HARDING LOEVNER

FRONTIER EMERGING MARKETS EQUITY

First Quarter 2020 Report

COMPOSITE PERFORMANCE (% TOTAL RETURN) FOR PERIODS ENDED MARCH 31, 2020[1]

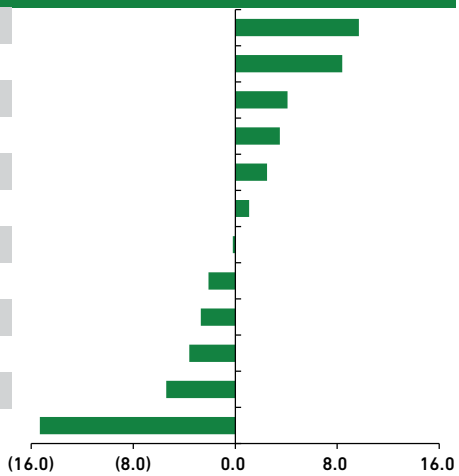
	3 MONTHS	1 YEAR	3 YEARS[2]	5 YEARS[2]	10 YEARS[2]	SINCE INCEPTION[2,3]
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	-31.56	-29.57	-7.21	-5.06	0.68	-1.83
HL FRONTIER EMERGING MARKETS (NET OF FEES)	-31.81	-30.54	-8.47	-6.39	-0.75	-3.21
MSCI FRONTIER EMERGING MARKETS INDEX[4,5]	-31.49	-28.39	-7.39	-5.45	-0.20	-4.06

[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.

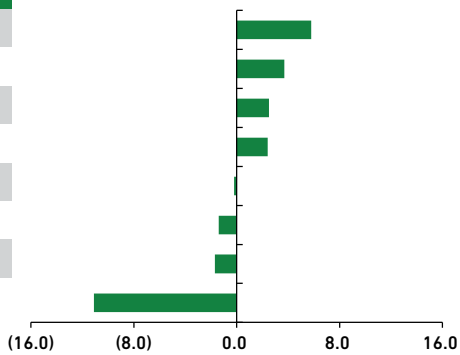
SECTOR EXPOSURE (%)

	HL FEM	MSCI FEM
CONS STAPLES	14.9	5.2
INFO TECHNOLOGY	10.3	1.9
CONS DISCRETIONARY	4.7	0.6
HEALTH CARE	5.2	1.7
CASH	2.5	—
ENERGY	4.7	3.6
MATERIALS	5.0	5.2
REAL ESTATE	9.9	12.0
UTILITIES	0.0	2.7
COMM SERVICES	6.6	10.2
INDUSTRIALS	5.0	10.4
FINANCIALS	31.2	46.5



GEOGRAPHIC EXPOSURE (%)

	HL FEM	MSCI FEM
DEVELOPED MARKET LISTED[6]	5.8	—
AFRICA	19.5	15.8
CASH	2.5	—
EUROPE	8.5	6.1
LATIN AMERICA	18.8	19.0
MIDDLE EAST	0.0	1.4
ASIA	32.7	34.4
GULF STATES	12.2	23.3



[6]Includes companies in frontier markets or small emerging markets listed in developed markets. Current frontier markets exposure in the portfolio is 43.4% and emerging markets exposure is 48.3%.

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.

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MARKET REVIEW

Frontier emerging markets (FEMs) plummeted 32% in the quarter as the coronavirus pandemic engulfed the planet, governments ordered a halt to business activities to slow the contagion, and oil prices collapsed amid a production dispute between Saudi Arabia and Russia. The equities sell-off was broad-based, with all regions and sectors ending the quarter in negative territory.

The year began with rising expectations for earnings growth amid de-escalating US-China trade tensions, but the optimism quickly evaporated in January as a new coronavirus claimed its first victims in China and spread from its origin in Wuhan to other parts of the country. By mid-February, Chinese authorities locked down the province of Hubei, an area the size of Illinois but, at 60 million, three times its population. Within a month, the World Health Organization (WHO) declared the outbreak a global pandemic. Although the respiratory disease spread first in Asia, the epicenter shifted rapidly to Europe and the US. By quarter-end, the infection had spread to over 180 countries, and governments everywhere were struggling to contain the disease. The ensuing travel restrictions, business closures, and home confinements brought economic activity to a shuddering stop.

