FRONTIER EMERGING MARKETS EQUITY

2019 Second Quarter Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED JUNE 30, 2019[1]

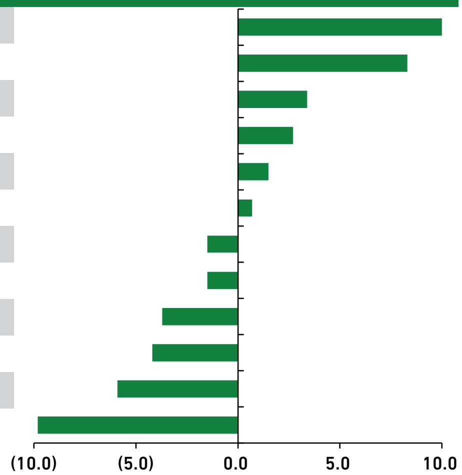
	3 MONTHS	YTD	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	3.59	13.58	3.22	7.45	0.40	7.79	1.51
HL FRONTIER EMERGING MARKETS (NET OF FEES)	3.24	12.83	1.83	5.98	-1.02	6.26	0.09
MSCI FRONTIER EMERGING MARKETS INDEX[4,5]	4.91	14.88	8.63	6.51	-0.44	5.51	-0.98

[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.

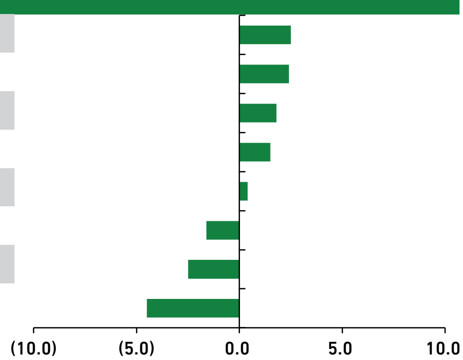
SECTOR EXPOSURE (%)

	HL FEM	MSCI FEM
CONS STAPLES	15.5	5.5
CONS DISCRETIONARY	9.4	1.1
HEALTH CARE	4.8	1.4
INFO TECHNOLOGY	4.2	1.5
CASH	1.5	—
ENERGY	6.0	5.3
COMM SERVICES	6.3	7.8
MATERIALS	5.0	6.5
UTILITIES	0.0	3.7
REAL ESTATE	7.3	11.5
INDUSTRIALS	5.0	10.9
FINANCIALS	35.0	44.8



GEOGRAPHIC EXPOSURE (%)

	HL FEM	MSCI FEM
GULF STATES	19.0	16.5
AFRICA	16.7	14.3
EUROPE	6.4	4.6
CASH	1.5	—
DEVELOPED MARKET LISTED[6]	0.4	—
MIDDLE EAST	0.0	1.6
LATIN AMERICA	24.9	27.4
ASIA	31.1	35.6



[6]Includes companies in frontier markets or small emerging markets listed in developed markets. Current frontier markets exposure in the portfolio is 37.2% and emerging markets exposure is 60.9%.

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) rose 4.9% in the quarter as investors reacted positively to local developments in Argentina, Kuwait, Romania, and Kazakhstan. The gain significantly outpaced the 0.7% return of the Emerging Markets (EM) benchmark, which is dominated by large countries, many of whose markets were dragged down by an escalation in the US-China trade war.

Argentina was by far the best-performing market, rising 32% astride a surprising upturn in its economic and political outlook. At the start of the year, most investors expected a continuation of last year's high inflation and currency depreciation, accepting the rising possibility that business-friendly President Mauricio Macri would lose his bid for re-election in October. Sentiment began to improve on April 29, when the IMF granted the Argentine central bank permission to intervene aggressively in the foreign exchange market to help stabilize the peso. Political developments helped sustain the momentum as currency stability and rising real wages boosted Macri's approval ratings, and his selection of Senator Miguel Pichetto from the moderate Peronist party to be his running mate cheered investors who believe Pichetto could help Macri's electoral chances by attracting undecided voters. The stock market rally was also supported by passive investment flows into Argentine stocks in advance of the country's readmission to the MSCI EM Index on May 28. Elsewhere in Latin America, Colombian stocks fell due to lower oil prices while Peru's market suffered from a drop in metal prices.

