

HARDING LOEVNER FUNDS PLC

Annual Commentary

Global Equity Fund

International Equity Fund

Emerging Markets Equity Fund

Global Small Companies Equity Fund



30 June 2019



HARDING
LOEVNER

Fundamental. Thinking. Worldwide.

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■ PERFORMANCE SUMMARY

The Global Equity Fund USD Class A shares rose 2.42% (at dealing prices) for the 12 months ended 30 June 2019, net of fees, in US dollar terms, underperforming its benchmark, the MSCI All Country World Index, which rose 5.74%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

Global stock markets provided modestly positive returns in the trailing year ended 30 June 2019. Stock markets suffered double-digit declines in the latter half of 2018 amid twin fears of escalating trade wars and the monetary tightening path the US Federal Reserve was pursuing, but rebounded in 2019 to eke out a small gain for the fiscal year overall. Renewed optimism surrounding US-China trade talks supported a sharp rise in share prices in the first four months of the new year, but evaporated in May when negotiations abruptly ended.

Piqued by difficult negotiations, US President Donald Trump announced a tariff increase on US\$200 billion of Chinese goods, and the Chinese stiffened their resistance to US demands. A further jolt was delivered by the US Commerce Department opening a new front in the conflict by barring US companies from selling advanced semiconductors or other parts to Huawei, China's telecommunications equipment giant, and banning US purchases of Huawei equipment and handsets, citing risks to national security. This unexpected action escalated a long-running dispute over intellectual property theft into potentially a new "war" for technological supremacy. Subsequently, the US added five more Chinese companies involved in supercomputing to the blacklist, again citing national security, and China established its own "unreliable entities list." Technology companies dependent on complex global supply chains—which are many

of them—scrambled to assess and address the disruptive implications of the new conflict.

Signs of a global economic slowdown appeared in the new year. In China, retail sales and manufacturing activity fell amid a sharp decline in bank lending. In Europe, EU officials predicted GDP growth would slow in 2019 to 1.3%, from 1.9% in 2018. Germany's manufacturing sector abruptly contracted, and the country's export sales and orders declined at the fastest rate since the financial crisis. In Italy, weak business and consumer confidence, precipitated by its populist government's budget standoff with the EU, sent the country into recession. European economists were increasingly concerned about the bloc slipping, Japan-style, into a liquidity trap, where monetary policy loses its ability to stimulate economic growth because would-be lenders fear ultralow rates are unsustainable.

Central banks reacted to the downbeat economic data. After downgrading its GDP forecast for 2019, the Fed signaled that December's rate hike would be its last for a while, and Chairman Jerome Powell announced a halt to the planned reduction of the Fed's US\$4 trillion balance sheet, supporting market liquidity. Bond yields in both developed and emerging markets (EMs) fell markedly in response. The European Central Bank followed suit, extending its time horizon for keeping interest rates low and offering additional cheap funding for banks. China, too, announced measures to lower borrowing costs and encourage loan growth.

The Information Technology (IT) sector performed well in the year, as did stocks in non-cyclical sectors such as Utilities, Real Estate, and Consumer Staples. Cyclical industries such as media & entertainment, automobiles & components, energy, and semiconductors lagged.

In terms of geography, US stocks performed the best. Pacific ex-Japan also performed strongly as Hong Kong-listed **AIA Group** rose in anticipation of the Chinese government's plan to accelerate the removal of restrictions on foreign insurance companies. Markets in Japan and Israel fell in the year.

Stocks of higher-quality companies outperformed strongly. The fastest-growing stocks outperformed, and the more cheaply priced (aka "value") stocks lagged.

■ PERFORMANCE ATTRIBUTION

Stock selection in Information Technology detracted the most from relative performance in the period, with China's **AAC Technologies** and US-based **NVIDIA** having the largest effect. Stocks in Communication Services and Health Care also detracted. For Chinese social media company **Baidu**, profit growth from new investments in artificial intelligence, mobile search, cloud services, and device hardware had not yet offset slower growth in its core search business. And shares of blood-testing equipment manufacturer **Sysmex**

in Japan declined after management reduced its sales growth forecast for the fiscal year.

Conversely the portfolio's strong stock selection in Financials contributed the most to relative returns of the fund. EM banks—India's **ICICI Bank**, Indonesia's **Bank Central Asia**, and Brazil's **Itaú Unibanco**—stood out. Several strong-performing companies in the Industrials sector, especially US companies **Roper** and **Verisk**, and our underweight in the poorly performing Energy sector also helped.

Viewed by region, the US and China both detracted from relative performance during the period, with the effects of the on-again/off-again trade war rippling across various industries. Oilfield services company **Schlumberger** and chipmaker NVIDIA were the primary detractors in the US, while AAC Technologies and Baidu detracted in China. The fund benefited from strong stock selection in Europe, both inside and outside the eurozone (especially in Germany and Switzerland). Pacific ex-Japan also contributed, led by Hong Kong's AIA Group.

PERSPECTIVE AND OUTLOOK

Portfolio Manager Viewpoint by Peter Baughan, CFA

I'd like to outline some thoughts about investment risk: how to measure it, how to manage it, and how much of it there may be in our portfolios today. "Riskiness" can be defined in various ways, but here I am using the term to refer specifically to stock price volatility—how frequently and by how much a stock's market price varies over time.

As growth investors, we at Harding Loevner are particularly interested in how stocks of companies in faster-growing industries (which we tend to favor) behave compared with those in slower-growing industries (which we tend to avoid). One of the tools we use to monitor the investment environment is a multifactor model that generates forecasts of how risky equity investments will be based on their past behavior. For most of the past fifteen years

GEOGRAPHIC EXPOSURE (%) at 30 June 2019

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	0.0	3.0
EMERGING MARKETS	14.4	11.8
EUROPE EMU	9.9	9.5
EUROPE EX-EMU	8.4	9.3
FRONTIER MARKETS ²	0.0	—
JAPAN	9.8	7.1
MIDDLE EAST	1.0	0.2
PACIFIC EX-JAPAN	3.0	3.8
UNITED STATES	49.3	55.3
CASH	4.2	—

¹MSCI All Country World Index; ²Includes countries with less-developed markets outside the Index.

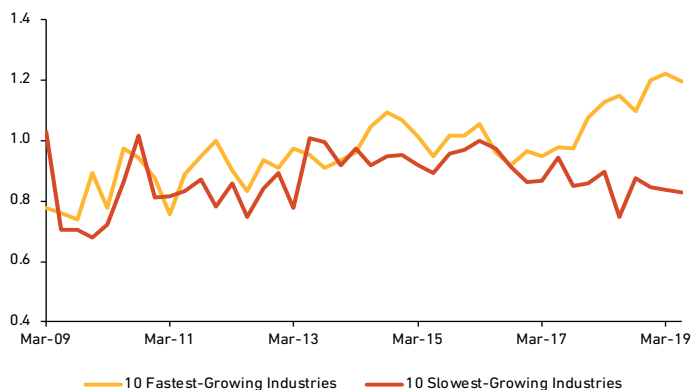
SECTOR EXPOSURE (%) at 30 June 2019

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	7.9	8.7
CONS DISCRETIONARY	12.9	10.9
CONS STAPLES	4.5	8.3
ENERGY	2.7	5.9
FINANCIALS	14.0	16.9
HEALTH CARE	16.7	11.4
INDUSTRIALS	12.8	10.5
INFO TECHNOLOGY	17.9	16.0
MATERIALS	6.4	4.9
REAL ESTATE	0.0	3.2
UTILITIES	0.0	3.3
CASH	4.2	—

¹MSCI All Country World Index.

(that is, since the dot-com bust), stocks in the ten fastest-growing industries have not been much riskier (i.e., volatile) than those in the ten slowest-growing industries. Yet starting in late 2017 this has changed. Stocks in the ten fastest-growing industries have become increasingly volatile, and bigger contributors to market volatility than stocks of the slowest-growing industries. This phenomenon is illustrated in the chart below.

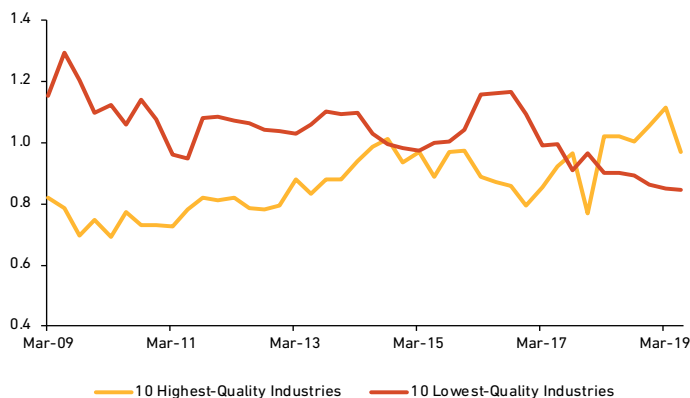
FORECAST VOLATILITY RELATIVE TO MARKET FOR FASTEST- AND SLOWEST-GROWING INDUSTRIES IN THE MSCI ACW INDEX



Source: MSCI Inc., FactSet; Data as of June 30, 2019.

These growth stocks are increasingly exposed to, and at the mercy of, the behavior of the investor "crowd" that is becoming a very significant—and hard to diversify—risk factor. Active investors, large and small, have been attracted to growth stocks because that's where the returns are, or at least where the returns have been. Passive investors, naturally, have followed them. We think that, as a result, investing in high-quality, rapidly growing companies now requires a higher tolerance for volatility than in the past. Our risk models are suggesting that our portfolios have a potential to outperform in rising markets—and underperform in a correction—which is contrary to their historical pattern of exhibiting more resilience in falling markets.

FORECAST VOLATILITY RELATIVE TO MARKET FOR HIGHEST- AND LOWEST-QUALITY INDUSTRIES IN THE MSCI ACW INDEX



Source: MSCI Inc., FactSet; Data as of June 30, 2019.

As a portfolio manager, this suggestion leaves me looking for more insight into the fundamental sources of systematic risk. Forecast portfolio volatility is clearly an output—the simulated result of some input, a “disturbance” of some sort, introduced into the risk-analysis system. Stepping back to survey the state of the world, I submit that the frequency and potential severity of disturbances are rising. We have now experienced ten years of highly stimulative monetary policies and sharply rising passive fund flows into stocks. We see a host of fundamental changes unfolding globally: demographic, political, social, cultural, economic, geopolitical, technological, you name it. How should we approach the uncertainty of this environment?

Obviously we cannot look to a quantitative risk model for the answers to such a question. I find myself thinking about *Moby-Dick*, Herman Melville’s epic novel about Captain Ahab’s maniacal and, ultimately, fatal pursuit of a great white whale. The story ends with Moby Dick sinking the good ship *Pequod* to the doom of its crew with the sole exception of the tale’s narrator, Ishmael.

Melville’s depiction of Starbuck, the *Pequod*’s chief mate, is an unrivaled portrayal of a risk manager *par excellence*. Melville describes a whaler who has seen it all and been through it all, a man “embalmed with inner health and strength ... prepared to endure for ages to come. ... Polar snow or torrid sun ... a thousand-fold perils he had calmly confronted through life.” Critically, Starbuck could “restrain the gush of dare-devil daring, so often evinced by others in the more perilous vicissitudes of the fishery.” Starbuck’s primary dictum was: “I will have no man in my boat who is not afraid of a whale.” To him, the only acceptable whaler possessed “reliable and useful courage” that arises from “the fair estimation of the encountered peril.” For Starbuck, an utterly fearless man was a far more dangerous comrade than a coward. Starbuck, I imagine, generated strong risk-adjusted returns for the owners of the *Pequod*.

Consider the following exchange at a tense moment, when Ahab is pressing his fanatical pursuit of the white whale and Starbuck has sharply rising misgivings over the risks involved. Starbuck goes below deck to confront Ahab in his cabin. Ahab reacts furiously,

grabbing a loaded musket and pointing it at Starbuck. Starbuck replies:

Thou hast outraged, not insulted me, sir; but for that I ask thee not to beware of Starbuck; thou wouldst but laugh; but let Ahab beware of Ahab; beware of thyself, old man.

Melville gave Starbuck these words in approximately 1851—an early example of “know thyself” behavioral finance advice.

I think Starbuck had one great advantage in evaluating and managing risk compared with a risk-asset manager such as myself today: he knew what he was looking for, and what he was looking at. Starbuck intimately knew whales—the risk asset. This included their behaviors when harpooned. He could tell when ripples in the water from a submerged harpooned whale were routine and when they portended imminent danger to the boat. In such cases, the harpoon line had to be cut quickly to release the boat from unacceptably risen uncertainty in the behavior of the whale. Further, he knew that Moby Dick was a uniquely dangerous whale, easily identified by color, and a colossus of unprecedented strength and unmanageable malevolence when encountered. Finally, he knew that the *Pequod* had to go looking for Moby Dick—Moby Dick would not go looking for the *Pequod*.

As a global portfolio manager, I don’t have the same clarity around the nature of a “fundamental disturbance” or the likely behavior of the risky asset in its wake as Starbuck had. Nor do I have to worry about only a single whale. To illustrate the particular multi-dimensional risk-management challenge facing portfolio managers, it’s helpful to look at another boat and another captain. In the early morning of June 17, 2017, the USS *Fitzgerald*, a US\$1.8 billion destroyer, collided with a 30,000-ton cargo ship, the *ACX Crystal*, 12 miles off the coast of Japan, leading to the drowning of seven sailors in their bunk rooms and hundreds of millions of dollars in damage to the *Fitzgerald*. How did a US naval destroyer manage to collide with a well-lit cargo ship nearly four times its size on a calm and clear, moonlit night?