Though the number of confirmed COVID-19 cases in FEM countries remained relatively low as of quarter end, many of their economies—especially those reliant on China's consumers and supply chains—were already being hit hard by China's containment measures. In Vietnam, for example, some factories shut down due to shortages of raw materials from China, while demand for their finished products plummeted. Some countries followed China's lead, imposing travel bans, border closures, and, in some cases, complete shutdowns of non-essential businesses to slow the virus's spread. In the Philippines, President Rodrigo Duterte locked down the entire province of Luzon, which accounts for over 70% of the country's economy. Similar measures elsewhere around the world created additional logistics and supply-chain bottlenecks, decimated foreign trade and tourism, and destroyed demand. A sharp fall in consumer and business spending presaged a global economic recession.

Countries reliant on commodities exports for private and public income suffered from reduced demand and falling prices. Exacerbating the turmoil, Saudi Arabia decided to retaliate against Russia for its unwillingness to curb oil production, flooding the market with excess supplies of oil. A price war between two of the world's biggest oil producers pushed oil prices down to an 18-year low of just under US$23 for Brent crude.

Latin America posted the worst performance in the quarter due to the region's exposure to oil and other commodities. Colombia, whose economy is heavily dependent on oil exports, plunged 50%. Peru's market dropped 36%, partly due to falling metals prices. The country relies on metal mining for most of its exports and government revenue. Stocks in the oil-rich Gulf region, however, outperformed the index, largely due to Kuwait.

MARKET PERFORMANCE (USD %)

COUNTRY	1Q 2020	TRAILING 12 MONTHS
PHILIPPINES	-32.0	-30.1
KUWAIT	-26.8	-11.9
VIETNAM	-31.0	-34.1
COLOMBIA	-49.7	-47.1
PERU	-35.8	-39.4
KENYA	-24.8	-8.4
EGYPT	-27.1	-10.7
ARGENTINA	-39.3	-50.9
NIGERIA	-33.0	-43.7
ROMANIA	-30.8	-5.8
MSCI FEM INDEX	-31.5	-28.4

SECTOR PERFORMANCE (USD %)
OF THE MSCI FEM INDEX

SECTOR	1Q 2020	TRAILING 12 MONTHS
COMMUNICATION SERVICES	-13.6	-4.5
CONSUMER DISCRETIONARY	-49.4	-61.4
CONSUMER STAPLES	-27.7	-32.6
ENERGY	-46.8	-47.1
FINANCIALS	-33.2	-28.0
HEALTH CARE	-11.8	-9.8
INDUSTRIALS	-33.7	-31.4
INFORMATION TECHNOLOGY	-17.1	23.1
MATERIALS	-36.3	-38.7
REAL ESTATE	-31.5	-27.5
UTILITIES	-29.1	-36.2

Source: FactSet (as of March 31, 2020); MSCI Inc. and S&P.
Selected countries are the 10 largest by weight, representing 82% of the MSCI Frontier Emerging Markets Index.

We discuss the country's pending upgrade to emerging markets status later in this report.

Energy and Consumer Discretionary were the weakest sectors this quarter. The latter's weak performance was in part due to Philippine quick-service restaurant chain **Jollibee Foods**. Many of the company's restaurants in the Philippines, China, and the US have either been temporarily closed by government order or face declining traffic as consumers avoid dining in public. Unsurprisingly, Health Care and Communication Services both outperformed the index.

PERFORMANCE AND ATTRIBUTION

The Frontier Emerging Markets Composite fell 31.6% in the quarter, in line with its benchmark, which dropped 31.5%.

By sector, Financials detracted the most, largely due to banks in countries reliant on oil and other commodity exports. Among the worst-performing was Colombian bank

Bancolombia. The oil-price collapse will limit its near-term growth and result in some deterioration in asset quality; however, with its stock now trading at a significant discount to book value, the market assumes a permanent impairment of the bank's ability to generate economic value. That valuation is lower than it fell during the 2008 global financial crisis and the 2015 oil crisis. Peruvian bank **Credicorp** also detracted as its home economy reeled from collapsing commodity prices. Peru's central bank, however, is easing monetary policy and launching relief measures for borrowers, especially small- and mid-sized businesses.

