoing class-action lawsuit against the company over its chairman's alleged ties to corruption (the bank has denied any involvement). Strong stock selection in Vietnam offset some of our underperformance in Asia. Construction steel producer **Hoa Phat Group** led performance, as it continued to gain market share and benefit from Vietnam's strong economic growth.

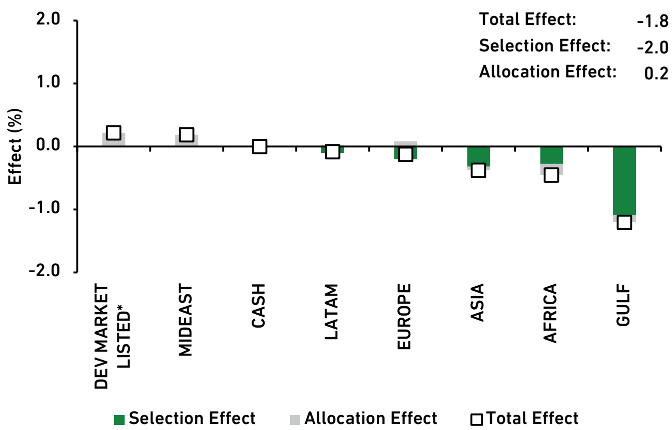
SECTOR PERFORMANCE ATTRIBUTION
THIRD QUARTER 2018

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
THIRD 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.*

PERSPECTIVE AND OUTLOOK

When a developing country's economy falters due to an internal or external shock, investors often assess the situation through the lens of past crises and their outcomes. Memory is selective, and the most dramatic or severe past events are the ones most readily brought to mind, while the events that had limited consequences are forgotten. As a result, amid a crisis stock prices can sometimes end up reflecting worst-case expectations. Argentina's recent struggle to contain inflation and stabilize the peso has brought back memories of its turbulent past, particularly its 2001 sovereign debt default. A broader look at history suggests that the current crisis is not nearly as dire as that one—and why therefore it may be a mistake this time to assume the worst possible outcome.

In the late 1990s, investors pulled money from developing markets amid currency crises in Asia, Russia, and Latin America. By the end of the decade, with US interest rates rising and the dollar strengthening, Argentina's exports became less affordable to Brazil, its main trading partner, after the Brazilian real lost value relative to the dollar-pegged peso. Excessive government borrowing to fund a ballooning budget drove up the cost of credit for consumers and businesses. In 1999, Argentina fell into recession. The government's actions—and inaction—caused the crisis to spiral out of control. It made no attempt to reduce spending or devalue the peso. Lawmakers raised taxes and, to stop a bank run, limited withdrawals from bank accounts. The IMF, which had been supporting Argentina since 1991, refused to accelerate disbursements to enable Argentina to make payments on earlier loans. When the government

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, 2018 is available on page 6 of this report.

failed to reach its budget deficit targets by December 2001, the IMF cut all aid, and the country defaulted on US$155 billion of debt. In the first quarter of 2002, unemployment rose to 25%, and almost half of all Argentines fell into poverty. By the end of the year, GDP had fallen by 11%.

Nearly two decades later, developing economies are again facing the strains of rising US interest rates and a strengthening dollar. Investors are worried that Argentina, among other countries with large budget and current-account deficits, will be unable to continue to borrow abroad amounts sufficient to fund its fiscal needs and service its external debt. In 2018, however, the Argentine government's response differs significantly from the prior crisis. To stem capital flight, Argentina's central bank has hiked domestic interest rates to 60%, the highest in the world. President Macri has accelerated existing plans to cut government spending and secured an IMF commitment to raise Argentina's credit line to US$57 billion—the IMF's largest pledge ever—and front-load disbursements to shore up the country's budget. The peso, since 2002 no longer pegged to the dollar, is free to depreciate: year to date, it has declined more than 50% against the dollar.

While we cannot be certain that Macri's market-based policy response and IMF support will prove sufficient to calm the markets and attract capital back into the country, we know that his approach is different from the misguided actions and inaction of past administrations. We think that among the range of possible outcomes, the dire ones have been over-discounted in the US dollar prices of Argentine stocks. We continue to hold a number of attractively valued, high-quality Argentine companies, which at the end of the quarter made up 9% of our portfolio. Their robust balance sheets, skilled managers, and strong positions within their industries should help them sustain their growth beyond the current crisis.

