



## Harding Loevner Institutional Emerging Markets Portfolio

Institutional | HLMEX

Institutional Class Z | HLEZX

June 2020

# Harding Loevner Institutional Emerging Markets Portfolio

## QUARTERLY PERFORMANCE (%) AND EXPENSE RATIOS as of 06/30/2020

	Inception Date	1 Mo.	Previous Quarter	YTD	1 Year	3 Years	5 years	10 Years	Life of Fund	Gross/Net Expense Ratio (%)
Institutional Share Class (HLMEX)	10/17/2005	7.08	17.50	-14.97	-7.88	-0.45	2.57	4.29	5.77	1.27/1.27
Institutional Class Z Share Class (HLEZX)	03/05/2014	7.07	17.54	-14.91	-7.71	-0.28	2.75	-	2.59	1.19/1.11
MSCI Emerging Markets Index	-	7.35	18.08	-9.78	-3.39	1.90	2.86	3.27	5.71 <sup>1</sup>	

*The performance data shown represents past performance. Past performance is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance information through the most recent month end please call 800.835.3879 or visit our website at amgfunds.com. From time to time, the advisor has waived fees or reimbursed expenses, which may have resulted in higher returns. The listed returns of the Fund are net of expenses, and the returns of the indices exclude expenses.*

The Fund's Investment Manager has contractually agreed, through at least February 28, 2021, to limit fund operating expenses. The net expense ratio reflects this limitation, while the gross expense ratio does not. Please refer to the Fund's prospectus for additional information on the Fund's expenses.

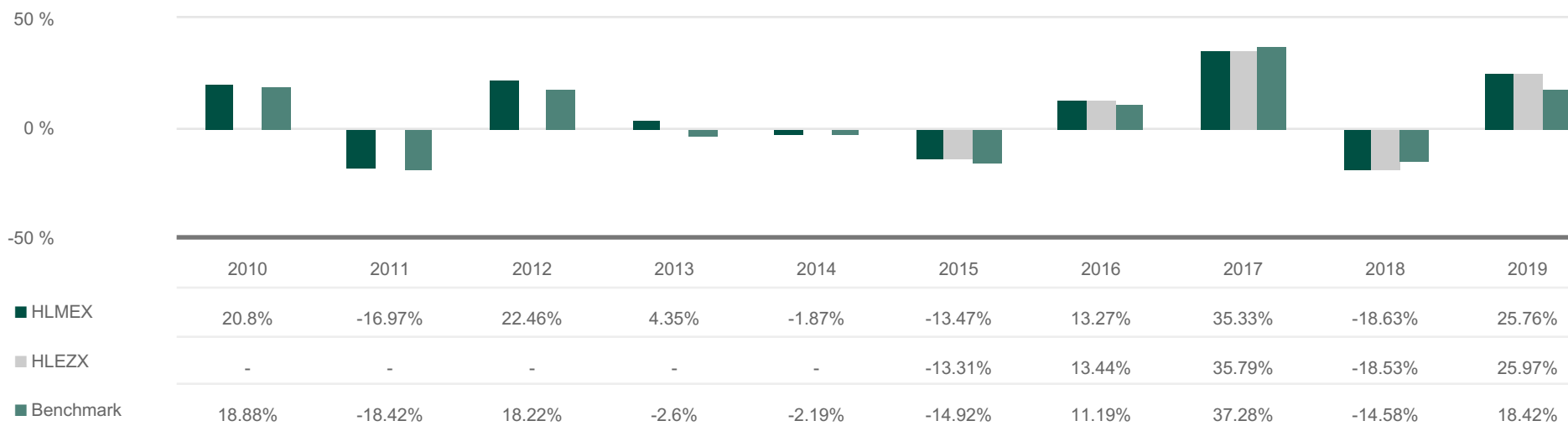
<sup>1</sup>Since the inception of the Class Institutional shares on 10/17/2005.

See DISCLOSURE and GLOSSARY sections at the back for important information.



# Harding Loevner Institutional Emerging Markets Portfolio

## CALENDAR YEAR RETURNS Previous 10 years ending 12/31/2019



Share Class Institutional (HLMEX) Share Class Institutional Class Z (HLEZX)

Benchmark: MSCI Emerging Markets Index

See DISCLOSURE and GLOSSARY sections at the back for important information.

