Frontier Emerging Markets Equity

Quarterly Report | Year End 2023

HARDING LOEVNER

What's Inside

Market Review →
Frontier emerging markets rose briskly in the fourth quarter after the Federal Reserve hinted that interest rates may have peaked, leading investors to expect a better environment for equities.

Performance and Attribution →
Sources of relative return by sector and region.

Perspective and Outlook →
Globant and EPAM are a new breed of digitally native IT-services companies that have taken advantage of the global nature of the internet to build businesses that can find clients and employees anywhere in the world.

Portfolio Highlights →

We invested in the leading private hospital operator in Thailand, which has built a reputation for excellence among patients and doctors for treating complicated diseases. We also cut our long standing position in a Dubai-based property developer in light of the potential for the Israel-Hamas war to escalate into a full-blown regional conflict.

Portfolio Holdings →
Information about the companies held in the portfolio.

Portfolio Facts →
Contributors, detractors, characteristics, and completed transactions.

Get More Online

Insights →
View other reports.

Composite Performance

Total Return (%) — Periods Ended December 31, 2023

	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
HL Frontier Emerging Markets Equity (Gross)	5.64	12.91	1.59	3.96	2.34	1.51
HL Frontier Emerging Markets Equity (Net)	5.29	11.40	0.22	2.56	0.92	0.10
MSCI Frontier Emerging Markets Index	7.56	12.48	-1.12	1.56	0.90	-1.08

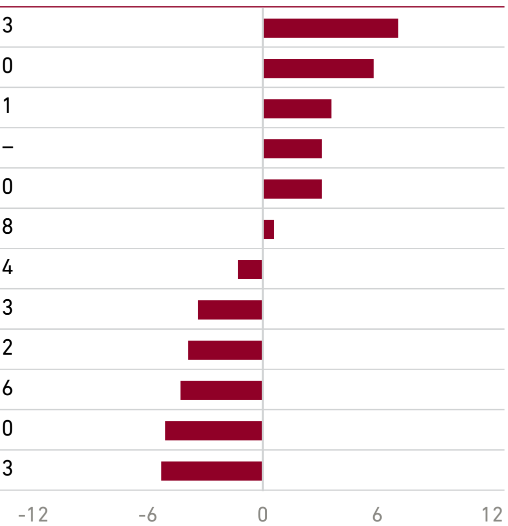
The composite performance returns shown are preliminary. Returns are annualized for periods greater than one year. Frontier Emerging Markets Equity composite inception date: May 31, 2008. MSCI Frontier Emerging Markets Index, the benchmark index, is shown gross of withholding taxes.

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)

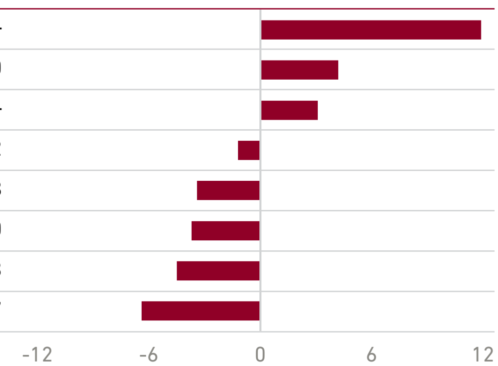
Sector	HL	Index
Info Technology	7.4	0.3
Cons Discretionary	7.8	2.0
Health Care	6.7	3.1
Cash	3.1	–
Cons Staples	10.1	7.0
Comm Services	5.4	4.8
Financials	37.1	38.4
Industrials	8.9	12.3
Energy	1.3	5.2
Materials	6.3	10.6
Real Estate	5.9	11.0
Utilities	0.0	5.3

Under / Over



Geography	HL	Index
Dev. Market Listed	11.9	–
Gulf States	8.2	4.0
Cash	3.1	–
Middle East	0.0	1.2
Latin America	11.4	14.8
Asia	39.3	43.0
Europe	17.8	22.3
Africa	8.3	14.7

Under / Over



"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.

"Dev. Market Listed": Includes companies in frontier markets or small emerging markets listed in developed markets. Current frontier markets exposure in the portfolio is 35.0% and emerging markets exposure is 50.0%. 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) rose briskly in the fourth quarter, gaining 7.6%, after the Federal Reserve hinted that interest rates may have peaked, leading investors to expect a better environment for equities. The strength was broad, with all regions increasing except for the Gulf Cooperation Council countries, where there were fears the Israel-Hamas war could escalate into a wider conflict.