MARKET PERFORMANCE (USD %)

COUNTRY	2Q 2019	TRAILING 12 MONTHS
PHILIPPINES	4.6	20.3
KUWAIT	10.5	34.2
COLOMBIA	-2.3	-3.5
PERU	-1.9	3.5
ARGENTINA	31.8	15.9
VIETNAM	-3.8	-2.6
MOROCCO	8.7	-1.1
EGYPT	7.9	5.7
NIGERIA	-6.5	-21.7
KENYA	-2.4	-6.1
MSCI FEM INDEX	4.9	8.6

SECTOR PERFORMANCE (USD %)
OF THE MSCI FEM INDEX

SECTOR	2Q 2019	TRAILING 12 MONTHS
COMMUNICATION SERVICES	8.9	9.8
CONSUMER DISCRETIONARY	-3.9	-0.7
CONSUMER STAPLES	-0.9	-3.2
ENERGY	5.9	8.7
FINANCIALS	5.7	10.0
HEALTH CARE	3.5	3.8
INDUSTRIALS	3.7	15.7
INFORMATION TECHNOLOGY	41.5	77.9
MATERIALS	-0.7	-11.6
REAL ESTATE	3.5	16.0
UTILITIES	8.5	3.9

Source: FactSet (as of June 30, 2019); MSCI Inc. and S&P.
Selected countries are the 10 largest by weight, representing 87% of the MSCI Frontier Emerging Markets Index.

Europe was the best-performing region, led by strong performance in Romania and Kazakhstan. Romanian stocks rose after the government lowered proposed taxes on the banking industry. Here, too, politics supported the stock market: the Social Democratic Party (PSD), the main party in the ruling coalition responsible for recent anti-business proposals, lost seats in the EU parliamentary elections, and its leader was jailed on corruption charges. Kazakhstan's strong performance was led by **Halyk Savings Bank**, which reported stronger-than-expected 20% earnings growth in the first quarter. The Gulf region also outperformed, primarily due to Kuwait, which accounts for 80% of the region's index weight. Investors anticipated index provider MSCI's announcement of the country's reclassification from frontier to EM status. On June 25, the MSCI confirmed its plan, which could be implemented as early as May 2020.

Asia and the Middle East were the weakest regions. In Asia, Pakistan's currency, the rupee, suffered a blow, falling 12% against the US dollar, after the government switched to a market-determined exchange rate. The reform was among the conditions set by the IMF for a US$6 billion bailout. New taxes also weighed on Pakistan's stock market. In the Middle East, which accounts for less than 2% of the index, investors continued to worry that Lebanon may default on its debt after the country failed to form a government that could pass much-needed fiscal reforms.

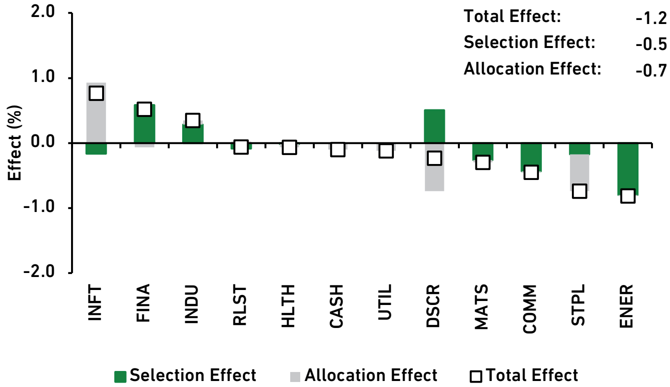
The Argentine market rally lifted several industrial sectors. Information Technology (IT) performed best, mainly due to a 42% rise in the share price of **Globant**, an Argentine information technology services provider. The company released strong first-quarter results as revenue and profit grew 22% and 33% year-on-year, respectively. Communication Services, Utilities, and Energy also performed well thanks to the gains of Argentine companies. Consumer Discretionary was dragged down by the poor performance of **Jollibee Foods**, a Philippines-based quick-service restaurant operator. Jollibee reported lower-than-expected earnings because of weakness in its home market and in China. Jollibee's 2015 acquisition of the US chain Smashburger continued to drag on profits.

PERFORMANCE AND ATTRIBUTION

The Frontier Emerging Markets composite rose 3.6% in the quarter, underperforming its benchmark's 4.9% gain. The charts on the next page illustrate performance attribution for the quarter by sector and region, respectively.