# Harding Loevner Institutional Emerging Markets Portfolio

## RISK REWARD STATISTICS – HLMEX

Benchmark: MSCI Emerging Markets Index

	3 Years		5 Years		10 Years	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Alpha	-2.14	—	-0.16	—	1.18	—
Standard Deviation	20.25	18.26	18.53	17.71	17.65	17.81
Sharpe Ratio	-0.11	0.01	0.08	0.10	0.21	0.15
Information Ratio	-0.47	—	-0.06	—	0.22	—
Treynor Ratio (%)	-2.02	—	1.40	—	3.84	—
Upside Capture Ratio (%)	100.23	—	98.87	—	92.07	—
Downside Capture Ratio (%)	106.61	—	100.29	—	97.67	—
Beta	1.08	—	1.02	—	0.96	—
R-Squared	94.47	—	94.16	—	93.39	—
Tracking Error (%)	4.97	—	4.49	—	4.60	—
Max Drawdown	-30.92	-28.65	-30.92	-28.65	-30.92	-30.63

As of: 06/30/2020











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# Harding Loevner Institutional Emerging Markets Portfolio

## TOP 10 INDUSTRIES VS BENCHMARK



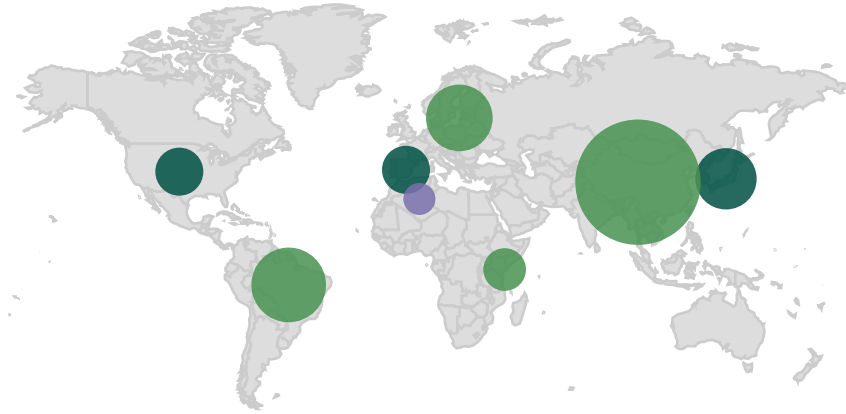
Industry	Fund	MSCI Emerging Markets Index
 Banks	15.25%	12.94%
 Interactive Media & Services	9.32%	8.04%
 Semiconductors & Semiconductor Equipment	6.10%	6.89%
 Internet & Direct Marketing Retail	5.48%	11.53%
 Technology Hardware, Storage & Peripherals	5.39%	5.36%
 Oil, Gas & Consumable Fuels	5.06%	5.86%
 Beverages	4.94%	1.33%
 Insurance	4.84%	3.38%
 Electronic Equipment, Instruments & Components	4.75%	2.53%
 IT Services	4.59%	1.52%
<b>% in Top 10 Industries</b>	<b>65.72%</b>	<b>59.38%</b>

As of: 06/30/2020

Portfolio holdings are subject to change at any time.