Another reason for our underperformance in Financials was our underweight exposure to Kuwaiti banks. **National Bank of Kuwait (NBK)** accounts for 9% of the index but only 5% of our portfolio. NBK—and a couple of the country's other banks that we do not own—outperformed the sector and the index. As we discussed in last quarter's report, Kuwait continues to outperform other oil-dependent countries because of its upcoming reclassification to the MSCI Emerging Markets Index. The move was originally scheduled for May but was later postponed until November due to the pandemic. Anticipating a rush of passive investment flows into the Kuwaiti market, investors are buying stocks ahead of the upgrade, heedless of company fundamentals. We take a longer-term view by investing in other countries in higher-quality and faster-growing companies available at more attractive valuations.

Strong stocks in Information Technology (IT) contributed to our relative performance. **EPAM**, an IT services company with operations primarily in Eastern Europe, reported continued strong demand from large companies for digital transformation services. We discuss it later in this report.

By region, strong stocks in Latin America helped our performance, led by Argentina-based IT services firm **Globant**. The company reported continued strong organic growth from its global client base, which includes Disney. Our Gulf region stocks detracted the most, largely due to our underweight and poor stocks in Kuwait. Shares of real estate developer **Mabanee** fell amid the country's shutdown of shopping malls, and the company's decision to offer rent relief to some of its most distressed tenants.

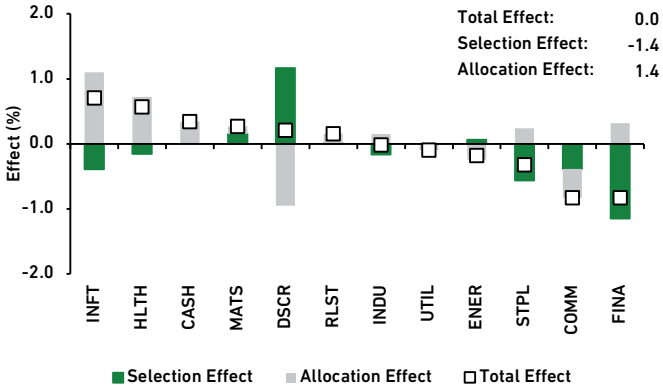
PERSPECTIVE AND OUTLOOK

The course of the pandemic and governments' responses are evolving rapidly, but our investment process has not changed. It has helped us to weather many crises over the years, including this one. We invest in companies meeting four essential criteria: possess competitive advantages, can generate sustainable superior long-term growth, have superior financial strength to support that growth and withstand difficult economic and credit environments, and have managements capable of delivering the benefits of these strengths into the hands of shareholders. As shown in the chart on the following page, our companies have stronger balance sheets than their peers, and thus are more likely to survive tough economic conditions, even the temporary closure of the business and ensuing loss of revenue. The crisis will likely force consolidation within some industries, with our strong companies emerging stronger, while their weaker counterparts are acquired or bankrupted.

Our analysts are evaluating the pandemic's potential impact on their respective industries and individual companies. All held and covered companies are being scrutinized for new and newly

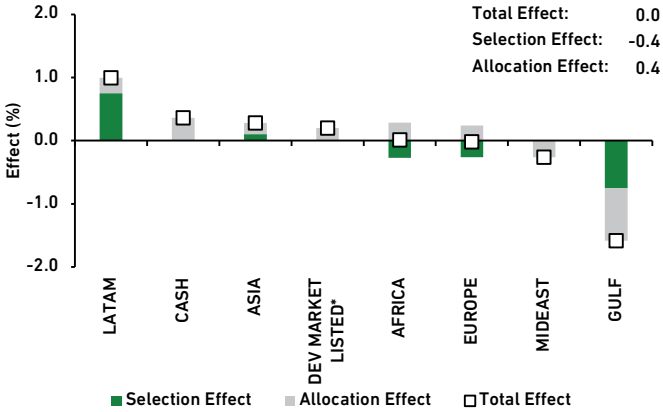
SECTOR PERFORMANCE ATTRIBUTION FIRST QUARTER 2020

FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



GEOGRAPHIC PERFORMANCE ATTRIBUTION FIRST QUARTER 2020

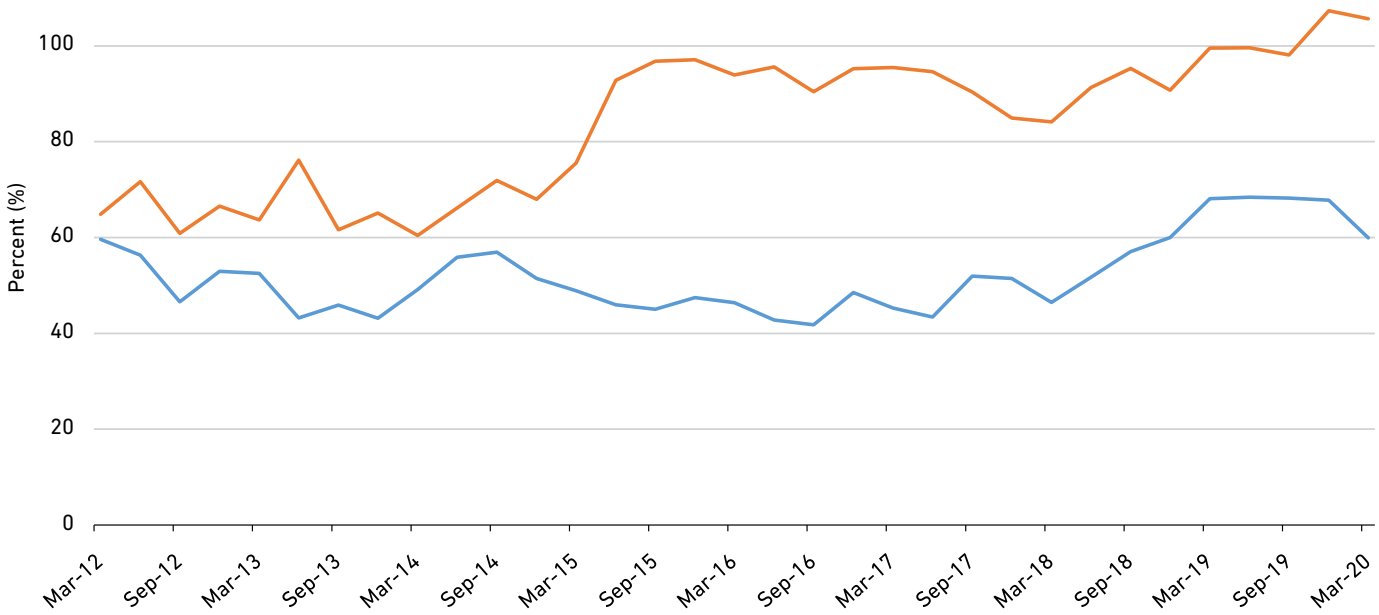
FRONTIER EMERGING MARKETS COMPOSITE VS. MSCI FEM INDEX



**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.*

Companies held in the portfolio during the year 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, 2019 is available on page 6 of this report.

HL FEM VS MSCI FEM DEBT/EQUITY RATIO



Source: FactSet (as of March 31, 2020); MSCI Inc.

heightened risks to their investment theses, such as to their business models or financial strength. So far, unsurprisingly, analysts are finding the impact varies markedly by sector.

Our real estate companies—**SM Prime** in the Philippines, Mabanee in Kuwait, and **Emaar Properties** in the UAE—will suffer temporary loss of earnings and cash flow due to tenants who cannot pay their rents amid government-ordered closures of shopping malls. All three companies entered the crisis with ample financial strength, which is reflected in their low leverage and cash on their balance sheets. After stress-testing their models, our analysts concluded that each can cover fixed costs and debt obligations through at least several quarters of closure. For example, Mabanee's balance sheet as of December 31 has over 72 million dinars (about US$230 million) in cash and long-term debt of 340 million dinars (US$1 billion), payable over seven years. Even if Mabanee's annual 90-million-dinar operating cash flow were lost due to an extended closure, its cash in the bank is sufficient to cover all annual operating expenses (about 22 million dinars) and debt service obligations (47 million dinars) for more than a year.

