Frontier Emerging Markets Equity

HARDING LOEVNER

Quarterly Report | Third Quarter 2023

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Composite Performance

Total Return (%) — Periods Ended September 30, 2023

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
HL Frontier Emerging Markets Equity (Gross)	0.87	6.89	12.98	4.99	1.59	2.22	1.17
HL Frontier Emerging Markets Equity (Net)	0.53	5.81	11.46	3.57	0.22	0.80	-0.23
MSCI Frontier Emerging Markets Index	-0.17	4.58	14.24	1.83	-0.71	0.33	-1.57

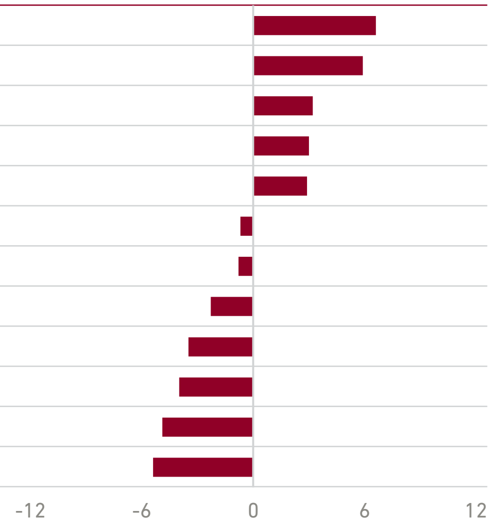
The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Frontier Emerging Markets Equity composite inception date: May 31, 2008. MSCI Frontier Emerging Markets Index, the benchmark index, is shown gross of withholding taxes.

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

Portfolio Positioning (% Weight)

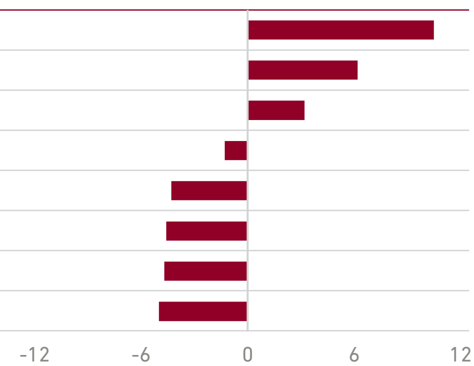
Sector	HL	Index
Info Technology	6.9	0.3
Cons Discretionary	7.9	2.0
Cash	3.2	–
Cons Staples	10.7	7.7
Health Care	6.1	3.2
Financials	38.4	39.1
Comm Services	4.3	5.1
Real Estate	8.2	10.5
Industrials	8.6	12.1
Energy	1.2	5.2
Utilities	0.0	4.9
Materials	4.5	9.9

Under / Over



Geography	HL	Index
Dev. Market Listed	10.5	–
Gulf States	10.2	4.0
Cash	3.2	–
Middle East	0.0	1.3
Europe	17.9	22.2
Asia	39.4	44.0
Africa	10.4	15.1
Latin America	8.4	13.4

Under / Over



"Dev. Market Listed": Includes companies in frontier markets or small emerging markets listed in developed markets. Current frontier markets exposure in the portfolio is 39.0% and emerging markets exposure is 47.3%.

"HL": Frontier Emerging Markets model portfolio. "Index": MSCI Frontier Emerging Markets Index. 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, FactSet, MSCI Inc. 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) ended the quarter nearly flat, maintaining the year-to-date return of the benchmark at 4.6%. This quarter's performance was resilient in the wake of a sell-off in global risk assets after the US Federal Reserve upended expectations it might soon cut interest rates, as well as the relative strength of the US dollar against FEM currencies. Notably, the performance in FEMs this quarter outpaced a decline of 3% in both traditional emerging markets (EMs) and in developed markets (DMs).

FEMs benefited from the strength in crude oil prices, especially as about 15% of the MSCI FEM Index consists of oil-rich countries. Brent crude prices rose to US$95 a barrel during the quarter after Saudi Arabia and Russia extended production and export cuts to the end of the year despite resilient oil demand from big energy-consuming economies such as the US. This helped lift share prices of energy companies and supported the stock market performance of energy-exporting countries such as Kazakhstan, Nigeria, and Colombia.

