Frontier Emerging Markets Equity

Quarterly Report | Second Quarter 2021

HARDING LOEVNER

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Composite Performance

Total Return (%) — Periods Ending June 30, 2021[1]

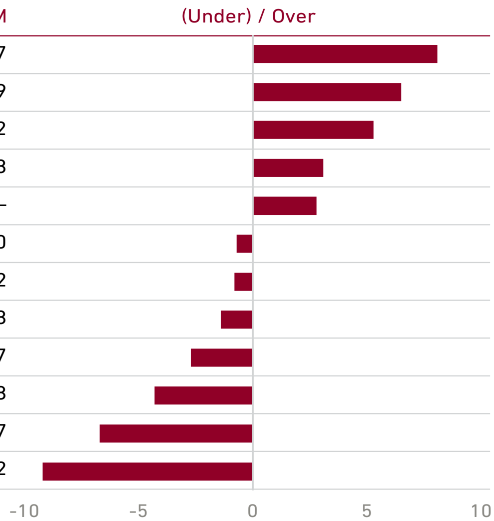
	3 Months	YTD	1 Year	3 Years[2]	5 Years[2]	10 Years[2]	Since Inception[2,3]
HL Frontier Emerging Markets (Gross of Fees)	8.42	6.48	31.65	3.88	6.14	4.73	1.92
HL Frontier Emerging Markets (Net of Fees)	8.06	5.77	29.89	2.47	4.70	3.25	0.50
MSCI Frontier Emerging Markets Index[4,5]	7.26	0.84	23.72	2.14	3.46	2.55	-0.97

[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.

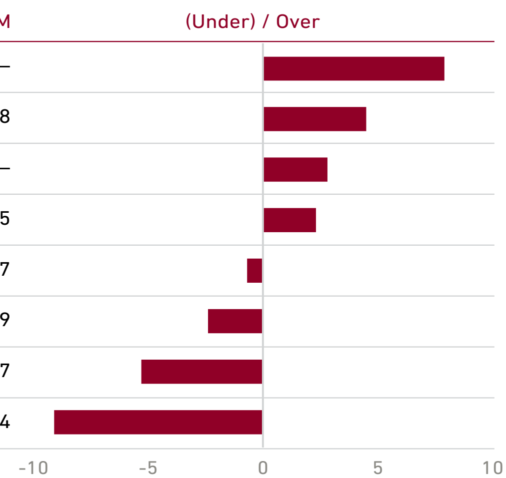
Please read the above performance in conjunction with the footnotes on the last page of this report. Past performance does not guarantee future results. All performance and data shown are in US dollar terms, unless otherwise noted.

Portfolio Positioning (% Weight)

Sector	HL FEM	MSCI FEM
Cons Staples	14.8	6.7
Info Technology	11.4	4.9
Cons Discretionary	6.5	1.2
Health Care	5.9	2.8
Cash	2.8	–
Energy	4.3	5.0
Financials	32.4	33.2
Comm Services	6.4	7.8
Utilities	0.0	2.7
Materials	4.5	8.8
Real Estate	6.0	12.7
Industrials	5.0	14.2



Geography	HL FEM	MSCI FEM
Dev. Market Listed[6]	7.9	–
Africa	20.3	15.8
Cash	2.8	–
Gulf States	6.8	4.5
Middle East	0.0	0.7
Europe	11.5	13.9
Asia	39.4	44.7
Latin America	11.3	20.4



[6]Includes companies in frontier markets or small emerging markets listed in developed markets. Current frontier markets exposure in the portfolio is 41.2% and emerging markets exposure is 48.1%.

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.

Market Review

Frontier Emerging Markets (FEMs) rebounded by 7.3% in the second quarter, offsetting all the loss in the first quarter, as investors took hope from a pickup in the pace of COVID-19 vaccinations across many FEM countries and generally looked past new hot spots of infections from concerning variants that have complicated the near-term path toward economic recovery.

