Frontier Emerging Markets Equity

Quarterly Report | Third Quarter 2021

HARDING LOEVNER

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Composite Performance

Total Return (%) — Periods Ended September 30, 2021[1]

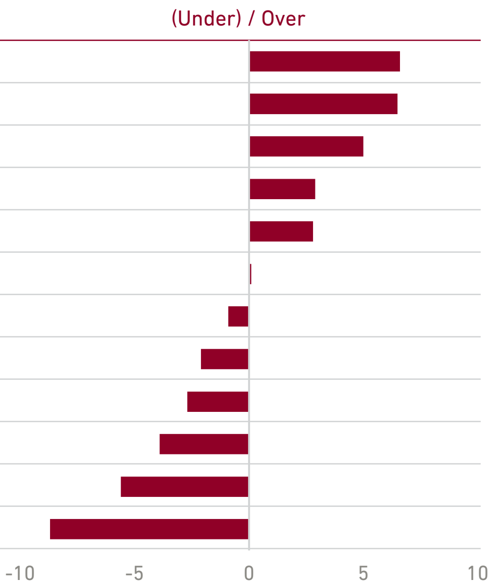
	3 Months	YTD	1 Year	3 Years[2]	5 Years[2]	10 Years[2]	Since Inception[2,3]
HL Frontier Emerging Markets Equity (Gross of Fees)	3.58	10.30	28.62	6.35	6.73	6.82	2.15
HL Frontier Emerging Markets Equity (Net of Fees)	3.23	9.18	26.89	4.91	5.29	5.31	0.73
MSCI Frontier Emerging Markets Index[4,5]	1.72	2.57	20.49	3.25	3.63	3.97	-0.83

[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.

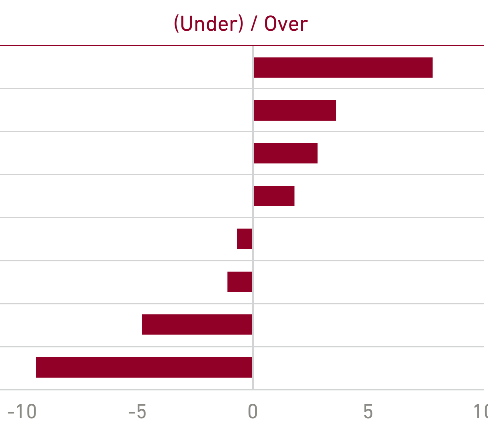
Please read the above performance in conjunction with the footnotes on the last page of this report. Past performance does not guarantee future results. All performance and data shown are in US dollar terms, unless otherwise noted.

Portfolio Positioning (% Weight)

Sector	HL FEM	MSCI FEM
Cons Discretionary	7.7	1.1
Cons Staples	13.5	7.0
Info Technology	11.0	6.0
Health Care	6.1	3.2
Cash	2.8	–
Financials	33.6	33.5
Energy	4.1	5.0
Comm Services	6.2	8.3
Utilities	0.0	2.7
Materials	4.5	8.4
Real Estate	5.2	10.8
Industrials	5.3	14.0



Geography	HL FEM	MSCI FEM
Dev. Market Listed[6]	7.8	–
Africa	19.6	16.0
Cash	2.8	–
Gulf States	6.7	4.9
Middle East	0.0	0.7
Europe	13.1	14.2
Asia	38.6	43.4
Latin America	11.4	20.8



[6]Includes companies in frontier markets or small emerging markets listed in developed markets. Current frontier markets exposure in the portfolio is 41.8% and emerging markets exposure is 47.6%.

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

This quarter, Frontier Emerging Markets (FEMs) extended their recent positive performance, posting a 2% gain, as most regions except for frontier Asia continued on a path of economic recovery. Performance in many FEMs was lifted by the easing of pandemic-related restrictions, but some of the strongest gains were from oil-producing countries such as Colombia, Kazakhstan, and the Gulf States as a surge in oil prices saw Brent crude pass US$80 per barrel–its highest level in three years.

Outbreaks of the COVID-19 Delta variant resulted in the underperformance in Asia, with the index's two largest markets, Philippines and Vietnam, experiencing the worst of the virus's effects. Widespread shutdowns impacted major manufacturers and transportation networks in both countries, resulting in shortages that rippled through global supply chains. Despite an increase in the pace of vaccination this quarter, the percentage of the population that has been vaccinated in most FEMs remains in the single digits, meaning that the risk of further outbreaks will remain for months to come.