Latin America and Asia contributed the most to benchmark returns this quarter. Peruvian copper miners rallied on expectations that prices will be higher next year, given that global mining companies reduced output targets and that a production disruption in Chile will keep supply constrained. In December, Chilean mining company Antofagasta acquired a 19% stake in Buenaventura, Peru's largest mining company, which also added to the region's performance. Shares of **Bancolombia** rose after the bank's third-quarter results—although soft—stood out amid significantly weaker performance by its Colombian banking peers.

MSCI FEM Index Performance (USD %)

Sector	4Q 2023	Trailing 12 Months
Communication Services	2.9	-6.0
Consumer Discretionary	12.1	11.0
Consumer Staples	0.6	-12.4
Energy	4.0	47.3
Financials	6.9	21.2
Health Care	5.7	11.2
Industrials	8.8	-0.9
Information Technology	1.0	-2.4
Materials	18.4	43.8
Real Estate	6.9	-5.0
Utilities	9.0	14.3
Geography	**4Q 2023**	**Trailing 12 Months**
Philippines	6.5	4.3
Vietnam	-0.4	5.9
Peru	23.4	36.6
Romania	12.1	43.1
Morocco	5.3	22.8
Iceland	11.3	1.5
Kazakhstan	-2.3	45.7
Colombia	16.9	15.0
Egypt	22.7	41.8
Slovenia	10.9	37.9
MSCI FEM Index	7.6	12.5

Source: FactSet, MSCI Inc. Data as of December 31, 2023.

Selected countries are the 10 largest by weight, representing 73% of the MSCI Frontier Emerging Markets index, listed in order of their weighting.

In Asia, the Philippines gained on the back of falling inflation and signals of a potential shift by the country's central bank toward a more accommodative monetary policy. Pakistan jumped after it secured an IMF commitment in mid-November to release the initial US$700 million tranche of a US$3 billion bailout package, helping stave off a sovereign-debt default.

Viewed by sector, Financials and Materials contributed the most to benchmark returns during the quarter. In Financials, Peru's **Credicorp** bounced back from depressed valuations as fears regarding the near-term disruptive impact from El Niño gave way to the appreciation of the bank's durable growth and profitability as well as expectations of higher dividend payouts in 2024. Materials owed its gains largely to the strong performance by Peruvian copper miners, as previously noted.

> The strength was broad, with all regions increasing except for the Gulf Cooperation Council countries, where there were fears the Israel-Hamas war could escalate into a wider conflict.

The price of oil, which stayed elevated for the first nine months of the year, reversed course in the fourth quarter when production cuts from the OPEC+ group failed to allay fears of a potential drop in global demand, while supply increased from higher US production. These cuts helped support the performance of oil-importing countries, particularly in Asia.

For the full year, FEMs delivered solid performance, rising 12.5%. Europe was the biggest contributor to benchmark returns, but all regions advanced, except the tiny Middle East region. Europe succeeded in averting an energy crisis stemming from the Russia-Ukraine war, as it found alternative sources of gas supplies. Kazakhstan, Romania, and Slovenia stood out as some of the top performers in the region. Kazakhstan's **Kaspi.kz** and **Halyk Savings Bank** and Romania's **Banca Transilvania** posted very strong earnings growth. Kaspi's earnings were driven by growing volumes in its e-commerce and payments businesses, while Halyk benefited from expanding net interest margins due to higher interest rates and strong fee income growth on the back of rising transaction activity from new clients it gained from Russian banks that exited Kazakhstan last year. Slovenian generic-drug maker **Krka**, which generates about a fifth of its revenue in Russia, also navigated the crisis well and delivered steady growth in its Russian operations as well as its overall business.

Viewed by sector, performance was more mixed. Financials outperformed the benchmark as most banks continued to generate solid earnings supported by higher rates, which fattened net interest margins. Materials benefited from the strength of

Companies held in the portfolio at the end of the year 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 December 31, 2023 is available on page 6 of this report.

the Peruvian copper miners. Energy was helped by higher oil prices, which were elevated for most of the year, as well as rising uranium prices, which boosted earnings and share performance of Kazatomprom, the largest supplier of uranium and a sector heavyweight. Consumer Staples was the weakest sector; companies in the Philippines and Vietnam faced weak consumer spending, which depressed top-line growth. Real Estate was dragged down by troubled Vietnamese real-estate developers.

