HARDING LOEVNER

FRONTIER EMERGING MARKETS EQUITY

2018 Year End Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED DECEMBER 31, 2018[1]

	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	-5.85	-13.95	4.74	0.75	8.36	0.37
HL FRONTIER EMERGING MARKETS (NET OF FEES)	-6.18	-15.11	3.28	-0.69	6.83	-1.04
MSCI FRONTIER EMERGING MARKETS INDEX[4,5]	-3.96	-14.37	4.71	0.25	5.60	-2.31

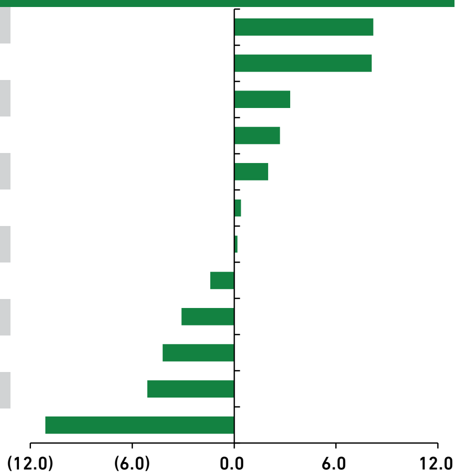
[1]The Composite performance returns shown are preliminary; [2]Annualized Returns; [3]Inception Date: May 31, 2008; [4]The Benchmark Index; [5]Gross of withholding taxes.

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	10.1	1.9
CONS STAPLES	14.4	6.3
HEALTH CARE	5.0	1.7
INFO TECHNOLOGY	3.6	0.9
CASH	2.0	—
MATERIALS	7.1	6.7
ENERGY	5.2	5.0
COMM SERVICES	6.4	7.8
INDUSTRIALS	5.3	8.4
UTILITIES	0.0	4.2
REAL ESTATE	6.0	11.1
FINANCIALS	34.9	46.0

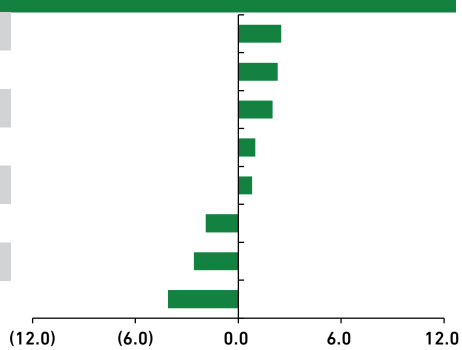
(UNDER) / OVER THE BENCHMARK



GEOGRAPHIC EXPOSURE (%)

	HL FEM	MSCI FEM
EUROPE	7.3	4.8
GULF STATES	17.3	15.0
CASH	2.0	—
AFRICA	15.8	14.8
DEVELOPED MARKET LISTED[6]	0.8	—
MIDDLE EAST	0.0	1.9
LATIN AMERICA	24.9	27.5
ASIA	31.9	36.0

(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 52.8% and emerging markets exposure is 44.4%.

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

Frontier Emerging Market (FEM) stocks fell 4% in the quarter, less than the 13% decline of developed markets and 7% drop of larger emerging markets (EMs). For 2018, FEM stocks fell 14%, in line with EMs.

Two factors were largely responsible for FEMs' fourth-quarter decline: tax policy changes and falling oil prices. Governments of several countries with large fiscal deficits enacted or proposed new taxes to plug holes in their budgets, despite their foreseeable detrimental impact to companies' earnings and cash flows:

- Kenya raised taxes on a variety of mobile voice and data services, including money transfers, which could adversely affect the margins of telecommunications companies such as **Safaricom**. The government also increased taxes on financial transactions, hurting banks.

- Egypt announced that starting in 2019, banks will be required to pay taxes on both their income from government securities and their income from their other banking operations. Currently, banks only pay the higher amount of the taxes on the two income streams. The announcement triggered a sell-off across Egyptian banks, including **Commercial International Bank**, which sources a high share of its profits from government securities.