To make a long and sadly fascinating story short, the *Fitzgerald* would not have collided with the *ACX Crystal* if Starbuck had been at the helm. Quite unbelievably, but believably, the 26-year-old back-up captain in charge of the *Fitzgerald* that early morning did not take her eyes off the navigation computer screens, which erroneously showed no dangerously converging ship traffic until it was too late. Tragically, when she finally grasped the severity of the imminent danger faced by the ship, in panic she chose the wrong evasive maneuver and swung the ship into the path of the *Crystal* (though, reportedly, if the *Fitzgerald* had missed the *Crystal*, it may well have collided with an even larger ship coming close behind the *Crystal*.)

The captain did not have the awareness that comes from real-world experience to realize that it was simply not plausible for the *Fitzgerald* to be facing the wide-open, smooth-sailing scenario projected by the ship’s navigation system while sailing through the narrow shipping channel that leads into and out of Tokyo, one of the world’s busiest ports. The captain did not think

to double check what the ship's navigation systems indicated by confirming it with physical observation that was readily available to her by leaving the bridge, walking out onto the deck, and looking around her. Incredibly, due to staff shortage, a physical lookout was only posted on the port side of the vessel; nobody was posted on the starboard side where the *ACX Crystal* was a brightly lit skyscraper bearing down on the *Fitzgerald*.

So what can we learn from comparing risk management on the *Pequod* and the *Fitzgerald*?

First, in risk management, as in all endeavors, pride goeth before destruction. Starbuck's exemplary risk awareness and action were overwhelmed by what Melville describes as "the fatal pride" of Captain Ahab. Starbuck, too, perishes in the end.

Second, lack of transparency and failures of coordination in capturing and analyzing, and in delivering information to and from key decision-makers, is dangerous. Communication was fragmented on the *Fitzgerald*, where the organization of work was characterized by many silos of specialist activity. This fragmentation enabled the collision.

Third, to the extent that risk is equated with volatility, it can be very hard to identify its underlying sources. All volatility is not created equal: some reflects ripples from "disturbances" that are ultimately benign; at other times volatility emanates from malign sources portending imminent danger of serious damage. Starbuck could tell the difference between the two, but unlike Starbuck we operate in a multi-dimensional environment where telling the difference is far more challenging.

Fourth, portfolio managers need the equivalent of both high-tech radar systems and human eyes on deck scanning the horizon in all directions. The *Fitzgerald's* captain could only tell what the navigation screen showed her. I would like to think I have the real-world awareness to "look around" to confirm what our system—in this case our multi-factor risk model—is telling us.

Fifth, crowding clouds the picture for the risk manager and raises the peril. Starbuck did not have to worry that the whale he harpooned would turn unmanageable due to the activity of competing whaling ships. By contrast, the *Fitzgerald* very much had to worry about the activity of other ships.

In this vein, while sailing through the last three months of 2018, when the MSCI All Country World Index fell 13%, I felt as though I were the captain of the *Fitzgerald*, as the behavior of many risk assets in my portfolio diverged sharply from my expectations in response to the unforeseen activities of countless other return-seeking, risk-avoiding market participants crowded into a narrow passage of growth stocks. That we subsequently experienced a sharp reversal in collective action and snap-back in the valuation of global equities gave me little comfort. In fact, the episode serves to highlight what I think is increasing unpredictability of growth stocks. Starbuck would think twice before lowering his whale boats in such waters. How does one make a "fair estimation of the 'encountered peril'" if the behavior of the risk assets has become

TEN LARGEST HOLDINGS at 30 June 2019

COMPANY	SECTOR	COUNTRY	%
PAYPAL	INFO TECHNOLOGY	US	4.6
ROPER	INDUSTRIALS	US	3.7
AIA GROUP	FINANCIALS	HONG KONG	3.0
VERISK	INDUSTRIALS	US	2.9
BOOKING HOLDINGS	CONS DISCRETIONARY	US	2.7
ALPHABET	COMM SERVICES	US	2.5
FIRST REPUBLIC BANK	FINANCIALS	US	2.5
ESSILORLUXOTTICA	CONS DISCRETIONARY	FRANCE	2.3
LONZA	HEALTH CARE	SWITZERLAND	2.3
MASTERCARD	INFO TECHNOLOGY	US	2.2

increasingly unpredictable and dangerous—with sharply rising potential for severity of consequence?

If, as Solomon wrote in the *Book of Proverbs*, the fear of God is the beginning of wisdom, perhaps fear of risk is the beginning of good (long-term) investment returns. Following our philosophy, we will retain exposure to many of the strongest-growth sectors despite their increased volatility. But we are also developing more fear (or at least appreciation) of risk as we look around us at disturbing dynamics in the real world and the seemingly oft-disconnected behavior of the markets. We want to emulate Starbuck by having "reliable and useful courage" that recognizes the importance of guarding against whatever the unpredictable "encountered perils" will be in the future.

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■ PERFORMANCE SUMMARY

The International Equity Fund USD Class A shares rose 0.52% (at dealing prices) for the twelve months ended 30 June 2019, net of fees, in US dollar terms, underperforming its benchmark, the MSCI All Country World ex-US Index, which gained 1.29%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

International stock markets provided barely positive returns in the twelve months ended 30 June 2019. Stock markets suffered double-digit declines in the latter half of 2018 amid twin fears of escalating trade wars and the monetary tightening path the US Federal Reserve was pursuing, but rebounded in 2019 to eke out a small gain for the fiscal year overall. Renewed optimism surrounding US-China trade talks supported a sharp rise in share prices in the first four months of the new year, but evaporated in May when negotiations abruptly ended.

Piqued by difficult negotiations, US President Donald Trump announced in May a tariff increase on US\$200 billion of Chinese goods, and the Chinese stiffened their resistance to US demands. A further jolt was delivered by the US Commerce Department opening a new front in the conflict by barring US companies from selling advanced semiconductors or other parts to Huawei, China's telecommunications equipment giant, and banning US purchases of Huawei equipment and handsets, citing risks to national security. This unexpected action escalated a long-running dispute over intellectual property theft into potentially a new "war" for technological supremacy. Subsequently, the US added five more Chinese companies involved in supercomputing to the blacklist, again citing national security, and China established its own "unreliable

entities list." Technology companies dependent on complex global supply chains—which are many of them—scrambled to assess and address the disruptive implications of the new conflict.

Signs of a global economic slowdown appeared in the new year. In China, retail sales and manufacturing activity fell amid a sharp decline in bank lending. In Europe, EU officials predicted GDP growth would slow in 2019 to 1.3%, from 1.9% in 2018. Germany's manufacturing sector abruptly contracted, and the country's export sales and orders declined at the fastest rate since the financial crisis. In Italy, weak business and consumer confidence, precipitated by its populist government's budget standoff with the EU, sent the country into recession. European economists were increasingly concerned about the bloc slipping, Japan-style, into a liquidity trap, where monetary policy loses its ability to stimulate economic growth because would-be lenders fear ultralow rates are unsustainable.

Central banks reacted to the downbeat economic data. After downgrading its GDP forecast for 2019, the Fed signaled that December's rate hike would be its last for a while, and Chairman Jerome Powell announced a halt to the planned reduction of the Fed's US\$4 trillion balance sheet, supporting market liquidity. Bond yields in both developed and emerging markets (EMs) fell markedly in response. The European Central Bank followed suit, extending its time horizon for keeping interest rates low and offering additional cheap funding for banks. China, too, announced measures to lower borrowing costs and encourage loan growth.

Stocks in non-cyclical sectors such as Utilities, Real estate, and Consumer Staples performed the strongest in the year, while cyclical industries such as media & entertainment, automobiles & components, energy, technology hardware, and semiconductors lagged.

In terms of geography, Pacific ex-Japan performed best as Hong Kong-listed **AIA Group** rose in anticipation of the Chinese government's plan to accelerate the removal of restrictions on foreign insurance companies. Markets in Japan and Israel fell in the year.

Stocks of higher-quality companies outperformed. Stocks of the fastest growth companies were extremely volatile on the downside and in the rebound, so that the overall effects were mixed in the full fiscal year.

■ PERFORMANCE ATTRIBUTION

Stock selection in Health Care was the most significant detractor from relative performance in the trailing year ended 30 June 2019. **Bayer** declined after two jury verdicts in August 2018 and March 2019 that awarded two cancer patients a total of US\$370 million for the role that glyphosate, a crop chemical found in weed-killer Roundup, might have played in causing their diseases. Bayer

acquired Roundup as part of its purchase of Monsanto in June 2018. **Sysmex**, a leading manufacturer of blood-testing equipment and associated consumables, reduced its sales growth forecast for this fiscal year to 6% from 10% as hardware sales weakened. Our top detractors in Communication Services were Chinese holdings: internet search engine **Baidu** and **China Mobile**.

Our Financials stocks helped relative returns, led by EM banks, as India's **ICICI Bank** and Brazil's **Itaú Unibanco** rebounded from prior weakness. Consumer Staples stocks also boosted our relative performance. Packaged-food giant **Nestlé** reported improving revenue growth. Cosmetics maker **L'Oréal** continues to benefit from robust demand for its up-market products in Asia.

By geography, our stocks in Japan (Sysmex, engineering company **JGC**, and medical information services provider **M3**) and in EMs (Baidu and South Africa's **Aspen Pharmacare**) were poor. We benefited from stocks in Switzerland, especially Nestlé and pharmaceutical company **Roche**, as well as from our lone Israeli holding, **Check Point**.

■ PERSPECTIVE AND OUTLOOK

The probability of the US entering recession in the next 18 months is rising. Threats of “trade wars” are being issued to an extent not seen since the Great Depression. Meanwhile, the stocks of the industries exhibiting the highest quality and the fastest growth, which historically have shown some resilience in downturns, have become more correlated to overall market returns, and thus may not behave in any near-term market decline as well as their holders expect.

We spend little time trying to forecast the global economy or individual economies, as we've long sided with the academic literature that finds little or no correlation between long-term compound equity returns and long-term economic growth within countries. But there is abundant evidence that recessions damage stock market returns in the short term, and that US recessions in particular are bad for global equity markets due to the linkages

SECTOR EXPOSURE (%) at 30 June 2019

SECTOR	FUND	BENCHMARK ¹
COMMUNICATION SERVICES	6.1	6.9
CONS DISCRETIONARY	2.8	11.3
CONS STAPLES	15.1	9.8
ENERGY	4.6	7.1
FINANCIALS	19.0	21.9
HEALTH CARE	11.5	8.3
INDUSTRIALS	11.3	11.9
INFO TECHNOLOGY	18.7	8.5
MATERIALS	7.5	7.6
REAL ESTATE	0.0	3.3
UTILITIES	0.0	3.4
CASH	3.4	—

¹MSCI All Country World ex-US Index.

of international trade and capital flows. So we sit up and take note when the US yield curve inverts, a harbinger of the seven US recessions over the past 50 years. The inversion reflects weakening business sentiment not only in the US but also in Europe and Japan and it does not stem from the usual source: tight monetary or fiscal policies that, intentionally or not, suppress capital formation. All central banks save the US Federal Reserve have been accommodative, and now the Fed has joined by interrupting its program of normalizing short-term interest rates. Rather, the loss of confidence results from the disruptive business models enabled by e-commerce and from the increasingly polarized political environment in the US, Europe, and Latin America. This has been exacerbated by unilateral and unpredictable US actions on international trade in goods and, more recently, intellectual property. These actions have prompted counter-measures by trading partners, disrupting global supply chains and creating uncertainty for managers making business decisions, especially relating to long-term capital investments.

We focus on the long-term prospects for companies because we have little to no ability to forecast business cycles. Thus we are more exercised by the political threats to trade than by the risk of imminent recession. A policy-induced contraction in global trade would cause deeper and longer-lasting damage to general prosperity and corporate profits than an ordinary business-cycle recession. It's been three generations since the last general trade war, hence few people alive—including, pointedly, politicians, voters, or investors—have any first-hand experience of their consequences. The last one started in 1930 when the US Congress passed the Smoot-Hawley Tariff Act. Over the next four years, other countries retaliated with “beggar-thy-neighbor” tariffs, contributing to a plunge in exports and imports by two-thirds, and greatly deepening the depression.

The move to freer trade in the post-WWII era was marked by the signing by 23 nations of the General Agreement on Tariffs and Trade (GATT) in 1947. Average tariff levels at the time were about 22%. By 1994, there were 123 GATT signatories, and average tariff levels had fallen to under 5%. A year later, GATT was

GEOGRAPHIC EXPOSURE (%) at 30 June 2019

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	3.0	6.8
EMERGING MARKETS	22.8	26.4
EUROPE EMU	22.8	21.4
EUROPE EX-EMU	24.1	20.7
FRONTIER MARKETS ²	0.0	—
JAPAN	11.5	15.8
MIDDLE EAST	2.7	0.4
PACIFIC EX-JAPAN	6.3	8.5
OTHER ³	3.4	—
CASH	3.4	—

¹MSCI All Country World ex-US Index; ²Includes countries with less-developed markets outside the Index; ³Includes companies classified in countries outside the Index.