Currency added to FEM returns for the fourth quarter, helping reduce the drag from currency effects for the full year to slightly over 1/10th of benchmark returns—significantly lower than the 2/5th in 2022.

Viewed by style, quality and growth characteristics offered no insight into performance, but valuation did: for the full year, stocks in the cheapest-valuation quintile outperformed those in the most-expensive one by 29 percentage points.

Performance and Attribution

In the fourth quarter, the Frontier Emerging Markets Portfolio rose 5.6% gross of fees, underperforming the 7.6% increase for the MSCI Frontier Emerging Markets Index. For the year, the portfolio rose 12.9% gross of fees, ahead of the 12.5% rise for the benchmark.

Viewed by sector, investments in Consumer Staples were the largest component of the portfolio's underperformance in the quarter. Vietnamese beer maker **Sabeco** experienced a slowdown in demand amid weak consumption and consumer sentiment in Vietnam. Good stocks in Information Technology (IT) helped portfolio performance. IT-services providers **Globant** and **EPAM** performed well as each announced partnerships with leading technology companies (Amazon and Microsoft, respectively) that should help increase customer demand. We discuss Globant and EPAM in depth below.

By region, investments in Asia detracted, particularly Philippine retailers **Robinsons Retail** and **Wilcon Depot**. Robinsons wrote down its equity investments in financial technology company GoTyme, and its operating earnings growth was moderated by store expansion costs, higher utility expenses, elevated fuel prices, and higher personnel costs. For Wilcon, increased price discounting on marketplaces and social media e-commerce, including China's Temu, and the increasing presence of cross-border imported houseware items from China led to heightened competition that hurt profitability. The portfolio's lack of investment in the strong Pakistani market also detracted from performance. Frontier Europe was a partial salve, as stocks in Romania and Kazakhstan helped performance. Romania's Banca Transilvania performed well as interest income rose along with the broader upswing of interest rates. Its holdings of Romanian government bonds, locked at lower fixed rates, will gradually run off and reprice upward, creating a foundation for prospective net interest margin expansion.

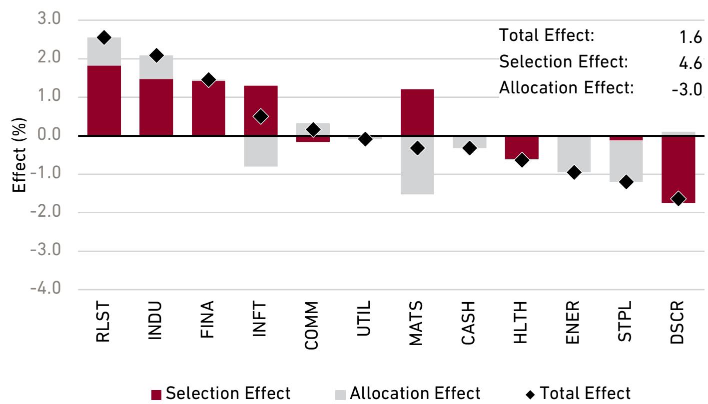
For the full year, the portfolio outperformed, with Real Estate and Industrials contributing the most. Dubai-based **Emaar Properties** performed well as demand for residential real estate there remains strong. Also, sales and administrative expenses are moderating as the company discontinues fee waivers and pays lower commission rates to real-estate agents amid strong demand. In Industrials, port operators **ICTSI** and **Marsa Maroc** each rose. The latter experienced a boost in domestic container traffic due to easing supply-chain tensions and lower sea-freight rates. Consumer Discretionary detracted the most from portfolio performance, primarily from the aforementioned Wilcon Depot.

