

The COVID-19 epidemic that originated in China has spread rapidly around the globe, dashing hopes that the outbreak would be contained and short-lived. Stock markets that had been largely resilient fell sharply in the last week of February as infection spread to over 60 countries. China's drastic containment efforts clobbered production and consumption within the country and have disrupted supply chains worldwide. With the global spread of the virus and related containment efforts, similar shutdown scenarios may play out elsewhere, increasing the likelihood of a global recession.

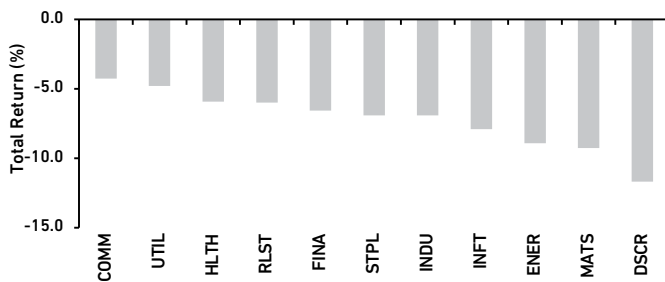
Small developing countries—especially those reliant on China's supply chains and its consumers—are being hit hard. In Vietnam, for example, factories face shortages of materials from China's shuttered plants while Chinese demand for finished products has plummeted. Other FEMs, such as Nigeria, Colombia, and Peru, are heavily exposed to the falling prices of oil and other commodities.

We have not materially changed the geographic or sectoral structure of our portfolio in response to the outbreak. Nor have we adjusted our process: as always, our analysts are evaluating the potential impact of the situation on our individual companies. Our holdings are diverse and will not be uniformly affected. For example, a slowdown in global trade and travel will dent the near-term revenues of port and airport operators like the Philippines's **International Container Terminal Services** and Vietnam's **Saigon Cargo Service Corporation**. Conversely, Argentine technology services provider **Globant**, whose geographically dispersed teams continue to serve clients worldwide, is proving more resilient.

### PERFORMANCE (% TOTAL RETURN) FOR THE PERIODS ENDED FEBRUARY 29, 2020<sup>1</sup>

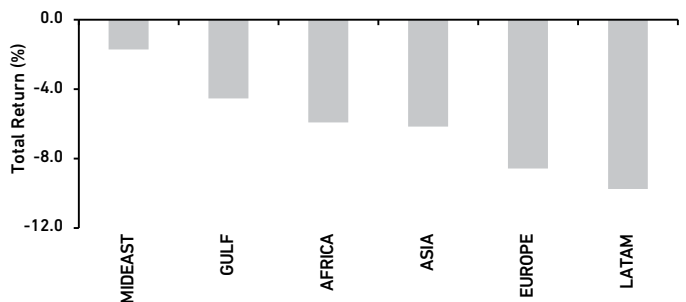
	1 MONTH	YTD	1 YEAR	3 YEARS <sup>2</sup>	5 YEARS <sup>2</sup>	10 YEARS <sup>2</sup>	SINCE INCEPTION <sup>2,3</sup>
HL FRONTIER EMERGING MARKETS (GROSS OF FEES)	-7.68	-8.98	-5.58	2.75	-0.06	4.45	0.56
HL FRONTIER EMERGING MARKETS (NET OF FEES)	-7.79	-9.19	-6.87	1.37	-1.46	2.96	-0.84
MSCI FRONTIER EMERGING MARKETS INDEX <sup>4,5</sup>	-6.63	-9.62	-3.92	2.23	-0.42	3.22	-1.80

### BENCHMARK PERFORMANCE BY SECTOR – FEBRUARY



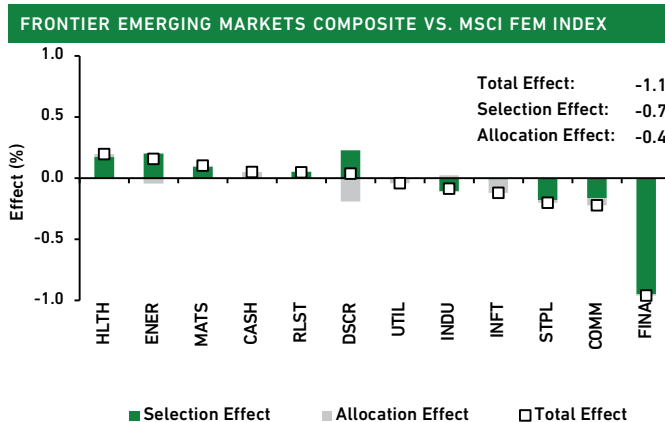
- In Financials, shares of Bangladesh's **Brac Bank** fell after a government regulator imposed a lending interest rate cap, which is expected to weaken banking sector profitability and growth.

### BENCHMARK PERFORMANCE BY GEOGRAPHY – FEBRUARY



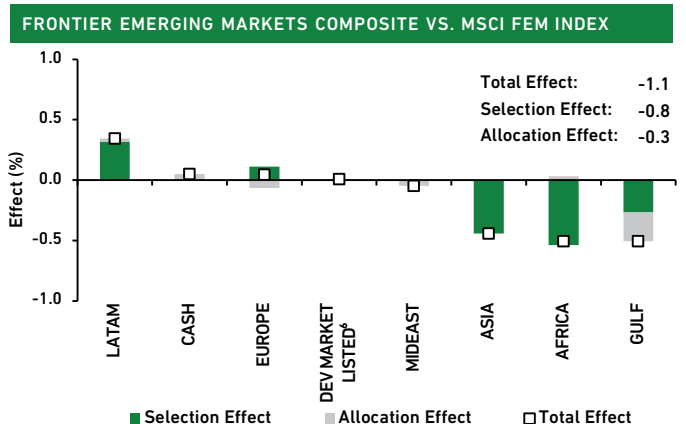
- European returns were dragged down by Romania's market, which fell after centrist Prime Minister Ludovic Orban's government lost a no-confidence vote in parliament.