The rally was broad-based, led by cyclical sectors whose growth is most geared toward economic reopening. Consumer Discretionary was the best performing sector due to the strong performance of the Philippines quick-service restaurant company **Jollibee Foods** after the Philippines government eased mobility restrictions in Manila and adjacent provinces. Energy and Materials also posted strong gains on rising commodity prices. Brent crude oil continued its rally, surpassing US$75 per barrel, the highest level seen in three years. Copper set record highs, helped by a resurging China, progress toward the materialization of a huge infrastructure spending initiative in the US, and rising demand for electric vehicle batteries and other copper-laden green energy sources. The only sector that declined, albeit only slightly, was Utilities, typically viewed as a countercyclical defensive play.

By region, performance was strong across most markets except Latin America, where political crises erupted in Colombia and Peru. In Colombia, daily street protests raged for two months over tax hikes proposed by the government to address the country's fiscal malaise, until the proposal was finally withdrawn, leading S&P Global Ratings to downgrade the country's credit to junk.

After Peru conducted first one, and then another, round of presidential elections, a socialist, political neophyte, and former teachers' union leader by the name of Pedro Castillo emerged as the apparent winner, narrowly beating out market-friendly right-wing candidate Keiko Fujimori. Castillo's rhetoric, "No more poor people in a rich country," badly rattled Peruvian stock and currency markets as local commentators debated how much of his Marxist ideology he planned to implement once the election results were finally confirmed. (Fujimori was still contesting them at quarter end). Castillo has proposed a constitutional referendum that would allow the government to modify existing contracts to squeeze more taxes and royalties from mining and energy companies. He has also threatened to cancel impending projects and nationalize mines whose owners oppose his plans. Although he toned down his messaging in the final weeks of the campaign, his lack of government experience and the sharp political divisions bared by the election dampened whatever hopes there had been for pro-growth reforms, and left investors feeling rather grim.

By style, the quarter exhibited some of the signs of a deep cyclical rally, largely due to the recovery of some low-quality, highly leveraged Philippines Real Estate and banking stocks. Nonetheless, investors also rewarded growth, with the fastest quintile of growth stocks outperforming the slowest quintile by six percentage points.

MSCI FEM Index Performance (USD %)

Geography	2Q 2021	Trailing 12 Months
Philippines	7.6	14.9
Vietnam	17.3	61.3
Peru	-8.8	9.6
Colombia	-2.9	18.2
Argentina	5.8	28.6
Morocco	8.8	34.9
Iceland	-2.3	-2.3
Kazakhstan	32.6	95.8
Kenya	15.3	40.4
Bahrain	17.6	48.2
MSCI FEM Index	7.3	23.7

Sector	2Q 2021	Trailing 12 Months
Communication Services	7.1	21.7
Consumer Discretionary	20.6	59.9
Consumer Staples	5.4	17.6
Energy	12.2	34.4
Financials	6.2	18.4
Health Care	9.0	35.6
Industrials	8.3	11.9
Information Technology	4.5	44.7
Materials	11.3	78.1
Real Estate	8.7	22.1
Utilities	-1.3	16.2

Source: FactSet (as of June 30, 2021). MSCI Inc. and S&P.

Selected countries are the 10 largest by ending weight, representing 82.6% of the MSCI Frontier Emerging Markets Index, listed in order of their weighting.

Performance and Attribution

The Frontier Emerging Markets composite rose 8.4% in the quarter, compared to the benchmark's rise of 7.3%. By sector, strong stock selection in Materials contributed the most. Vietnamese steelmaker **Hoa Phat Group** benefited from rising steel prices and a stimulus-aided domestic building boom. The company also reaped operating efficiencies from a new state-of-the-art manufacturing plant. Stock picking in Information Technology (IT) also contributed, primarily from the strong

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 holdings at June 30, 2021 is available on page 6 of this report.