Viewed by region, stocks of FEM companies listed in the developed markets boosted performance the most. In addition to Globant, London-listed but Lithuania-based **Baltic Classifieds** rose as it

Trailing 12 Months Performance Attribution

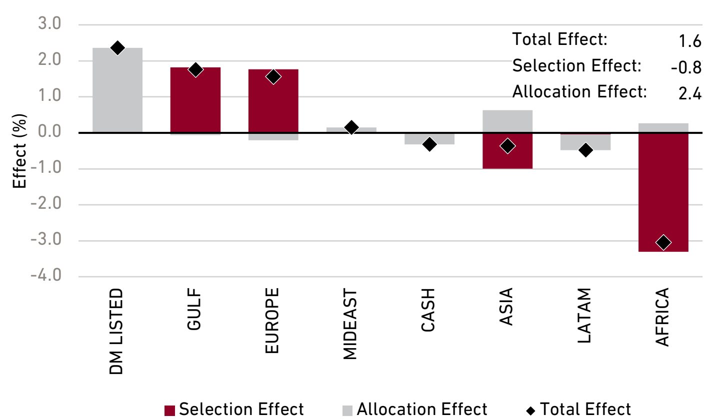
Sector

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.

continued to see solid revenue growth on the back of increasing listings and higher transaction volumes in its autos and real-estate classifieds portals. Dubai-based payment processor Network International, which earlier this year agreed to be acquired by private-equity firm Brookfield at a significant premium to its pre-deal share price, also added to our returns.

> Baltic Classifieds rose as it continued to see solid revenue growth on the back of increasing listings and higher transaction volumes in its autos and real-estate classifieds portals.

Africa detracted the most from relative performance primarily due to poor stocks in Egypt. Locally listed shares of **Commercial International Bank (CIB)**, included in the benchmark, rose sharply as the bank delivered robust earnings, supported by higher net interest margins, rising fee income, and good cost control. The London-listed, dollar-denominated CIB GDRs, held in our portfolio, underperformed local shares since their pricing reflects a parallel market exchange rate of the Egyptian pound to the US dollar, which is significantly below the current official rate.

Perspective and Outlook

The IT services industry traces its roots to the earliest days of computers being used in business. But half a century ago, before the PC revolution, not every company needed sophisticated and tailored computer networks. It's totally different today. Large and small companies alike rely on computers, the internet, and cloud services for everything from accounting to sales. The complexity of web- and cloud-based systems has dramatically increased the demand for IT services. Moreover, internet and cloud-based computing means IT-services firms and their corporate clients don't need to be in the same physical space.

The rise of complex computing architectures coupled with companies' desire to embed new technologies across every part of their organizations has spawned a nascent breed of digitally native IT-services providers, including our portfolio holdings EPAM and Globant. These relative newcomers—they hit their 30th and 20th anniversaries in 2023, respectively—have seized upon the unique opportunities provided by the internet. They can operate from anywhere and aren't limited to customers in any specific location.

The two companies share some important advantages. First, the cross-border nature of their businesses mirrors the cross-border nature of the internet. Two partners from Belarus started EPAM, while four Argentines created Globant. Their founding in areas far from traditional technology hot-beds such as Silicon Valley allowed these companies to tap into large pools of well-educated and cost-competitive engineering talent. EPAM traditionally recruited and hired in former Soviet republics, particularly Russia, Ukraine, and Belarus, where it partnered with local universities known for topflight STEM programs to source computer-science talent. Globant's base is in Latin America, where 70% of its engineers work and where average salaries are 60% lower than in the US, according to some estimates. The ability to offer clients top-notch talent at lower prices is a competitive advantage.

Second, because of their youth, they do not have to worry about cannibalizing revenues by supporting legacy products centered around outdated software architecture, as many longer-standing companies such as Tata Consultancy Services and Infosys must. That gives them the freedom to pursue emerging technologies such as mobility, cloud computing, big-data analytics, AI, and software-as-a-service that are increasingly demanded by corporate customers.

Finally, legacy-system integrators predominantly focused their businesses on automating back-office processes and reducing operational costs. Globant and EPAM, in contrast, extended their reach throughout the entire enterprise and help companies digitize everything from product development to marketing to sales. For this reason, spending on digital transformation projects, as these are known, is not restricted to just technology budgets. These projects tend to be more strategic, larger in scope, and involve decision makers from multiple departments.

Because of those advantages, the growth of both Globant and EPAM (whose revenue rose 14- and 11-fold, respectively, over the past 10 years) have significantly outpaced the broader IT-services industry. The sudden shift to remote work during the COVID-19 pandemic underscored the critical importance of IT infrastructure as companies rushed to support remote operations and ensure business continuity. This gave Globant and EPAM a further boost: from 2020 to 2022, Globant's revenue expanded by 48% each year, on average, while EPAM's revenue expanded by 35% on average.