# Harding Loevner Institutional Emerging Markets Portfolio

## REGIONAL ALLOCATION



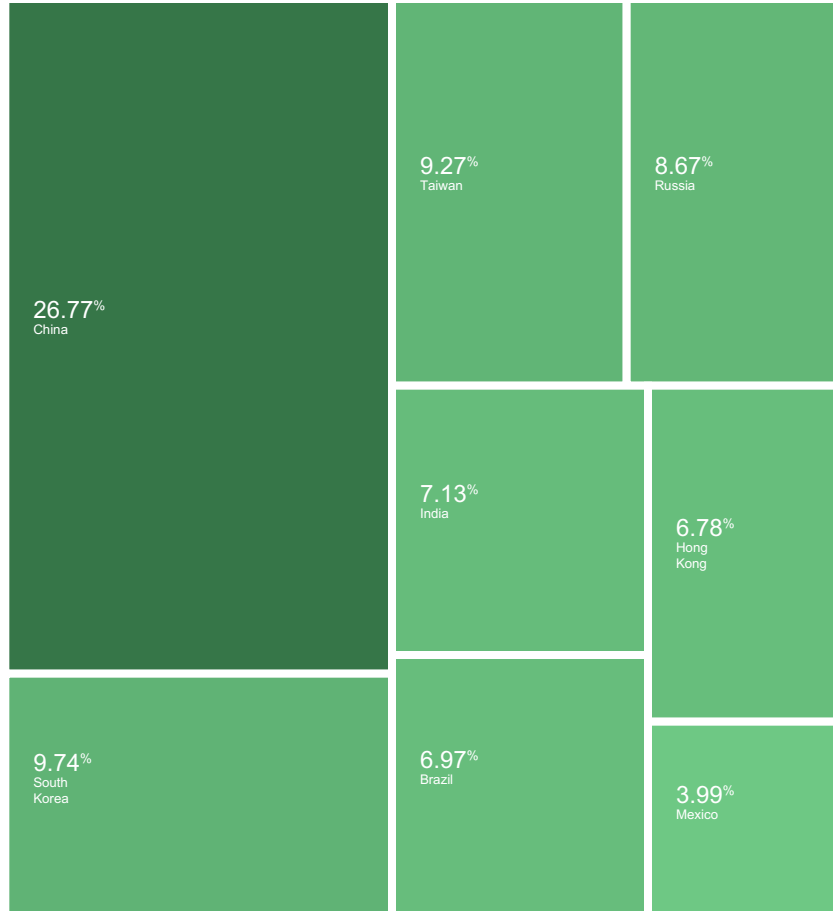
Region	Fund	MSCI Emerging Markets Index
<b>Developed</b>	<b>12.60%</b>	<b>0.00%</b>
Europe & Middle East	2.83%	0.00%
North America	2.99%	0.00%
Pacific	6.78%	0.00%
<b>Emerging</b>	<b>80.86%</b>	<b>100.00%</b>
Asia	56.61%	79.21%
Latin America	12.90%	8.02%
Europe & Middle East	9.29%	8.89%
Africa	2.07%	3.88%
<b>Frontier</b>	<b>1.29%</b>	<b>0.00%</b>
Africa	1.29%	0.00%
Asia	0.00%	0.00%
Europe	0.00%	0.00%
Latin America	0.00%	0.00%
Middle East	0.00%	0.00%
<b>Cash &amp; Other</b>	<b>5.26%</b>	<b>0.00%</b>

As of: 06/30/2020

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# Harding Loevner Institutional Emerging Markets Portfolio

## COUNTRY ALLOCATION



Country	Fund	MSCI Emerging Markets Index
China	26.77%	40.95%
South Korea	9.74%	11.61%
Taiwan	9.27%	12.28%
Russia	8.67%	3.23%
India	7.13%	8.02%
Brazil	6.97%	5.14%
Hong Kong	6.78%	0.00%
Mexico	3.99%	1.73%
United States	2.99%	0.00%
Indonesia	2.79%	1.47%
United Kingdom	2.19%	0.00%
South Africa	1.34%	3.76%
Kenya	1.29%	0.00%
Peru	0.96%	0.25%
Thailand	0.91%	2.27%
<b>% in Top 15 Countries</b>	<b>91.79%</b>	<b>90.71%</b>

As of: 06/30/2020

Portfolio holdings are subject to change at any time.

# Harding Loevner Institutional Emerging Markets Portfolio

## PORTFOLIO CHARACTERISTICS (EQUITY)

Holdings	Fund	MSCI Emerging Markets Index
Fund Assets (Mil.\$)	\$5,150	
Number of Holdings	72	1,385
Weighted Avg. Market Cap (Mil.\$)	\$120,976	\$137,512
Median Market Cap (Mil.\$)	\$32,034	\$31,407
Weighted Avg. P/E (1-yr Forward EPS)	NA	NA
Weighted Avg. P/E (Trailing EPS)	16.36	14.55
PEG Ratio	NA	NA
Weighted Avg. P/B	2.60	1.86
EPS Growth (Trailing 3-yr %)	NA	NA
EPS Growth (Trailing 5-yr %)	11.67%	9.08%
Forward EPS Growth (1-yr %)	NA	NA
Forward EPS Growth (Long Term %)	NA	NA
Revenue Growth (Trailing 5-yr %)	7.41%	6.58%
Return on Equity	19.53%	14.42%
Weighted Avg. Dividend Yield	2.54%	2.64%
Debt to Equity	37.16	47.60
Trailing 12-Months Portfolio Turnover	16%	

As of: 06/30/2020

See DISCLOSURE and GLOSSARY sections at the back for important information.