Forced closures are also having an adverse effect on consumer discretionary goods companies, especially restaurants. Jollibee Foods had to shutter many of its restaurants in the Philippines, China, the US, and the Middle East. Jollibee has a strong balance sheet and normally generates high free cash flow. As of January 1, the company had a net cash position of 10 billion pesos (about US$200 million), which is more than sufficient to pay all its staff costs, rent, and other fixed costs and financial obligations for a year.

The impact will be greatest on banks. Many are likely to see their loans, especially those to small businesses, turn sour, and they will struggle to find creditworthy borrowers. Banks represent the largest weight in our portfolio (about 31%) and our benchmark (about 45%). Our focus on quality and balance sheet strength leads us to invest in the most profitable, best-capitalized banks whose good risk management practices and high underwriting standards should protect them somewhat. One example is **Halyk Bank**, Kazakhstan's largest with 35% market share in terms of assets and deposits. It competes with nearly 30 other banks in the country but is by far the most profitable. Halyk has emerged stronger from past crises, thanks to its healthy balance sheet and excellent risk management. Its liquidity and asset quality remained stable throughout the oil crisis in 2015, allowing it to acquire a weaker bank, KKB, at an attractive price. We believe Halyk is well-positioned to weather another economic downturn. It recently received a clean bill of health from the country's central bank with respect to its loan loss provisions. More importantly, Halyk has a large capital base that can absorb heavy losses, sparing the need to raise new capital from shareholders. Halyk's common equity capital adequacy ratio stood at 21% at the start of the year, far above the regulatory minimum of about 10%.

Telecommunications Services, Health Care, and IT companies appear to be more resilient—and may potentially even benefit from the crisis. Mobile telecom companies serve their customers without physically interacting with them. Measures announced by the Kenyan government to hasten the adoption of digital payments in place of cash transactions will help **Safaricom**, the leading telecom company in Kenya and pioneer of the M-Pesa mobile money service. The central bank has permitted the company to double the daily M-Pesa transaction limits for individuals and small and micro business enterprises in consideration of Safaricom reducing its fees for transactions below KES1,000 (about $10). Over the long term, increased volumes should compensate for reduced fee income per transaction. Beyond M-Pesa, Safaricom reported an acceleration in demand for broad-

band connections as more people work from home and take classes online.

Integrated Diagnostics Holdings (IDH), a leading private provider of medical testing services in Egypt, continued to grow its volume of diagnostic tests. All its branches have remained open in Egypt, Jordan, Sudan, and Nigeria. IDH is conducting coronavirus testing in Jordan but not yet in Egypt, Nigeria, or Sudan, where governments have prohibited private labs from conducting such tests, for now. Egypt—the company's largest market—has a high prevalence of lifestyle diseases such as hypertension and diabetes, yet low levels of tests per capita. We expect IDH's revenues and earnings to rise steadily on both growth in the number of patients and rising prices.

Our IT services companies, EPAM and Globant, have reported that their projects remained on track despite the pandemic. Most of EPAM and Globant's work—such as software development and data analytics—is done remotely. In a March 18 call, Globant's management reiterated its guidance that revenues should grow 23% in 2020 as the company continues to foresee strong demand. The company has won projects in new markets such as gaming, online education, and professional services. It also reported continued strong demand for its cybersecurity services, which have helped offset weakness from its travel industry clients. Management believes that the coronavirus outbreak could lead to an acceleration of digital transformation initiatives as companies learn from the current crisis. Furthermore, continued strength in the US dollar could boost Globant's margins. A significant portion of the company's revenues are in dollars, while its costs are primarily in developing countries' currencies.

The impact of coronavirus has been mixed for our Consumer Staples companies. For **SABECO**, the largest beer company in Vietnam, it is negative: restrictions on outdoor gatherings have dried up demand for alcoholic beverages, especially in urban areas. However, roughly 70% of SABECO's beer is consumed at home, whereas its competitors are mostly focused on Vietnam's urban and tourist regions where beer is mostly consumed at bars, restaurants, and nightclubs. SABECO has a strong balance sheet with a net cash position of VND15.5 trillion (about US$660 million). On the other hand, **Vietnam Dairy Products**—the country's largest dairy products producer—appears to be holding up better. Sales of its dairy products are benefiting from families spending more time at home. A sharp drop in raw material costs, especially for imported milk powder (which fell due to the impact of coronavirus), bodes well for the company's margin.