MSCI FEM Index Performance (USD %)

Geography	3Q 2021	Trailing 12 Months
Philippines	-3.5	13.8
Vietnam	-3.2	44.1
Peru	-11.0	-5.8
Colombia	10.3	32.0
Argentina	22.1	47.2
Morocco	7.4	37.2
Iceland	0.2	-2.1
Kazakhstan	10.7	113.0
Bahrain	15.1	32.2
Kenya	2.1	35.5
MSCI FEM Index	1.7	20.5

Sector	3Q 2021	Trailing 12 Months
Communication Services	9.4	25.3
Consumer Discretionary	-5.9	41.3
Consumer Staples	2.1	10.8
Energy	5.8	54.4
Financials	2.8	15.9
Health Care	6.9	29.1
Industrials	1.2	15.4
Information Technology	24.6	50.8
Materials	-3.4	45.8
Real Estate	-13.1	7.8
Utilities	3.1	12.9

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

Selected countries are the 10 largest by ending weight, representing 81.2% of the MSCI Frontier Emerging Markets Index, listed in order of their weighting.

In Latin America, Peru posted the weakest performance (-11%). In June, Peruvians elected a leftist president, Pedro Castillo, who has vowed to change the constitution to increase taxes and government royalties on mining and energy companies. He has been in constant battle with the opposition-dominated congress, diminishing the odds for economic stimulus and reform to lift the country out of its pandemic-induced malaise. Moody's downgraded Peru's credit rating by one notch but changed its outlook from negative to stable.

Currency was another headwind. Most currencies around the world, including in FEMs, depreciated against the US dollar, which benefited from rising US yields after the US Federal Reserve signaled it would begin to scale back its monthly bond purchases toward the end of the year and that it could move to raise rates as early as 2022.

The Delta outbreaks contributed to a sense of déjà vu for sector performance as returns reverted to a pattern of COVID-19 "winners" and "losers." Companies that support remote work and commerce, such as many in Information Technology (IT), Health Care, and Communication Services, far outpaced those in Consumer Discretionary, Materials, and Real Estate, which all declined in the quarter.

Style effects favored fast-growing and high-quality companies regardless of their valuation. Stocks of the fastest-growing companies outperformed the slowest-growing by over 600 basis points. The effect of quality was even more pronounced as shares of the highest-quality companies outperformed the lowest-quality by nearly 1,300 basis points. Valuation offered no guide to performance.

Performance and Attribution

The Frontier Emerging Markets composite rose 3.6% gross of fees in the quarter, outperforming the benchmark's gain of 1.7%. Year-to-date, the composite has risen 10.3% (also gross of fees), compared to a 2.6% rise for the benchmark.

By sector, strong stock selection in Consumer Discretionary contributed the most. Among our top performers was Philippine home improvement big-box retailer **Wilcon Depot**, an outlier among the Delta-battered consumer companies in the region. Despite intermittent mobility restrictions due to the virus, demand rose from both do-it-yourselfers and small contractors, which helped to offset continued weakness in larger-scale construction

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 September 30, 2021 is available on page 6 of this report.

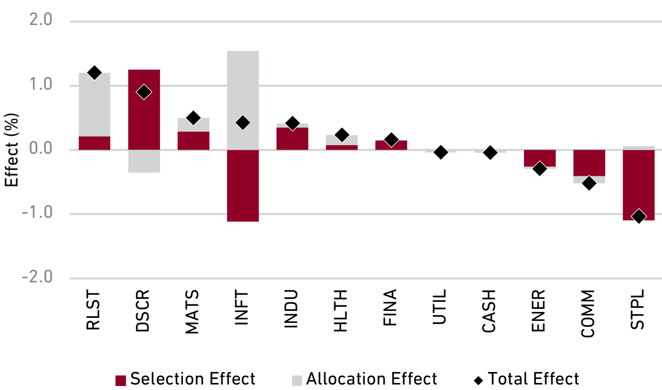
activity. An overweight to the strong-performing IT sector also helped returns. Investments in Consumer Staples detracted the most, particularly the poor performance of Philippines-based packaged food maker **Universal Robina**. Prices of key commodities including palm oil and wheat have risen alongside logistics, shipping, and packaging costs. The company could find it difficult to pass along the increased costs given weak consumer sentiment.