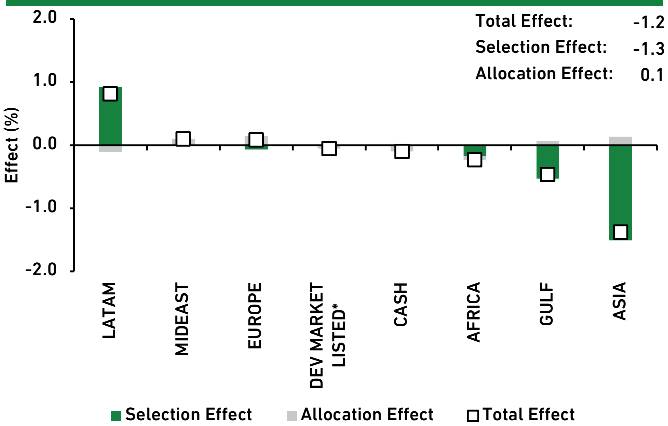
SECTOR PERFORMANCE ATTRIBUTION
SECOND QUARTER 2019

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION
SECOND QUARTER 2019

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



**Includes companies in frontier markets or small emerging markets 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.*

Viewed by sector, weak stock selection in Energy detracted the most from our relative performance. Shares of Colombia-based **Ecopetrol** dropped despite continued production growth. Falling crude prices and a partial shutdown of its Barrancabermeja refinery for maintenance led to lower throughput. Our overweight to the poor-performing Consumer Staples sector also detracted.

Stock selection was most positive in Financials because of strong performance by our Argentine banks and **Banca Transilvania** in Romania. The latter benefited from easing of regulations and the strong performance of Volksbank, its recent acquisition. Our overweight to the strong-performing IT sector also contributed.

By region, our stocks in Asia detracted most, particularly those in the Philippines. Our overweight to the relatively poor-performing markets of Bangladesh and Pakistan also hurt. Our holdings in Latin America contributed, especially in Argentina, where Globant soared and improved interest income from government securities and loans buoyed interest-sensitive banks **Banco Macro** and **Grupo Financiero Galicia**.

PERSPECTIVE AND OUTLOOK

Strong FDI boosts Vietnam's growth

In many frontier markets, governments have set the foundation for long-term economic growth with business-friendly policies and reforms. Vietnam is a case in point. Over the course of 30 years, the ostensibly communist government in Hanoi has transitioned from Soviet-style central planning to a market economy modeled after China. Today, Vietnam boasts one of the world's fastest-growing economies, with GDP growth averaging 6.5% annually over the last five years.

Before the transformation began in 1986, Vietnam was among the world's poorest countries, with per-capita income of US$550 a year. The economy was anemic and annual inflation reached 700%. Inspired by Deng Xiaoping's early success in China, the Vietnamese government began to permit private businesses and welcome foreign investment. Its commitment to liberalization has not waned over time: it has continued to cut red tape, lighten regulations and privatize state-owned enterprises, and promote foreign trade. At 20%, Vietnam's corporate tax rate is already one of the lowest in the ASEAN region, and the government offers generous tax incentives to attract foreign businesses. Vietnam has reached several free trade agreements, including with the EU, Korea, and, more recently, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which gives Vietnam access to 10 other countries representing about 14% of the global economy. Vietnam has also invested heavily in infrastructure and the education of the country's young and growing population of 100 million people.

The government's policies and the country's demographics have attracted considerable foreign direct investment (FDI). FDI, which has risen on average 12% per year since 2014, has not only supported the country's GDP growth but also helped loosen its reliance on agriculture in favor of manufacturing and services. Electronics and industrial products now account for 54% of Vietnam's total exports, up from 18% a decade ago. By comparison, commodities exports have shrunk by almost 30 percentage points in the same period. Over the last decade, labor-intensive manufacturing companies have been transfer-

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, 2019 is available on page 6 of this report.

ring operations to Vietnam from China and other more developed Asian countries to take advantage of Vietnam's relatively low cost of labor (a factory worker in Vietnam earns a third less than one in China). But the shift has accelerated in the past year as companies have moved their supply chains away from China to avoid US tariffs. In the first five months of 2019, Vietnam's licensed FDI projects surged 39%, with China and South Korea accounting for over half of them. China's GoerTek, an assembler of Apple's wireless AirPods earbuds, committed to set up a US$260 million factory in Vietnam, while Taiwan's Foxconn is also looking to expand production capacity there. In December, Samsung Electronics, which already manufactures half of its smartphones in Vietnam, announced that it would shut down its mobile phone factory in Tianjin, China, and relocate some of that production to Vietnam. Moreover, FDI in Vietnam isn't limited to electronics: China's Guizhou Tyre and petrochemical companies from the Middle East and Japan are also investing in Vietnam.