- Romania's parliament proposed a "greed tax" that will impose an additional levy of up to 0.5% of a bank's asset base. Romanian banks sold off as a result, including **Banca Transilvania**, the country's largest by loans and deposits. A separate proposal included a 2–3% revenue tax for telecom and electricity companies.[1]

- Colombia embarked on a broader tax reform that included introduction of an (allegedly temporary) higher corporate tax rate for the financial sector. All banks will have to pay higher taxes over the next three years.

MARKET PERFORMANCE (USD %)

COUNTRY	4Q 2018	TRAILING 12 MONTHS
PHILIPPINES	5.4	-16.1
KUWAIT	-0.9	15.4
PERU	-2.9	1.6
COLOMBIA	-18.9	-11.4
ARGENTINA	-1.3	-50.7
VIETNAM	-11.4	-12.7
MOROCCO	-0.6	-7.0
NIGERIA	-2.9	-13.9
EGYPT	-9.4	-13.7
KENYA	-10.0	-12.1
MSCI FEM INDEX	-4.0	-14.4

SECTOR PERFORMANCE (USD %)
OF THE MSCI FEM INDEX

SECTOR	4Q 2018	TRAILING 12 MONTHS
COMM SERVICES	-7.9	-16.6
CONSUMER DISCRETIONARY	5.8	-6.1
CONSUMER STAPLES	-7.3	-20.9
ENERGY	-24.9	-15.8
FINANCIALS	-2.3	-12.0
HEALTH CARE	3.1	-3.5
INDUSTRIALS	3.8	-18.6
INFORMATION TECHNOLOGY	-4.5	21.2
MATERIALS	-9.1	-19.5
REAL ESTATE	-0.3	-9.6
UTILITIES	1.5	-28.9

Source: FactSet (as of December 31, 2018); MSCI Inc. and S&P. Selected countries are the 10 largest by weight, representing 77% of the MSCI Frontier Emerging Markets Index.

Energy was the quarter's worst-performing sector by far. Brent crude prices plummeted 36% during the period due to excess supply and fears of weakening demand from China and elsewhere. Stocks in Colombia, a major oil exporter, were particularly hard hit, as was the Colombian peso. Some FEMs, however, benefited from cheaper oil. In the Philippines, lower imported fuel prices helped reduce inflation, which had hit a nine-year peak of almost 7% in October. As a result, the country's stock market outperformed the index, and the Philippine peso appreciated.

For the year, currency was a major headwind to FEM performance; it accounted for about 60% of the MSCI FEM Index's 14% fall. Nearly every floating currency fell against the US dollar due to fears of an escalating trade war and the US Federal Reserve's aggressive rate hikes. Two of the biggest victims in the currency rout were Argentina and Pakistan, which have large current and fiscal account deficits and have accumulated significant amounts of foreign currency debt in the years since the global financial crisis.

By geography, all regions fell in the year except for the Gulf States. Kuwait, which accounts for nearly 80% of the region's benchmark weight, continued to rally as it was upgraded from frontier to EM status by index provider FTSE in September. Latin America was the worst-performing region. Argentina was down 50% in US dollars, entirely due to the fall of the peso against the greenback. Investors lost confidence in President Mauricio Macri's administration's gradual approach to economic reform after it missed inflation targets and imposed an ill-timed tax on bond capital gains. Amid a less accommodative global credit environment and Argentina's high current account deficit of 5% of GDP, the Argentine peso spiraled downward.

[1] "Romania's 'greed tax ordinance' explained," *Romania Insider*, December 28, 2018.

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

Utilities and Consumer Staples declined the most. The former was pressured by significant declines in Argentine utility companies due to the peso's weakness. The latter suffered because some highly priced consumer companies reported slower growth. **Vietnam Dairy Products**, the country's leading dairy products producer, reported weak sales growth and a drop in profits due to sluggish domestic demand for liquid milk and declining export sales, especially to Iraq, which accounts for about one third of Vietnam Dairy's exports. Management pointed to Iraqi political turmoil as the cause of the problem.