MSCI FEM Index Performance (USD %)

Sector	3Q 2023	Trailing 12 Months
Communication Services	-3.8	-9.8
Consumer Discretionary	-6.4	4.0
Consumer Staples	-5.1	-8.9
Energy	29.1	49.6
Financials	1.3	28.1
Health Care	-3.0	18.4
Industrials	-7.3	7.1
Information Technology	-3.4	-3.4
Materials	4.4	30.7
Real Estate	-5.5	-11.0
Utilities	1.9	24.6
Geography	**3Q 2023**	**Trailing 12 Months**
Philippines	-3.5	18.6
Vietnam	-1.6	-8.6
Peru	-4.0	29.9
Romania	12.3	50.9
Morocco	1.4	10.4
Iceland	-5.3	-3.0
Kazakhstan	30.3	80.7
Colombia	0.6	18.0
Egypt	15.3	48.6
Slovenia	-2.7	50.1
MSCI FEM Index	-0.2	14.2

Source: FactSet, MSCI Inc. Data as of September 30, 2023.

Selected countries are the 10 largest by weight, representing 82.5% of the MSCI Frontier Emerging Markets index, listed in order of their weighting.

Kazakhstan, a net exporter of oil, was the top-performing country in the benchmark this quarter, up 30%, and led the performance of Europe. Strong earnings reports from listed companies added to the rally. For example, **Kaspi.kz**—the leading fintech and e-commerce company in Kazakhstan—reported 57% growth in its half-year profit as it continues to benefit from higher spending by consumers, leading management to upgrade its full-year earnings growth guidance from 25% to more than 30%. Also, Kazatomprom—the world's largest uranium miner—reported robust half-year results with revenue and profit up 25% and 49%, respectively, supported by strong uranium prices and increased demand. The company anticipates that growing demand for nuclear fuel will support continued volume growth in uranium mining.

Asia posted the weakest performance by geography, led downward by the Philippines and Vietnam. The Philippines witnessed some economic headwinds during the period; its second-quarter GDP growth of 4.3% came in below economists' forecasts of 6% growth due to a sharp drop in government spending and private investment. There is also a renewed concern about inflationary pressures because of soaring rice prices, rising energy prices, and depreciation of the Philippine peso. This led the central bank to turn more hawkish in its recent monetary policy statement, with the possibility of it keeping higher interest rates for a longer period into 2024. Vietnam, on the other hand, continues to grapple with weak demand from its biggest export markets, the US and China. This was further compounded by ongoing issues in Vietnam's real estate market as many developers are struggling with bond repayments and facing a near-term liquidity crunch from falling property sales.

> Kazakhstan, a net exporter of oil, was the top-performing country in the benchmark this quarter.

Viewed by sector, Energy was the standout in the quarter, up 29%, in line with rising oil prices. Industrials and Consumer Discretionary were the weakest sectors, owing to slowing demand in the Philippines and a weaker growth outlook for the country's industrial conglomerates and consumer-goods companies. The Real Estate sector also declined, due to the weakness in Vietnam's real estate market.

By style, investors largely favored quality in FEMs this quarter without having any discernable preferences for growth or valuation. Companies in the top quintile of quality outperformed those in the lowest by 10 percentage points, a shift from the underperformance of quality in the first half of the year.

Companies held in the portfolio at the end of 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 our ten largest holdings at September 30, 2023 is available on page 6 of this report.

Performance and Attribution

In the third quarter, the Frontier Emerging Markets composite rose 0.9%, gross of fees, while its benchmark, the MSCI FEM Index, fell 0.2%. Year to date, the composite portfolio has risen 6.9% (also gross of fees) compared with a 4.6% rise for the index.

By sector, Real Estate contributed the most to relative performance. Dubai-based **Emaar Properties** benefited from growth in tourism and domestic spending that boosted its hospitality, leisure, and entertainment divisions. The company also announced it is exploring opportunities to develop housing projects in neighboring Saudi Arabia, which is experiencing an oil-fueled construction boom. Stock picking in Financials also bolstered performance, especially through strongly performing **Banca Transilvania**. The bank enjoyed growth in net interest income on rising fee and commission income, helping profit growth despite labor-cost pressures.