The US is now Vietnam's largest export destination. From January through May, the value of Vietnamese goods shipped to the US rose more than 30%. Any threat by the US to impose punitive tariffs on additional trading partners could derail Vietnam's growth momentum. At this point it is unclear what, if any, action the Trump administration will take against the US's twelfth-largest supplier of imported goods. About 8% of our portfolio is invested in Vietnam. Each of the Vietnamese companies in which we are invested is domestically focused, which should help insulate them somewhat from the impact of a trade dispute or weakened export markets.

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One such company is **Hoa Phat Group (HPG)**, the country's leading steelmaker. The FDI influx has spurred the government to accelerate improvement of the country's ports, airports, roads, bridges, and other infrastructure. It has also driven up demand for new industrial complexes, office buildings, and apartments. HPG is the country's lowest-cost and most technologically advanced steel producer. It has a dominant market share in construction steel (25%) and steel pipes (30%). The company has the largest factory for long construction steel in the northern part of the country, and we expect it to gain market share elsewhere after opening a new factory in Dung Quat, in the central region. The recently commissioned first phase will double the company's construction steel production capacity, to 4 million tons. HPG operates predominantly in the domestic market, sourcing its raw materials and selling about 90% of its output locally. Its exports go mainly to neighboring Southeast Asian countries, where demand is growing fast.

Vietnam's economic growth has boosted employment and wages as workers leave agriculture in favor of higher-paid manufacturing and service jobs. Per capita income has increased 6% annually over the last five years, to reach US$2,500, and is expected to accelerate to 7.5% over the next six years, to about US$4,000. Two of our investments are geared to rising disposable incomes: **Vietnam Dairy Products (Vinamilk)**, the country's leading branded dairy producer, and **Sabeco**, the country's largest brewer.

Vietnam's milk consumption is expected to grow by 10% per year through 2022 thanks to the country's young population, rising disposable income, and growing consumer awareness of the health benefits of milk. At 16 kilograms per capita, Vietnam's dairy consumption is low relative to the rest of Asia. Vinamilk is Vietnam's largest dairy products company, with about 60% market share. It has strong brands in milk, yogurt, and ice cream. A key competitive advantage is Vinamilk's extensive distribution network of over 260,000 points of sale spread across urban and rural areas, including 400 dedicated Vinamilk shops. It also has a symbiotic relationship with thousands of dairy farmers: in exchange for signing contracts to buy their supply of raw milk, the company provides support programs to help farmers increase the yield and hygiene of their cows. Vinamilk buys about 60% of the milk produced in Vietnam, which gives it strong bargaining power over the farmers. The company is aiming to gain one percentage point in market share per year through 2021, which we believe is achievable in light of its competitive advantages. Vinamilk's balance sheet is strong enough to fund its expansion plans in Vietnam and elsewhere in Asia.

Though Vietnam's taste for milk is still developing, its thirst for beer is long established. Beer is the alcoholic beverage of choice for family and social gatherings, and accounts for more than 90% of the country's alcohol consumption. Demand is rising due to Vietnam's increasing incomes and favorable demographics: one million people reach the legal drinking age of 18 each year. Beer volume has been growing at an annual rate of 5% over the past decade, and this trend is expected to continue.

Sabeco, a new holding this quarter, owns *Bia Saigon*, Vietnam's 144-year-old leading brand. Vietnam's beer industry is relatively consolidated, with the four biggest brewers dominating 90% of the domestic market by volume. Sabeco, with a leading 40% market share, has a significant advantage over rivals thanks to its 25 breweries that allow it to distribute beer throughout the country at lower cost. The government controlled the company until 2017, when it sold a 54% stake to Thailand Beverage as part of a privatization program. The new management team that took over has improved Sabeco's corporate governance, repositioned the brands for growth by targeting different income segments, and launched a cost-optimization program to improve margins.

PORTFOLIO HIGHLIGHTS

We conceived our FEM strategy as a means to provide access to both frontier and small emerging markets that live in the shadow of larger emerging markets like Brazil, Russia, India, and China. We define small EMs as those with weights of less than 5% in the MSCI EM Index. All of the countries in our portfolio—regardless of how they are classified by the index provider—share similar risk characteristics and high potential growth: they are in the early stages of a journey previously taken by the developed economies that the larger EM economies have largely completed.