PERFORMANCE AND ATTRIBUTION

The Frontier Emerging Markets composite fell 5.9% in the quarter, underperforming its benchmark, which declined 4.0%. For the year, the composite slightly outperformed, falling 14.0% compared with the index's 14.4% drop. The charts to the right illustrate the sources of relative performance for the year by sector and geography, respectively.

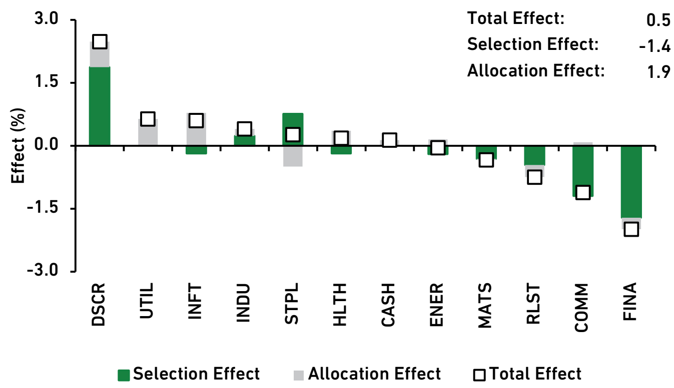
In the quarter, our poor stock selection in Energy detracted most from relative performance. Shares of Colombian oil producer **Ecopetrol** fell along with the price of oil. The company also forecasted modest production growth for 2019. Our stocks in Materials were also weak. Vietnamese construction steel producer **Hoa Phat Group** was hurt by a decline in steel prices. The portfolio's holdings and overweight position relative the index in the top-performing Consumer Discretionary sector contributed to our performance. Philippine restaurant chain operator **Jollibee Foods** reported strong sales, particularly outside its home market.

By region, Asia was the most significant detractor, with especially weak stock selection in Vietnam due to Hoa Phat. Our stocks in the Gulf States partially offset our poor performance elsewhere as our holdings in Saudi Arabia, which is not included in the benchmark, performed well. **Jarir Marketing**, a Saudi-based retailer of books, office supplies, and consumer electronics, saw increased demand in the trailing six months. Jarir has also successfully reduced its costs by favorably renegotiating supplier contracts.

For the year, our Consumer Discretionary holdings contributed most to performance, led by Jollibee and Jarir. In Financials, Argentina-based **Banco Macro**, **National Bank of Kuwait**, Peru-based **Credicorp**, and Philippines-based **Security Bank** dragged on returns. Banco Macro saw asset-quality deterioration in both consumer and commercial loans amid Argentina's economic slowdown.

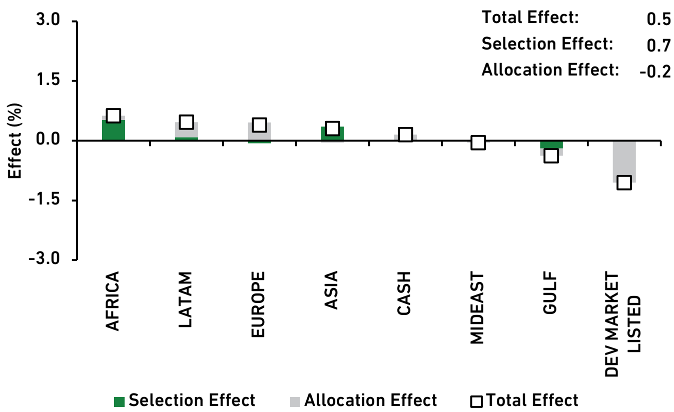
SECTOR PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION TRAILING 12 MONTHS

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



**Includes frontier markets or emerging markets companies listed in developed markets. Source: FactSet; Harding Loevner Frontier Emerging Markets Composite; MSCI Inc. and S&P. The total effect shown here may differ from the variance of the Composite performance and benchmark performance shown on the first page of this report due to the way in which FactSet calculates performance attribution. This information is supplemental to the Composite GIPS Presentation.*

Egypt led our good stock selection in Africa. Cairo-based Commercial International Bank posted stable results despite a high interest rate environment. Management expects to derive future loan growth primarily from working capital loans, and it will continue to focus on acquiring cheap deposits. **Nostrum Oil & Gas**, which is based in Kazakhstan but listed in the UK, was a significant detractor in 2018. The company produced less oil than expected due to technical problems in some of its wells. Our underweight in Kuwait, the year's top-performing market, also hurt returns.