By region, investments in Asia benefited the portfolio due to stock picking in the Philippines. In addition to strong performance from Wilcon Depot, marine terminal operator **ICTSI** also positively contributed. The company reported strong second quarter earnings growth as volume increased 20% year over year, to above pre-pandemic levels, on rising trade as economies recover from pandemic lockdowns and businesses pull orders forward

Third Quarter 2021 Performance Attribution

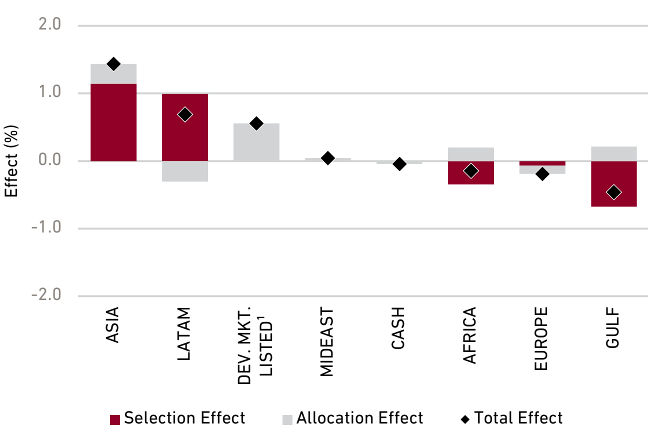
Sector

Frontier Emerging Markets Equity Composite vs. MSCI FEM Index



Geography

Frontier Emerging Markets Equity Composite vs. MSCI FEM Index



[1]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.

to try to protect themselves from supply-chain shortages. The company has added new customers for its terminals and raised tariffs. Its warehouses are seeing higher use for inbound freight due to trucking backlogs. Poor stock selection in the Gulf region detracted from performance. Dubai-based real estate developer and mall operator **Emaar Properties** underperformed despite a rebound in mall foot traffic and presales by its property development group. Inventory at some residential properties has been slower to move as pandemic travel restrictions have limited the return of Chinese and Saudi Arabian buyers to the market.

Perspective and Outlook

When Microsoft co-founder Bill Gates famously called banks "dinosaurs" in 1994, he jumped the gun. Global banking, already a massive business at the time, would go on to become even bigger: aggregate revenue generated by banks worldwide exceeded US$5 trillion in 2019 with aggregate profits of US$1.5 trillion, many times higher than they had been in 1994.[1]

Then again, in the mid-1990s people still accessed the internet through dial-up connections, e-commerce was in its infancy, and social networks did not exist. Today, when goods can be ordered online and delivered within hours, consumers and businesses need to transact in real time. Financial services business models that worked for decades must be reconfigured to meet new, higher expectations. Meanwhile, a new set of challengers to traditional banks has arisen. In the developed world, where banking and credit card penetration is high, fintech companies have had a hard time dislodging banks from traditional services but have beaten them to the punch in digital payments and swooped in to capture historically underserved segments. Square, for example, carved out a niche, processing payments for small and micro businesses, which it wins over with quick digital onboarding and transparent pricing. In China, which leapfrogged bank cards and went straight to mobile payments, e-commerce and social networking giants Alibaba and Tencent built proprietary payment networks that draw on people's bank accounts but cut banks out of the revenue loop by circumventing the processing network through which banks earn their fees. They now process more than 90% of all digital payments in the country.

In FEMs, many people and small businesses do not participate in the formal financial system. They transact primarily in cash and have no access to bank credit. Even bank customers often have limited choices between providers and pay high fees. At the same time, mobile phones have become ubiquitous, now possessed by more than 65% of the FEM population. As more flip phones are upgraded to smartphones, e-commerce, online payments, and digital lending are emerging and consolidating—as they did in China—into shopping and banking "super apps." The ease of use, speed, and convenience of these apps is driving hockey-stick-

[1] Global Banking Annual Review, McKinsey & Company, 2020.

like adoption, raising the specter of extinction for banks that Gates posited 30 years ago. Is this when the asteroid will strike? Will FEM bankiosauruses face an erosion of new and existing segments akin to their developed market peers? Or might they yet find a way to thrive?