### PERFORMANCE ATTRIBUTION BY SECTOR – FEBRUARY



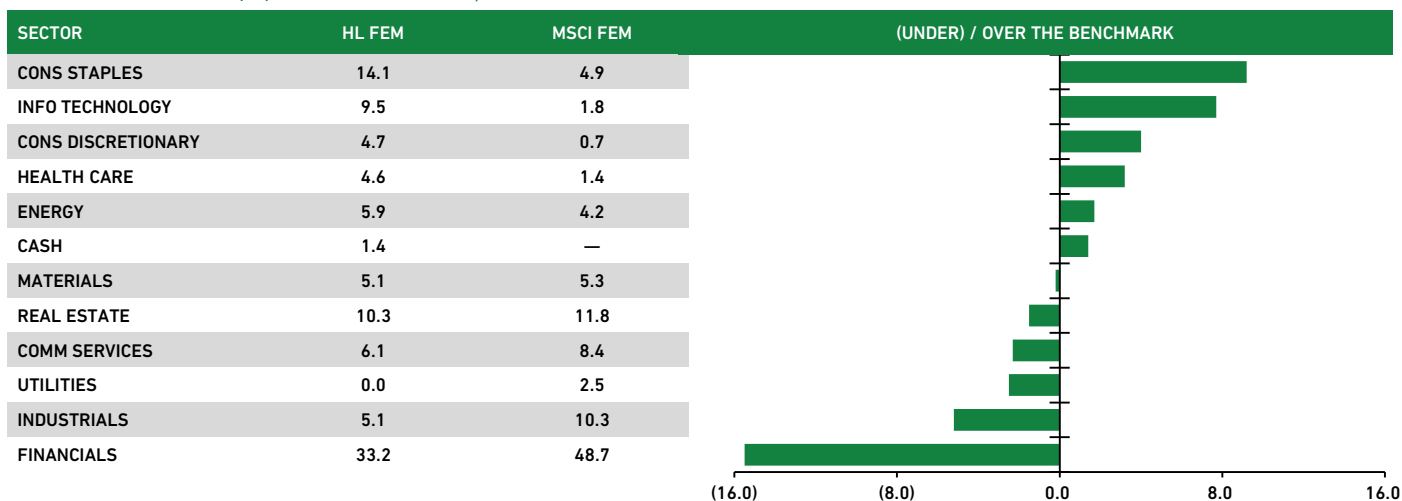
- In Financials, shares of oil-exporter Nigeria's **Guaranty Trust Bank** fell alongside an 11% decline in the oil price amid falling Chinese demand.

### PERFORMANCE ATTRIBUTION BY GEOGRAPHY – FEBRUARY

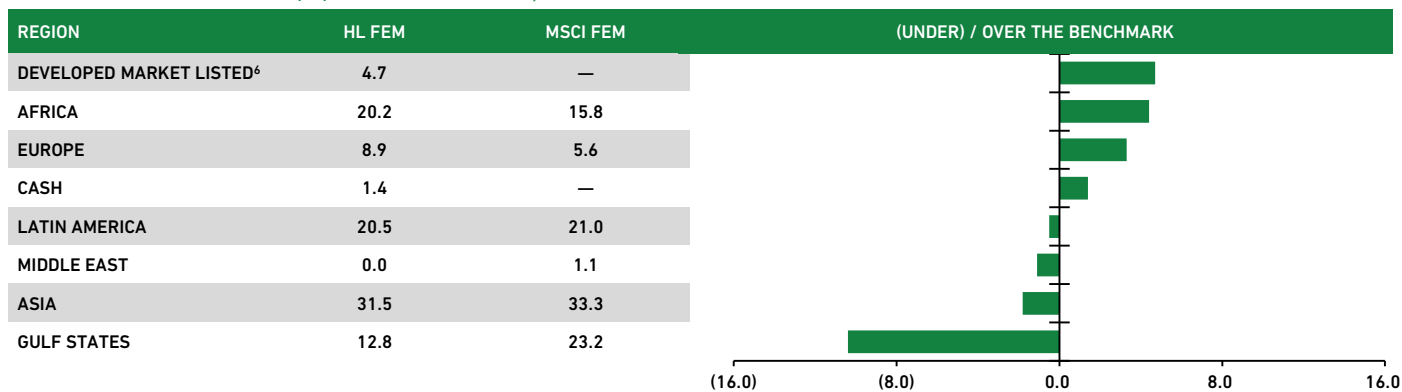


- Integrated Diagnostics Holdings**, Egypt's largest private provider of medical testing services, contributed to our returns in Africa. The company reported solid growth in the volume of diagnostic tests despite price increases. The strong performance is unrelated to the coronavirus outbreak; Egypt's government has prohibited private labs from testing for COVID-19.

## SECTOR EXPOSURE (%) AT FEBRUARY 29, 2020



## GEOGRAPHIC EXPOSURE (%) AT FEBRUARY 29, 2020



## ENDNOTES

(1) The February 2020 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 companies in frontier markets or small emerging markets listed in developed markets. Current frontier markets exposure in the portfolio is 43.8% and emerging markets exposure is 50.2%.

## 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 September 30, 2019. 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 28 frontier markets and 6 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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