We think that among the range of possible outcomes of Argentina's current economic crisis, the dire ones have been over-discounted in the US dollar prices of Argentine stocks.

One such company is **Loma Negra**, Argentina's largest cement producer. Over its 92 years in business, the company has built competitive advantages that should help it sustain or grow its margins over the long run. Through one of its subsidiaries, Loma has indirect control of a rail network that connects five of its eight factories to distribution centers nationwide. This enables it to move its cement faster and cheaper than its competitors, and to shift production among factories based on changes in regional demand. On the strength of the company's cement brand, it prices its product at a 3% premium to peers and earns an operating margin three percentage points higher than the next-biggest competitor. A new plant in the Buenos Aires province, scheduled to be operational in 2020, will expand its production capacity by 30% and produce at lower costs than existing plants, cementing Loma's structural advantages over the competition.

Loma Negra has survived many of Argentina's past economic crises, including that of 1999–2002, when cement volumes in the country plunged by more than 50%. Cement demand is contracting again as Argentina's economy shrinks. But the fall should be cushioned by continuing investments in Argentina's crumbling infrastructure. In 2016, President Macri's administration set up a public-private-partnership (PPP) program to address decades of underinvestment by previous administrations in highways, railways, schools, and hospitals. Under the program, private companies finance projects and enter into an agreement with the government to recoup their investments over 15–20 years. The first wave of PPP projects, valued at US$8 billion, began in June and will improve 3,000 km of roads across Argentina. The PPP program is funded by revenues from road tolls, oil royalties, and other sources outside of the country's budget, keeping it relatively well protected from austerity measures.

Cement demand is contracting again as Argentina's economy shrinks. But the fall should be cushioned by continuing investments in Argentina's crumbling infrastructure.

We also see value in the share prices of Argentina's highest-quality banks. Argentina's financial sector suffered from the policies of previous administrations and the periodic financial crises they engendered. After devaluations and deposit freezes, Argentines are understandably reluctant to deposit their money in local banks. High inflation and elevated interest rates prevent companies from borrowing long term, leaving the country's financial system largely transactional. As a result, it is small relative to the size of the economy. Argentina's credit penetration (the ratio of bank loans to GDP) of just 14% is very low compared with countries like Brazil (55%), Colombia (43%), or Peru (42%). Lending thus represents a long-term growth opportunity for Banco Macro, Argentina's fifth-largest bank by assets, loans, and deposits. With over 450 branches across the country, Banco Macro can access under-served small companies and retail customers outside of the highly competitive Buenos Aires market. Banco Macro also enjoys longstanding relationships with provincial governments and serves as an exclusive financial agent for four provinces in Argentina. Its province-focused business provides the bank with a sticky customer base and a source of stable, low-cost deposits. With over 80% of total funding coming from deposits, Banco Macro does not rely significantly on potentially fleeting external funding sources. This funding advantage results in sector-beating net interest margins and provides stability in times of turmoil.

Sharply higher interest rates coupled with a contracting economy are a clear source of asset-quality risk for all Argentine banks. Banco Macro's non-performing loan ratio is one of the lowest among its local peers, while its loan loss reserves are among the highest. The strongest of any bank in Argentina, Banco Macro's balance sheet should allow it to withstand the inevitable spike in loan losses.

Not all Argentine companies face headwinds in the current environment. **Globant**, a technology firm that designs websites and mobile apps for other companies, is thriving. Globant has always benefited from skilled labor costs in Argentina that are lower than those in the developed countries where its clients (and rivals) operate. It earns 85% of its revenues in dollars and incurs two-thirds of its costs in pesos or other Latin American currencies. This year, its cost advantage has been amplified by the peso's sharp decline. Over time, the currency devaluation benefit will trail off as Globant's costs increase roughly in line with inflation. Globant could also be hurt by brain drain should its highly skilled workers choose to leave Argentina in the face of austerity measures. But for now, we believe Globant's growth, supported by contracts with new customers and expanding contracts with existing customers, will continue.