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To assure our clients that the new strategy would maintain substantial exposure to frontier markets, at launch we adopted an internal guideline that limited its exposure to small EMs to a maximum of 50% of the portfolio. At the time, we did not foresee the frequency with which MSCI would reclassify countries from frontier to emerging markets (and sometimes back again) or the magnitude of such reclassifications. In 2014, the UAE and Qatar were both reclassified from FM to EM. They were followed by the upgrade of Pakistan in 2017. More recently, Argentina (a country that was downgraded from EM to FM in 2009) and Saudi Arabia were upgraded in May 2019. The five newly promoted countries represent, in aggregate, less than 4% of the MSCI EM index.

The May reclassifications of Saudi Arabia and Argentina resulted in a passive breach of our 50% small-EM ceiling. At the recommendation of the strategy's portfolio managers and with the approval of our co-chief investment officers, we decided to eliminate the small-EM ceiling because we wanted to avoid forced transactions that would incur unnecessary trading costs for our clients. We also no longer regard the guideline as helpful or relevant to maintaining a portfolio that reflects the frontier and small EM quality-growth opportunity sets and is complementary (rather than duplicative) to a traditional EM portfolio.

Unrelated to Argentina's reclassification but in the wake of its rally, we trimmed our five holdings there. Despite the recent positive political and economic developments in the country, we believe significant risks remain that could jeopardize the companies' currently high valuations. These reductions widened our portfolio's underweight in Latin America.

We added to our position in **Mabanee**, a commercial real estate company that runs The Avenues mall in Kuwait City. Last year, the company completed its flagship mall's "Phase IV" expansion to increase its gross leasable area by 35%. Mabanee has other expansion projects in the pipeline, including a four-star Hilton Garden Inn opening later this year and the Waldorf Astoria Kuwait in 2020. The company has been successful with projects outside of Kuwait, too, such as with The Avenues mall in Bahrain. In 2023, it plans to open one of the world's largest malls in Riyadh, Saudi Arabia. We like Manabee's growth ambitions and believe it has the financial strength to complete all of these projects. The addition to Mabanee and strong appreciation from **National Bank of Kuwait** added to our portfolio's overweight to the Gulf region.

We exited two companies in the quarter due to concerns about their growth strategies. Morocco-based **Attijariwafa Bank** has struggled to grow in its over-banked home market. In response, it has made numerous acquisitions over the years in 13 other African countries, including Barclays Bank's Egypt subsidiary in 2017. Egypt was expected to be a source of growth given the country's large population of about 100 million people and low banking penetration. However, Attijariwafa's assimilation of the acquired bank has not gone well, and depositors have been fleeing. Heavy spending on technology upgrades and brand marketing after Barclay's departure have halved Attijariwafa Egypt's return on equity, from 29% in 2017 to 15% in 2018.

We also sold Dubai-based **DP World**, a global port and terminal operator with approximately 75% of its cargo volumes generated from developing countries. In 2018, management embarked on an acquisition spree targeting shipping and logistics businesses. The acquired business earned lower margins and returns than DP World and, in our opinion, offered few synergies with DP World's core container operations. Our only new purchase in the quarter was Vietnamese brewer Sabeco.

Over the last 12 months, we have significantly reduced our exposure to Communication Services and Materials. Last quarter, we wrote about adverse changes in rivalry and regulations affecting Sonatel, a telecom operator in Senegal, and **Grameenphone**, a telecom operator in Bangladesh. This quarter, we reduced **Telecom Argentina** as its valuation rose despite its struggle to grow amid Argentina's economic downturn. Its profit margins are contracting because it has not been able to raise prices fast enough to keep pace with inflation. In Materials, we reduced our position in Colombian cement company **Cementos Argos** due to sluggish growth, a result of delays in various infrastructure and housing projects. We are also concerned about increased rivalry when Corona Molins opens a cement plant with 1.3 million tons of capacity later this year.