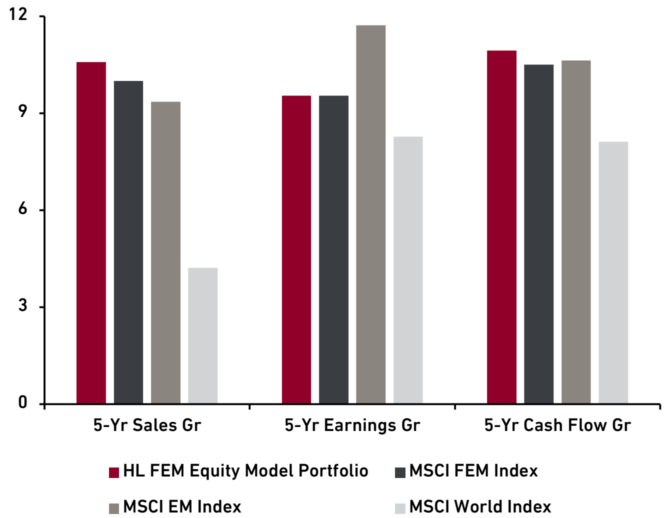
Companies held in the portfolio during the quarter appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings shown may not be current. Portfolio holdings should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the security identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner. A list of the ten largest holdings at December 31, 2018 is available on page 6 of this report.

PERSPECTIVE AND OUTLOOK

In 2013, we wrote that the long-term investment opportunities of FEM countries reminded us of the promise of EMs decades earlier. Like Brazil, Russia, India, and China in the 1990s, FEMs featured large, young, and rapidly growing populations. Urbanization and rising middle classes were creating demand for goods and services such as housing, automobiles, building materials, food products, and financial services. Governments were increasingly implementing pro-development policies and spending more on infrastructure, which supports private sector growth. All these factors are still present today.

Strong secular growth trends, however, do not automatically translate into profits for companies or strong returns for FEM investors. For investors to capture the growth opportunity, they must find companies with strong managements, finances, and competitive advantages within their respective industries. By analyzing companies through this lens, we have been able to identify and invest in businesses that have grown at faster rates than their peers in larger markets, as seen in the chart below. The underlying strength of the businesses in which we invest underpins our belief that continued strong earnings and cash flow growth in FEMs should deliver good long-term performance.

5-YEAR GROWTH CHARACTERISTICS
AS OF 12/31/2018 (LOCAL CURRENCY)



Source: FactSet (as of December 31, 2018); Harding Loevner Frontier Emerging Markets Equity Model Portfolio; MSCI Inc. and S&P.

The favorable socioeconomic and political factors that we cited in 2013 still support the FEM growth narrative. The economy of the Philippines, for example, is expected to grow by more than 6% annually from 2019 through 2021 due to strong public infrastructure investments and consumer spending. Jollibee Foods, the country's leading quick-service restaurant chain, with about 60% market share and strong brand loyalty, benefits from the country's rapidly expanding population of more than 100 million people. The company has achieved a strong 6% annual same-store sales growth over the past five years by responding nimbly to changing consumer preferences with menu innovations.

Growth has been particularly strong for our Materials companies. In that sector, we generally invest in businesses that produce commodities such as cement and construction steel for their domestic markets. Developing countries will require millions of tons of cement and steel in the coming years to upgrade their infrastructure, housing, and public facilities. Due to the high cost of transporting their heavy and bulky products over long distances, local cement and construction steel companies often face little or no competition from imported products of foreign rivals and thus enjoy great pricing power over their customers. In Vietnam, construction steel manufacturer Hoa Phat Group has recorded a cumulative annual growth rate of 22% in sales and 52% in profit over the last five years. Hoa Phat has grown alongside Vietnam's economy as increasing foreign direct investment has spurred high demand for construction steel used in infrastructure and real estate projects.