As businesses in all industries increasingly engage with their customers and business partners online via personal computers, smartphones, and tablets, Globant's expertise is in high demand. Even companies with in-house developers seek its expertise to augment their own. A combination of the rigorous engineering know-how of an IT company with the creative culture of a digital agency sets Globant apart from its competitors. Operating in 13 countries, the company counts Google, LinkedIn, Disney, and Southwest Airlines among its clients.

PORTFOLIO HIGHLIGHTS

Our sector exposures—and our underweights and overweights relative to the index—are the result of our bottom-up analysis of individual companies and their competitive advantages within their industries, as well as valuation considerations. Despite the market volatility of 2018, our portfolio's structure has changed very little this year. Stocks in the Health Care and consumer sectors still account for more than a quarter of the portfolio. In these sectors, we continue to find many high-quality, growing businesses with strong, well-established brands and superior distribution capabilities. In contrast, the paucity of our holdings in Real Estate reflects the cyclical nature of companies in the sector and their volatile cash flows. We also hold no Utilities because they lack pricing power due to the substantial influence wielded over them by regulators.

Our overall geographic weights may look similar to those of the index, but the makeup of holdings within each region is quite different. For example, stocks of Asian companies account for about a third of the portfolio, slightly below the benchmark. Yet our holdings are substantially more diversified than the index. Because our self-imposed risk guidelines preclude us from investing more than 20% in any single market, we are underweight in the Philippines, which constitutes 23% of the index. Instead, we are overweight in Bangladesh, Pakistan, and Thailand.

Another example of difference can be found in the Gulf States region, where our portfolio's weight at 14% is similar to that of the benchmark, but its composition by country and sector differs significantly. We are substantially underweight Kuwait (another benchmark heavyweight at 11%) as we struggle to find quality companies with durable prospects for growth. The number of vibrant private-sector companies has been limited by the country's historical dependence on hydrocarbons, its lack of economic diversity beyond the oil-and-gas industry, and the state's significant regulation of the economy.

An exception is the **National Bank of Kuwait (NBK)**, a portfolio holding since 2011, to which we added during the quarter. NBK is Kuwait's largest bank with roughly 30% market share. NBK's competitive advantages include its longstanding relationships with Kuwait's corporate sector and strong branch network throughout the Gulf States, which facilitates cross-border transactions. In addition, NBK's solid balance sheet and investment-grade credit rating help it raise funds at a lower cost than its smaller competitors. Indeed, non-interest-bearing demand deposits comprise a substantial portion of NBK's deposit base. As a result, NBK is expected to benefit from higher interest rates as the Central Bank of Kuwait follows the US Fed's lead. In addition, the Kuwaiti government's spending plans, which include large infrastructure projects, should support loan growth.

Elsewhere in the Gulf States, the size and depth of the Saudi Arabian and United Arab Emirates (UAE) stock markets afford us interesting investment opportunities even though they are not currently included in the benchmark. Combined, the markets represent 10% of our portfolio. This quarter, we increased our position in the UAE's **Agthia**, a packaged foods, beverages, and animal feed producer, after the company reported modest success in its turnaround efforts. Agthia's shares have underperformed since 2016, when Abu Dhabi's government, responding to fiscal pressures in the wake of lower oil prices, announced it would no longer subsidize the cost of producing flour and animal feed. The subsidies had given Agthia a strong price advantage over foreign competitors and helped it gain domestic market share since they were put in place in 2007. Forced to run product promotions and offer discounts to defend its market share against imports, Agthia's growth slowed and its profitability declined in the aftermath of the subsidy cut.

Agthia's management has taken aggressive steps to revive profitability and growth. A rigorous cost-reduction program yielded savings in purchasing, warehousing, and transportation. In addition, the company launched new feed and water products. These initiatives are bearing fruit: after a tough 2017, results for the first six months of this year showed a modest rebound in revenue, profits, and market share. We held onto Agthia's shares through the poor results due to their low valuation. Trading at a discount to those of its peer group, they remain inexpensive.