# Harding Loevner Institutional Emerging Markets Portfolio

## TOP HOLDINGS (EQUITY)

As of: 06/30/2020

Tencent	6.11%
TSMC	5.39%
Samsung Electronics	5.39%
Alibaba	4.89%
EPAM Systems	2.99%
AIA Group	2.73%
LG Household & Health Care	2.69%
Lukoil	2.51%
Sberbank	2.20%
HDFC Corp	2.15%
<b>% in Top 10 Holdings</b>	<b>37.05%</b>

## TOP 10 CONTRIBUTORS

As of: 06/30/2020

Fund Holdings	Avg. Weight	Total Return
Tencent Holdings Ltd.	5.54%	31.53%
Taiwan Semiconductor Manufacturing Co., Ltd.	5.53%	17.87%
EPAM Systems, Inc.	2.77%	35.74%
Oil Co. LUKOIL PJSC	2.55%	25.46%
Yandex NV	1.69%	46.90%
Samsung Electronics Co., Ltd.	5.40%	12.10%
Techtronic Industries Co., Ltd.	1.48%	52.00%
LG Household & Health Care Ltd	2.82%	21.83%
Alibaba Group Holding Ltd.	5.02%	10.91%
NOVATEK JSC	2.11%	25.24%

## TOP 10 DETRACTORS

As of: 06/30/2020

Fund Holdings	Avg. Weight	Total Return
Credicorp Ltd.	1.10%	-0.61%
Amorepacific Corp.	0.86%	0.77%
Companhia Brasileira de Distribuicao	0.34%	4.63%
East African Breweries Limited	0.21%	7.27%
Wal-Mart de Mexico SAB de CV	1.20%	0.98%
Kotak Mahindra Bank Limited	1.32%	4.80%
Bank of Georgia Group Plc	0.19%	16.51%
HANKOOK TIRE & TECHNOLOGY Co., Ltd.	0.07%	15.71%
Banco Santander-Chile	0.30%	10.78%
Autohome, Inc.	0.43%	7.41%

Portfolio holdings and characteristics are subject to change at any time.

The Top 10 Contributors and Top 10 Detractors are determined based on the stock's contribution to the Fund's return during the specified quarter.



# Harding Loevner Institutional Emerging Markets Portfolio

## MARKET CAP

Market Cap	Fund	MSCI Emerging Markets Index
Market Cap (\$mm) 0 - 1,000	0.20%	0.05%
Market Cap (\$mm) 1,000 - 1,500	0.20%	0.39%
Market Cap (\$mm) 1,500 - 2,500	0.84%	2.51%
Market Cap (\$mm) 2,500 - 5,000	7.24%	9.21%
Market Cap (\$mm) 5,000 - 10,000	10.82%	14.49%
Market Cap (\$mm) 10,000 - 25,000	24.93%	20.19%
Market Cap (\$mm) 25,000 - 50,000	18.58%	13.51%
Market Cap (\$mm) 50,000 - 100,000	7.62%	9.05%
Market Cap (\$mm) 100,000 - 200,000	5.99%	6.06%
Market Cap (\$mm) 200,000 -	22.61%	24.53%
Market Cap – NA	0.97%	0.00%

As of: 06/30/2020

# Harding Loevner Institutional Emerging Markets Portfolio

## DISCLOSURE

The Portfolio's investment objectives, risks, charges and expenses must be read and considered carefully before investing. The statutory and summary Prospectuses contain this and other important information about the investment company. They may be obtained by calling toll free 877.435.8105, or visiting [hardingloevnerfunds.com](http://hardingloevnerfunds.com).

The Portfolio invests in foreign securities, which will involve greater volatility and political, economic, and currency risks and differences in accounting methods. It also invests in emerging & frontier markets, which involve unique risks, such as exposure to economies less diverse and mature than the U.S. or other more established foreign markets. Economic and political instability may cause larger price changes in emerging & frontier markets securities than other foreign securities. Investing in participation notes involve the same risks associated with a direct investment in the underlying security, currency or market.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Please go to [msci.com](http://msci.com) for most current list of countries represented by the index.

Unlike the Portfolio, the Index is unmanaged, is not available for investment and does not incur expenses.

All holdings and sector/region allocations are subject to review and adjustment in accordance with the Portfolio's investment strategy and may vary in the future, and should not be considered recommendations to buy or sell any security. The Portfolio is actively managed; therefore holdings may not be current.