> The sudden shift to remote work during the COVID-19 pandemic underscored the critical importance of IT infrastructure as companies rushed to support remote operations and ensure business continuity.

For EPAM, that growth was achieved despite the turmoil in which the company found itself when Russia invaded Ukraine in early 2022. With roughly 60% of its 50,000 engineers based in Russia, Ukraine, and Belarus, EPAM faced daunting operational challenges. It had to move Ukraine-based employees to safety, wind down operations in Russia to comply with Western sanctions, and relocate tens of thousands of Russian employees to other countries while ensuring uninterrupted project execution for customers. EPAM leaned on its strong engineering capabilities to face these challenges head-on. Using its in-house Telescope platform, EPAM built applications with similar functionality to Uber and Airbnb to coordinate transportation and housing of employees and their families, while its crowdsourcing PlusEPAM application was used to direct volunteering efforts.

In the meantime, the company continued to diversify its employee base, ramping up hiring in Central Europe, India, and

Latin America. By September 2023, nearly three-quarters of its employees were operating outside of Russia, Ukraine, and Belarus and the company was able to retain the vast majority of its customers.

The environment got tougher for both EPAM and Globant in 2023 as rising inflation, higher interest rates, and economic uncertainty took a toll on many industries, including IT services. Customers became more cautious, reducing budgets and prioritizing only the most vital projects. Despite the current challenging economic backdrop, growth is still projected for worldwide IT services spending: it is expected to rise at an average rate of 10.2% per year, reaching $1.6 trillion by 2024. Increasing portions of this spending will be directed toward new technologies such as AI and to regions that have lagged historically, such as Latin America. Both companies are positioned well to capitalize on those opportunities.

Latin America accounts for just 6% of the global IT-services market but is expected to stand out in terms of growth: IDC forecasts the IT market will reach $92 billion by 2025, up from $73 billion in 2023, a roughly 12% average annual growth rate. There are relatively few technology professionals in the region: estimates are that there are 1.2 million developers in Latin America or just under 4% of total developers worldwide. Governments of Latin American countries have been funding educational programs to enhance local skills to effectively compete with other IT outsourcing centers. Moreover, the rise of tech start-ups and VC investments in the region over the past few years has stimulated interest in technology among students, laying the foundation for a larger supply of tech talent ahead.

Attractive cost structure, similar time zone to the US, and the trend toward "friend-shoring" are the main reasons why more and more technology and IT-services companies are setting up shop in Latin America. Globant enjoyed an early head start in the region. In 2022, the company generated 23% of its revenue from Latin American customers, while the comparable figure for the industry stands at just 2%. Greater exposure to the region, especially in the banking sector where technology spending has remained strong, helped Globant post higher revenue growth compared with peers in the challenging year of 2023.

Another important area of focus for both firms is AI, which promises to spark pervasive changes to how computer networks are created and operate.

EPAM and Globant have worked with various AI applications for several years and used them internally to help their engineers learn and code faster, as well as in staffing and managing employees. Both companies are mapping out plans to integrate AI into their customers' systems and workflows. Globant already scored some early wins such as a project for the asset management subsidiary of Allianz Bank in Italy. Globant designed an AI-based application to enhance the operational efficiency of Allianz's 2,000 financial advisors. EPAM, for its part, has been experimenting with thousands of AI-use cases since 2021; these efforts led to the development of advanced AI tools designed to streamline and simplify complex enterprise applications, which it expects to roll out to its customers in 2024 and beyond.

Globant and EPAM's deep understanding of customer requirements and end markets, proficiency with cutting-edge technologies, and the ability to deliver projects on time and on budget have catapulted the companies from small entrepreneurial start-ups in unlikely places to the big leagues with billions in revenue, tens of thousands of employees, and marquee clients such as Walt Disney and Southwest Airlines. Today, they are trusted partners upon whom their customers depend for their most critical IT projects. Time and again, they've demonstrated an ability to win new clients and expand their relationships with existing ones, benefiting from successive waves of technological innovation. It is this proven track record of growth and success that makes them core holdings in our portfolio.

