

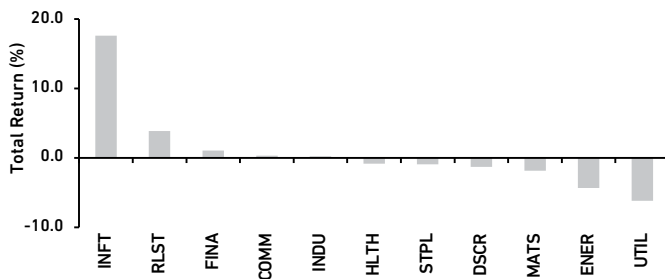
Demand for mining equipment is rising in Peru, one of the world's leading producers of copper, zinc, and other industrial metals. Since bottoming in 2016, investment in mining has risen, led by a recovery in copper prices. The government estimates private investment in the industry will grow this year to US\$6.3 billion, a 28% increase over 2018, as construction begins on major projects like the Quellaveco and Mina Justa copper mines in southern Peru. The providers of this heavy equipment are also benefiting from rising spending on public works, including a second line for the Lima metro and an expansion of its airport, Peru's main international and domestic airport. The government plans to increase infrastructure spending from 4.5% of GDP today to 6% by 2021.

In April, we added to our position in Lima-based **Ferreycorp**, Peru's leading dealer and servicer of mining and construction machinery, with exclusive distribution rights for Caterpillar equipment. Ferreycorp recently announced multi-year contracts for supplying equipment to Mina Justa and Quellaveco. We also expect Ferreycorp's construction-equipment sales will accelerate over the next three years as public-works spending continues to grow.

### PERFORMANCE (% TOTAL RETURN) FOR THE PERIODS ENDED APRIL 30, 2019<sup>1</sup>

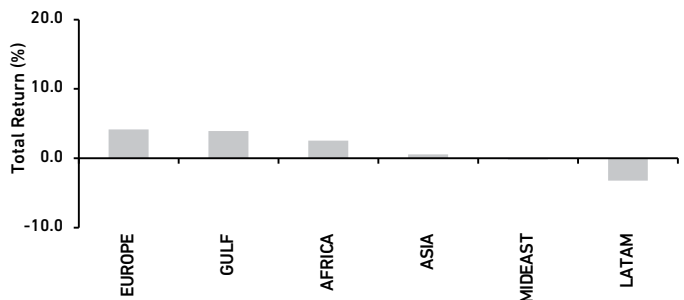
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	2.48	12.37	-7.08	7.05	0.69	9.84	1.44
HL FRONTIER EMERGING MARKETS (NET OF FEES)	2.37	11.87	-8.34	5.58	-0.73	8.28	0.02
MSCI FRONTIER EMERGING MARKETS INDEX <sup>4,5</sup>	0.48	10.03	-6.66	5.34	-0.28	6.91	-1.38

### BENCHMARK PERFORMANCE BY SECTOR – APRIL



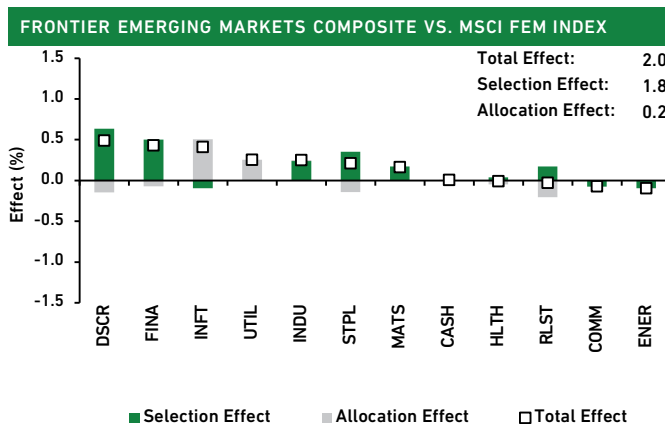
- In Information Technology (IT), shares of Argentine technology services company **Globant** rose on stronger-than-expected earnings.
- In Utilities, shares of Argentine companies fell amid rising inflation and rising concerns about President Mauricio Macri's re-election prospects.