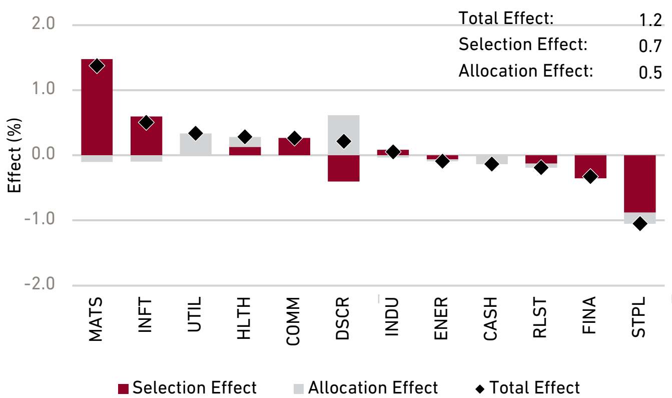
performance of US-listed IT consultancy **EPAM**. The company reported strong earnings as its extensive operations across Eastern Europe met with increased demand from global corporations' digital transformation initiatives. Poor stocks in Consumer Staples was the biggest detractor. With the COVID-19 Delta variant starting to sweep across Southeast Asia, **Vietnam Dairy Products's** sales suffered from new pandemic restrictions, especially school closings, while its gross margins took a hit from higher costs for milk powder, sugar, and packaging. **Sabeco's** shares also fell, as higher advertising and promotion spending in response to stiffening competition tempered the company's operating margins.

Viewed by region, our holdings listed in Developed Markets (but operating primarily in FEMs) performed well, especially EPAM. An underweight to the poor-performing Latin American markets

Second Quarter 2021 Performance Attribution

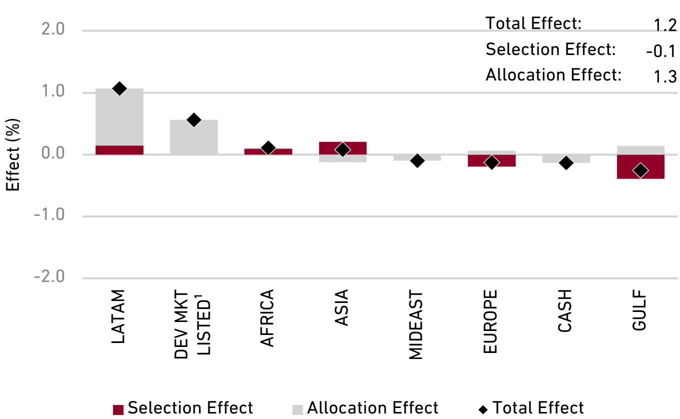
Sector

Frontier Emerging Markets Equity Composite vs. MSCI FEM Index



Geography

Frontier Emerging Markets Equity Composite vs. MSCI FEM Index



[1]Emerging markets or frontier 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.

also helped performance. These pluses were offset somewhat by stock picking in the Gulf region, where we lacked any investments in the strongly performing Bahraini market. UAE packaged food and beverage manufacturer **Agthia** further weighed on performance in the Gulf despite strong revenue growth for a number of its major product groups. Its weak spot was its bottled water division, as tourism in the UAE, historically one of the biggest drivers of bottled water sales, struggled to regain its footing amid a spread of the Delta variant.

Perspective and Outlook

Across Frontier Emerging Markets today, the most immediate public health priority is getting enough shots in arms fast enough to move past the pandemic once and for all. Longer-term, however, access to quality health care remains a persistent problem. For example, the number of hospital beds per thousand people in Japan is 13. In Bangladesh, it's 0.8.[1] A 2018 study published in the British medical journal *The Lancet* showed that, in developing countries, even without the pandemic, about 8.6 million deaths every year could be prevented simply through access to better quality care.[2] Yet, within these challenges also lies an opportunity. Health care spending per capita in developing markets is only about 5% of what it is in a rich developed market like the US, but tends to rise quickly as countries move up the income ladder. As governments achieve more fiscal flexibility, and households more disposable income, directing resources toward helping people enjoy longer and healthier lives becomes a top priority. This can be a powerful secular tailwind for the health care sector in FEMs.