Portfolio Highlights

In the fourth quarter, we sold two positions, trimmed one, and established two new ones. One of the sales was Marel, an Iceland-based manufacturer of food-processing equipment. We exited when the company received a takeover offer from JBT Industries, valuing its shares at a nearly 50% premium to the pre-bid market price and above our analyst's estimate of fair value. We also sold our position in Thai home-improvement chain Home Product Center due to growth concerns. HomePro experienced decelerating same-store sales growth despite rebounding consumer confidence in Thailand and rising home prices. Management has scaled back rollout plans for its newer Mega Home stores, citing challenges in securing appropriate locations, casting doubt on the growth prospects for this big-box store format. We also reduced our long-standing position in Dubai-based property developer Emaar Properties. We deemed it prudent to do so in case the Israel-Hamas war should escalate into a full-blown regional conflict, which could hurt demand for real estate in the UAE.

We acquired shares in **Bumrungrad Hospital**, the leading private hospital operator in Thailand. Bumrungrad, founded more than 40 years ago, has built a reputation for excellence among patients and doctors for treating complicated diseases. Bumrungrad focuses on the premium segment, serving affluent, upper-middle-class Thai and expatriate patients. Through its extensive overseas referral network, comprising 73 offices in 27 countries, the hospital attracts patients who are seeking high-quality medical care that is unavailable or unaffordable in their home country. About two-thirds of Bumrungrad's revenue is earned from patients who pay cash out of pocket, giving it better pricing power compared with peer hospitals that rely more on insurance and government payors.

Bumrungrad is highly regarded among doctors who are attracted by the prospect of higher earnings from treating patients who require extensive medical procedures. Given a shortage of doctors in Thailand, this serves as an additional differentiator for Bumrungrad and limits competition. Bumrungrad has seen a strong rebound in revenue and profits after the Thai government lifted COVID-19-related restrictions in mid-2022 and made it easier for visitors, including medical tourists, to enter the country. The company is expanding its main hospital in Bangkok and constructing a new one in Phuket. The construction will add 45% to its in-patient bed capacity in the next few years and support its medium-term growth.

> Bumrungrad, founded more than 40 years ago, has built a reputation for excellence among patients and doctors for treating complicated diseases.

The other new position established this quarter was **Alfamart**, Indonesia's largest grocery retailer. Alfamart's core minimart outlets are typically under 200 square meters and carry fresh fruits and vegetables, staple goods, and some frozen items, aiming to provide consumers with essential daily needs in convenient locations.

Grocery retail in Indonesia is still dominated by traditional mom-and-pop stores, known as "warungs," which comprise approximately 75% of the total market. The remaining 25% is "modern trade," including minimarts, supermarkets, and hypermarkets. Within modern trade, minimarts have been consistently taking share away from other formats over the past decade. Today, minimarts account for about three-quarters of the modern trade, and the two largest minimart chains—Alfamart and Indomaret—tower above the rest with combined market share of about 90%, split roughly equally between the two.

This scale is a source of significant competitive advantage for Alfamart: it negotiates directly with suppliers, bypassing multiple distribution layers, and passes some of the resultant cost savings on to customers. In Indonesia, supply-chain infrastructure is often lacking, especially outside of Java and major cities. Alfamart's well-developed in-house logistics, which allow it to source thousands of products from more than 1,600 suppliers and move them through a network of warehouses and depots to roughly 21,000 stores spread across Indonesia, is another source of competitive advantage.

Despite a decade of rapid expansion, Indonesia's modern grocery retail remains underpenetrated compared with peers such as Thailand and Malaysia. Rising urbanization, higher incomes, and increasing consumer demand for cleanliness and traceability of food products are all conducive to the continued growth of modern retail. Alfamart should be a major part of this growth: the company plans to open more than 1,500 stores annually the next few years, especially in less-penetrated areas outside of the Jakarta region. With a net cash balance sheet and strong profitability, Alfamart is able to fund this expansion entirely from internally generated cash flow.

As previously announced, this quarter Sergey Dubin, CFA, joined Babatunde Ojo, CFA, as a new co-lead portfolio manager on our Frontier Emerging Markets Equity strategy. Sergey has run a "paper" model as a portfolio manager on the FEM team since January 2022. The leadership transition resulted in no material change to the portfolio's quality growth characteristics and only modest turnover, approximately 7% of the portfolio by value.