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

COMPANY	COUNTRY	SECTOR	END WT.(%)
ECOPETROL Oil and gas producer	COLOMBIA	ENERGY	5.0
HOA PHAT GROUP Steel producer	VIETNAM	MATERIALS	4.9
JOLLIBEE FOODS Restaurant chain operator	PHILIPPINES	CONS DISCRETIONARY	4.0
CREDICORP Commercial bank	PERU	FINANCIALS	4.0
SAFARICOM Mobile network operator	KENYA	TELECOM SERVICES	3.9
ALICORP Consumer products manufacturer	PERU	CONS STAPLES	3.3
SM PRIME HOLDINGS Real estate developer	PHILIPPINES	REAL ESTATE	3.0
JARIR MARKETING Consumer products retailer	SAUDI ARABIA	CONS DISCRETIONARY	3.0
GLOBANT Software developer	ARGENTINA	INFO TECHNOLOGY	3.0
AL RAJHI BANK Commercial bank	SAUDI ARABIA	FINANCIALS	2.9

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.

3Q18 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
ECOPETROL	ENER	4.3	1.33
HOA PHAT GROUP	MATS	4.3	0.37
HOME PRODUCT CENTER	DSCR	1.1	0.22
NOSTRUM OIL & GAS	ENER	1.1	0.21
ICTSI	INDU	1.0	0.17

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
ECOPETROL	ENER	3.4	3.28
HOA PHAT GROUP	MATS	4.5	1.87
GLOBANT	INFT	2.3	0.81
AL RAJHI BANK	FINA	2.2	0.61
JARIR MARKETING	DSCR	2.5	0.51

3Q18 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
BANCO MACRO	FINA	2.3	-0.71
SAFARICOM	TCOM	4.4	-0.59
SECURITY BANK	FINA	2.0	-0.50
GRUPO FINANCIERO GALICIA	FINA	2.0	-0.46
CEMENTOS ARGOS	MATS	1.7	-0.40

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
BANCO MACRO	FINA	3.0	-2.47
GRUPO FINANCIERO GALICIA	FINA	2.5	-1.30
TELECOM ARGENTINA	TCOM	0.8	-0.92
SECURITY BANK	FINA	2.2	-0.89
EMAAR PROPERTIES	RLST	2.0	-0.89

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL FEM	MSCI FEM
PROFIT MARGIN[1] (%)	17.7	17.1
RETURN ON ASSETS[1] (%)	6.6	4.7
RETURN ON EQUITY[1] (%)	18.7	14.5
DEBT/EQUITY RATIO[1] (%)	51.7	91.3
STD DEV OF 5 YEAR ROE[1] (%)	3.2	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] (%)	5.3	3.7
SIZE & TURNOVER	**HL FEM**	**MSCI FEM**
WTD MEDIAN MKT CAP (US $B)	4.4	6.2
WTD AVG MKT CAP (US $B)	9.4	9.6
TURNOVER[3] (ANNUAL %)	28.8	—

RISK AND VALUATION	HL FEM	MSCI FEM
ALPHA[2] (%)	1.72	—
BETA[2]	0.83	—
R-SQUARED[2]	0.82	—
ACTIVE SHARE[3] (%)	68	—
STANDARD DEVIATION[2] (%)	10.74	11.75
SHARPE RATIO[2]	0.22	0.08
TRACKING ERROR[2] (%)	5.0	—
INFORMATION RATIO[2]	0.3	—
UP/DOWN CAPTURE[2]	82/77	—
PRICE/EARNINGS[4]	13.1	14.4
PRICE/CASH FLOW[4]	10.9	10.8
PRICE/BOOK[4]	2.2	1.9
DIVIDEND YIELD[5] (%)	3.1	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: October 3, 2018); Harding Loevner Frontier Emerging Markets Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

COMPANY	COUNTRY	SECTOR
THERE WERE NO COMPLETE PURCHASES THIS QUARTER		

POSITIONS SOLD	COUNTRY	SECTOR
GRUPO CLARÍN	ARGENTINA	DSCR
ORIENTAL WEAVERS	EGYPT	DSCR

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, 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]	-8.54	-9.46	-10.84	10.74	11.85	N.A.[5]	1	439	0.76
2017	27.33	25.62	27.19	10.84	11.87	N.M.[6]	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 June 30, 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.