

Frontier Emerging Markets Equity



Monthly Update | May 2021

Performance (% Total Return)

Periods ended May 31, 2021 ¹	1 Month	YTD	1 Year	3 Years ²	5 Years ²	10 Years ²	Since Inception ^{2,3}
HL Frontier Emerging Markets Equity (Gross)	3.87	5.39	35.92	2.44	5.98	4.29	1.85
HL Frontier Emerging Markets Equity (Net)	3.75	4.80	34.11	1.05	4.54	2.81	0.43
MSCI Frontier Emerging Markets Index ^{4,5}	4.12	-0.01	26.83	0.76	3.52	2.25	-1.04

Portfolio Positioning (% Weight)

Sector	HL FEM	MSCI FEM	(Under) / Over
Cons Staples	14.9	6.7	8.2
Info Technology	12.0	5.0	7.0
Cons Discretionary	6.0	1.1	4.9
Health Care	6.0	3.0	3.0
Cash	2.7	—	2.7
Energy	3.8	4.7	-0.9
Financials	32.2	33.3	-1.1
Comm Services	6.4	7.9	-1.5
Utilities	0.0	2.6	-2.6
Materials	5.2	9.4	-4.2
Real Estate	6.0	12.3	-6.3
Industrials	4.8	14.0	-9.2

Geography	HL FEM	MSCI FEM	(Under) / Over
Dev Market Listed ⁶	8.4	—	8.4
Africa	19.4	15.9	3.5
Gulf States	7.0	4.2	2.8
Cash	2.7	—	2.7
Middle East	0.0	0.7	-0.7
Europe	11.6	14.0	-2.4
Asia	39.9	43.9	-4.0
Latin America	11.0	21.3	-10.3

Investment Perspectives

Market

The Philippines, an index heavyweight, helped lead Frontier Emerging Markets higher in May. A recent drop in COVID-19 infections prompted authorities to ease mobility restrictions in Manila, the capital city, and adjacent provinces. Although just 5 million vaccines have been administered in the country of 110 million people, the government has secured additional supplies and targets 70 million jabs by year-end. As the vaccination drive accelerates, the prospect of a recovery from a first-quarter 4.2% GDP contraction looks promising.

Portfolio

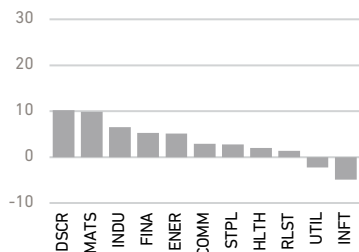
The pandemic's disruptions have tested the mettle of frontier companies' management teams, and the most skillful have risen to the occasion. In response to mobility restrictions imposed last year, **Integrated Diagnostic Holdings (IDH)**—Egypt's largest private provider of medical testing—quickly pivoted to launch a "house call" service to collect samples for its existing test offerings at patients' homes. Then when the government finally lifted its prohibition against private labs administering COVID-19 tests, IDH quickly ramped up its coronavirus testing, which helped the company record double-digit profit growth. COVID-19 testing volumes are likely to remain high as just 1% of Egypt's population has been vaccinated so far. Routine pathology tests—IDH's bread and butter—have also begun to recover. This core business grew double digits in the first quarter and should drive long-term growth, given Egypt's high prevalence of chronic diseases such as hypertension and diabetes.

Top Ten Holdings

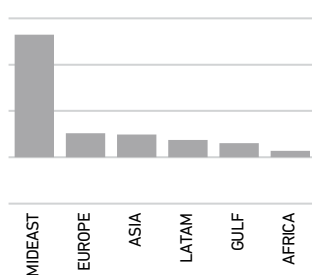
Company	Country	Sector
Hoa Phat Group	Vietnam	Materials
EPAM	US	Info Technology
Globant	Argentina	Info Technology
Safaricom	Kenya	Comm Services
Banca Transilvania	Romania	Financials
SM Prime Holdings	Philippines	Real Estate
Commercial International Bank	Egypt	Financials
Halyk Savings Bank	Kazakhstan	Financials
Vietnam Dairy Products	Vietnam	Cons Staples
Universal Robina	Philippines	Cons Staples

Benchmark Performance | May

Total Return by Sector (%)

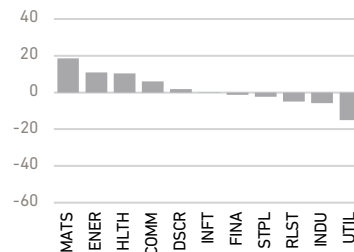


Total Return by Region (%)

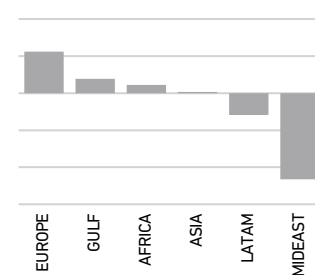


Benchmark Performance | YTD

Total Return by Sector (%)



Total Return by Region (%)