FRONTIER EMERGING MARKETS TEN LARGEST HOLDINGS (AS OF JUNE 30, 2019)

COMPANY	COUNTRY	SECTOR	END WT.(%)
NATIONAL BANK OF KUWAIT Commercial bank	KUWAIT	FINANCIALS	4.6
ECOPETROL Oil and gas producer	COLOMBIA	ENERGY	4.3
SAFARICOM Mobile network operator	KENYA	COMM SERVICES	4.2
AL RAJHI BANK Commercial bank	SAUDI ARABIA	FINANCIALS	4.1
JARIR MARKETING Consumer products retailer	SAUDI ARABIA	CONS DISCRETIONARY	4.1
SM PRIME HOLDINGS Real estate developer	PHILIPPINES	REAL ESTATE	4.0
JOLLIBEE FOODS Restaurant chain operator	PHILIPPINES	CONS DISCRETIONARY	3.9
CREDICORP Commercial bank	PERU	FINANCIALS	3.8
GLOBANT Software developer	ARGENTINA	INFO TECHNOLOGY	3.7
HOA PHAT GROUP Steel producer	VIETNAM	MATERIALS	3.3

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
SABECO	VIETNAM	STPL

POSITIONS SOLD	COUNTRY	SECTOR
ATTIJARIWAFA BANK	MOROCCO	FINA
DP WORLD	UAE	INDU

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.

2Q19 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
GLOBANT	INFT	3.6	1.29
BANCO MACRO	FINA	2.0	1.03
GRUPO FINANCIERO GALICIA	FINA	1.6	0.57
BANCA TRANSILVANIA	FINA	1.2	0.33
MABANEE	RLST	1.6	0.31

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
GLOBANT	INFT	3.2	2.09
JARIR MARKETING	DSCR	3.8	1.13
AL RAJHI BANK	FINA	3.6	1.10
ICTSI	INDU	1.3	0.97
NATIONAL BANK OF KUWAIT	FINA	2.9	0.97

2Q19 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
JOLLIBEE FOODS	DSCR	4.1	-0.39
ECOPETROL	ENER	3.7	-0.32
PAKISTAN PETROLEUM	ENER	0.6	-0.23
VIETNAM DAIRY PRODUCTS	STPL	2.7	-0.22
HOA PHAT GROUP	MATS	3.5	-0.22

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
HOA PHAT GROUP	MATS	4.0	-1.22
CEMENTOS ARGOS	MATS	1.3	-0.63
NOSTRUM OIL & GAS	ENER	0.5	-0.56
PAKISTAN PETROLEUM	ENER	0.7	-0.37
AGTHIA	STPL	1.3	-0.35

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL FEM	MSCI FEM
PROFIT MARGIN[1] (%)	18.5	17.9
RETURN ON ASSETS[1] (%)	6.7	4.2
RETURN ON EQUITY[1] (%)	18.8	14.4
DEBT/EQUITY RATIO[1] (%)	60.0	99.5
STD DEV OF 5 YEAR ROE[1] (%)	3.0	1.9
SALES GROWTH[1,2] (%)	6.6	4.7
EARNINGS GROWTH[1,2] (%)	8.0	9.5
CASH FLOW GROWTH[1,2] (%)	11.0	10.3
DIVIDEND GROWTH[1,2] (%)	7.4	4.5
SIZE & TURNOVER	**HL FEM**	**MSCI FEM**
WTD MEDIAN MKT CAP (US $B)	5.8	7.5
WTD AVG MKT CAP (US $B)	10.4	10.1
TURNOVER[3] (ANNUAL %)	25.4	—

RISK AND VALUATION	HL FEM	MSCI FEM
ALPHA[2] (%)	0.79	—
BETA[2]	0.86	—
R-SQUARED[2]	0.84	—
ACTIVE SHARE[3] (%)	66	—
STANDARD DEVIATION[2] (%)	11.01	11.75
SHARPE RATIO[2]	-0.04	-0.11
TRACKING ERROR[2] (%)	4.8	—
INFORMATION RATIO[2]	0.17	—
UP/DOWN CAPTURE[2]	87/86	—
PRICE/EARNINGS[4]	13.7	14.0
PRICE/CASH FLOW[4]	11.4	10.4
PRICE/BOOK[4]	2.4	1.9
DIVIDEND YIELD[5] (%)	3.4	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: July 4, 2019); Harding Loevner Frontier Emerging Markets Model, based on the underlying holdings; MSCI Inc.

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, 2019)

	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 (%)
2019 YTD[4]	13.58	12.83	14.88	9.85	10.69	N.A.[5]	1	370	0.61
2018	-13.95	-15.11	-14.37	10.79	11.42	N.M.[6]	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

[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 2019 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; +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 28 frontier markets and 6 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, 2019.

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.