Politics and Trade

Small developing countries exhibit heightened political risks around national elections. In some cases, protests and violence can disrupt business activities. New administrations can seek radical change in longstanding policies. Sometimes, the mere perception by companies and foreign investors of heightened risk of political instability leads to weakened economic growth and currency depreciation. We are closely attuned to developments surrounding elections and their potential impact on our investments. In 2019, a number of FEM countries—which collectively account for almost 40% of the portfolio—are facing political transitions. Argentina, Nigeria, Romania, Sri Lanka, and Ukraine will hold presidential elections, while the Philippines will hold mid-term legislative elections. We note that political instability associated with elections has in the past often proven short lived. For example, election violence in Kenya in 2007 and Bangladesh in 2014 did not alter the long-term growth trajectories of our portfolio companies, which rebounded strongly afterward.

The intensifying trade war between the US and China is another source of risk to FEMs. Our portfolio, however, is somewhat insulated from the negative consequences of the dispute. Most of our holdings derive their revenue from domestic demand, not exports. Only two of our companies have direct Chinese sales or operations that could get disrupted by higher tariffs: container port terminal operators **DP World** and **ICTSI**, both of which have seaport operations in China. That said, if the trade war results in a global economic slowdown and decline in world trade, FEMs would suffer with the rest of the world.

The trade war is already conferring benefits on some FEMs by accelerating the movement of global supply chains out of China. For example, emerging Asian countries such as Vietnam, the Philippines, Thailand, Indonesia, Bangladesh, and

Cambodia have been identified as alternative homes for basic, labor-intensive manufacturing activities for which China is increasingly unsuited. We believe Vietnam could be the biggest beneficiary of this shift. It boasts a large and cheap labor force of 58 million people, upgraded transport and power infrastructure, geographic proximity to China, free trade deals with several countries in the European Union and South Korea, and a relatively stable political environment. A number of manufacturers have already announced their intent to shift production to Vietnam from China, citing US tariffs on Chinese goods as the impetus for their moves. Should many of these promised capital investments come to fruition, Vietnam's industrial base would expand rapidly.

PORTFOLIO HIGHLIGHTS

Our portfolio transactions are guided by changes in share price relative to our estimate of a company's fair value, which we base in part on our expectations of a company's future cash flow growth. When we feel our estimates for growth can no longer justify a company's current stock price, we reduce our position or sell it from the portfolio. When our expectations exceed a stock's current price, we will purchase it for our portfolio or increase our position. This year, our transactions reduced our portfolio's exposure to the Consumer Staples and Communication Services sectors and increased its exposure to the Gulf States region.

We find many high-quality companies with sustainable growth, strong balance sheets, and good managements in the consumer sectors; we hold large weights (absolute and relative to the index) in both discretionary and staples companies. But consumer companies in FEMs often command premium valuations. For example, when we sold our position in May, shares of Pricesmart, a leading Latin American warehouse club retailer, appeared expensive given increased rivalry and a slowing rate of growth. The company is facing greater competition from Amazon.com. To shore up its market share, Pricesmart acquired Aeropost, a leading e-commerce platform and cross-border package delivery service in the Caribbean and Central America. We do not think the acquisition of Aeropost is protecting meaningfully against the Amazon threat, as Pricesmart's growth continues to deteriorate.

We also sold **Tanzania Breweries**, the country's dominant brewer with about 80% market share, due to growth concerns. The Tanzanian government's recurrent excise tax hikes on beer and spirits have pushed prices beyond affordability for the average consumer, and Tanzania Breweries' volume is declining as a result. The government's plan to introduce further taxes in 2019 is likely to increase the growth headwinds.

Our growth expectations for a company can also change when our analysis indicates that the structure of the industry in which it operates has changed. For example, we decreased our exposure to the Communication Services sector this year because of our concerns with increasing rivalry and regulatory pressure. We reduced our position in **Grameenphone**, Bangladesh's leading mobile telecom company, after aggressive price competition in data services from rivals forced Grameenphone to cut its average price per megabyte of data by 37% year over year. The government is also attempting to claim US$500 million in back taxes from the Bangladeshi telecom industry, which the participants dispute. Furthermore, the government announced a special tariff and tax system for telecom companies with over 40% market share. With Grameenphone's market share at 45%, the rule is aimed to curtail the company's growth in favor of its rivals.