PORTFOLIO HIGHLIGHTS

We made only slight changes to the portfolio during the quarter as we responded to shifting valuations and revisions to our outlook for companies. We took advantage of the sell-off to increase our position in EPAM, which undertakes complex software development and application testing for corporate clients around the world. Its services supporting corporate digital transformation initiatives are in the sweet spot as consumers increasingly access products and services digitally. Founded in Belarus, the company is still largely based there, though it is now headquartered in Pennsylvania.[1] In 2019, the company reported very strong revenue and profit growth of 25% and 23%, respectively. Management expects revenues to grow at least 22% in 2020. We believe EPAM will find new opportunities as more companies accelerate the buildout of their online presence.

Our addition to EPAM further boosted our exposure to IT, which has become a fertile hunting ground for quality, growing companies. The sector now represents the portfolio's second highest overweight, after Consumer Staples.

We also added to our position in Colombia's Bancolombia and Peru's Credicorp at attractive valuations. Credicorp is Peru's largest financial service conglomerate, with about 36% market share of loans and deposits in a highly concentrated industry. Its large distribution network of over 10,600 locations, including traditional branches as well as ATMs and agents inside retail stores, allows it to gather deposits cheaply. We particularly like the bank's digital transformation initiatives as retail customers increasingly turn to their computers and smartphones to do their banking. The number of Credicorp's digital customers increased 57% to 3.3 million in 2019, and they now account for 41% of customers, up from 21% in 2016.

We sold **Al Rajhi Bank**, Saudi Arabia's largest retail bank, and Bangladesh's **BRAC Bank** this quarter, in both cases due to growth concerns as their valuations have yet to reflect the looming economic slowdown. Because Saudi Arabia's currency is pegged to the US dollar, its domestic interest rate is tied to the US Fed fund rate. Consequently, for the last five years, Al Rajhi has enjoyed an expanding net interest margin as the Fed successively hiked rates. However, that trend is now reversed as recent Fed rate cuts will squeeze its margin.

BRAC Bank was sold when the Bangladeshi government imposed a lending interest rate cap similar to the failed one in Kenya that was recently repealed. The government ordered banks to reduce rates to 9% for all loans except for credit cards. The new regulation also prohibits banks from charging fees to compensate for the loss. This will be particularly painful for BRAC, whose small business and retail loans, accounting for 60% of its loan book, are priced significantly above the cap. The cap will likely reduce BRAC's return on equity and slow its growth.

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[1]Our strategy admits companies listed in DMs only if they meet certain criteria qualifying them as essentially FEM businesses, such as receiving or holding at least 50% of their revenues or productive assets in developing countries. In the case of EPAM, 96% of its assets are located in Belarus, Ukraine, Bulgaria, Hungary, Russia, Poland, China, and India.

FRONTIER EMERGING MARKETS TEN LARGEST HOLDINGS (AS OF MARCH 31, 2020)

COMPANY	COUNTRY	SECTOR	END WT.(%)
SAFARICOM Mobile network operator	KENYA	COMM SERVICES	4.7
MABANEE Real estate developer and manager	KUWAIT	REAL ESTATE	4.7
GLOBANT Software developer	ARGENTINA	INFO TECHNOLOGY	4.6
SM PRIME HOLDINGS Real estate developer	PHILIPPINES	REAL ESTATE	4.6
CREDICORP Commercial bank	PERU	FINANCIALS	4.5
NATIONAL BANK OF KUWAIT Commercial bank	KUWAIT	FINANCIALS	4.4
HOA PHAT GROUP Steel producer	VIETNAM	MATERIALS	3.8
COMMERCIAL INTERNATIONAL BANK Commercial bank	EGYPT	FINANCIALS	3.7
EPAM IT consultant	UNITED STATES	INFO TECHNOLOGY	3.6
ECOPETROL Oil and gas producer	COLOMBIA	ENERGY	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.