Our underweight in the strong Energy sector detracted. Stock picking in Consumer Discretionary also hurt performance, especially Philippines-based home-improvement retailer **Wilcon Depot** and packaged-food maker **Universal Robina**. The former experienced rivalry issues: competitors offered more price discounts in Manila and began expanding store counts in Luzon and Visayas as pandemic-related supply-chain issues normalized. Universal Robina cited deteriorating demand elasticity, as price hikes to pass on higher commodity prices were met by muted volume growth.

By region, investments in the Gulf States contributed the most to performance, primarily due to Emaar Properties. DM-listed, Argentina-based **Globant** performed well, experiencing broad-based geographic expansion, including strength in North America, Latin America, and Europe. The company achieved a record-low employee-attrition rate and recovered its utilization rate, exceeding 80% in the second quarter. Management expressed optimism that revenues from Disney, its largest client, will likely stabilize and return to growth in the second half of 2023.

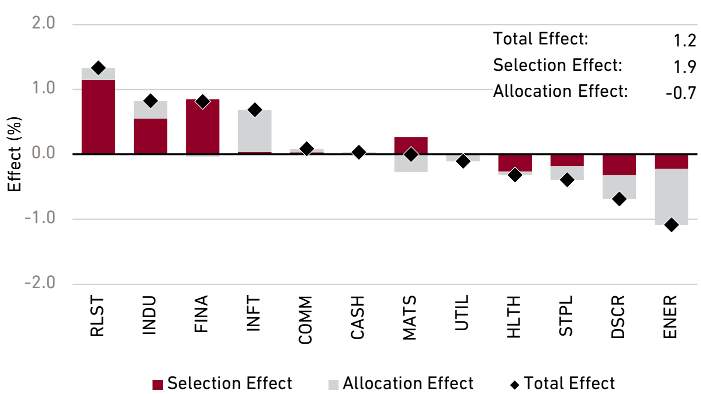
> Dubai-based Emaar Properties benefited from growth in tourism and domestic spending that boosted its hospitality, leisure, and entertainment divisions.

Poor stock picking in Africa, particularly among Nigerian holdings, detracted the most from performance. Nestlé Nigeria's operating performance remained good in a tough macroeconomic environment as cost efficiencies and price increases boosted its operating profit. However, the company was hurt by foreign exchange-related losses, and demand destruction from currency devaluation, coupled with high inflation, could hurt the company's pricing power in the near term.

Third Quarter 2023 Performance Attribution

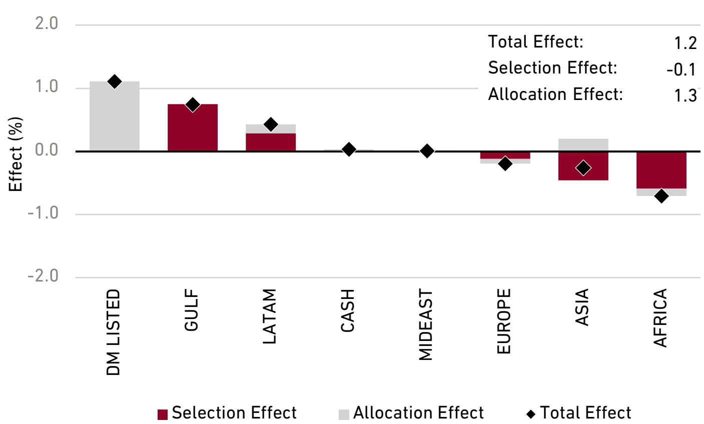
Sector

Frontier Emerging Markets Equity Composite vs. MSCI FEM Index



Geography

Frontier Emerging Markets Equity Composite vs. MSCI FEM Index



"DM LISTED": Includes companies in frontier markets or small emerging markets listed in developed markets.

Source: Harding Loevner Frontier Emerging Markets Equity composite, FactSet, MSCI Inc. 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.

Perspective and Outlook

Kenya is facing one of its most difficult economic periods in more than a decade. The flashing red lights coming out of the country were alarming enough to prompt our analyst to visit Nairobi this summer to better understand what is really happening, how the new government is responding, and how some of our portfolio holdings are adapting.