We also sold **Sonatel**—the leading telecom operator in Senegal, Mali, Guinea, and Guinea-Bissau—due to regulatory- and rivalry-related growth concerns. Regulators in Senegal and Mali recently increased the tax rate on telecom revenues and offered operating licenses to new operators to increase competition. In addition, Sonatel's margin is under pressure as its growth is tilting away from high-margin voice calls and toward lower-margin data and mobile money transfer services. As smartphone adoption continues to rise, consumers are increasingly favoring over-the-top applications like WhatsApp for voice calls and messaging.

Our exposure to the Gulf States increased during the year. Saudi Arabia appears to be recovering from the 2015 oil crisis. Jarir Marketing, the Riyadh-based retailer, successfully navigated this challenging period, gaining market share from smaller retailers that went out of business. We believe Jarir's growth will persist because consumption in Saudi Arabia is beginning to turn around, helped by increased government spending, higher employment for Saudi nationals, and the rising participation of women in the labor force. In addition, Jarir has recently launched an e-commerce platform superior to its peers, opened new stores, and partnered with Apple to host mini Apple stores within Jarir locations. We added to our position in the fourth quarter.

We also bought shares of **National Commercial Bank (NCB)**, Saudi Arabia's largest bank by assets. NCB enjoys exceptional brand recognition among Saudis. The bank's nearly 400 branches throughout the country operate in compliance with Islamic Sharia principles. This allows NCB to gather the cheap, non-interest bearing deposits that comprise approximately 80% of its total deposit base—the second-highest level in the sector—and give NCB a funding cost advantage over most of its peers. The bank's sizable balance sheet and expertise in structuring complex loans make it a lender of choice for large-scale infrastructure projects. We believe NCB's loan growth should accelerate as the Saudi Arabian government pursues an ambitious economic transformation agenda that includes building new roads, medical centers, and water treatment and power plants.

FRONTIER EMERGING MARKETS TEN LARGEST HOLDINGS (AS OF DECEMBER 31, 2018)

COMPANY	COUNTRY	SECTOR	END WT.(%)
JOLLIBEE FOODS Restaurant chain operator	PHILIPPINES	CONS DISCRETIONARY	4.6
JARIR MARKETING Consumer products retailer	SAUDI ARABIA	CONS DISCRETIONARY	4.3
CREDICORP Commercial bank	PERU	FINANCIALS	4.1
HOA PHAT GROUP Steel producer	VIETNAM	MATERIALS	3.8
SAFARICOM Mobile network operator	KENYA	COMM SERVICES	3.8
AL RAJHI BANK Commercial bank	SAUDI ARABIA	FINANCIALS	3.7
SM PRIME HOLDINGS Real estate developer	PHILIPPINES	REAL ESTATE	3.3
ALICORP Consumer products manufacturer	PERU	CONS STAPLES	3.3
GLOBANT Software developer	ARGENTINA	INFO TECHNOLOGY	3.0
ECOPETROL Oil and gas producer	COLOMBIA	ENERGY	3.0

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.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
NATIONAL COMMERCIAL BANK	SAUDI ARABIA	FINA

POSITIONS SOLD	COUNTRY	SECTOR
BRAC BANK	BANGLADESH	FINA
CEMEX LATAM	COLOMBIA	MATS
GARANTI BANK	TURKEY	FINA
KIPCO	KUWAIT	FINA
LUCKY CEMENT	PAKISTAN	MATS
MAPLE LEAF CEMENT	PAKISTAN	MATS
SONATEL	SENEGAL	COMM
TANZANIA BREWERIES	TANZANIA	STPL
UNITED BANK LIMITED	PAKISTAN	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.