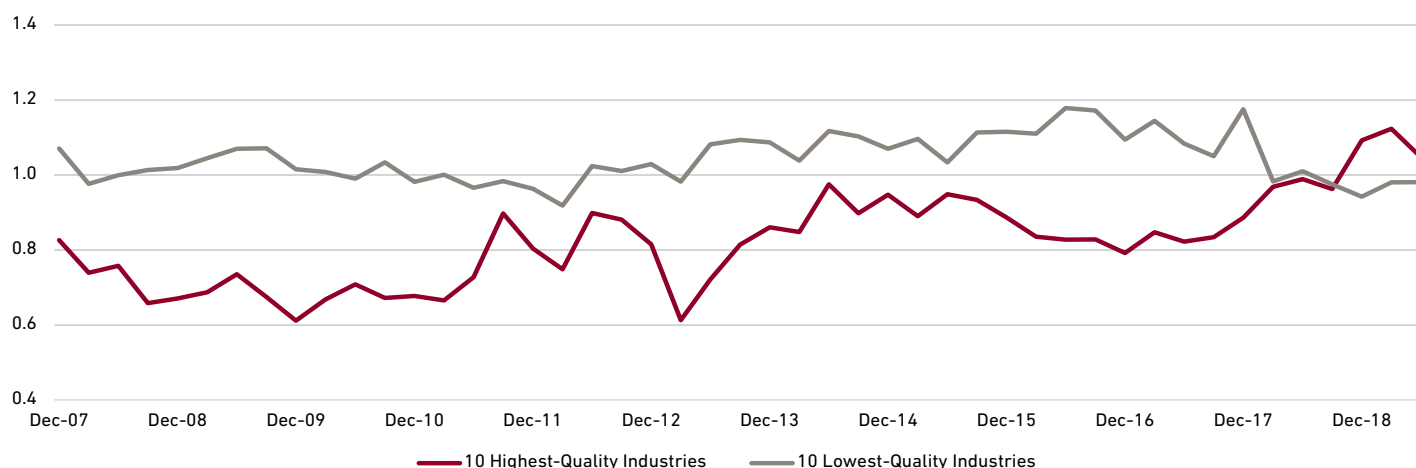
TEN LARGEST HOLDINGS at 30 June 2019

COMPANY	SECTOR	COUNTRY	%
NESTLÉ	CONS STAPLES	SWITZERLAND	3.7
AIA GROUP	FINANCIALS	HONG KONG	3.6
SAP	INFO TECHNOLOGY	GERMANY	3.2
ALLIANZ	FINANCIALS	GERMANY	3.1
ROCHE	HEALTH CARE	SWITZERLAND	3.1
L'OREAL	CONS STAPLES	FRANCE	3.0
TSMC	INFO TECHNOLOGY	TAIWAN	2.9
SAMSUNG ELECTRONICS	INFO TECHNOLOGY	SOUTH KOREA	2.8
DBS GROUP	FINANCIALS	SINGAPORE	2.7
CHECK POINT	INFO TECHNOLOGY	ISRAEL	2.7

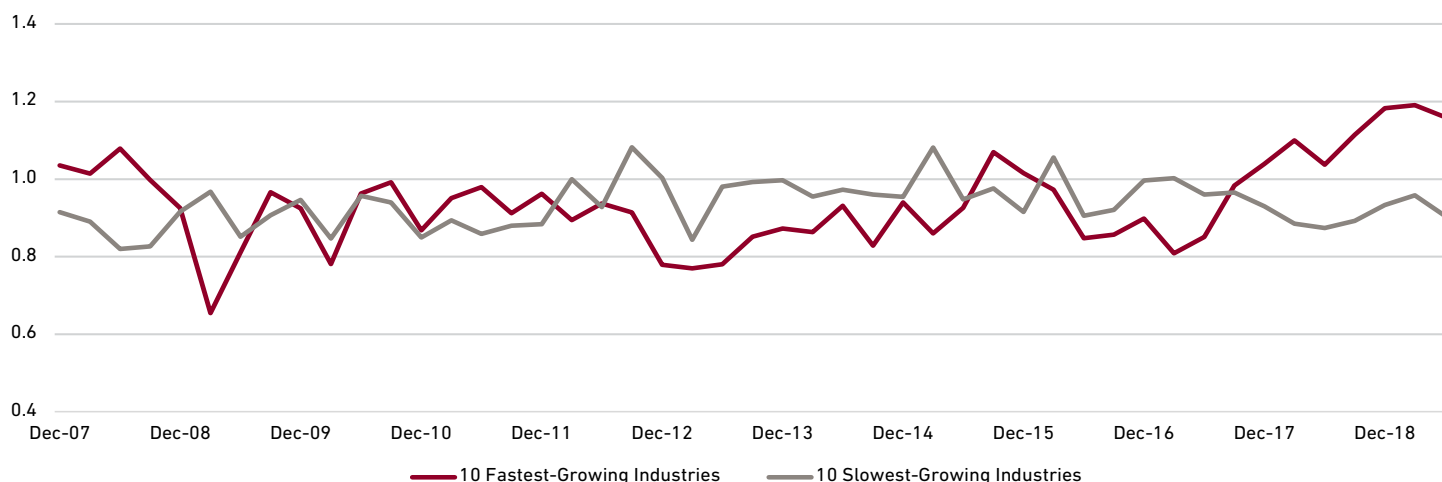
succeeded by the World Trade Organization (WTO), which has 164 members. We have experienced relatively free global trade for our entire adult lives, and known only a beneficial and seemingly inexorable trend toward ever-freer trade.

Some assert that the process for lowering barriers to trade was easier when it was pursued only by economies aligned to free markets and democratic values, as opposed to the rival communist block presented by the USSR and China. But after the Soviet Union collapsed and China reformed its economy, each embraced free markets to a degree (though not yet democratic values). Both Russia and China ultimately joined the WTO, marking what may ultimately, in hindsight, be considered the pinnacle of global free trade. At present, it seems that the former, Western champions of free trade wish to climb down from this peak. In the US, politicians encourage voters to look askance at the rising incomes of their trading partners, alleging that those gains come at their expense, through the “loss” of US jobs. The US president has suggested that his country is being “ripped off” when it imports Apple smartphones assembled in China or GM automobiles assembled in Mexico. Meanwhile, in the UK, the political die has been cast for a move toward less trade with the EU, though the extent of the diminution is still indeterminate. That England was the birthplace of David Ricardo—the economist who set out the classical theory

AVERAGE PREDICTED BETA FOR HIGHEST- AND LOWEST-QUALITY INDUSTRIES IN THE MSCI ACW EX-US INDEX



AVERAGE PREDICTED BETA FOR FASTEST- AND SLOWEST-GROWING INDUSTRIES IN THE MSCI ACW EX-US INDEX



Source: MSCI Inc., FactSet; Data as of June 30, 2019.

of wealth creation through trade based on comparative advantage—is an irony beyond the grasp of the average British voter.

Perhaps the global trading system is resilient enough to grind on despite the sand being thrown into its gears. The truce between President Trump and Chairman Xi Jinping called at the G20 sidelines may be a sign of easing tensions, or revelatory of the former's tactics and true intentions. It is also imaginable that the current inversion of US yields will prove transitory and thus alarmist; it would not be the first instance of a false-positive signal from this indicator. We can hope this is the case.

Using a long term discounted cash flow valuation model, we think global equity markets in aggregate are priced to deliver real (inflation-adjusted) returns in perpetuity of over 5%. US stocks are priced to deliver less than 4% real, while non-US stocks should deliver significantly more than 5%. A recession-led bear market in the coming year could lead to more compelling stock valuations, assuming there is no degradation to long-term profitability and growth. Bonds, by contrast, are currently priced to deliver real returns to maturity of zero or less.

Though non-US equities in aggregate appear priced to deliver respectable long-term returns, shares of the highest-quality, fastest-growing companies are more expensive than usual. This is not new, and we have commented on it often, but recently they have also become more volatile as well—more than we have seen over at least the past decade. For the first time since we've tracked quality and growth with our proprietary ranking, the average of the ten industries (out of 80 total) with the highest average quality rankings are showing up as having higher expected risk (in

terms of expected market beta) than the ten industries with the lowest quality rankings. Historically, high-quality industries typically showed below-market beta. The fastest-growing industries have seen a similar trend of rising risk since 2018, and now show a significantly higher beta than the lowest-growth industries.

As we have written before, a rising valuation gap has emerged in recent years between companies that screen as above average on our quality and growth metrics and the rest of the market.

Investors crowding into the stocks of the highest-quality and fastest-growing companies to avoid exposure to the rising probability of economic downturn essentially accept that they are paying a premium to buy insurance against business recession exposure. But having driven up these stocks' relative valuations and volatility, at current levels they are just trading business risk for price risk, and perhaps more of the latter than they think.

The combination of rising valuation and rising volatility associated with quality-growth investing concerns us as we contemplate the approaching end of a business cycle. It presents us with a dilemma: should we continue to emphasize the highest-quality and fastest-growing companies, which *as businesses* should be the most resilient through a recession? Or should we emphasize companies whose businesses may be slightly less robust but whose stock prices currently exhibit lower volatility and lower valuation, and which, therefore, might be more resilient *as stocks* in a stock market downturn?

PERFORMANCE (% TOTAL RETURN)

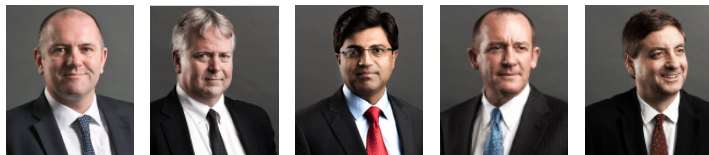
as of 30 June 2019

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR ¹					7 JUNE 2013
INTERNATIONAL EQUITY FUND USD A ²	16.45	0.52	9.89	5.08	6.51
MSCI ALL COUNTRY WORLD EX-US INDEX ³	13.60	1.29	9.39	2.16	4.62
GBP STERLING					7 JUNE 2013
INTERNATIONAL EQUITY FUND GBP A ²	16.88	4.46	11.65	11.54	10.14
MSCI ALL COUNTRY WORLD EX-US INDEX ³	13.68	5.08	11.19	8.38	8.13
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					27 SEPTEMBER 2013
INTERNATIONAL EQUITY FUND USD B ²	16.30	0.30	9.67	4.81	5.43
MSCI ALL COUNTRY WORLD EX-US INDEX ³	13.60	1.29	9.39	2.16	3.50
CLASS S	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					26 OCTOBER 2018
INTERNATIONAL EQUITY FUND USD S ²	16.86	—	—	—	13.00
MSCI ALL COUNTRY WORLD EX-US INDEX ³	13.60	—	—	—	11.62

¹USD Class A shares launched on 2 December 2013; returns prior to this are derived from GBP Class A return; ²Net of fees; ³Net of withholding taxes. Returns are annualized for periods greater than one year.

Please read the separate disclosures page for important information.

PORTFOLIO MANAGEMENT TEAM



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PORTFOLIO MANAGER

New accounts into the Emerging Markets Equity Fund require prior approval.

■ PERFORMANCE SUMMARY

The Emerging Markets Equity Fund USD Class A shares fell 1.45% (at dealing prices) for the year ended 30 June 2019, net of fees, in US dollar terms, lagging its benchmark the MSCI Emerging Markets Index, which rose 1.21%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

The modest positive return for Emerging Markets (EMs) occurred over a volatile 12 months as investors reacted to sharp shifts in the US-China trade dispute, weakening economic data most notably in China, and signs at the end of the fiscal year of a looser monetary policy by central banks.

Recessionary fears hung over most of this period, stoked by the ongoing and escalating trade dispute. The US seemed increasingly intent on using trade policy not only to reduce the trade imbalance with China but also reduce the economic and military threat that China posed to the US. The prospect of a protracted trade war threatened the growth of cross-border trade, raised the possibility of disruption to global supply chains, and discouraged company managements from making fixed-capital investments.

There was a brief period of optimism in the first four months of 2019 about the apparent progress being made in the latest round of US-China trade talks. In response stock markets rebounded from the declines of the second half of 2018. But this optimism evaporated in May when negotiations abruptly dissolved into recriminations, seemingly just shy of a deal. Piqued, President Donald Trump announced a tariff increase on US\$200 billion of Chinese goods, and the Chinese stiffened their resistance to US demands. A further jolt was delivered by the US Commerce Department opening a new

front in the conflict by barring US companies from selling advanced semiconductors or other parts to Huawei, China's telecommunications equipment giant, and banning US purchases of Huawei equipment and handsets, citing risks to national security. This unexpected action escalated a long-running dispute over intellectual property theft into potentially a new "war" for technological supremacy.

Signs of a global economic slowdown also appeared in the new year. In Europe, EU officials predicted GDP growth would slow in 2019 to 1.3%, from 1.9% in 2018. In China, retail sales and manufacturing activity fell amid a sharp decline in bank lending. In June, central banks reacted to the downbeat economic data. After downgrading its GDP forecast for 2019, the US Federal Reserve signaled that December's rate hike would be its last for a while, and Chairman Jerome Powell announced a halt to the planned reduction of the Fed's US\$4 trillion balance sheet, supporting market liquidity. Bond yields in both developed and emerging markets (EMs) fell markedly in response. The European Central Bank followed suit, extending its time horizon for keeping interest rates low and offering additional cheap funding for banks. China, too, announced measures to lower borrowing costs and encourage loan growth. The dovish tone of central banks enticed investors back to EM risk assets, and EM currencies rebounded from the lows of May.

Energy was the top-performing sector in the year, despite weakness in the oil price over the course of the 12-month period. The sector was led by giant energy producers in Brazil (particularly Petrobras) and Russia (Gazprom, **Lukoil**, **Novatek**) that have achieved solid growth in cash flows.

Financials and Real Estate were also strong, with the former benefiting from expectations that lower US interest rates will repel mobile capital into higher-yielding EMs and afford central banks the flexibility to ease their policies and boost their growth rates. While lower rates may pressure margins, investors were cheered by the prospect of increased financial inclusion and higher demand for credit. Real Estate was buoyed by Chinese property stocks, which rose in response to the Chinese government's moves to reduce mortgage rates for first-time buyers to support select regional housing markets.

Health Care was the weakest sector, as political pressures continued to mount worldwide over the rising cost burden of health care. Chinese pharmaceutical shares fell sharply in the first half of the period when the State Medical Insurance Administration demanded steeper-than-expected price cuts (some upward of 90%) before drugs can appear in the formularies of government-sponsored health plans.

Negative returns in Communication Services and Consumer Discretionary reflected weakness in China, where large online businesses that rely on advertising revenues faltered. Consumer industries such as online gaming and autos have curtailed their ad spending in a weakening demand environment just as additional online ad capacity entering the market has depressed ad prices.