1Q20 CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
AL RAJHI BANK	FINA	0.1	0.00
TALLINK	INDU	0.1	-0.01
COMMERCIAL BANK OF CEYLON	FINA	0.1	-0.03
GRAMEENPHONE	COMM	0.3	-0.04
ENGRO	MATS	0.1	-0.04

LAST 12 MOS CONTRIBUTORS TO ABSOLUTE RETURN (%)

LARGEST CONTRIBUTORS	SECTOR	AVG. WT.	CONTRIBUTION
GLOBANT	INFT	3.9	0.18
DP WORLD	INDU	0.0	0.09
KRKA	HLTH	0.8	0.08
TALLINK	INDU	0.5	0.02
JARIR MARKETING	DSCR	2.3	0.01

1Q20 DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
ECOPETROL	ENER	4.3	-2.24
BANCOLOMBIA	FINA	3.8	-2.02
SM PRIME HOLDINGS	RLST	4.6	-1.53
CREDICORP	FINA	4.2	-1.41
HOA PHAT GROUP	MATS	3.9	-1.33

LAST 12 MOS DETRACTORS FROM ABSOLUTE RETURN (%)

LARGEST DETRACTORS	SECTOR	AVG. WT.	CONTRIBUTION
ECOPETROL	ENER	4.2	-2.04
BANCOLOMBIA	FINA	3.5	-1.72
CREDICORP	FINA	4.1	-1.58
HOA PHAT GROUP	MATS	3.5	-1.47
SM PRIME HOLDINGS	RLST	4.3	-1.18

PORTFOLIO CHARACTERISTICS

QUALITY & GROWTH	HL FEM	MSCI FEM
PROFIT MARGIN[1] (%)	19.7	20.1
RETURN ON ASSETS[1] (%)	7.0	3.5
RETURN ON EQUITY[1] (%)	17.1	13.5
DEBT/EQUITY RATIO[1] (%)	60.0	107.3
STD DEV OF 5 YEAR ROE[1] (%)	2.7	1.7
SALES GROWTH[1,2] (%)	8.0	6.9
EARNINGS GROWTH[1,2] (%)	12.0	9.2
CASH FLOW GROWTH[1,2] (%)	15.3	7.6
DIVIDEND GROWTH[1,2] (%)	4.4	5.4
SIZE & TURNOVER	**HL FEM**	**MSCI FEM**
WTD MEDIAN MKT CAP (US $B)	3.3	6.1
WTD AVG MKT CAP (US $B)	5.7	7.7
TURNOVER[3] (ANNUAL %)	24.1	—

RISK AND VALUATION	HL FEM	MSCI FEM
ALPHA[2] (%)	0.13	—
BETA[2]	0.94	—
R-SQUARED[2]	0.92	—
ACTIVE SHARE[3] (%)	56	—
STANDARD DEVIATION[2] (%)	16.09	16.35
SHARPE RATIO[2]	-0.39	-0.40
TRACKING ERROR[2] (%)	4.7	—
INFORMATION RATIO[2]	0.08	—
UP/DOWN CAPTURE[2]	85/91	—
PRICE/EARNINGS[4]	9.7	9.9
PRICE/CASH FLOW[4]	9.2	7.0
PRICE/BOOK[4]	1.6	1.3
DIVIDEND YIELD[5] (%)	4.0	4.1

[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: April 3, 2020); Harding Loevner Frontier Emerging Markets Model, based on the underlying holdings; MSCI Inc.

COMPLETED PORTFOLIO TRANSACTIONS

POSITIONS ESTABLISHED	COUNTRY	SECTOR
THERE WERE NO COMPLETED PURCHASES THIS QUARTER		

POSITIONS SOLD	COUNTRY	SECTOR
AL RAJHI BANK	SAUDI ARABIA	FINA
BRAC BANK	BANGLADESH	FINA
LAFARGE AFRICA	NIGERIA	MATS
TALLINK	ESTONIA	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.

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 MARCH 31, 2020)

	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 (%)
2020 YTD[4]	-31.56	-31.81	-31.49	18.32	17.94	N.A.[5]	1	183	0.36
2019	12.85	11.32	14.46	10.58	10.95	N.M.[6]	1	291	0.45
2018	-13.95	-15.11	-14.37	10.79	11.42	N.M.	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

[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 2020 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 December 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.

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