The Portfolio is distributed by Quasar Distributors, LLC. AMG Distributors, Inc. provides support on a wholesale basis related to making the Harding Loevner Funds available through various intermediaries. Quasar Distributors, LLC is not affiliated with AMG Funds LLC or AMG Distributors, Inc.

Market Risk—Market prices of investments held by the Fund may fall rapidly or unpredictably due to a variety of economic or political factors, market conditions, disasters or public health issues, or in response to events that affect particular industries or companies.

## GLOSSARY

### Adjustable Coupon

A bond with floating coupon payments that are adjusted at specific intervals. The bond is payable to the bondholder upon demand following an interest rate change. Generally, the current money market rate is what is used to set the interest rate, plus or minus a set percentage.



# Harding Loevner Institutional Emerging Markets Portfolio

## Alpha

Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a security or mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the security or fund relative to the return of the benchmark index is a fund's alpha.

## Average Credit Quality

Average credit quality is determined by taking the higher of the S&P and Moody's credit rating of each rated Fund security, and then calculating a weighted average credit quality (highest - AAA, lowest - D). Unrated Fund securities are not included. Average credit quality applies to the Fund's underlying securities and not the Fund itself.

## Average Effective Duration

Average Effective Duration measures the expected volatility of a bond fund in response to interest rate fluctuations.

## Average maturity

Average maturity is used for taxable fixed-income instruments and is a weighted average of all the maturities of the bonds in a portfolio. It is computed by weighting each maturity date (the date the security comes due) by the market value of the security. Average effective maturity takes into consideration all mortgage prepayments, puts, and adjustable rate coupons, but does not account for call provisions. Longer-maturity generally means that the portfolio is more interest-rate sensitive than its shorter counterparts.

## Beta

Beta, which is a component of Modern Portfolio Theory, measures a portfolio's sensitivity to market movements. Specifically, it measures the relationship between the portfolio's excess return over T-bills (representing a risk-free rate) relative to the excess return of the portfolio's benchmark. By definition, the beta of the benchmark is 1.00. Accordingly, a portfolio with a 1.10 beta has performed 10% better than its benchmark index - after deducting the T-bill rate - than the index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the portfolio has performed 15% worse than the index in up markets and 15% better in down markets. A low beta does not imply that the portfolio has a low level of volatility; rather, a low beta means that the portfolio's market-related risk is low. Beta is often referred to as systematic risk.

## Convexity

Convexity measures the deviation of a bond's price/yield curve from a straight line; that is, convexity measures the degree of curvature of the price/yield relationship. This figure, used in conjunction with duration, provides a more accurate approximation of the percentage price change resulting from a specified change in a bond's yield.

## Current Yield

Where available, this figure is calculated as the asset-weighted sum of each underlying security's coupon divided by the current price. For Barclays Bond Indices, the current yield is calculated as the average coupon divided by the average current price.

## Debt to Equity

Debt to Equity is used to evaluate a company's financial leverage calculated by dividing total debt by total equity. For a fund it is the weighted average debt to equity ratio of portfolio holdings.

# Harding Loevner Institutional Emerging Markets Portfolio

## **Downside Capture**

The downside capture ratio measures a manager's performance in down markets relative to a particular benchmark. A down market is one in which the market's quarterly (or monthly) return is less than zero. For example, a ratio of 50% means that the portfolio's value fell half as much as its benchmark index during down markets.

## **Earnings Per Share (EPS)**

Earnings Per Share (EPS) is a company's profits per share of common stock.

## **Forward EPS Growth Expectations**

Forward EPS Growth Expectations is the growth rate of future earnings per share (EPS) measured by combining the estimates of the analysts covering a public company

## **Information Ratio**

Information ratio is a ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR, the more consistent a manager is, and consistency is an ideal trait.

## **Market Capitalization**

This figure represents the current stock-market value of a company's equity. It is calculated as the current share price times the number of shares outstanding as of the most recent quarter.

## **Max Drawdown**

Max Drawdown is the largest decline in value from the peak to trough for the period shown.

## **Modified Duration**

Modified Duration is the name given to the price sensitivity and is the percentage change in price for a unit change in yield.

## **PEG Ratio**

The PEG Ratio is equal to the Price/Earnings ratio divided by the projected EPS growth.