From a geographic perspective, emerging Europe delivered double-digit returns thanks to a sizeable contribution from Russia. In a global environment of rising risks from conflicts over trade and technology, as well as lower sovereign bond yields, investors have been attracted to Russia's relative isolation from dislocations in global trade and appreciated the high dividend yields offered by Russia's blue-chip stocks, such as **Sberbank** (6.7%) and Lukoil (4.8%). The Russian government's continued pressure on state companies to improve shareholder returns also began paying dividends (literally): in May, energy giant Gazprom declared it planned to more than double its dividend over the previous year's payment.

Latin America was also strong largely due to Brazil, where in October 2018 voters elected an authoritarian but ostensibly business-friendly president, Jair Bolsonaro. The country's equity market responded favorably, boosted by the credibility of key government appointees and the new president's promise to fight the country's endemic crime and corruption. Toward the end of the fiscal year, the increasing likelihood that Brazil's Congress will pass a landmark social security reform bill before its summer break also stoked investors' confidence that the country's fiscal position will improve.

Asia lagged as strong returns in Thailand and the Indonesia were offset by weak performance from South Korea and China. Chinese IT stocks were especially hard-hit as the trade dispute with the US, including the blacklisting of Huawei, caused negative reverberations across companies in the smartphone supply chain.

■ PERFORMANCE ATTRIBUTION

Poor stock selection in Health Care, Industrials, and Communication Services was the main detractor from relative performance in the trailing year ended 30 June 2019. Strong outperformance in Financials was helpful.

GEOGRAPHIC EXPOSURE (%) at 30 June 2019

COUNTRY/REGION	FUND	BENCHMARK ¹
BRAZIL	8.0	7.7
CHINA + HONG KONG ²	31.7	31.6
INDIA	5.7	9.0
MEXICO	4.5	2.5
RUSSIA	8.7	4.0
SOUTH AFRICA	4.5	5.9
SOUTH KOREA	8.9	12.4
TAIWAN	7.0	10.8
SMALL EMERGING MARKETS ³	10.9	16.1
FRONTIER MARKETS ⁴	2.2	—
DEVELOPED MARKET LISTED ⁵	4.7	—
CASH	3.2	—

¹MSCI Emerging Markets Index; ²The Emerging Markets Equity Fund's end weight in China is 24.0% and Hong Kong is 7.7%. The Benchmark does not include Hong Kong; ³Includes the remaining emerging markets which, individually, comprise less than 5% of the Index; ⁴Includes countries with less-developed markets outside the Index; ⁵Includes emerging markets or frontier markets companies listed in developed markets.

SECTOR EXPOSURE (%) at 30 June 2019

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	7.8	11.7
CONS DISCRETIONARY	16.0	13.5
CONS STAPLES	8.9	6.6
ENERGY	8.0	7.9
FINANCIALS	29.6	25.1
HEALTH CARE	1.0	2.6
INDUSTRIALS	6.3	5.4
INFO TECHNOLOGY	16.1	13.9
MATERIALS	0.8	7.6
REAL ESTATE	0.3	3.0
UTILITIES	2.0	2.7
CASH	3.2	—

¹MSCI Emerging Markets Index.

We lagged in Health Care due to our positions early in this period in two Chinese pharmaceutical manufacturers—**CSPC Pharmaceutical Group** and **Sino Biopharmaceutical**—when the government's actions to cut drug prices punished their shares. South Africa's **Aspen Pharmacare** was also a detractor; its shares fell after the company announced it had renegotiated its debt-covenants, which the market interpreted as a sign of weakening cash flow.

In Industrials, a key detractor was Chinese online job-search platform **51job Inc.**, whose stock underperformed on concerns that weakening business confidence in China could hurt hiring for professionals. Shares of **DP World**, a container terminal operator based in the United Arab Emirates, were also weak.

In Communication Services, **Weibo** and other Chinese social media companies were hurt early in the year by the Chinese government's increased scrutiny of online content, which has led to higher operational costs. Weibo's shares were also pressured later in the period by fears of an online advertising slowdown.

In Financials, our investments in an array of growing banks and insurance companies across Russia, Brazil, India, South Africa, Mexico, Indonesia, and China/Hong Kong produced strong returns. Sberbank was a large contributor. Shares of Hong Kong-listed **AIA Group** also rose in anticipation of the Chinese government's plan to accelerate the removal of restrictions on foreign insurance companies. Our demand for quality helped relative returns in Thailand as **Siam Commercial Bank** outperformed weaker banks in the region.

Geographically, poor stock selection in China was a significant cause of underperformance partly due to Health Care holdings and 51job. Additionally, shares of smartphone-component manufacturer **AAC Technologies** suffered as its main customer Apple dealt with weaker-than-expected sales of its new iPhone and pushed to diversify its supply chain away from top-tier suppliers like AAC.

The fund's overweights in emerging Europe (particularly our double-weight versus the index in Russia) and Latin America (Brazil) helped relative returns.

■ INVESTMENT PERSPECTIVES

Over the course of the fiscal year, the US-China trade drama featured whiplash-inducing developments, but there still is no trade deal. New tariffs and trade restrictions imposed over the last 18 months continue to be enforced, and protectionist rhetoric remains fierce in Washington, Beijing, and elsewhere. We have no better idea than anyone else if or when the current US-China dispute will be resolved.

When we first wrote about the trade dispute around its inception in April 2018, we stated that we would make no changes to our portfolio based on tweets, headlines, and geopolitical predictions, reminding readers that our investment decisions remain anchored in analysis of industry and company fundamentals. With respect to potential changes in global trade, we seek answers to two primary questions: Would the competitive position of a company be affected? If so, what are the implications for its long-term growth and profit margins? We must consider alternate scenarios and how our companies may be impacted in each. The task is not as simple as estimating the exposure of a company's export sales to revised tariff structures. Intricate global supply chains established over decades are under threat, not only from tariffs but also from non-tariff barriers, especially involving intellectual property. Therefore our analysis must delve deeper, to seek to uncover the nuanced effects of new rules on companies' customers and suppliers, and to discern their ability to adapt their products and productive assets in response. It is especially tricky to evaluate the disruptive impact of technology embargoes, such as that imposed (though subsequently softened) on Huawei. Alternative sourcing options will have cost implications and, where there are no alternatives, the inevitable impact on current production and the pace of new product development must be assessed. The job of our analysts is to investigate such issues and incorporate their findings into one or more revised financial projections for the business. Ultimately, we need to understand which of the plausible scenarios are discounted in the share price, and which are not.

To illustrate how we analyze the implications of the trade dispute and incorporate them into our investment decisions, we discuss two holdings especially exposed.

Techtronic Industries (TTI)

Techtronic Industries (TTI), the manufacturer of Milwaukee, Ryobi, and Homelite cordless tools, appears to be caught right in the middle of the conflict. Though headquartered in Hong Kong, the company's factories are concentrated in China and the majority of its revenue is generated in the US. In the weeks following the Trump administration's September 2018 announcement of tariffs on US\$200 billion in Chinese goods, TTI's shares fell 28%.

In our opinion, this was an overreaction. For one reason, the list of Chinese goods subject to tariffs is highly specific, and often targets components rather than whole products. "Lithium-ion battery-operated cordless tools"—TTI's fastest-growing product line—are not on the list. Lithium-ion batteries *are* on the list, but TTI sources the majority of its batteries from Japan and South Korea and so avoids the levies. Corded tools are also on the list. TTI's key competitors in the US market, such as Stanley Black & Decker, also manufacture primarily in China but they are more exposed to tariffs because a higher percentage of their sales comes from corded tools. Some also source their Li-ion batteries from China.

Another reason is that even if the tariffs were extended to cover cordless tools we would expect TTI to continue to grow, albeit with some margin impact that TTI can offset by moving production outside of China or introducing new products at higher prices. Do-it-yourselfers have already largely transitioned from corded to cordless tools, but professionals have held back due to concerns about cordless tools' inferior power and reliability. Thanks to recent advances in battery technology, cordless tools now meet the demanding requirements of construction and industrial jobs, and professionals are responding accordingly. TTI is now selling cordless tools to telecommunications companies, oil-and-gas producers, and utilities, where its corded tools previously held sway.

Our analyst expects the cordless power-tool market to grow at a compound annual rate of 6% over the next 10 years, with TTI's sales growing at 10% thanks to market-share gain on the strength of its superior technology, and its first mover advantage and brand loyalty among professionals. The impact of tariffs to growth is negligible in his model, though he does account for a potential impact to TTI's margins if the company relocates some production outside of China. His worst-case scenario—a deep recession perhaps triggered by the trade war's impact on business sentiment—would affect the company's growth. In that case, he believes TTI's ten-year growth rate would slow to 7%, which assumes a 6% one-year revenue decline at the trough. Based on that outlook, we established a position in TTI at the beginning of 2019 and added to it in the recent quarter.

Hangzhou Hikvision

While the key issue for TTI is how tariffs could raise the price and depress the sales of its products, the concern for **Hangzhou Hikvision** is not nearly as straightforward. Its global business success has put the company in the crosshairs of the Trump administration as it combats what it perceives as China's military and technological threat to the US. The company is the global leader in developing and manufacturing video surveillance equipment, including systems that incorporate artificial intelligence (AI) and big-data analysis to improve the efficacy and expand the applications of its cameras. Hikvision's high-quality, low-cost products have enabled it to dominate the vast Chinese market, and it is rapidly capturing market share elsewhere.

The US has targeted Hikvision's products purportedly for national security reasons, despite that its products have been certified by US governmental and international agencies to comply with the

highest cybersecurity standards. Last year, a law was passed requiring US federal agencies to remove Hikvision equipment from their facilities and cease purchasing from the company. In May 2019, shortly after trade talks broke down and the US added Huawei to its entity list (blacklist), news organizations reported that the Trump administration was considering blacklisting Hikvision as well, which would cut off the company's access to US components such as semiconductors.

The loss of US government business will have a minor impact on Hikvision. The US market as a whole accounts for only 5% of its US\$7 billion in annual sales. Under any scenario, its most important market will continue to be China, which accounts for more than 70% of sales. The threat of loss of access to US semiconductors raises the political drama, but similar to the US government boycott it would not have a material financial impact on the company in the near term. In recent years, Hikvision has significantly diversified its sources of semiconductors and produces most of its products using non-US chips. It still relies on advanced microprocessors from NVIDIA and other US suppliers for its AI research, so loss of access to these chips might retard the development of Hikvision's AI capabilities over the long term.

Surveillance is a vast and growing global business. According to BIS Research, the surveillance market is expected to grow 16% a year to over US\$77 billion by 2023.¹ The growth is being propelled by the replacement of simple analog video cameras with advanced digital technology that offers more increasingly advanced analytical capabilities. No longer being used just to watch for shoplifters or monitor parking lots, surveillance systems are now being deployed to count inventory and alert when stock is running low, or automatically alert authorities or managers when drivers violate traffic laws or workers ignore construction-site safety rules.

Hikvision appears poised to capture much of the industry's growth. The company's key competitive advantages are its heavy investment in R&D and the large number of engineers it has hired from China's highly skilled and affordable labor pool. In 2018, the company spent 4.5 billion renminbi (US\$655 million) on R&D (a 40% increase over the previous year) and employed over 16,000 engineers, who account for nearly half of its total workforce. No other surveillance company comes close to Hikvision's scale. Dahua Technology, its closest competitor in China, has less than half of Hikvision's revenues and engineering staff.

We recognize that there are social risks associated with selling surveillance equipment, which can be used for socially oppressive as well as socially beneficial purposes. As an integral part of our fundamental research, we explore environmental, social, or governance (ESG) issues that may pose a risk to the sustainability of a company's business. Our ESG analysis culminates in assigning a score to each of these three areas for a company. The ESG scores are measures of the risk to the sustainability of a company's growth and impact our estimate of a company's fair value. Late last year,

TEN LARGEST HOLDINGS at 30 June 2019

COMPANY	SECTOR	COUNTRY	%
SAMSUNG ELECTRONICS	INFO TECHNOLOGY	SOUTH KOREA	4.5
TENCENT	COMM SERVICES	CHINA	4.4
TSMC	INFO TECHNOLOGY	TAIWAN	4.4
ALIBABA GROUP HOLDING	CONS DISCRETIONARY	CHINA	3.9
AIA GROUP	FINANCIALS	HONG KONG	2.9
SBERBANK	FINANCIALS	RUSSIA	2.7
NOVATEK	ENERGY	RUSSIA	2.7
LUKOIL	ENERGY	RUSSIA	2.6
HDFC CORP	FINANCIALS	INDIA	2.4
ENN ENERGY	UTILITIES	CHINA	2.0

news reports emerged that Hikvision's technology was being used to support government surveillance in Xinjiang province, where for years Uighurs and other Muslims have been detained in re-education camps for the ostensible purpose of countering extremism and terrorism. The reports detailed, for the first time, the role that advanced surveillance systems played in the government's crackdown in the province, including in the camps.

During a recent meeting in China, we discussed the Xinjiang issue with Hikvision's management. They claimed that the company had been unaware of the purposes of the government contracts at issue, as the projects' specifications were very similar to the typical surveillance system used for security at many large school campuses in China or abroad, that the company was not involved in the operations at its clients' sites, and that the data collected in Xinjiang was not accessible by Hikvision. Though it is impossible for us to confirm what the company knew about the camps before last year's reports, we were encouraged by the actions it has taken in the aftermath. Hikvision immediately made changes to reduce its social risk exposure, including ending its participation in such projects in Xinjiang and revising its screening procedures to comply with international human rights standards. The company hired a former US State Department official with experience in war crimes and genocide investigations to advise the company on the human-rights implications of its business. Nonetheless, we assign the company a high social risk score to reflect the heightened concerns surrounding the potential for employment of its products in human rights abuses, and to reflect the additional, related risk factor that its largest shareholder remains a Chinese state entity.