The damage started with the COVID-19 pandemic's effect on tourism in Kenya; the number of visitors fell about two-thirds in 2020, costing the country US$1 billion in lost revenue. Last year, Russia's invasion of Ukraine compounded problems, sparking fuel- and food-price shocks that led to a ballooning import bill and an expanding current account deficit. Tight global financial conditions meant the Kenyan government had limited access to international capital markets to finance its deficit, putting pressure on its foreign-exchange reserves and exchange rate. The Kenyan shilling has fallen 17% this year against the US dollar while dollars are becoming scarcer amid widening spreads in the country's dysfunctional interbank foreign-exchange market.

On top of all that, bad weather and the worst drought in four decades has led to increased food insecurity and inflationary pressure in the nation of about 55 million people. The previous government, whose term ended in September 2022, financed the deficit with borrowing that pushed the government debt-to-GDP ratio to 70% in 2023 from 40% in 2013 (half of Kenya's government debt is foreign debt). This heightened anxiety over a possible sovereign debt default. Yields on the nation's dollar bonds rose to distressed levels and attention became focused on the country's capacity to repay a US$2 billion Eurobond due in June 2024, especially in light of the difficulty of refinancing in tightened international capital markets for junk-rated sovereign credits like Kenya.

That was the situation before we landed at Jomo Kenyatta International Airport in Nairobi. We met the minister of finance, Njuguna S. Ndung'u, and the governor of the Central Bank of Kenya (CBK), Dr. Kamau Thugge. We also met with IMF country representatives, bank executives, and the management teams of companies in Kenya. While these meetings gave us a sense of the severity of the challenges, we were encouraged about the steps the new administration has taken to tackle them.

Thugge hit the ground running after his appointment in May. He refocused the CBK on orthodox monetary policies, calling an extraordinary monetary policy meeting to raise interest rates to combat inflation. The CBK also took steps to revive the interbank foreign-exchange market by issuing a Kenyan foreign-exchange code for market participants, bringing back inter-dealer brokers, and increasing engagement with market participants. Meanwhile, the government negotiated a rolling six-month credit scheme for fuel imports directly with the governments of Saudi Arabia and the United Arab Emirates to temporarily alleviate the burden on foreign-currency reserves. Liquidity in the interbank foreign-exchange market has improved since these measures were put in place.

Tourist arrivals in Kenya are rebounding strongly after COVID restrictions have eased, providing much-needed access to more dollars in the economy. The authorities are also proactively preparing for the Eurobond repayment. They are in talks with multilateral and bilateral lenders for cheaper sources of financing to repay part of the loan even before the due date in June 2024 to alleviate investor concerns. The government has also implemented an IMF-backed fiscal plan to remove fuel subsidies, double the tax on petroleum products to 16%, and increase the tax on wealthy Kenyans. The new Kenyan government sees these plans as first steps to put the country on a path of long-term fiscal and debt sustainability, and to help lift the economy out of the current crisis.

Economic crises like Kenya's are hard to predict and once they start, they're harder to sidestep. It is for that reason we emphasize quality as part of our investment strategy. Our three holdings in Kenya—**Safaricom**, **Equity Bank**, and **East African Breweries**—have market-leading positions in the country and possess superior management quality and financial strength to weather the storm better than their peers. We are encouraged that these companies can utilize their balance sheets to expand into new markets in neighboring countries in East Africa (what we see as their next engines for growth) at a time when rivals are hampered by Kenya's economic woes.

Safaricom, for instance, is the leading communications company in Kenya, providing a range of services, including voice, messaging, data, and financial services. It is well known for pioneering the mobile money product M-Pesa in 2007, now used by more than 32 million people for transactions ranging from peer-to-peer money transfers to merchant payments for goods and services, bill payments, microlending, savings products, insurance, and wealth-management services. M-Pesa's use in Kenya is so ubiquitous that the value of transactions processed on the platform over the trailing 12 months to March 31, 2023, was equivalent to three times the size of Kenya's annual GDP. Revenues from M-Pesa have grown significantly since its launch and now make up 40% of Safaricom's total revenue.

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In 2022, Safaricom expanded into Ethiopia after it secured a telecommunications operator license. Ethiopia represents a big growth opportunity for Safaricom, as management looks to replicate its Kenyan success in a new market. Ethiopia has a population of 120 million people—more than twice that of Kenya's—while its mobile penetration rate is one of the lowest in the world at only 53%, compared with Kenya's 131%. The country's industry structure is also quite favorable: before Safaricom's entry, there was only one state-owned telecoms operator.