> Saudi Arabia's total level of annual health care spending is projected to grow from US$46 billion in 2019 to US$160 billion by 2030—which would be among the fastest rates of growth in the world.

As in developed markets, though, delivery of health care is complicated, and some FEMs have been more adept at bootstrapping their health systems than others. Saudi Arabia is a case in point. While it's considered a small Emerging Market based on the size and depth of its capital markets, it is ranked a high-income country by the UN. Its health care spending, at 6% of GDP per capita, already ranks in the middle of the pack (roughly on par with China) after growing at an average of 7.8% a year over the last 18 years, compared to 4.8% for high-income countries.[3] Going forward, the country's total level of annual health care spending is projected to grow from $46 billion in

[1]World Bank.

[2]Margaret E. Kruk MD et al, "Mortality due to low-quality health systems in the universal health coverage era: a systematic analysis of amenable deaths in 137 countries," *The Lancet*, Volume 392, Issue 10160 (November 17, 2018), pages 2203-2212.

[3]World Bank.

2019 to $160 billion by 2030.[4] This places Saudi Arabia among the world's highest-growth countries in terms of investment in health care.

The country's demographics also speak to the market's potential for growth. Saudi Arabia's population of 35 million has been growing at a rate of 1.5%-2%[5] a year and is growing progressively older, with the 60+ segment increasing at 2.2%-2.5%[6] annually over the past few years. Health-wise, the country ranks poorly, with obesity, hypertension, and diabetes, all closely correlated with the demand for medical services, on the rise. Despite ranking poorly on metrics of physical exercise and healthy diet, the country is home to a small but growing healthy lifestyle movement, which should increase the demand for fitness centers and services like nutrition counseling. Adding to domestic demand, the kingdom also plays host every year to over 10 million religious tourists for the Umrah and Hajj pilgrimages, a number projected to rise to over 30 million by 2030[7] as the country continues to build out capacity to accommodate all those who feel compelled to complete the journey. In 2019, the Saudi government introduced mandatory health insurance for every tourist entering on a pilgrimage visa. Fitch estimates that these new short-term insurance policies could add US$800 million in annual premiums for local health insurers. In granting tourists access to private hospitals, the initiative also at least partially relieves pressure on a struggling public hospital system.

As in many FEMs, public hospitals are the default providers for a large portion of the population in Saudi Arabia. Unusually for a developing market (or even a developed one like the US), employer-sponsored private health insurance is mandatory for all private-sector employees, including the large expatriate community. However, the requirement is poorly enforced, leaving many private-sector employees to join everyone else (public-sector workers, retirees, the self- and unemployed) crowding into the public hospitals. These government facilities, in turn, offload some of their caseload to private hospitals. That can be a mixed blessing for the latter facilities. The fees for such patients, paid by the Saudi Ministry of Health (MOH) generally at full rack rate, serve to boost private hospitals' margins but invariably are paid late and come with a high rate of claims rejection compared to private insurance.

Recently, the government has signaled its intention to address these inefficiencies. As part of Vision 2030, its long-term strategy to strengthen and diversify the Saudi economy away from its traditional reliance on oil, the MOH plans to optimize use of government resources through an increase in private-sector participation. To date, however, progress on this initiative has been slow.

But when it comes to reforms and private investment in health care in FEMs, a halting pace is not necessarily a bad thing. Indonesia offers a cautionary tale. From 2014 to 2019, a wave of investor optimism flowed from the country's decision to push universal health coverage. However, the terms of the program were so favorable that upper-middle- and upper-income people dropped their private health insurance and signed up for the public option. Private insurers and hospitals suffered and were ultimately forced to negotiate with the government to get business back—which they could only do at lower prices. Making matters worse, the expansion of coverage also helped trigger a sharp rise in hospital construction, leaving investors to absorb the losses when the projects were unable to pay for themselves. By comparison, Saudi regulators have taken pains to keep the various competing interests within its health care system in better balance. Where some FEMs impose (or threaten to impose) price controls on their private hospitals, Saudi Arabia chooses instead to set maximum, inflation-adjusted price increases, which generally have not restricted pricing negotiations between hospitals and insurers.