At the end of March, Hikvision's share price reached its high for this year and then started falling sharply in the face of continuing negative news coverage on the Xinjiang surveillance as well as rising US rhetoric. The steepest decline occurred in May, following reports that the company would be added to the US entity list (which has not occurred as of this writing). We took the opportunity to add to the portfolio's position. Despite its challenges, we believe Hikvision is likely to achieve annual revenue growth of about 15% per year through 2024. Given this growth potential and despite the higher risks to this growth forecast for the reasons discussed, the shares were attractively priced at a level well below our estimate of fair value.

¹ BIS Research, "The Global Video Surveillance Market is Expected to Grow over \$77.21 Billion by 2023" (Online Press Release), December 27, 2018.

PERFORMANCE (% TOTAL RETURN)

as of 30 June 2019

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					25 SEPTEMBER 2012
EMERGING MARKETS EQUITY FUND USD A ¹	15.73	-1.45	9.66	2.81	4.66
MSCI EMERGING MARKETS INDEX ²	10.58	1.21	10.66	2.49	3.17
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					25 OCTOBER 2013
EMERGING MARKETS EQUITY FUND USD B ¹	15.56	-1.72	9.35	2.51	3.31
MSCI EMERGING MARKETS INDEX ²	10.58	1.21	10.66	2.49	2.86
CLASS I	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					9 JANUARY 2017
EMERGING MARKETS EQUITY FUND USD I ¹	15.87	-1.17	—	—	9.91
MSCI EMERGING MARKETS INDEX ²	10.58	1.21	—	—	10.26
CANADIAN DOLLAR					14 NOVEMBER 2013
EMERGING MARKETS EQUITY FUND CAD I ¹	11.18	-1.60	10.46	7.41	8.73
MSCI EMERGING MARKETS INDEX ²	5.80	0.54	10.89	6.76	7.62
EURO					18 JANUARY 2017
EMERGING MARKETS EQUITY FUND EUR I ¹	16.82	1.49	—	—	6.25
MSCI EMERGING MARKETS INDEX ²	11.00	3.76	—	—	6.61
CLASS M	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					23 DECEMBER 2015
EMERGING MARKETS EQUITY FUND USD M ¹	15.78	-1.37	9.81	—	10.87
MSCI EMERGING MARKETS INDEX ²	10.58	1.21	10.66	—	10.66
CANADIAN DOLLAR					22 DECEMBER 2014
EMERGING MARKETS EQUITY FUND CAD M ¹	11.16	-1.73	10.31	—	8.13
MSCI EMERGING MARKETS INDEX ²	5.80	0.54	10.89	—	7.35
GBP STERLING					28 FEBRUARY 2017
EMERGING MARKETS EQUITY FUND GBP M ¹	16.20	2.47	—	—	6.64
MSCI EMERGING MARKETS INDEX ²	10.66	4.99	—	—	6.82

¹Net of fees; ²Net of withholding taxes; Returns are annualized for periods greater than one year.

Please read the separate disclosures page for important information.

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■ PERFORMANCE SUMMARY

The Global Small Companies Equity Fund USD Class A shares rose 14.20% (at dealing prices) from its inception date of 13 December 2018 through 30 June 2019. The Fund's benchmark, the MSCI All Country World Small Cap Index rose 10.23% in the period.

■ MARKET REVIEW

In the trailing six months ended 31 December 2018, stocks of global small companies declined. After double-digit declines in the first six months of the fiscal year amid worries that a global recession looms, markets rebounded sharply to begin 2019 as investor sentiment was buoyed by progress in US-China trade negotiations and signals that the US Federal Reserve would pause hiking interest rates. In May, at the peak of trade tensions, the small-cap index fell by as much as 5%, but rebounded in June when central bankers indicated they may lower interest rates to boost their economies.

Growing wariness of the prospect of economic recession may have contributed to the outperformance of assets deemed safer. Small companies—generally considered more economically sensitive—underperformed large ones by 8 percentage points in the fiscal year. Similarly, the highest-quality small companies outperformed the lowest-quality ones by 13 percentage points.

The US and China appeared to be closing in on a landmark trade deal before talks broke down, with each side accusing the other of pulling back commitments that had been made early in the negotiations. Within days, Trump raised tariffs on US\$200 billion of Chinese goods from 10% to 25% and threatened to extend them to an additional US\$300 billion of goods. In retaliation, China implemented its own tariff increases on US\$60 billion of US goods. The dispute also expanded beyond the realm of tariffs: the US Department of Commerce placed Huawei on its “entity list,” banning US companies from doing business with the Chinese technology giant on the grounds of national security. China, in return, established

its own “unreliable entities list,” and in a further tit-for-tat, the US added another five Chinese tech companies to its blacklist. In the closing days of the period, however, there were signs of de-escalation, as the leaders of the two countries agreed to defer any additional tariffs and resume talks.

Meanwhile, the global economy continued to weaken. In June, the Eurozone Purchasing Manager's Index (PMI) continued its downward trend, reaching 47.6, the lowest level since 2013. Readings below 50 signify contraction. Central banks responded with declarations of policy support. On 18 June, European Central Bank (ECB) President Mario Draghi indicated that the central bank is open to further interest rate cuts and renewed asset buying to boost liquidity. The next day, the US Federal Reserve struck a similar tone, suggesting it may cut US interest rates as soon as July. These remarks pushed global interest rates lower, surpassing their 2016 lows and creating more negative-yielding debt than ever before.

In the trailing 12 months, both the US and Pacific ex-Japan rose, very slightly, while Japan's market fell. Its economy is especially affected by that of China, which is the biggest buyer of Japanese exports. The Tankan Index, an influential economic survey of large manufacturers conducted by the Bank of Japan, registered its lowest level since 2016. Another manufacturing headwind is the government's plan to hike the sales tax from 8% to 10% in October, which is expected to suppress retail sales.

■ PERFORMANCE ATTRIBUTION

The Global Small Companies Equity Fund was launched on 13 December 2018. In the period from inception to 30 June 2019, the Fund outperformed the index. By sector, our good stock selection in Information Technology (IT) and Health Care contributed the most to relative performance. German technology consultant **Bechtle** was a top performer. It reported a strong first quarter, in which it grew revenue 15% organically despite the weakening of the German economy, its largest market. In Health Care, our relative returns were boosted by **Abcam**, a UK-based distributor of antibodies to research institutions. Its stock tumbled last fall and winter following slight reductions in the company's earnings guidance. We thought the reaction was overdone. In recent months the market came to agree with us, and the stock recovered significantly.

Strength in Health Care and IT was partially offset by poor selection in Consumer Discretionary. Two online fashion retailers, UK-based **ASOS** and Japan-based **ZOZO**, detracted the most. Our overweight to the underperforming Consumer Staples sector and Energy stocks also detracted in the period.

By region, stock selection in Europe, both inside and outside of the monetary union, contributed the most to our returns. Shares of

Paris-based technology consultant **Alten** rose sharply after the company reported its revenue rose 15% in 2018, its fifth-straight year of double-digit sales growth. UK-based **Spirax-Sarco**, which engineers specialized steam and pump machines, reported solid revenue and profit growth for the first half of the year. Investors were also cheered by the company's confirming its full-year guidance, something that was unexpected as the economic environment is weakening globally, especially for capital goods.

■ PERSPECTIVE AND OUTLOOK

Our research process is designed to uncover companies that can grow cash flow over the long term and are resilient when economic growth is weak or non-existent. One way to see the results of our research efforts, at the aggregate portfolio level, is to review how it differs from its benchmark. For example, we currently have large overweights in IT and Industrials, and comparatively small exposure in Materials. By geography, we have significantly higher exposure to Europe, Emerging Markets, and Japan, but a notable underweight in the US. Because we do not actively determine these broad allocations from the top down, these overweights and underweights are an indication of where we see the most (and fewest) attractively priced opportunities among individual companies that meet our criteria for quality and growth.

Another way of viewing the portfolio—one that corresponds well with our research-based, bottom-up approach—is along the themes that connect our investments across different sectors and geographies. Two notable portfolio themes are: 1) companies focusing on critical components of larger systems; and 2) companies that provide technical services in support of their customers' R&D.

Suppliers are in a position of strength when their products are critical to the operation of a larger system yet represent only a small portion of its cost. The superior bargaining power of such suppliers typically expresses itself in the form of higher prices and higher and more stable profit margins.

GEOGRAPHIC EXPOSURE (%) at 30 June 2019

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	1.8	3.3
EMERGING MARKETS	13.4	10.3
EUROPE EMU	18.7	8.0
EUROPE EX-EMU	16.3	11.3
FRONTIER MARKETS ²	2.0	—
JAPAN	18.0	10.4
MIDDLE EAST	0.5	0.6
PACIFIC EX-JAPAN	1.1	4.4
UNITED STATES	27.1	51.7
CASH	1.1	—

¹MSCI All Country World Small Cap Index; ²Includes countries with less-developed markets outside the Index.

SECTOR EXPOSURE (%) at 30 June 2019

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	6.1	3.8
CONS DISCRETIONARY	9.1	12.0
CONS STAPLES	9.7	4.5
ENERGY	2.2	3.5
FINANCIALS	8.9	13.4
HEALTH CARE	11.1	10.9
INDUSTRIALS	23.5	16.9
INFO TECHNOLOGY	24.9	13.1
MATERIALS	2.1	7.6
REAL ESTATE	0.0	11.1
UTILITIES	1.3	3.2
CASH	1.1	—

¹MSCI All Country World Small Cap Index.

Switzerland-based **LEM Holdings**, for example, produces transducers that measure electrical power parameters such as current and voltage. Found in a wide range of industrial applications, including locomotives, automobiles, and turbines for wind and solar power generation, transducers are critical to the efficient operation of these complex machines but represent less than 1% of their total cost. LEM is well known for its technical capabilities, including the in-house design of the semiconductors used in its products. It has taken a 50% share of the global transducer market in competition with large industrial companies such as ABB and Honeywell. LEM's strong bargaining power over its clients has enabled it to deliver operating margins in the high teens, return on equity of close to 40%, and strong free cash flow.

Another example is **Senior**, a UK-based designer and manufacturer of high-tech components found in airplanes, trucks, and power plants. The company specializes in products that can withstand extreme temperatures, pressure, and corrosive elements. It is a leader in designing high- and low-pressure ducting technologies that are critical to the safety and comfort of passenger airplanes. Senior also provides aero engine components, such as airfoils, engine casings, fan frames, exhaust nozzles, and seals. In addition to its aerospace products, Senior produces exhaust gas recirculation systems used in heavy duty trucks and industrial applications. Capable of handling extreme temperatures and motion, these systems help engines run more efficiently by recirculating some of the exhaust through the combustion process. Customers include Rolls-Royce, Boeing, Airbus, GE, Cummins, and Caterpillar. Though Senior's products can cost up to several hundreds of thousands of dollars, their costs pale in comparison to the end products in which they are incorporated by Senior's customers. On an Airbus A350, for example, Senior's components cost about US\$762,000, under a quarter of 1% of the plane's US\$370 million price tag. Senior's expertise and global manufacturing capability are formidable barriers to entry to potential rivals, as is the high cost to customers of switching to another provider.

Another portfolio theme involves small companies that provide specialized technical services to their client at the early stage of product development. Our companies work with customers across multiple product categories, which helps them develop technical expertise.

France-based Alten is a case in point. The company offers engineering services across a number of industries, ranging from aerospace and defense to pharmaceuticals and telecommunications. Alten recently advised GlaxoSmithKline in Belgium on the design and operation of vaccine production lines in a project that included selecting equipment such as purification columns, bioreactors, autoclaves, and mobile tanks. It also recently advised a leading military electronics technology company on the development of a unified command-and-control system that monitors 10 million square kilometers of airspace over Europe. Over the last five years, Alten has delivered double-digit revenue and operating earnings growth, with average returns on invested capital of about 17%. We believe the company has strengths that will support its growth for many years to come. First, it can often provide its services at a lower cost than customers can achieve in-house. Second, its large employee base of 30,000 specialized engineers creates a formidable barrier of entry.

Another example is Germany's **Stratec Biomedical**, which specializes in the design of automation and instrumentation technology for the in-vitro diagnostics (IVD) industry. The company serves diagnostic equipment makers such as Siemens, Abbott Labs, Immucor, and Dialogic, which, in turn, sell to medical diagnostic labs such as Quest Diagnostics. Stratec's services represent only about 10%–15% of the total IVD market, yet are critical for customers as they reduce product development costs by up to 70% and shorten time to market for new products. Starting from a very early point of each project, usually the "feasibility study" stage, Stratec is involved in development of the system, including relevant software and quality management, all the way through to getting regulatory approval. From start to finish, the R&D work on a particular product typically lasts for ten or more years. By working with multiple clients, Stratec has amassed considerable intellectual property—the company files about 20 patents per year—that is common across different types of diagnostic equipment. Stratec's revenue and earnings growth has been significantly higher than the industry average over the past five years, while delivering average return on invested capital of about 14% over the period.

TEN LARGEST HOLDINGS at 30 June 2019

COMPANY	SECTOR	COUNTRY	%
ABCAM	HEALTH CARE	UK	2.2
ENERSYS	INDUSTRIALS	US	2.2
SIGNATURE BANK	FINANCIALS	US	2.1
ALTEN	INFO TECHNOLOGY	FRANCE	2.0
GUIDEWIRE SOFTWARE	INFO TECHNOLOGY	US	2.0
BECHTLE	INFO TECHNOLOGY	GERMANY	2.0
LEM HOLDING	INFO TECHNOLOGY	SWITZERLAND	1.9
KINAXIS	INFO TECHNOLOGY	CANADA	1.8
ABC-MART	CONS DISCRETIONARY	JAPAN	1.7
ARIAKE	CONS STAPLES	JAPAN	1.7

PERFORMANCE (% TOTAL RETURN)

as of 30 June 2019

CLASS A	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION
US DOLLAR				13 DECEMBER 2018
GLOBAL SMALL COS EQUITY FUND USD A ¹	19.96	—	—	14.20
MSCI ALL COUNTRY WORLD SMALL CAP INDEX ²	15.01	—	—	10.23

¹Net of fees; ²Net of withholding taxes.