Banks that fail to keep up with innovation are under greater competitive threat than ever before. But other banks—the type of banks we own in our FEM portfolio—have some powerful advantages to leverage in this fight for survival. Indonesia's **Bank Central Asia (BCA)** is an example of a company that has seized the opportunity to disrupt itself and *raise* the ceiling for its business.

BCA has established a wide network of branches, ATMs, and cash recycling machines in high-trafficked malls, campuses, and supermarkets, as well as strong online and mobile banking capabilities that came in handy during the pandemic, when it signed up 1.6 million new digital customers and handled 83% of its transactions virtually. By making it easy for customers to transact anytime and anywhere, BCA has built the leading deposit franchise in Indonesia and a mountain of low-interest deposits. These cheap deposits comprise approximately 80% of its total deposit base, the highest among its peers. This translates into the lowest funding cost which in turn also allows the bank to be more selective in its lending.

According to a recent report, 92 million Indonesians—more than a third of the population—either had no bank account or minimal access to banking services as of 2019.[2] At the same time, the country is young (over half of population is under the age of 30), increasingly urbanized, and attuned to technology, with smartphone adoption exceeding 74%. Not coincidentally, Indonesia has become home to several tech juggernauts centered around super apps. These include ride-hailing and food delivery app Grab, online retailer Shopee, e-commerce portal Bukalapak, and the biggest of all: Go-To, formed by the merger of ride hailing app GoJek and Alibaba-backed online retailer Tokopedia. Go-To now has 100 million monthly active customers, two million registered drivers, and more than 11 million merchants on its platform. For consumers, the appeal of a company like Go-To is its convenience as a single digital destination for daily activities, from shopping to entertainment to paying bills. For the companies, the benefit is their ability to build a lasting relationship with tens of millions of consumers. Eventually these can lead to providing profitable loans and insurance products tailored to a customer's individual needs using the rich transaction data the company has collected.

When an e-commerce platform wants to start operating as a bank—i.e., collecting deposits against which they can draw on to make loans—it's not as simple as adding features. First, the company must secure a banking license. Some of the Indonesian super apps have secured their own digital banking licenses, while others have partnered with existing banks. Once the company has the license, the super-apps and their upstart digital banking partners must offer customers high-interest, zero-fee deposit accounts to attract enough new users to build up their deposit base, which can cut deeply into margins before lending activity scales. This is where a large bank like BCA, entering the fintech space from the other direction, has a distinct advantage. It already has a large established presence and deposit base, giving it an important leg up.

> Once a super app gets a banking license, it must offer customers high-interest, zero-fee accounts to build up its deposit base. This is where a large bank-turned-fintech like BCA has a distinct advantage. It already has a large established presence and deposit base.

BCA has been circling around the opportunity for several years, working as the back-end banking partner with a handful of e-commerce super apps. Then in July, BCA launched Blu, a digitally native bank targeting young Indonesians and small merchants, to establish a branded presence within the super app ecosystem of its e-commerce partners. In less than two months, Blu gained over 100,000 verified customers with 350 billion rupia (~US$25 million) of deposits—75 billion rupia more than Bank Jago, another high-profile digitally native player, had gathered after five months in operation. Blu pays higher interest rates on deposit than BCA but, thanks to the halo effect of the BCA brand, lower rates than what most digital-only banks must offer. Given its funding advantages, Blu, like its parent, can also choose to be more selective with its lending, skimming off the top tier of the unbanked market with lower rates on borrowing.

While the fintech revolution represents an enormous opportunity for new and old banking players alike to expand their addressable market, it is not clear at present how many of the start-ups will survive. OJK, Indonesia's financial regulator, recently raised capital requirements for digital banks to 2 trillion rupia (US$142 million) of core equity capital by the end of 2021 and 3 trillion rupia by the end of 2022. With BCA having committed to increasing Blu's capital to 4 trillion rupia, that requirement should not be an issue for Blu but could be costly for digital start-ups if it forces them to raise fresh equity.