Saudi policymakers have taken a similarly calibrated approach toward insurers. The government recently instituted a new program requiring health insurance companies to include all accredited public hospitals in their networks as a way to help funnel more funding to the less efficient but still under-resourced public institutions. At the same time, claims cost increases resulting from public hospital inefficiencies are likely to be offset by the concentrated structure of the Saudi insurance industry: **BUPA Arabia**, Tawuniya, and Medgulf together have 85% share of the health insurance market, affording them leverage to pass some of those costs onto employers through higher pricing.

Of the three dominant insurers, BUPA is far and away the market leader, with a 42% share. Through the help of its UK parent (BUPA International), the company has pioneered Saudi use of telemedicine through its digital app. Together with its on-site representatives, who are available to guide patients through hospital admission and claims processing, such extras have earned BUPA a reputation for superior customer service and made it the preferred health insurer for Saudi corporates. The company has also proved itself the most price-disciplined of its competitive set, successfully fending off attempts by its rivals Tawuniya and Medgulf to gain market share. On several occasions, the two have cut premiums and raised reimbursement rates, only to later reverse the cuts.

That the pricing power of the three large Saudi insurers over hospitals would even be an issue may seem surprising given that the three largest hospital networks combined control less than 25% of the hospital market. We must remember, though, that hospitals, like real estate, are an intensely local market. Pitting hospital chains against one another to negotiate better prices can only be achieved if there are, in fact, multiple good hospitals in close proximity to the patient. This is part of what led us to **Mouwasat Medical Services**, a well-run hospital chain whose strategy is largely based on *avoiding* Riyadh in

[4] "Saudi Arabia Healthcare Sector—Country in Transformation," Colliers International (September 11, 2019).

[5] World Bank.

[6] Kingdom of Saudi Arabia General Authority for Statistics.

[7] Kingdom of Saudi Arabia Ministry of Hajj and Umrah.

favor of underserved cities with strong underlying need. Of the company's six hospitals, only one is in the capital. Mouwasat has also limited its exposure to government-pay patients at around 15% of revenue, preferring the more timely payment schedules of the private insurers. A strong brand reputation and coveted Joint Commission International accreditation have made its facilities, like BUPA's insurance plans, the preferred choice for large employers.

Mouwasat has come through the tumult of the past year in a strong position. With the country's COVID-19 infections receding, the vaccination rate rising to nearly 51% of the population as of July 14, and elective medical procedures resuming, the prognosis is good.

Looking forward, Mouwasat is in the process of opening a pair of 200-bed facilities. Management is confident that this year and the next will show a further rebound from 2020, a year of delayed procedures, and that coverage contracts in place with employers will ramp up the new facilities quickly. In short, they see a stable and favorable industry structure coupled with an opportunity for accelerated growth in the coming few years.

Portfolio Highlights

A regulatory backdrop as stable and benign as that of Saudi health care is a rare thing in FEMs. And it's a valuable thing, because predicting political and regulatory shifts accurately is near impossible, even for those with greater expertise than ours. When unexpected shifts do occur, we are faced with reassessing the prospects for our portfolio companies in light of the known and potential implications for them. Such was our task recently with respect to our investments in Peru. Despite a history of volatile politics, Peru has long been governed with an emphasis on free-market policies. As recently as 2019, it was the only country in the region with an investment-grade credit rating and stable outlook from Moody's. Thus, like many observers, we took little note of the pronouncements of a dark-horse socialist candidate in a crowded field leading up to the first round of elections in April. That changed after Pedro Castillo emerged with the largest minority of the vote (18.9%) and as one of the two favorites to capture the June run-off. With markets having just started their slide, our analysts sized up the potential impact on our Peruvian holdings, and soon issued a downgrade that led to the sale of two of them, **Ferreycorp** and **Credicorp**.