Please read the separate disclosures page for important information.

■ DISCLOSURES

Companies held in the Funds during the period appear in bold type; only the first reference to a particular holding appears in bold. The Funds are actively managed; therefore holdings shown may not be current. Fund holdings and sector and geographic allocations should not be considered recommendations to buy or sell any security. Current and future Fund holdings are subject to risk.

Sector and geographical weightings and Top 10 data is sourced from: FactSet, Harding Loevner Funds, and MSCI Inc. Differences may exist between this source data and similar information reported in the financial statements due to timing differences and/or adjustments required pursuant to International Financial Reporting Standards (IFRS).

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; All data is based on the US dollar class.

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SOURCES

Global Equity Fund: FactSet; Harding Loevner Funds plc Global Equity Fund, based on the underlying holdings; MSCI Inc. and S&P.

International Equity Fund: FactSet; Harding Loevner Funds plc International Equity Fund, based on the underlying holdings; MSCI Inc. and S&P.

Emerging Market Equity Fund: FactSet; Harding Loevner Funds plc Emerging Markets Equity Fund, based on the underlying holdings; MSCI Inc. and S&P.

Global Small Companies Equity Fund: FactSet; Harding Loevner Funds plc Global Small Companies Equity Fund, based on the underlying holdings; MSCI Inc. and S&P.

INDEX DEFINITIONS

The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Index consists of 49 developed and emerging market countries. The Index is net of foreign withholding taxes on dividends.

The MSCI All Country World ex-US Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. The Index consists of 48 developed and emerging market countries. The Index is net of foreign withholding taxes on dividends.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Index consists of 26 emerging market countries. The Index is net of foreign withholding taxes on dividends.

The MSCI All Country World Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 49 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 53-22,305 million (as of June 30, 2019).

You cannot invest directly in these Indexes.



HARDING LOEVNER FUNDS PLC

Audited Financial Statements

Global Equity Fund

International Equity Fund

Emerging Markets Equity Fund

Global Small Companies Equity Fund

30 June 2019

Harding Loevner Funds plc

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Harding Loevner Funds plc

Directors and Other Information

For the Financial Year Ended 30 June 2019

DIRECTORS	David Loevner Mike Kirby Jim Cleary Ryan Bowles	(US resident) (Non-executive) (Irish resident) (Non-executive) (Irish resident) (Independent, Non-executive) (US resident) (Non-executive)
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REGISTERED OFFICE	Effective from 18 September 2008 to 15 April 2019 32 Molesworth Street Dublin 2 Ireland Effective from 15 April 2019 3rd Floor 3 George's Dock, IFSC Dublin, D01 X5X0 Ireland
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INVESTMENT MANAGER	Harding Loevner LP 400 Crossing Boulevard 4th Floor Bridgewater New Jersey 08807 USA
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DEPOSITARY	Northern Trust Fiduciary Services (Ireland) Limited Georges Court 54-62 Townsend Street Dublin 2 Ireland
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ADMINISTRATOR	Northern Trust International Fund Administration Services (Ireland) Limited Georges Court 54-62 Townsend Street Dublin 2 Ireland
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COMPANY SECRETARY	Effective from 30 June 2018 to 15 April 2019 MFD Secretaries Limited 32 Molesworth Street Dublin 2 Ireland
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INDEPENDENT AUDITORS	Effective from 15 April 2019 Dechert Secretarial Limited 3rd Floor 3 George's Dock, IFSC Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
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IRISH LEGAL ADVISERS	Dechert 3rd Floor 3 George's Dock, IFSC Dublin, D01 X5X0 Ireland
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Harding Loevner Funds plc

Directors' Responsibilities Statement

For the Financial Year Ended 30 June 2019

Directors' Responsibilities Statement

The Directors' are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and comply with the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (the "Central Bank UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to the Depositary for safe-keeping. In carrying out this duty, the Directors have delegated custody of the Company's assets to Northern Trust Fiduciary Services (Ireland) Limited.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

Director


J. Cleary


M. Kirby

18 September 2019

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2019

The following information is derived from and should be read in conjunction with the full text and definition section of the Prospectus. Capitalised terms shall bear the meaning as defined in the Prospectus, unless otherwise stated.

Date of Incorporation

Harding Loevner Funds plc (the "Company") was incorporated on 29 March 2007 and commenced operations on 1 June 2007.

Background to the Company

The Company is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "Central Bank") under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended ("the UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, (the "Central Bank UCITS Regulations"). Shares representing interests in different sub-funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a sub-fund. A separate portfolio of assets will be maintained for each sub-fund (and accordingly not for each class of shares) and will be invested in accordance with the investment objective and policies applicable to such sub-fund.

There are five sub-funds (the "sub-funds") of the Company currently in existence, namely:

The Harding Loevner Global Equity Fund

The Company created the Harding Loevner Global Equity Fund (the "Global Equity Fund") on 31 May 2007 and commenced its operations on 1 June 2007.

The investment objective of the Global Equity Fund is to achieve long-term capital appreciation by investing primarily in global equities.

As at 30 June 2019 the following classes of shares were authorised to be issued in the Global Equity Fund:

US Dollar	Euro	Sterling	Australian Dollar	Singapore Dollar
Class A Class B Class D Class I Class M Class S Class S1	Class A Class D Class M Class S	Class A Class B Class D Class I Class M Class S	Class A Class F Class M	Class A Class D Class M Class S
Swiss Franc	Canadian Dollar			
Class A Class D	Class A Class S			

As at 30 June 2019 the following share classes were in issue in the Global Equity Fund.

US Dollar	Euro	Sterling	Singapore Dollar
Class A Class B Class D Class S1 Class S	Class A Class M Class S	Class A Class B Class S	Class M

The Harding Loevner International Equity Fund

The Company created the Harding Loevner International Equity Fund (the "International Equity Fund") on 31 May 2007 and commenced its operations on 3 April 2013.

The investment objective of the International Equity Fund is to achieve long-term capital appreciation by investing primarily in equities of companies based in global markets other than the United States of America.

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner International Equity Fund (Continued)

As at 30 June 2019 the following classes of shares were authorised to be issued in the International Equity Fund:

US Dollar	Euro	Sterling
Class A Class B Class I Class M Class S	Class A Class S	Class A Class S

As at 30 June 2019 the following share classes were in issue in the International Equity Fund.

US Dollar	Sterling
Class A Class B Class S	Class A

The Harding Loevner Emerging Markets Equity Fund

The Company created the Harding Loevner Emerging Markets Equity Fund (the "Emerging Markets Equity Fund") on 31 May 2007 and commenced its operations on 25 September 2012.

The investment objective of the Emerging Markets Equity Fund is to achieve long-term capital appreciation by investing primarily in emerging markets equities.

As at 30 June 2019 the following classes of shares were authorised to be issued in the Emerging Markets Equity Fund:

US Dollar	Euro	Sterling	Australian Dollar	Canadian Dollar
Class A Class B Class I Class M	Class A Class B Class I Class M	Class A Class B Class I Class M	Class A Class B Class I Class F	Class A Class B Class I Class M

As at 30 June 2019 the following share classes were in issue in the Emerging Markets Equity Fund:

US Dollar	Euro	Sterling	Canadian Dollar
Class A Class B Class I	Class I	Class M	Class I Class M

The Harding Loevner Frontier Emerging Markets Equity Fund

The Company created the Harding Loevner Frontier Emerging Markets Equity Fund (the "Frontier Emerging Markets Equity Fund") on 31 May 2007 and commenced its operations on 25 September 2012. On 15 August 2017 shares for the Frontier Emerging Markets Equity Fund were fully redeemed. The Fund will remain in a dormant status and open to investors should Subscriptions arise in the future.

The investment objective of the Frontier Emerging Markets Equity Fund is to achieve long-term capital appreciation by investing primarily in frontier emerging markets equities.

As at 30 June 2019 the following classes of shares were authorised to be issued in the Frontier Emerging Markets Equity Fund.

US Dollar	Euro	Sterling	Australian Dollar
Class A	Class A	Class A	Class A

As at 30 June 2019 there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Global Small Companies Equity Fund

The Company created the Harding Loevner Global Small Companies Equity Fund ("Global Small Companies Equity Fund") on 4 December 2018 and commenced its operations on 13 December 2018. The investment objective of the Global Small Companies Equity Fund is to achieve long-term capital appreciation through investments in equity securities of small companies based both inside and outside the United States.

As at 30 June 2019 the following class of shares were authorised to be issued in the Global Small Companies Equity Fund:

Euro	Sterling	US Dollar
Class A	Class A	Class A Class B Class S

As at 30 June 2019, US Dollar Share Class A was in issue in the Global Small Companies Equity Fund.

Connected Persons

The Central Bank UCITS Regulations requires that any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or depositary, and any associated or group of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if conducted at arm's length and must be in the best interests of the shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the period complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

Significant Events During the Financial Year

During the financial year ended 30 June 2019, the Global Equity Fund distributed the following net income:

A distribution of 0.004719693 per share on the Sterling Class A shares, with a total value of GBP 237,698, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.0066092467 per share on the Sterling Class I shares, with a total value of GBP 467,620, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.006048263 per share on the Sterling Class M shares, with a total value of GBP 405,332, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.000883396 per share on the Sterling Class S shares, with a total value of GBP 178,988 for the six months ended 31 December 2018. This distribution was declared on 16 April 2019 with a record date of 15 April 2019, an ex-date of 16 April 2019 and a pay date of 18 April 2019.

During the financial year ended 30 June 2019, the International Equity Fund distributed the following net income:

A distribution of 0.017221748 per share on the Sterling Class A shares, with a total value of GBP 50,042, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.005244638 per share on the Sterling Class A shares, with a total value of GBP 8,427, for the six months ended 31 December 2018. This distribution was declared on 16 April 2019 with a record date of 15 April 2019, an ex-date of 16 April 2019 and a pay date of 18 April 2019.

On 2 July 2018, the Prospectus and Supplements in respect of the Fund of the Company were updated to include additional disclosures relating to MiFID II, AML, and data protection, the latter following the implementation of General Data Protection Regulation ("GDPR"). Also, UK tax language was removed and, instead, inserted in the relevant UK Country Supplement filed with the FCA in August. Within the Supplements, Class S shares of the Global Equity and International Equity sub-funds were authorised. The documents were approved by the Central Bank..

On 15 August 2018, the Sterling Class B shares for the Global Equity Fund were first issued.

On 29 August 2018, the US Dollar Class S1 shares for the Global Equity Fund were first issued.

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2019 (Continued)

Significant Events During the Financial Year (Continued)

On 25 October 2018, Sterling Class I shares for Global Equity Fund were fully redeemed.

On 25 October 2018, US Dollar Class I Shares for the International Equity Fund were fully redeemed.

On 26 October 2018, the Sterling Class S shares for the Global Equity Fund were first issued.

On 26 October 2018, the US Dollar Class S shares for the International Equity Fund were first issued.

On 19 November 2018, the Supplement in respect of the Global Equity Fund was updated to reflect the authorization of Canadian Dollar Class A.

On 4 December 2018, Harding Loevner Global Small Companies Equity Fund was approved by the Central Bank. On 13 December 2018, US Dollar Class A shares were first issued.

On 20 December 2018, the Prospectus in respect of the Fund of the Company was updated to include amended Administration and Depositary Agreements.

On 8 February 2019, the US Dollar Class S shares for the Global Equity Fund were first issued.

On 6 March 2019, the Euro Class S shares for the Global Equity Fund were first issued.

On 10 April 2019, the Sterling Class M shares for the Global Equity Fund were fully redeemed.

On 15 April 2019, Dechert Secretarial Limited was appointed as Company Secretary.

Review of the Business and Future Developments

The movement in Dealing Net Asset Value ("NAV") per share for the Global Equity Fund, International Equity Fund, Emerging Markets Equity Fund and Global Small Companies Equity Fund during the financial year was as follows:

The Harding Loevner Global Equity Fund

Class	30 June 2019	30 June 2018
US Dollar Class A	USD 2.157	USD 2.106
Euro Class A	EUR 1.895	EUR 1.802
Sterling Class A	GBP 1.697	GBP 1.600
Sterling Class B	GBP 1.031	–
US Dollar Class B	USD 1.001	USD 0.980
US Dollar Class D	USD 1.021	USD 1.004
Sterling Class I	–	GBP 1.646
US Dollar Class S1	USD 0.989	–
Euro Class M	EUR 1.086	EUR 1.032
Euro Class S	EUR 1.046	–
Sterling Class S	GBP 1.135	–
Sterling Class M	–	GBP 1.595
Singapore Dollar Class M	SGD 1.479	SGD 1.454
US Dollar Class S	USD 1.095	–

The Harding Loevner International Equity Fund

Class	30 June 2019	30 June 2018
US Dollar Class A	USD 1.359	USD 1.352
US Dollar Class S	USD 1.130	–
Sterling Class A	GBP 1.715	GBP 1.665
US Dollar Class B	USD 1.356	USD 1.352
US Dollar Class I	–	USD 1.087

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Emerging Markets Equity Fund

Class	30 June 2019	30 June 2018
US Dollar Class A	USD 1.361	USD 1.381
US Dollar Class B	USD 1.203	USD 1.224
US Dollar Class I	USD 1.263	USD 1.278
Euro Class I	EUR 1.160	EUR 1.143
Canadian Dollar Class I	CAD 1.601	CAD 1.627
US Dollar Class M	–	USD 1.458
Sterling Class M	GBP 1.162	GBP 1.340
Canadian Dollar Class M	CAD 1.424	CAD 1.449

The Harding Loevner Global Small Companies Equity Fund

Class	30 June 2019
US Dollar Class A	USD 1.119

The Investment Manager's report on pages 3 to 20 of the Annual Commentary section contains a review of the factors which contributed to the performance for the financial year. The Investment Manager's report covers the financial year to 30 June 2019. The NAV per share differs from the dealing NAV due to the treatment of preliminary expenses. The Directors do not anticipate any change in the structure or investment objective of the Company.

Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are market, price, foreign currency, interest rate, credit, concentration, liquidity and non-developed markets risk.

The Investment Manager may use derivative instruments for investment purposes, efficient portfolio management and to attempt to manage the risk of the Company's investments.

For further information on risk management objectives and policies, please see Note 13 on pages 50 to 63.

Results and Dividends

The results and dividends for the financial year are set out in the Statement of Comprehensive Income on pages 32 to 33. The Directors intend to declare a dividend in respect of the Sterling currency classes of the Global Equity, International Equity and Global Small Companies Equity Funds such that substantially all of the net income relating to such classes shall be distributed on a semi-annual basis (on or about 15 April and 15 October in each calendar year). A distribution was made in October 2018 (for the financial year ended 30 June 2018) and in April 2019 (for the financial period ended 31 December 2018) for the Global Equity Fund and the International Equity Fund.

UK Reporting Fund Status

The United Kingdom HM Revenue and Customs ("HMRC") has confirmed that the Global Equity Fund Sterling Class A Shares is in the UK Reporting Fund Regime from 1 July 2010 onwards (and was previously certified as a distributing fund) and the Harding Loevner Global Equity Fund Sterling Class B is in the UK Reporting Fund Regime from 15 August 2018. All required submissions for Reporting Status for the financial year ended 30 June 2019 will be made within the required timeframe.

Events After the Reporting Date

There have been no material events to report subsequent to the financial year ended 30 June 2019.

Directors

The names of the persons who were Directors of the Company at any time during the financial year ended 30 June 2019 are set out below.

David Loevner	(US resident)
Mike Kirby	(Irish resident)
Jim Cleary	(Irish resident)
Ryan Bowles	(US resident)

Company Secretary

Effective 15 April 2019 Dechert Secretarial Limited was appointed as Company Secretary.

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2019 (Continued)

Directors' and Secretary's Interests in Shares and Contracts

Entities related to David Loevner are limited partners of the Investment Manager. Mike Kirby is the Managing Principal of KB Associates, who provide consulting services to the Company. No other Directors had, at any time during the year or at the end of the financial year, a material interest in any contract of significance, in relation to the business of the Company.

Accounting Records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records of the Company are kept at Northern Trust International Fund Administration Services (Ireland) Limited, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.

Independent Auditors

The independent auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have declared their willingness to continue in office in accordance with the Companies Act 2014.

Statement of Corporate Governance

The European Communities (Directive 2006/46/EC) Regulations (S.I. 450 of 2009 and S.I. 83 of 2010) (the "Regulations") require the inclusion of a corporate governance statement in the Directors' Report. Although there is no specific statutory corporate governance code applicable to Irish collective investment schemes, the Company is subject to corporate governance practices imposed by:

- (i) The Irish Companies Act 2014, which are available for inspection at the registered office of the Company; and may also be obtained at <http://www.irishstatutebook.ie>
- (ii) The Articles of Association of the Company, which are available for inspection at the registered office of the Company at 3rd Floor, 3 George's Dock, IFSC, Dublin, D01 X5X0 Ireland and at the Companies Registration Office in Ireland; and
- (iii) The Central Bank of Ireland ("Central Bank") in their UCITS regulations, which can be obtained from the Central Bank's website at: <http://www.centralbank.ie/regulation/industry-sectors/funds/ucits/Pages/default.aspx> and are available for inspection at the registered office of the Company.

The Board of Directors voluntarily complies with the Corporate Governance Code for Collective Investment Schemes and Management Companies as published by Irish Funds (the "IF Code") as the Company's corporate governance code. The Board of Directors has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year.

Audit Committee

The Directors believe that there is no requirement to form an audit committee as the Board has four non-executive, including one independent, Directors and the Company complies with the provisions of the IF Code. The Directors have delegated the day-to-day investment management and administration of the Company to the Investment Manager and to the Administrator respectively. The Directors have also appointed Northern Trust Fiduciary Services (Ireland) Limited as depositary of the assets of the Company.

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in section 225 of the Companies Act 2014.

The Directors confirm that:

- 1) A compliance policy document has been drawn up that sets out policies that in our opinion are appropriate to the Company, respecting compliance by the company with its relevant obligations.
- 2) Appropriate arrangements or structures are in place that are, in our opinion, designed to secure material compliance with the Company's relevant obligations, and
- 3) During the financial year, the arrangements or structures referred to in (2) have been reviewed.

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2019 (Continued)

Statement on Relevant Audit Information

The Directors confirm that during the financial year end 30 June 2019:

- 1) so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- 2) the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director



J. Cleary

Director



M. Kirby

18 September 2019

Harding Loevner Funds plc

Depository's Report

For the Financial Year Ended 30 June 2019

Report of the Depository to the Shareholders

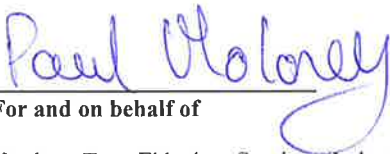
We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depository to Harding Loevner Funds plc ("the Fund"), provide this report solely in favour of the shareholders of the Fund for the financial year ended 30 June 2019. This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law ("the Regulations").

We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depository obligation as provided for under the Regulations, we have enquired into the conduct of the Fund for the financial year ended 30 June 2019 and we hereby report thereon to the shareholders of the Fund as follows;

We are of the opinion that the Fund has been managed during the financial year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the Regulations.



For and on behalf of

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2

18 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARDING LOEVNER FUNDS PLC

Report on the audit of the financial statements

Opinion on the financial statements of Harding Loevner Funds plc ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 June 2019 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares;
- the Statement of Cash Flows; and
- the related notes 1 to 21, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as amended (the "Central Bank UCITS Regulations").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

/Continued on next page

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARDING LOEVNER FUNDS PLC**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARDING LOEVNER FUNDS PLC

This report is made solely to the company's shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Corporate Governance Statement

We report, in relation to information given in the Corporate Governance Statement on pages 7 & 8 that, in our opinion the information given in the Corporate Governance Statement pursuant to subsections 2(c) and [(d)] of section 1373 Companies Act 2014 is consistent with the company's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with section 1373 of the Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Brian Jackson
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date:

18th September 2019

Harding Loevner Funds plc

Global Equity Fund Schedule of Investments 30 June 2019

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Brazil: 1.12% (30 June 2018: 0.84%)				Mexico: 0.00% (30 June 2018: 1.21%)			
Itau Unibanco (Pref) ADR (Financials)	1,180,704	11,122,232	1.12%	Republic of South Korea: 0.95% (30 June 2018: 1.01%)			
China: 4.87% (30 June 2018: 5.39%)				Samsung Electronics (Voting) GDR Reg S (Information Technology)	9,346	9,504,882	0.95%
AAC Technologies (Information Technology)	1,371,000	7,783,690	0.78%	Russian Federation: 1.42% (30 June 2018: 1.38%)			
Alibaba Group Holding ADR (Consumer Discretionary)	97,545	16,529,000	1.66%	Yandex (Communication Services)	373,007	14,174,266	1.42%
Baidu ADR (Communication Services)	46,729	5,484,116	0.55%	South Africa: 1.55% (30 June 2018: 3.62%)			
NetEase ADR (Communication Services)	36,369	9,302,099	0.93%	Naspers (Consumer Discretionary)	40,583	9,852,636	0.99%
Wuxi Biologics (Health Care)	1,049,000	9,420,145	0.95%	Sasol ADR (Materials)	225,733	5,609,465	0.56%
CHINA TOTAL		48,519,050	4.87%	SOUTH AFRICA TOTAL		15,462,101	1.55%
Denmark: 0.81% (30 June 2018: 2.35%)				Spain: 2.07% (30 June 2018: 2.37%)			
CHR. Hansen (Materials)	86,393	8,112,649	0.81%	BBVA (Financials)	1,431,393	8,003,091	0.81%
Finland: 0.98% (30 June 2018: 1.37%)				Grifols (Pref) ADR (Health Care)	596,102	12,577,752	1.26%
Kone (Industrials)	166,006	9,796,926	0.98%	SPAIN TOTAL		20,580,843	2.07%
France: 4.43% (30 June 2018: 3.26%)				Sweden: 0.41% (30 June 2018: 1.84%)			
Air Liquide (Materials)	74,735	10,456,933	1.05%	Intrum Justitia (Industrials)	159,123	4,085,108	0.41%
EssilorLuxottica (Consumer Discretionary)	173,483	22,636,449	2.27%	Switzerland: 4.85% (30 June 2018: 4.69%)			
L'Oreal (Consumer Staples)	38,935	11,090,384	1.11%	Lonza Group (Health Care)	66,814	22,545,105	2.26%
FRANCE TOTAL		44,183,766	4.43%	Nestle ADR (Consumer Staples)	134,706	13,928,600	1.40%
Germany: 2.37% (30 June 2018: 4.58%)				Sonova Holding (Health Care)	52,146	11,847,965	1.19%
BMW (Consumer Discretionary)	17,881	1,323,442	0.14%	SWITZERLAND TOTAL		48,321,670	4.85%
Symrise (Materials)	231,205	22,252,128	2.23%	United Kingdom: 2.30% (30 June 2018: 5.31%)			
GERMANY TOTAL		23,575,570	2.37%	Abcam (Health Care)	547,282	10,244,607	1.03%
Hong Kong: 3.03% (30 June 2018: 2.53%)				Standard Chartered PLC (Financials)	1,397,178	12,672,382	1.27%
AIA Group (Financials)	2,801,600	30,215,548	3.03%	UNITED KINGDOM TOTAL		22,916,989	2.30%
India: 2.92% (30 June 2018: 2.12%)				United States: 49.38% (30 June 2018: 40.50%)			
HDFC Bank ADR (Financials)	88,579	11,518,813	1.15%	3M Company (Industrials)	40,139	6,957,694	0.70%
ICICI Bank ADR (Financials)	1,399,997	17,625,962	1.77%	Abbott Labs (Health Care)	158,403	13,321,692	1.34%
INDIA TOTAL		29,144,775	2.92%	Alphabet (Communication Services)	23,317	25,247,648	2.54%
Indonesia: 1.60% (30 June 2018: 1.16%)				Amazon.com (Consumer Discretionary)	8,649	16,378,006	1.64%
Bank Central Asia (Financials)	7,500,076	15,913,274	1.60%	Apple Inc (Information Technology)	82,465	16,321,473	1.64%
Israel: 0.95% (30 June 2018: 0.83%)				Booking Holdings (Consumer Discretionary)	14,478	27,142,051	2.72%
Check Point (Information Technology)	82,021	9,482,448	0.95%	Cognex (Information Technology)	152,986	7,340,268	0.74%
Italy: 0.00% (30 June 2018: 2.12%)				Cognizant Technology (Information Technology)	131,443	8,332,172	0.83%
Japan: 9.84% (30 June 2018: 10.57%)				Colgate-Palmolive (Consumer Staples)	164,042	11,756,890	1.18%
Fanuc (Industrials)	37,900	7,005,955	0.70%	Disney (Communication Services)	89,149	12,448,766	1.25%
Keyence (Information Technology)	26,800	16,438,195	1.65%	eBay (Consumer Discretionary)	242,832	9,591,864	0.96%
Kubota (Industrials)	677,000	11,258,739	1.13%	ExxonMobil (Energy)	166,196	12,735,599	1.28%
M3 (Health Care)	1,150,194	21,005,723	2.10%	Facebook (Communication Services)	62,126	11,990,318	1.20%
Makita (Industrials)	274,547	9,320,058	0.94%	First Republic Bank (Financials)	254,997	24,900,457	2.50%
MonotaRO (Industrials)	544,900	13,271,877	1.33%	Illumina (Health Care)	30,508	11,231,520	1.13%
Sysmex (Health Care)	180,156	11,741,930	1.18%	IPG Photonics (Information Technology)	60,066	9,265,180	0.93%
ZOZO (Consumer Discretionary)	430,900	8,069,258	0.81%	Linde (Materials)	85,886	17,251,811	1.73%
JAPAN TOTAL		98,111,735	9.84%	Mastercard (Information Technology)	84,270	22,291,943	2.24%
				Microsoft (Information Technology)	93,775	12,562,099	1.26%
				Nike (Consumer Discretionary)	203,706	17,101,119	1.72%
				NVIDIA (Information Technology)	77,522	12,731,438	1.28%
				PayPal (Information Technology)	402,439	46,063,168	4.62%
				Regeneron (Health Care)	42,896	13,426,448	1.35%
				Roper (Industrials)	99,952	36,608,420	3.67%
				Schlumberger (Energy)	358,973	14,265,587	1.43%
				SVB Financial Group (Financials)	36,433	8,182,488	0.82%
				UnitedHealth (Health Care)	33,740	8,232,897	0.82%
				Verisk Analytics (Industrials)	198,004	28,999,666	2.91%

Harding Loevner Funds plc

Global Equity Fund Schedule of Investments 30 June 2019 (Continued)

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
United States (Continued)			
Vertex Pharmaceuticals (Health Care)	46,000	8,435,480	0.84%
Walgreens Boots Alliance (Consumer Staples)	149,976	8,199,188	0.82%
Waters (Health Care)	59,623	12,833,255	1.29%
UNITED STATES TOTAL		492,146,605	49.38%
Total transferable securities (30 June 2018: 99.05%)		955,370,437	95.85%
(Cost: USD 745,864,406) (30 June 2018: Cost: USD 478,082,307)			
Cash and cash equivalents (30 June 2018: 2.59%)		40,633,643	4.08%
Other assets and liabilities (30 June 2018: (1.64)%)		744,718	0.07%
Net assets attributable to holders of redeemable participating shares		996,748,798	100.00%
Analysis of total gross assets		% of total gross assets	
Transferable securities admitted to an official stock exchange listing		95.67%	
Cash and cash equivalents		4.07%	
Other assets		0.26%	
		<u>100.00%</u>	