We met with Safaricom's management in Nairobi to get an update on their foray into Ethiopia and were pleased by the progress they have made. They have 4.5 million customers after nine months and are already seeing per-user data and voice usage at levels that took 10 years to achieve in Kenya. Safaricom was also awarded a mobile money license by the Ethiopian government in May, two years earlier than anticipated, and has started rolling out M-Pesa services in Ethiopia, following its Kenyan playbook. We are excited about the expansion of addressable market and growth prospects that Ethiopia offers Safaricom.

Expanding into other markets is nothing new for East African Breweries; Kenya's largest brewer has operated in Tanzania since 1935 and Uganda since 1959. Perhaps that qualifies as prescient management, because right now those countries are a bulwark against weakness in its home market. Kenyan revenue declined 4% in the fiscal year that ended in June, but revenue in Tanzania and Uganda rose 17% and 1%, respectively, to account for 36% of the company's total revenue.

> Ethiopia represents a big growth opportunity for Safaricom, as management looks to replicate its Kenyan success in a new market.

We also met with Equity Bank's management. Equity Bank is the largest bank in the country with 15% of banking-industry assets in Kenya. It has a management team with a history of foresight and innovation. It pioneered digital and agency banking in Kenya in 2010 and was able to use this technology to accelerate financial inclusion in remote rural areas and gain significant market share. It has also expanded over the years to other countries in East Africa, including Uganda, Tanzania, Rwanda, and South Sudan. In 2015, Equity Bank entered the Democratic Republic of the Congo (DRC) through the acquisition of the DRC-based subsidiary of ProCredit, a German bank focused on lending to small businesses. In 2020 Equity Bank's management took the strategic decision to double down on its DRC investment by acquiring Banque Commerciale du Congo (BCDC), allowing Equity Bank to become the second-largest bank by asset base and top bank by customer base in the DRC. The country now represents 30% of Equity Bank's total assets and hosts the second-largest subsidiary in the group after Kenya.

We joined Equity Bank on a tour of the DRC to better understand the growth thesis behind its investment in the country. The DRC's potential is staggering: its commodities reserves, such as cobalt, lithium, and copper, are estimated to be worth US$24 trillion. Those are all materials that are essential in the effort to power the global transition to green energy and electrification. Yet only 6% of the population have bank accounts. BCDC is the largest bank in the DRC in terms of bank accounts, but it has only 1.9 million clients in a country of over 100 million. While the mineral-rich mining sector is an obvious source of potential for lending, the largest opportunities lie elsewhere; BCDC management has singled out agriculture, infrastructure, energy, fast-moving consumer goods, and logistics as mainstays. With its large population and diverse array of opportunities, the DRC feels like fertile land for a well-run business such as Equity Bank.

Portfolio Highlights

Kenya is not the only African country plagued by economic woes and currency issues; Nigeria has also been dealing with these problems since the pandemic began in March 2020. The government tried to defend a currency peg that drained its foreign reserves and resulted in illiquidity of its foreign-exchange market. The newly elected government that assumed office in May has initiated reforms to reverse course and restore macroeconomic stability. The decades-old gasoline subsidy that cost the country $10 billion annually was discontinued, and the currency peg was eliminated. Consequently, the Nigerian naira devalued by 40% against the US dollar. While we applaud the Nigerian government's moves to restore stability and position the country for long-term growth, we sold our position in Nestlé Nigeria as we believe the company will incur foreign-exchange losses on its large foreign-currency liabilities and suffer demand destruction from currency devaluation and high inflation.

Nestlé Nigeria had been a portfolio holding for more than six years. Founded in 1961, it is the Nigerian subsidiary of Switzerland's Nestlé, with very strong food, confectionery, and beverage brands. It also has one of the most expansive distribution networks in the country, insuring that its products are widely available in both urban and rural areas. We believe currency devaluation and high inflation, currently running at 26% after the removal of the fuel subsidy, will hurt overall consumption and the company's sales volume. More important, Nestlé has built up a significant amount of related-party US dollar debt obligations (currently $318 million) to its parent company since 2020 to help pay for importation of raw materials in the face of foreign-currency shortages in Nigeria. Its foreign-currency obligations are even greater, up to $425 million, including other foreign-currency trade liabilities. As disclosed in the company's 2022 annual report, a 10% devaluation of the naira against the US dollar would result in a loss of NGN 24 billion. Given that the naira devalued by 40% this year, we are expecting losses large enough to wipe out Nestlé Nigeria's entire 2023 profit.