Frontier Emerging Markets 10 Largest Holdings (as of December 31, 2023)

Company	Market	Sector	End Wt. (%)
Banca Transilvania (Commercial bank)	Romania	Financials	4.6
Globant (Software developer)	United States	Info Technology	4.6
Credicorp (Commercial bank)	Peru	Financials	4.5
Kaspi.kz (Banking and financial services)	Kazakhstan	Financials	4.2
Vietcombank (Commercial bank)	Vietnam	Financials	3.7
Halyk Savings Bank (Commercial bank)	Kazakhstan	Financials	3.7
SM Prime Holdings (Real estate developer)	Philippines	Real Estate	3.7
Cementos Argos (Construction materials producer)	Colombia	Materials	3.3
ICTSI (Container-terminal operator)	Philippines	Industrials	3.1
Hoa Phat Group (Steel producer)	Vietnam	Materials	2.9

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.

4Q23 Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Cementos Argos	MATS	2.6	–	0.73
Globant	INFT	4.2	–	0.51
Banca Transilvania	FINA	4.5	1.8	0.31
Baltic Classifieds	COMM	1.5	–	0.27
Kazatomprom*	ENER	–	1.5	0.24

Last 12 Mos. Contributors to Relative Return (%)

Largest Contributors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Cementos Argos	MATS	1.2	–	1.59
Globant	INFT	3.9	–	1.13
Halyk Savings Bank	FINA	3.4	0.7	1.07
Emaar Properties	RLST	4.0	–	1.06
Network International	FINA	0.7	–	0.81

4Q23 Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Commercial International Bank	FINA	2.6	3.2	-0.77
Minas Buenaventura*	MATS	–	1.2	-0.73
Emaar Properties	RLST	2.8	–	-0.61
Vietcombank	FINA	4.2	1.1	-0.52
Sabeco	STPL	1.8	0.2	-0.38

Last 12 Mos. Detractors from Relative Return (%)

Largest Detractors	Sector	Avg. Weight HL	Avg. Weight Index	Effect
Wilcon Depot	DSCR	3.0	–	-1.57
Southern Copper*	MATS	–	4.0	-1.29
Minas Buenaventura*	MATS	–	1.1	-0.92
Sabeco	STPL	2.4	0.3	-0.91
Commercial International Bank	FINA	3.1	2.9	-0.85

*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] (%)	20.7	20.2
Return on Assets[1] (%)	6.1	4.8
Return on Equity[1] (%)	18.1	13.8
Debt/Equity Ratio[1] (%)	54.6	85.6
Std. Dev. of 5 Year ROE[1] (%)	3.6	4.2
Sales Growth[1,2] (%)	8.7	6.8
Earnings Growth[1,2] (%)	10.4	8.9
Cash Flow Growth[1,2] (%)	12.9	7.2
Dividend Growth[1,2] (%)	4.0	3.6
Size and Turnover	**HL**	**Index**
Wtd. Median Mkt. Cap. (US $B)	6.7	5.2
Wtd. Avg. Mkt. Cap. (US $B)	10.5	8.6
Turnover[3] (Annual %)	19.2	–

Risk and Valuation	HL	Index
Alpha[2] (%)	2.52	–
Beta[2]	0.94	–
R-Squared[2]	0.92	–
Active Share[3] (%)	61	–
Standard Deviation[2] (%)	18.68	18.98
Sharpe Ratio[2]	0.11	-0.02
Tracking Error[2] (%)	5.4	–
Information Ratio[2]	0.45	–
Up/Down Capture[2]	97/90	–
Price/Earnings[4]	10.9	11.0
Price/Cash Flow[4]	10.5	8.4
Price/Book[4]	1.9	1.6
Dividend Yield[5] (%)	3.6	3.6

[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: January 5, 2024) based on the latest available data in FactSet on this date.), MSCI Inc.

Completed Portfolio Transactions

Positions Established	Market	Sector
Alfamart	Indonesia	STPL
Bumrungrad Hospital	Thailand	HLTH

Positions Sold	Market	Sector
Home Product Center	Thailand	DSCR
Marel	Iceland	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 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 December 31, 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[4]	12.91	11.40	12.48	14.35	16.21	N.M.	1	129	43,926
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 performance returns and assets shown are preliminary. 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 September 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.