## **Portfolio Turnover**

Portfolio turnover is a measure of how much buying and selling of securities a portfolio does during a particular period. A turnover of 100 percent means the portfolio has sold the equivalent of every security in its portfolio and replaced it with something else over a set period, usually one year.

## **Price/Book**

Price/book (or P/B) ratio is calculated by dividing the market price of a company's outstanding stock by its book value (total assets of a company less liabilities) and then adjusting for the number of shares outstanding. Stocks with negative book values are usually excluded from this calculation. To compute a portfolio's average P/B, each holding is weighted by the percentage of equity assets it represents, so that larger positions have proportionately greater influence on the final P/B.

# Harding Loevner Institutional Emerging Markets Portfolio

## **Price/Earnings Ratio (P/E)**

Price/earnings (or P/E) ratio is a comparison of a company's closing stock price and its trailing 12-month earnings per share or forward estimated earnings per share, as applicable.

## **R-Squared**

R-squared ranges from 0 to 100 and reflects the percentage of a portfolio's movements that are explained by movements in its benchmark index. A portfolio with an R-squared of 100 means that all movement is completely explained by benchmark index movement. Thus, a portfolio that invests only in S&P 500 stocks will have an R-squared very close to 100. Conversely, a low R-squared indicates that very little of the portfolio's movement is explained by benchmark movement. An R-squared measure of 35, for example, means that movements in its benchmark index can explain only 35% of the portfolio's movements. R-squared is used to ascertain the significance of a particular beta or alpha and generally a higher R-squared will indicate more useful alpha and beta figures.

## **Return on Equity (ROE) (definition for stocks)**

ROE is the percentage a company earns on its total equity in a given year. A common way to calculate this ratio is to divide debt-free net income by average total equity. ROE shows how much profit a company generates on the money shareholders have invested in the firm.

## **SEC 30-Day Yield**

The SEC yield is a standardized calculation method prescribed by the SEC for fairer comparisons of quoted yields. The calculation represents net income for the most recent 30-day period, which is annualized and shown as a percentage.

## **Sharpe Ratio**

The Sharpe ratio is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historical risk-adjusted performance.

## **Standard Deviation**

Annualized standard deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance.

## **Step Coupon Bond**

A step coupon bond is a bond with a coupon that increases ("steps up") periodically.

## **Tracking Error**

Tracking error measures the standard deviation of the excess returns a portfolio generates compared to its benchmark. If a manager tracks a benchmark closely, then tracking error will be low. If a manager tracks a benchmark perfectly, then tracking error will be zero.

## **Trailing 5-Year Revenue Growth**

The average growth rate of a company's total sales over the previous five years.

# Harding Loevner Institutional Emerging Markets Portfolio

## **Treynor Ratio**

Treynor Ratio, which was developed by Jack Treynor, measures reward per unit of beta risk. It measures returns earned in excess of that which could have been earned on a less risk investment per each unit of market risk. The Treynor Ratio relates the difference between the portfolio return and the risk-free rate to the portfolio beta for a given time period.

## **Upside Capture**

The upside capture ratio is a measure of a manager's performance in up markets relative to a particular benchmark. An up market is one in which the market's quarterly (or monthly) return is greater than or equal to zero. For example, a ratio of 50% means that the portfolio's value increased half as much as its benchmark index during up markets.

## **Weighted Average Dividend Yield**

For each holding in the portfolio, dividend yield is the total dividends paid over the trailing 12 months relative to the current share price. The weighted average is calculated by measuring each company's dividend yield in proportion to the size of the holding in the portfolio.

## **Weighted Average Life (WAL)**

Weighted average life (WAL) is the average length of time that each dollar of unpaid principal on a loan, a mortgage or an amortizing bond remains outstanding. WAL indicates how many years it will take to receive half the amount of the outstanding principal. The time weightings are based on the principal pay downs, i.e., the years with more principal payments will have a higher weight.

## **Yield to Maturity (YTM)**

YTM is the percentage rate of return earned on a bond, note or other fixed income security if you buy and hold it to its maturity date. The calculation for YTM is based on the coupon rate, length of time to maturity and market price. It assumes that coupon interest paid over the life of the bond will be reinvested at the same rate.

## **Zero-Coupon Bond**

A zero-coupon bond has no stated interest rate and pays only the principal portion at a stated date in the future. The bonds are issued at a discount to par and the difference between the discount, and par is the return to the bondholder.