Ferreycorp is the exclusive distributor of Caterpillar mining and construction equipment in Peru. It supplies large mining and construction equipment to Peruvian companies while also providing them with after-sales maintenance services. Ferreycorp's strong brand, distribution, and service network give it a competitive advantage over peers (most of which have limited local presence) that has helped it to a 60% share of mining equipment sales in Peru. Its unique position in the Peruvian mining industry, of course, also placed it in the crosshairs of Castillo's stated redistribution plans for the country's natural resources sectors. If the policy bark proves to be worse than the bite, the company may yet continue to benefit from strong tailwinds for the global mining industry, but given the clear and present political threat to new Peruvian mining investments, and thus demand for mining equipment, we saw significant risk to the share price.

> Two years after Argentina elected its own populist government, every bank there trades significantly below its book value. With the stock of Peru's Credicorp still trading at 1.5 times book value in April, our analyst determined that the valuation risk warranted its sale.

Credicorp is Peru's leading commercial bank. With 34% of the country's total loan value, Credicorp lends to almost every segment of the economy. It is thus nearly a perfect proxy for Peru's economic growth. Our analyst believed that, best case, Credicorp was likely to experience slower loan growth as some combination of populist policies (in the event of a Castillo victory) and heightened political division weighed on the country's growth. Under a worst case, Credicorp could also face asset quality issues if a Castillo government forced banks to lend to borrowers with poor credit. Now, two years after Argentina elected its own populist government, every bank in that country currently trades significantly below its book value. With Credicorp's stock still trading in April at 1.5 times book value, our analyst determined that the valuation risk warranted its sale.

Following these sales, Peru represents the portfolio's second largest country-relative underweight position, after the Philippines. There, our underweight is largely the result of the Philippines' jump last year from 26% to more than 33% of the FEM Index following Kuwait's graduation from FEM to EM status. Our investment guidelines preclude us from adding to our holdings in the Philippines beyond our 20% limit. We established these pre-committed limits precisely to ensure sufficient regional diversification to mitigate against the kind of unforeseen country-specific shock recently experienced in Peru.

Further index changes are on the horizon. MSCI announced on June 24 that it intends to reclassify Argentina from small EM to standalone market status in November 2021, a consequence of the capital controls recently imposed by its government to stem the flood of money leaving the country. This will result in Argentina, currently about 5% of the FEM index, being eliminated from our benchmark altogether.

Frontier Emerging Markets Ten Largest Holdings (as of June 30, 2021)

Company	Country	Sector	End Wt. (%)
EPAM (IT consultant)	US	Info Technology	4.5
Globant (Software developer)	Argentina	Info Technology	4.4
Commercial International Bank (Commercial bank)	Egypt	Financials	4.4
Safaricom (Mobile network operator)	Kenya	Comm Services	4.4
Hoa Phat Group (Steel producer)	Vietnam	Materials	4.2
Banca Transilvania (Commercial bank)	Romania	Financials	3.9
SM Prime Holdings (Real estate developer)	Philippines	Real Estate	3.8
Wilcon Depot (Home improvement retailer)	Philippines	Cons Discretionary	3.6
Halyk Savings Bank (Commercial Bank)	Kazakhstan	Financials	3.6
Vietcombank (Commercial bank)	Vietnam	Financials	3.5

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.

2Q21 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
Hoa Phat Group	MATS	4.8	2.3	1.09
EPAM	INFT	4.7	–	0.94
Credicorp	FINA	1.6	5.0	0.71
Southern Copper*	MATS	0.0	3.3	0.37
Halyk Savings Bank	FINA	3.1	0.8	0.34

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
Hoa Phat Group	MATS	4.7	1.5	3.82
EPAM	INFT	4.4	–	2.70
National Bank of Kuwait	FINA	1.9	4.6	1.08
Credicorp	FINA	2.8	5.0	1.08
Agthia	STPL	1.5	0.0	0.88