> We sold our position in Nestlé Nigeria as we believe the company will incur foreign-exchange losses on its large foreign-currency liabilities and suffer demand destruction from currency devaluation and high inflation.

We deployed the proceeds of that sale into a new holding—**Prodia**, Indonesia's largest diagnostic laboratory testing company. Prodia's strong brand and reputation with doctors and patients (developed over 45 years), its scale, the breadth of its branch network, and its expertise in complex testing are its key competitive advantages. The company offers more than 900 tests, ranging from routine ones for renal and liver function to highly complex, esoteric tests for infectious diseases and cancer. Its physical locations cover 34 provinces and include 148 labs, four stand-alone specialty clinics, 101 point-of-care outlets, and 10 hospital labs. Prodia operates its business in a hub-and-spoke model where the hub is used for centralized processing while the spokes facilitate widespread coverage for sample collection.

Prodia offers good growth prospects on the back of increasing use of lab testing for medical diagnoses and treatment decisions and a growing middle class in Indonesia with a greater focus on preventive care. The company's highly cash-generative business model with modest capital requirements and a net cash position on its balance sheet means it can fund its own growth without taking on debt. It is led by an experienced and professional management team that stays on the forefront of industry innovation.

We also increased our position in several existing holdings, including leading Philippines quick-service restaurant chain **Jollibee Foods**. Jollibee is a dominant chain in the Philippines with about 56% domestic market share, complemented by sizable businesses in the US and China, and throughout Southeast Asia. Fears that inflation could decrease spending at its restaurants and cut the company's margins led to a sell-off. That pulled the stock down to a valuation we deemed attractive relative to our estimate of fair value.

We share the concerns around inflation but take comfort in Jollibee's pricing power. Due to its dominant position and strong brand loyalty, it has been able to raise prices to cover costs during many inflationary periods in the Philippines, including last year. We also think the market is not giving credence to its sizable international business (about 40% of revenue), especially in the US and China, where its fortunes are beginning to turn around. Management has begun to implement a highly profitable franchising model in its Smashburger business in the US, while its Chinese business is also showing strong growth resurgence following the country's re-opening from its zero-COVID policies.

Portfolio Management Team Update

As previously announced, Sergey Dubin, CFA, became a co-lead portfolio manager of the Frontier Emerging Markets Equity strategy on October 1, 2023, replacing Pradipta Chakrabortty. Babatunde Ojo, CFA, will continue as the strategy's other co-lead portfolio manager while Pradipta will continue in a supporting role managing a model, or "paper," portfolio. Sergey has been integral to our Frontier Emerging Markets strategy for nearly a decade, both as a portfolio manager and an analyst covering frontier and EM companies.

Frontier Emerging Markets 10 Largest Holdings (as of September 30, 2023)

Company	Market	Sector	End Wt. (%)
Emaar Properties (Real estate developer and manager)	United Arab Emirates	Real Estate	4.7
Vietcombank (Commercial bank)	Vietnam	Financials	4.6
Kaspi.kz (Banking and financial services)	Kazakhstan	Financials	4.6
Globant (Software developer)	United States	Info Technology	4.4
Banca Transilvania (Commercial bank)	Romania	Financials	4.2
SM Prime Holdings (Real estate developer)	Philippines	Real Estate	3.5
Halyk Savings Bank (Commercial bank)	Kazakhstan	Financials	3.4
Credicorp (Commercial bank)	Peru	Financials	3.3
Commercial International Bank (Commercial bank)	Egypt	Financials	3.3
Vietnam Dairy Products (Dairy products producer)	Vietnam	Cons Staples	3.0

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.