4Q18 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
JOLLIBEE FOODS	DSCR	4.6	0.71
JARIR MARKETING	DSCR	3.9	0.41
BPI	FINA	2.2	0.32
BDO UNIBANK	FINA	1.7	0.21
AGTHIA	STPL	1.4	0.18

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
JARIR MARKETING	DSCR	2.9	0.96
AL RAJHI BANK	FINA	2.7	0.67
GLOBANT	INFT	2.5	0.40
JOLLIBEE FOODS	DSCR	4.1	0.29
HALYK SAVINGS BANK	FINA	1.4	0.26

4Q18 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
ECOPETROL	ENER	3.9	-2.02
HOA PHAT GROUP	MATS	4.4	-1.32
NOSTRUM OIL & GAS	ENER	0.9	-0.72
SAFARICOM	COMM	3.9	-0.42
BANCA TRANSILVANIA	FINA	2.2	-0.35

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
BANCO MACRO	FINA	2.6	-2.10
GRUPO FINANCIERO GALICIA	FINA	2.3	-1.68
NOSTRUM OIL & GAS	ENER	1.1	-1.07
TELECOM ARGENTINA	COMM	1.2	-1.01
SECURITY BANK	FINA	2.0	-0.89

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL FEM	MSCI FEM
PROFIT MARGIN[1] (%)	18.1	17.5
RETURN ON ASSETS[1] (%)	6.6	4.5
RETURN ON EQUITY[1] (%)	18.7	13.8
DEBT/EQUITY RATIO[1] (%)	57.1	101.0
STD DEV OF 5 YEAR ROE[1] (%)	2.7	1.6
SALES GROWTH[1,2] (%)	6.2	5.7
EARNINGS GROWTH[1,2] (%)	9.5	9.5
CASH FLOW GROWTH[1,2] (%)	10.8	10.5
DIVIDEND GROWTH[1,2] (%)	7.2	3.7
SIZE & TURNOVER	**HL FEM**	**MSCI FEM**
WTD MEDIAN MKT CAP (US $B)	4.8	5.9
WTD AVG MKT CAP (US $B)	8.1	8.4
TURNOVER[3] (ANNUAL %)	25.9	—

RISK AND VALUATION	HL FEM	MSCI FEM
ALPHA[2] (%)	0.54	—
BETA[2]	0.84	—
R-SQUARED[2]	0.83	—
ACTIVE SHARE[3] (%)	67	—
STANDARD DEVIATION[2] (%)	10.89	11.79
SHARPE RATIO[2]	0.01	-0.03
TRACKING ERROR[2] (%)	4.9	—
INFORMATION RATIO[2]	0.1	—
UP/DOWN CAPTURE[2]	79/81	—
PRICE/EARNINGS[4]	12.7	13.1
PRICE/CASH FLOW[4]	10.4	10.1
PRICE/BOOK[4]	2.1	1.8
DIVIDEND YIELD[5] (%)	3.2	3.0

[1]Weighted median; [2]Trailing five years, annualized; [3]Five-year average; [4]Weighted harmonic mean; [5]Weighted mean. Source (Risk characteristics): eVestment Alliance (eA); Harding Loevner Frontier Emerging Markets Composite, based on the Composite returns; MSCI Inc. Source (other characteristics): FactSet (Run Date: January 9, 2019); Harding Loevner Frontier Emerging Markets Model, based on the underlying holdings; MSCI Inc.

FRONTIER EMERGING MARKETS COMPOSITE PERFORMANCE (AS OF DECEMBER 31, 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[4]	-13.95	-15.11	-14.37	10.79	11.42	N.M.[5]	1	356	0.71
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[6]	-53.41	-53.77	-54.74	+	+	N.A.[7]	1	5	0.15

[1]Benchmark Index; [2]Variability of the Composite and the Index returns over the preceding 36-month period, annualized; [3]Asset-weighted standard deviation (gross of fees); [4]The 2018 performance returns and assets shown are preliminary; [5]N.M.–Information is not statistically significant due to an insufficient number of portfolios in the Composite for the entire year; [6]2008 represents the partial year, June 1, 2008 to December 31, 2008; [7]N.A.–Internal dispersion less than a 12-month period; +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 September 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.