Our new portfolio holding, **Kaspi Bank**, the third largest bank in Kazakhstan, is also on the forefront of the fintech revolution in FEMs. With 19 million people, Kazakhstan is less than 7% the population of Indonesia, so it has flown under the radar of global e-commerce giants. Yet, as in Indonesia, the super app model has also taken hold in Kazakhstan. Kaspi began laying the groundwork for its super app a decade ago when it set up kiosks in electronics stores and other big-ticket merchant locations where customers could quickly finance their purchases. Consumers' affinity for the service helped the bank sign up more merchants and broaden its offerings to include bill pay and online shopping. Over the last few

[2] Google, Temasek, Bain & Company.

years Kaspi transitioned most of this activity to its mobile app. Unsecured lending is a risky business, but the move from in-person kiosk to self-serve app has raised the credit quality of its loans. As consumers make payments and transact on the app's e-commerce marketplace, Kaspi collects a huge amount of proprietary data, which it pairs with traditional credit bureau information to assess a prospective borrower's creditworthiness. Coupled with a low average consumer loan maturity of seven months and robust fraud prevention systems utilizing biometric and face recognition, this data helps Kaspi keep credit risk in check.

Today, Kaspi's super app is used by more than 10 million Kazakhs who complete an average of 39 transactions per user monthly, among the highest rates of super-app engagement in the world. Importantly, the bank has achieved this without becoming mired in logistics. Instead, the company follows the model pioneered by Alibaba in which third-party providers do the heavy lifting (and driving) but plug into Kaspi's back-end tech so that the company still has visibility into package tracking and delivery times, and ultimate control over the customer experience.

Two years ago, the bank launched another feature: a proprietary QR-based payment solution that charges merchants a fee of just 0.95% of each transaction vs. the 2%-3% charged by Visa- or Mastercard-branded cards. Within a year, Kaspi captured 66% of electronic payments in Kazakhstan.

Portfolio Highlights

The opportunities we have indentified at BCA and Kaspi are illustrative of a significant change in our portfolio over the past three years. We increasingly find that many of the best opportunities for investing in high-quality, faster-growing companies fall into new economy industries like IT services, e-commerce, digital payments, mobile commerce, and fintech. Over 17% of the portfolio is currently invested in these digital businesses, up from 7% in 2018. We have investments in **EPAM** and **Globant**, a pair of IT services companies that leverage the abundant, cheaper, and highly skilled computer science and engineering talents in FEMs. EPAM is headquartered and listed in the US but has its roots in Belarus, while Globant started in Argentina. Both work for enterprise clients around the world developing complex high-end software and consumer-facing digital technology solutions. EPAM management expects revenue growth to accelerate from 16% in 2020 to 37% in 2021, while Globant projects a step change from over 23% in 2020 to more than 50% this year.

We also own **Safaricom**, the leading Kenyan telecommunication services company, which has carved out a unique exposure to mobile commerce and fintech through its pioneering mobile payment system, M-Pesa. Safaricom customers with M-Pesa accounts can send money to one another instantaneously, pay bills, and purchase goods and services from merchants. The company has a network of about 250,000 M-Pesa agents, typically mom-and-pop shops, to handle the cash for its 28 million customers' deposits and withdrawals, and it has been broadening the scope of its financial offerings to include savings, loans, insurance, and wealth management products. Following the path of fintechs elsewhere, Safaricom launched the M-Pesa super app in June, with new features that enable customers with smartphones to order food, buy bus and airline tickets, shop, pay bills, and apply for government licenses, among dozens of other activities. Within three months, the super app had recorded about 4 million downloads, and management intends to use the platform to roll out M-Pesa across Africa.

Like Safaricom, **Network International**, a UAE-based digital payment processor present across the Middle East and Africa, is positioned to benefit from the rapid secular growth in digital payments in the region. Even with the gains of Safaricom, the Middle East and Africa are the most underpenetrated digital payments markets in the world, with cash still dominating daily transactions. But government-led financial inclusion initiatives, like a recent central bank financing of point-of-sales machines in rural areas of Egypt, together with increasing access to the internet and smartphones, the rapid growth of e-commerce, and a young population, are beginning to speed up the transition.

This quarter, in addition to Kaspi, we established a new position in another new economy champion in **Allegro**, the dominant online retailer in Poland. Its 36% market share, ten times the size of its next largest competitor, allows it to offer the broadest selection and lowest prices in Poland as well as some of the fastest delivery times, including free delivery to the subscribers of its SMART program. With Amazon's recent launch of its signature Prime offering in Poland, competition is set to intensify. Allegro's management, headed by a former head of Amazon's Southern Europe operations, has spent several years preparing for Amazon's entry into the market. Allegro beefed up its delivery capabilities, introducing Saturday delivery and a nationwide network of out-of-home pick-up/drop-off lockers. It has also launched an in-house payment platform, Allegro Pay, that makes it easier for customers to pay for purchases, process returns, and (if desired) obtain financing. There is a misperception that Amazon has simply taken over in every market it has entered. We think that Allegro's strong user experience and deep customer engagement could make Poland another exception.