2Q21 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
No Va Land Investment Group*	RLST	0.0	0.8	-0.54
Network International	INFT	2.7	–	-0.50
Kaspi.kz*	FINA	0.0	1.4	-0.50
Ahli United Bank*	FINA	0.0	2.4	-0.29
Vietnam Dairy Products	STPL	3.5	1.7	-0.28

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
Mabanee	RLST	1.8	0.3	-0.94
Southern Copper*	MATS	0.0	2.7	-0.83
CD Projekt	COMM	0.5	0.0	-0.81
No Va Land Investment Group*	RLST	0.0	0.5	-0.61
Masan Group	STPL	0.1	0.9	-0.55

*Company was not held in the portfolio; its absence had an impact on the portfolio's return relative to the index.

Portfolio Characteristics

Quality and Growth	HL FEM	MSCI FEM
Profit Margin[1] (%)	14.5	13.3
Return on Assets[1] (%)	4.5	3.1
Return on Equity[1] (%)	16.3	8.3
Debt/Equity Ratio[1] (%)	44.9	89.5
Std. Dev. of 5 Year ROE[1] (%)	3.8	3.8
Sales Growth[1,2] (%)	6.6	3.6
Earnings Growth[1,2] (%)	10.3	1.9
Cash Flow Growth[1,2] (%)	12.2	2.4
Dividend Growth[1,2] (%)	0.0	0.4
Size and Turnover	**HL FEM**	**MSCI FEM**
Wtd. Median Mkt. Cap (US $B)	6.5	7.7
Wtd. Avg. Mkt. Cap (US $B)	9.7	9.8
Turnover[3] (Annual %)	22.5	–

Size and Valuation	HL FEM	MSCI FEM
Alpha[2] (%)	2.84	–
Beta[2]	0.98	–
R-Squared[2]	0.93	–
Active Share[3] (%)	61	–
Standard Deviation[2] (%)	16.62	16.40
Sharpe Ratio[2]	0.31	0.14
Tracking Error[2] (%)	4.5	–
Information Ratio[2]	0.61	–
Up/Down Capture[2]	99/87	–
Price/Earnings[4]	16.0	18.4
Price/Cash Flow[4]	16.5	12.8
Price/Book[4]	2.2	1.9
Dividend Yield[5] (%)	2.3	2.2

[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 5, 2021, based on the latest available data in FactSet on this date.); 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
Credicorp	Peru	FINA
Ferreycorp	Peru	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 relative 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 relative 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, 2021)

	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 ($M)	Firm Assets ($M)
2021 YTD[4]	6.48	5.77	0.84	20.01	19.32	N.A.[5]	1	225	77,155
2020	2.66	1.27	-2.36	20.72	19.66	N.M.[6]	1	227	74,496
2019	12.85	11.32	14.46	10.58	10.95	N.M.	1	291	64,306
2018	-13.95	-15.11	-14.37	10.79	11.42	N.M.	1	356	49,892
2017	27.33	25.62	27.19	10.84	11.87	N.M.	1	480	54,003
2016	4.89	3.34	5.41	11.22	12.43	N.M.	1	387	38,996
2015	-16.76	-18.00	-17.99	11.28	11.81	N.M.	1	432	33,296
2014	8.51	6.93	7.52	10.19	10.76	N.M.	1	537	35,005
2013	19.77	18.09	4.59	12.68	11.82	N.M.	1	317	33,142
2012	22.92	21.08	21.23	14.01	13.97	N.M.	1	88	22,658
2011	-19.63	-20.83	-17.26	20.62	20.70	N.M.	1	95	13,597

[1]Benchmark Index; [2]Variability of the composite, gross of fees, and the Index returns over the preceding 36-month period, annualized; [3]Asset-weighted standard deviation (gross of fees); [4]The 2021 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.

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 27 frontier markets and 7 emerging markets. You cannot invest directly in this Index.

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A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The verification report is 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. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are 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. Additional information is available upon request. Past performance does not guarantee future results. Policies for valuing investments, calculating performance, and preparing GIPS Reports 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 and the performance inception date is June 1, 2008.