Portfolio Attribution | May

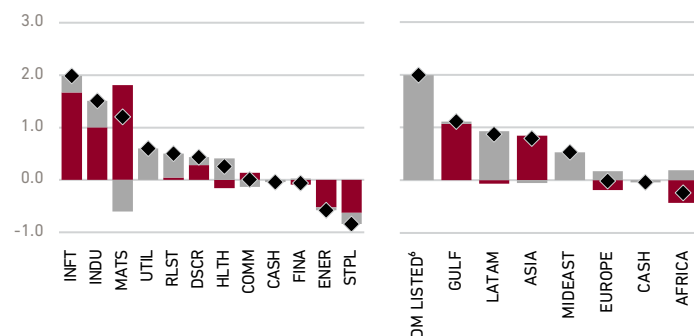
Effect (%)	Selection	Allocation	Total
Sector	-0.2	-0.5	-0.7
Region	-0.4	-0.3	-0.7



- Vietnamese steel maker **Hoa Phat Group** drove our relative returns in Asia. Sales and margins rose as residential construction recovered, public stimulus accelerated, and production increased at the company's new, more-efficient Dung Quat plant.
- In Europe, **Halyk Savings Bank** of Kazakhstan and Romanian **Banca Transilvania** boosted returns as strong growth in transaction fees and normalizing loan provisioning costs drove profits higher.
- Vietnamese brewer **Sabeco** detracted from our returns in Consumer Staples as higher advertising and promotional expenses associated with the launch of its new premium beer brands weighed on its recent profit growth.

Portfolio Attribution | YTD

Effect (%)	Selection	Allocation	Total
Sector	3.6	1.4	5.0
Region	1.2	3.8	5.0



- In addition to Ho Phat, Philippine home improvement chain **Wilcon Depot** drove stock picking in Asia. Despite ongoing mobility restrictions, Wilcon reported strong same-store sales growth; higher-margin private label product sales also boosted profitability.
- UAE-based food and beverage producer **Agthia** drove our returns in the Gulf States. The company acquired several strong regional packaged foods companies, which should double the company's earnings.
- IT services provider **EPAM** and Dubai-based payment processor **Network International** drove IT stock picking. EPAM continues to see strong corporate demand for digital transformation services while Network International benefitted from recovery in electronic transactions as domestic retail spending began to normalize.

Top Five Contributors/Detractors (%) | May

to Relative Returns

Contributors	Country	Sector	Index Weight	Effect
Hoa Phat Group	Vietnam	MATS	2.3	2.11
Vingroup*	Vietnam	RLST	2.7	0.40
Agthia	UAE	STPL	-	0.19
Halyk Savings Bank	Kazakhstan	FINA	0.8	0.17
Bank of Georgia	UK	FINA	-	0.14
Detractors				
Credicorp	Peru	FINA	4.6	-0.28
Network International	UK	INFT	-	-0.19
Buenaventura*	Peru	MATS	1.2	-0.17
Guaranty Trust Bank	Nigeria	FINA	0.4	-0.14
Integrated Diagnostics	Egypt	HLTH	-	-0.12

Top Five Contributors/Detractors (%) | YTD

to Relative Returns

Contributors	Country	Sector	Index Weight	Effect
Hoa Phat Group	Vietnam	MATS	1.8	3.37
EPAM	US	INFT	-	1.38
Agthia	UAE	STPL	-	0.96
Halyk Savings Bank	Kazakhstan	FINA	0.8	0.79
Ayala Land*	Philippines	RLST	3.5	0.64
Detractors				
No Va Land Investment Group*	Vietnam	RLST	0.6	-0.45
Kazatomprom*	Kazakhstan	ENER	0.8	-0.41
Vietnam Dairy Products	Vietnam	STPL	1.8	-0.34
CD Projekt	Poland	COMM	-	-0.31
Solidere*	Lebanon	RLST	0.4	-0.29

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

Index weight is the average weight of the security in the index over the MTD and YTD periods. Please read the disclosures on the last page, which are an integral part of this presentation.

Endnotes

(1) The May 2021 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 41.2% and emerging markets exposure is 47.7%.

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 Positioning and Top Ten Holdings: FactSet; Harding Loevner Frontier Emerging Markets Model; MSCI Inc. and S&P.

Disclosures

Past performance does not guarantee future results. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients.

For comparison purposes the Composite return is measured against the MSCI Frontier Emerging Markets Total Return Index (Gross). Harding Loevner LP is an investment adviser registered with the Securities and Exchange Commission. 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, 2020. 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. 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. The firm maintains a complete list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds, which are 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.

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.

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. The portfolio holdings identified above do not represent all of the securities held in the portfolio. To request a complete list of holdings for the past year, please contact Harding Loevner. The following information is available upon request: (1) information describing the methodology of the contribution data and (2) a list showing the weight and relative contribution to return of all holdings during the month.

Portfolio holdings, portfolio attribution, contributors and detractors, and sector/geographic portfolio positioning 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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