### BENCHMARK PERFORMANCE BY GEOGRAPHY – APRIL



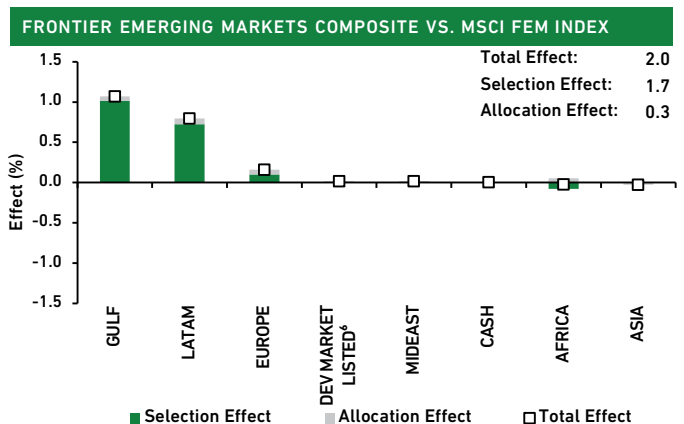
- In Europe, shares of Romanian banks rose after the government approved a milder-than-expected tax increase.
- Latin American stocks were hurt by declines in Argentina.

### PERFORMANCE ATTRIBUTION BY SECTOR – APRIL



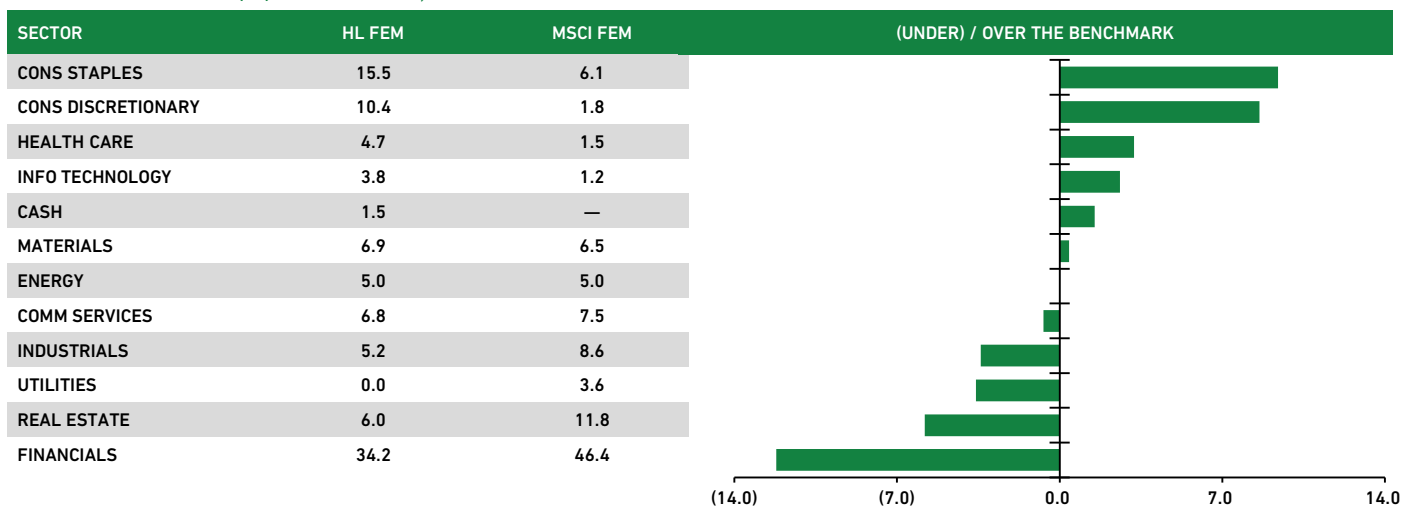
- In Consumer Discretionary, shares of Saudi retailer **Jarir Marketing** gained after the company posted strong earnings growth. In IT, our overweight to Globant helped.