3Q23 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Emaar Properties	RLST	4.7	–	1.10
Cementos Argos	MATS	1.1	–	0.52
Kaspi.kz	FINA	4.5	2.4	0.48
Globant	INFT	4.1	–	0.40
Banca Transilvania	FINA	4.1	1.8	0.32

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
No Va Land Investment*	RLST	–	0.5	1.64
Emaar Properties	RLST	4.4	–	1.30
Halyk Savings Bank	FINA	3.2	0.7	1.18
Kaspi.kz	FINA	4.4	2.4	1.10
Cementos Argos	MATS	0.7	–	0.77

3Q23 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Kazatomprom*	ENER	–	1.2	-0.74
Wilcon Depot	DSCR	2.9	–	-0.35
Ayala Land*	RLST	–	2.1	-0.33
Southern Copper*	MATS	–	4.2	-0.30
Mouwasat Medical Services	HLTH	1.7	–	-0.27

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Wilcon Depot	DSCR	3.3	–	-1.76
Southern Copper*	MATS	–	3.9	-1.72
EPAM	INFT	2.6	–	-1.56
Airtel Africa	COMM	0.6	–	-1.31
Sabeco	STPL	2.6	0.3	-0.97

*Company was not held in the portfolio; its absence had an impact on the portfolio's return relative to the index.
"HL": Frontier Emerging Markets composite. "Index": MSCI Frontier Emerging Markets Index.

Portfolio Characteristics

Quality and Growth	HL	Index
Profit Margin[1] (%)	22.1	20.2
Return on Assets[1] (%)	6.1	4.3
Return on Equity[1] (%)	19.1	13.3
Debt/Equity Ratio[1] (%)	55.7	85.4
Std. Dev. of 5 Year ROE[1] (%)	3.8	4.5
Sales Growth[1,2] (%)	8.9	7.1
Earnings Growth[1,2] (%)	10.3	8.7
Cash Flow Growth[1,2] (%)	14.6	7.2
Dividend Growth[1,2] (%)	7.4	3.9
Size and Turnover	**HL**	**Index**
Wtd. Median Mkt. Cap. (US $B)	6.3	5.0
Wtd. Avg. Mkt. Cap. (US $B)	9.8	7.9
Turnover[3] (Annual %)	18.7	–

Risk and Valuation	HL	Index
Alpha[2] (%)	2.43	–
Beta[2]	0.94	–
R-Squared[2]	0.92	–
Active Share[3] (%)	61	–
Standard Deviation[2] (%)	18.17	18.51
Sharpe Ratio[2]	0.00	-0.13
Tracking Error[2] (%)	5.3	–
Information Ratio[2]	0.45	–
Up/Down Capture[2]	96/90	–
Price/Earnings[4]	10.3	10.5
Price/Cash Flow[4]	10.8	8.3
Price/Book[4]	1.9	1.5
Dividend Yield[5] (%)	3.7	4.0

[1]Weighted median. [2]Trailing five years, annualized. [3]Five-year average. [4]Weighted harmonic mean. [5]Weighted mean. Source: (Risk characteristics): Harding Loevner Frontier Emerging Markets composite based on the composite returns, gross of fees, eVestment Alliance LLC, MSCI Inc. Source: (other characteristics): Harding Loevner Frontier Emerging Markets model based on the underlying holdings, FactSet (Run Date: October 4, 2023) based on the latest available data in FactSet on this date.), MSCI Inc.

Completed Portfolio Transactions

Positions Established	Market	Sector
Prodia	Indonesia	HLTH

Positions Sold	Market	Sector
Nestlé Nigeria	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. Performance of contributors and detractors is net of fees, which is calculated by taking the difference between net and gross composite performance for the Frontier Emerging Markets Equity strategy prorated by asset weight in the portfolio and subtracted from each security's return. 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, 2023)

	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)
2023 YTD[4]	6.89	5.81	4.58	14.21	16.12	N.A.	1	124	40,633
2022	-17.23	-18.35	-17.84	21.87	21.74	N.M.	1	156	47,607
2021	12.18	10.67	4.61	20.37	19.75	N.M.	1	213	75,084
2020	2.66	1.27	-2.36	20.72	19.66	N.M.	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

[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 2023 YTD performance returns and assets shown are preliminary. N.A.–Internal dispersion less than a 12-month period. 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 28 frontier markets and 4 emerging markets. You cannot invest directly in the 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, 2023. The verification report is available upon request.

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. Verification does not provide assurance on the accuracy of any specific performance report. 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 for the first $20 million; 1.15% 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.