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

Company	Market	Sector	End Wt.(%)
Wilcon Depot (Home improvement retailer)	Philippines	Cons Discretionary	4.7
EPAM (IT consultant)	United States	Info Technology	4.4
Hoa Phat Group (Steel producer)	Vietnam	Materials	4.2
Safaricom (Mobile network operator)	Kenya	Comm Services	4.2
Commercial International Bank (Commercial bank)	Egypt	Financials	4.2
Globant (Software developer)	Argentina	Info Technology	4.2
Banca Transilvania (Commercial bank)	Romania	Financials	4.0
Halyk Savings Bank (Commercial Bank)	Kazakhstan	Financials	3.8
Vietcombank (Commercial bank)	Vietnam	Financials	3.4
SM Prime Holdings (Real estate developer)	Philippines	Real Estate	3.2

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3Q21 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
Wilcon Depot	DSCR	4.2	0.0	1.09
EPAM	INFT	4.6	–	0.48
Vingroup Joint Stock Company*	RLST	0.0	2.2	0.41
Ayala Land*	RLST	0.0	3.0	0.40
Credicorp*	FINA	0.0	3.9	0.39

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
Hoa Phat Group	MATS	4.6	1.9	3.28
EPAM	INFT	4.4	–	1.87
Credicorp	FINA	2.0	4.8	1.29
Wilcon Depot	DSCR	2.9	0.0	1.29
National Bank of Kuwait	FINA	0.8	2.3	1.24

3Q21 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
Vietcombank	FINA	3.5	0.9	-0.46
Ahli United Bank*	FINA	0.0	2.7	-0.43
Globe Telecom*	COMM	0.0	0.6	-0.30
Masan Group*	STPL	0.0	1.2	-0.30
PLDT*	COMM	0.0	1.1	-0.28

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL FEM	Avg. Weight MSCI FEM	Effect
Mabanee	RLST	0.7	0.1	-1.11
Vietnam Dairy Products	STPL	3.8	1.7	-0.88
Masan Group*	STPL	0.0	1.0	-0.86
CD Projekt	COMM	0.6	0.0	-0.85
Kazatomprom*	ENER	0.0	0.8	-0.68

*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] (%)	14.7	13.3
Return on Assets[1] (%)	4.5	3.1
Return on Equity[1] (%)	16.3	8.5
Debt/Equity Ratio[1] (%)	43.7	85.1
Std. Dev. of 5 Year ROE[1] (%)	4.0	3.8
Sales Growth[1,2] (%)	6.6	3.9
Earnings Growth[1,2] (%)	10.6	1.9
Cash Flow Growth[1,2] (%)	11.6	2.4
Dividend Growth[1,2] (%)	0.1	-0.2
Size and Turnover	**HL FEM**	**MSCI FEM**
Wtd. Median Mkt. Cap. (US $B)	5.9	8.3
Wtd. Avg. Mkt. Cap. (US $B)	10.2	9.5
Turnover[3] (Annual %)	21.0	–

Size and Valuation	HL FEM	MSCI FEM
Alpha[2] (%)	3.26	–
Beta[2]	0.97	–
R-Squared[2]	0.93	–
Active Share[3] (%)	61	–
Standard Deviation[2] (%)	16.95	16.75
Sharpe Ratio[2]	0.34	0.15
Tracking Error[2] (%)	4.6	–
Information Ratio[2]	0.69	–
Up/Down Capture[2]	100/86	–
Price/Earnings[4]	14.9	17.7
Price/Cash Flow[4]	15.4	11.6
Price/Book[4]	2.3	2.0
Dividend Yield[5] (%)	2.3	2.0

[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: October 4, 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	Market	Sector
Allegro	Poland	DSCR
Kaspi Bank	Kazakhstan	FINA

Positions Sold	Market	Sector
John Keells Holdings	Sri Lanka	INDU
Nigerian Breweries	Nigeria	STPL

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 tables 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 tables 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 September 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]	10.30	9.18	2.57	20.30	19.62	N.A.[5]	1	215	73,857
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.

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 June 30, 2021.

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. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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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.