### PERFORMANCE ATTRIBUTION BY GEOGRAPHY – APRIL

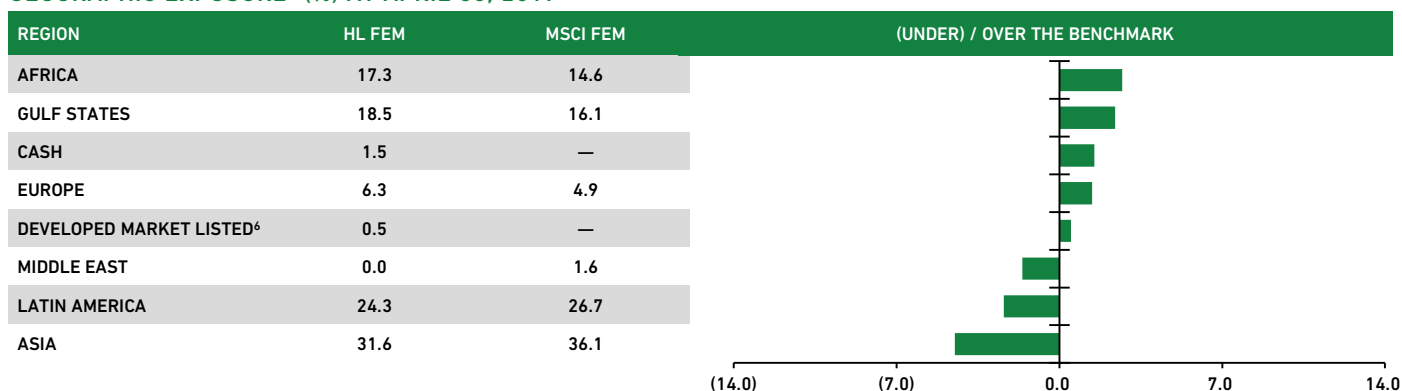


- In the Gulf States, strong quarterly earnings boosted the shares of Saudi Arabia's **Al Rajhi Bank** and Jarir Marketing.
- In Asia, our overweight to Pakistan detracted. Stocks fell amid economic weakness and difficult negotiations with the IMF over what would be the country's thirteenth bailout package since the late 1980s.

## SECTOR EXPOSURE (%) AT APRIL 30, 2019



## GEOGRAPHIC EXPOSURE<sup>7</sup> (%) AT APRIL 30, 2019



## ENDNOTES

(1) The April 2019 Composite performance shown is preliminary (2) Annualized returns (3) Inception date: May 31, 2008 (4) The Benchmark Index (5) Gross of withholding taxes (6) Includes frontier markets or small emerging markets companies listed in developed markets (7) Current Frontier Markets exposure in the portfolio is 53.8% and Emerging Markets exposure is 44.2%.

## SOURCES

Benchmark Performance: FactSet; MSCI Inc. and S&P.

Sector/Geographic Attribution: FactSet; Harding Loevner Frontier Emerging Markets Composite; MSCI Inc. and S&P.

Sector/Geographic Exposure: FactSet; Harding Loevner Frontier Emerging Markets Model; MSCI Inc. and S&P.

## DISCLOSURES

The Frontier Emerging Markets Composite contains fully-discretionary, fee paying accounts investing in non-US equity and equity-equivalent securities of companies domiciled predominately in frontier emerging markets and cash reserves and is measured against the MSCI Frontier Emerging Markets Total Return Index (Gross) for comparison purposes. 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. Harding Loevner claims compliance with the Global Investment Performance Standards (GIPS®). Harding Loevner has been independently verified for the period November 1, 1989 through December 31, 2018. Verification assess whether (1) the firm has complied with all the 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 the GIPS standards. Verification does not ensure the accuracy of any composite presentation. The Frontier Emerging Markets Composite has not received a performance examination. Performance data quoted represents past performance; past performance does not guarantee future results. Returns are presented both gross and net of management fees and include the reinvestment of all income. Net returns are calculated using actual fees. The US dollar is the currency used to express performance. For complete information on the construction and historical record of the Frontier Emerging Markets Composite, please contact Harding Loevner at (908) 218-7900 or visit [www.hardingloevner.com](http://www.hardingloevner.com). The firm maintains a complete list and description of composites, which 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.

Companies held in the portfolio during the month appear in bold type; only the first reference to a particular holding appears in bold. The portfolio is actively managed therefore holdings may not be current. They should not be considered recommendations to buy or sell any security. It should not be assumed that investment in the securities identified has been or will be profitable. To request a complete list of holdings for the past year, please contact Harding Loevner.

Portfolio holdings, portfolio attribution, and sector/geographic allocations are supplemental information only and complement a fully compliant Frontier Emerging Markets Composite GIPS Presentation, which is available upon request. The Composite and Attribution returns may show discrepancies due to the different data sources for these returns. Composite performance is obtained from Harding Loevner's accounting system and Attribution returns are obtained from the FactSet portfolio analysis system. Please note returns from FactSet are not audited for GIPS compliance and are for reference only.

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