Harding Loevner Funds plc

International Equity Fund Schedule of Investments 30 June 2019

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Australia: 0.00% (30 June 2018: 1.24%)				Japan (Continued)			
Brazil: 2.83% (30 June 2018: 1.29%)				Sysmex (Health Care)	44,998	2,932,810	1.23%
Ambev ADR (Consumer Staples)	829,411	3,873,350	1.62%	UNICHARM (Consumer Staples)	71,600	2,154,342	0.90%
Itau Unibanco (Pref) ADR (Financials)	307,098	2,892,863	1.21%	JAPAN TOTAL		27,426,652	11.46%
BRAZIL TOTAL		6,766,213	2.83%	Mexico: 0.99% (30 June 2018: 1.16%)			
Canada: 3.06% (30 June 2018: 2.09%)				FEMSA ADR (Consumer Staples)	24,491	2,369,504	0.99%
Alimentation Couche-Tard (Consumer Staples)	44,400	2,794,092	1.17%	Republic of South Korea: 2.82% (30 June 2018: 3.09%)			
Canadian National Railway (Industrials)	49,012	4,532,630	1.89%	Samsung Electronics (Pref) GDR Reg S (Information Technology)	4,087	3,400,384	1.42%
CANADA TOTAL		7,326,722	3.06%	Samsung Electronics (Voting) GDR Reg S (Information Technology)	3,280	3,335,760	1.40%
China: 5.90% (30 June 2018: 3.87%)				REPUBLIC OF SOUTH KOREA TOTAL		6,736,144	2.82%
Baidu ADR (Communication Services)	26,662	3,129,052	1.31%	Russian Federation: 2.75% (30 June 2018: 0.00%)			
China Mobile ADR (Communication Services)	81,198	3,677,458	1.54%	Lukoil ADR (Energy)	45,072	3,786,949	1.58%
Ping An Insurance (Financials)	395,000	4,743,014	1.98%	Yandex (Communication Services)	73,345	2,787,110	1.17%
Tencent Holdings (Communication Services)	56,900	2,568,319	1.07%	RUSSIAN FEDERATION TOTAL		6,574,059	2.75%
CHINA TOTAL		14,117,843	5.90%	Singapore: 2.71% (30 June 2018: 2.28%)			
Denmark: 0.86% (30 June 2018: 0.97%)				DBS Group (Financials)	337,550	6,476,569	2.71%
Novozymes (Materials)	44,320	2,066,734	0.86%	South Africa: 1.63% (30 June 2018: 4.41%)			
France: 5.54% (30 June 2018: 9.86%)				Aspen Pharmacare (Health Care)	34,223	244,068	0.10%
Air Liquide (Materials)	16,405	2,295,390	0.96%	Naspers (Consumer Discretionary)	8,762	2,127,216	0.89%
Dassault Systemes (Information Technology)	23,751	3,789,119	1.58%	Sasol (Materials)	61,845	1,537,717	0.64%
L'Oreal (Consumer Staples)	25,209	7,180,622	3.00%	SOUTH AFRICA TOTAL		3,909,001	1.63%
FRANCE TOTAL		13,265,131	5.54%	Spain: 4.66% (30 June 2018: 3.17%)			
Germany: 12.55% (30 June 2018: 15.98%)				Amadeus IT Group (Information Technology)	44,942	3,559,873	1.49%
ADIDAS (Consumer Discretionary)	14,164	4,372,748	1.83%	BBVA (Financials)	970,236	5,424,707	2.26%
Allianz (Financials)	31,070	7,489,896	3.13%	Grifols (Health Care)	37,728	1,115,413	0.47%
BMW (Consumer Discretionary)	3,905	289,024	0.12%	Grifols (Pref) ADR (Health Care)	50,201	1,059,241	0.44%
Fuchs Petrolub (Pref) (Materials)	29,807	1,172,039	0.49%	SPAIN TOTAL		11,159,234	4.66%
Infineon Technologies (Information Technology)	311,827	5,513,696	2.31%	Sweden: 4.74% (30 June 2018: 2.84%)			
SAP ADR (Information Technology)	56,878	7,780,910	3.25%	Alfa Laval (Industrials)	142,482	3,108,592	1.30%
Symrise (Materials)	35,378	3,404,925	1.42%	Atlas Copco AB (Industrials)	186,127	5,948,913	2.49%
GERMANY TOTAL		30,023,238	12.55%	Epiroc (Industrials)	218,892	2,278,929	0.95%
Hong Kong: 3.60% (30 June 2018: 4.45%)				SWEDEN TOTAL		11,336,434	4.74%
AIA Group (Financials)	799,300	8,620,534	3.60%	Switzerland: 10.98% (30 June 2018: 9.03%)			
India: 3.04% (30 June 2018: 2.05%)				Lonza Group (Health Care)	12,511	4,221,597	1.77%
HDFC Bank ADR (Financials)	28,317	3,682,343	1.54%	Nestle ADR (Consumer Staples)	85,772	8,868,825	3.71%
ICICI Bank ADR (Financials)	285,821	3,598,486	1.50%	Roche Holding (Health Care)	26,126	7,350,447	3.07%
INDIA TOTAL		7,280,829	3.04%	SGS (Industrials)	941	2,397,323	1.00%
Israel: 2.69% (30 June 2018: 2.23%)				Sonova Holding (Health Care)	15,062	3,422,200	1.43%
Check Point (Information Technology)	55,587	6,426,413	2.69%	SWITZERLAND TOTAL		26,260,392	10.98%
Italy: 0.00% (30 June 2018: 0.85%)				Taiwan: 2.92% (30 June 2018: 2.34%)			
Japan: 11.46% (30 June 2018: 14.18%)				Taiwan Semiconductor ADR (Information Technology)	178,634	6,997,094	2.92%
Chugai Pharmaceutical (Health Care)	51,100	3,336,679	1.39%	United Kingdom: 7.49% (30 June 2018: 7.73%)			
Dentsu (Communication Services)	67,700	2,361,007	0.99%	Diageo (Consumer Staples)	110,468	4,747,375	1.99%
Fanuc (Industrials)	12,800	2,366,127	0.99%	HSBC (Financials)	308,642	2,574,785	1.08%
Keyence (Information Technology)	6,600	4,048,212	1.69%	Rio Tinto (Materials)	41,508	2,572,662	1.07%
Komatsu (Industrials)	93,600	2,257,200	0.94%	Royal Dutch Shell (Energy)	117,343	3,846,200	1.61%
Kubota (Industrials)	245,900	4,089,401	1.71%				
M3 (Health Care)	212,502	3,880,874	1.62%				

Harding Loevner Funds plc

International Equity Fund Schedule of Investments 30 June 2019 (Continued)

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
United Kingdom (Continued)			
Unilever (Consumer Staples)	67,096	4,170,533	1.74%
UNITED KINGDOM TOTAL		17,911,555	7.49%
United States: 3.42% (30 June 2018: 1.54%)			
Linde (Materials)	23,729	4,766,414	1.99%
Schlumberger (Energy)	86,238	3,427,098	1.43%
UNITED STATES TOTAL		8,193,512	3.42%
Total transferable securities (30 June 2018: 96.65%)			
		231,243,807	96.64%
(Cost: USD 202,941,302) (30 June 2018: Cost: USD 172,409,099)			
Cash and cash equivalents (30 June 2018: 3.32%)		7,708,263	3.22%
Other assets and liabilities (30 June 2018: 0.03%)		323,835	0.14%
Net assets attributable to holders of redeemable participating shares		239,275,905	100.00%
Analysis of total gross assets			
Transferable securities admitted to an official stock exchange listing			96.32%
Cash and cash equivalents			3.21%
Other assets			0.47%
			100.00%

Harding Loevner Funds plc

Emerging Markets Equity Fund Schedule of Investments 30 June 2019

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Argentina: 0.00% (30 June 2018: 0.64%)				Hungary: 0.00% (30 June 2018: 0.46%)			
Brazil: 7.99% (30 June 2018: 5.58%)				India: 5.75% (30 June 2018: 4.60%)			
Ambev ADR (Consumer Staples)	1,223,615	5,714,282	0.94%	HDFC Corp (Financials)	463,655	14,724,249	2.42%
B3 (Financials)	418,600	4,083,583	0.67%	Kotak Mahindra Bank (Financials)	365,932	7,830,476	1.28%
Banco Bradesco ADR (Financials)	1,195,996	11,744,681	1.93%	Maruti Suzuki India (Consumer Discretionary)	59,446	5,627,595	0.92%
Itau Unibanco (Pref) ADR (Financials)	1,010,795	9,521,689	1.56%	Tata Consultancy Services (Information Technology)	213,011	6,872,885	1.13%
Localiza Rent a Car (Industrials)	382,100	4,077,777	0.67%	INDIA TOTAL		35,055,205	5.75%
Pao de Acucar (Pref) ADR (Consumer Staples)	150,694	3,688,989	0.60%	Indonesia: 3.40% (30 June 2018: 2.94%)			
Raia Drogasil (Consumer Staples)	160,000	3,170,875	0.52%	Astra International (Consumer Discretionary)	9,422,700	4,968,969	0.81%
WEG (Industrials)	1,203,190	6,692,831	1.10%	Bank Central Asia (Financials)	3,019,274	6,406,140	1.05%
BRAZIL TOTAL		48,694,707	7.99%	Bank Rakyat (Financials)	30,319,825	9,357,242	1.54%
Chile: 0.47% (30 June 2018: 1.14%)				INDONESIA TOTAL		20,732,351	3.40%
Banco Santander Chile ADR (Financials)	95,204	2,848,504	0.47%	Italy: 1.20% (30 June 2018: 1.30%)			
China: 24.00% (30 June 2018: 27.84%)				Tenaris ADR (Energy)	276,968	7,287,028	1.20%
51job ADR (Industrials)	99,584	7,518,592	1.23%	Kenya: 1.26% (30 June 2018: 1.34%)			
AAC Technologies (Information Technology)	491,500	2,790,433	0.46%	East African Breweries (Consumer Staples)	722,459	1,407,227	0.23%
Alibaba Group Holding ADR (Consumer Discretionary)	140,833	23,864,152	3.91%	Safaricom (Communication Services)	22,845,190	6,259,872	1.03%
Autohome ADR (Communication Services)	58,589	5,016,390	0.82%	KENYA TOTAL		7,667,099	1.26%
Baidu ADR (Communication Services)	29,166	3,422,922	0.56%	Mexico: 4.54% (30 June 2018: 4.10%)			
CNOOC ADR (Energy)	53,732	9,153,246	1.50%	FEMSA ADR (Consumer Staples)	65,203	6,308,390	1.03%
CSPC Pharmaceutical Group (Health Care)	2,300,000	3,709,820	0.61%	GF Banorte (Financials)	1,476,770	8,568,055	1.41%
Ctrip.com ADR (Consumer Discretionary)	89,802	3,314,592	0.54%	Grupo Aeroportuario del Sureste ADR (Industrials)	35,040	5,680,334	0.93%
ENN Energy (Utilities)	1,259,265	12,251,384	2.01%	Wal-Mart de Mexico (Consumer Staples)	2,611,000	7,128,175	1.17%
Hangzhou Hikvision Digital Tec (China A) (Information Technology)	1,693,393	6,797,528	1.11%	MEXICO TOTAL		27,684,954	4.54%
Han's Laser Technology (China A) (Industrials)	646,685	3,235,919	0.53%	Panama: 0.99% (30 June 2018: 0.78%)			
JD.com ADR (Consumer Discretionary)	81,961	2,482,599	0.41%	Copa Holdings (Industrials)	61,980	6,047,389	0.99%
Jiangsu Yanghe Brewery (Consumer Staples)	80,715	1,428,052	0.24%	Peru: 1.31% (30 June 2018: 1.46%)			
Midea Group (China A) (Consumer Discretionary)	1,145,690	8,647,661	1.42%	Credicorp (Financials)	34,806	7,967,442	1.31%
Ping An Insurance (Financials)	791,500	9,504,039	1.56%	Republic of South Korea: 8.96% (30 June 2018: 8.36%)			
Shenzhou (Consumer Discretionary)	477,550	6,565,647	1.08%	Amorepacific (Consumer Staples)	24,742	3,524,929	0.58%
Sino Biopharmaceutical (Health Care)	1,865,440	1,908,018	0.31%	Coway (Consumer Discretionary)	79,222	5,310,512	0.87%
Sunny Optical (Information Technology)	542,400	5,603,349	0.92%	Hankook Tire (Consumer Discretionary)	196,751	5,980,999	0.98%
Tencent Holdings (Communication Services)	597,150	26,953,812	4.42%	LG Household & Health Care (Consumer Staples)	10,752	12,226,541	2.00%
Weibo ADR (Communication Services)	49,880	2,172,274	0.36%	Samsung Electronics (Pref) GDR Reg S (Information Technology)	6,268	5,214,976	0.86%
CHINA TOTAL		146,340,429	24.00%	Samsung Electronics (Voting) GDR Reg S (Information Technology)	22,019	22,393,323	3.67%
Colombia: 1.23% (30 June 2018: 1.06%)				REPUBLIC OF SOUTH KOREA TOTAL		54,651,280	8.96%
Bancolombia (Pref) ADR (Financials)	147,134	7,509,719	1.23%	Russian Federation: 8.71% (30 June 2018: 6.94%)			
Czech Republic: 0.98% (30 June 2018: 1.04%)				Lukoil ADR (Energy)	190,408	15,998,080	2.62%
Komerční Banka (Financials)	149,464	5,955,607	0.98%	NovaTek GDR Reg S (Energy)	77,610	16,453,320	2.70%
Egypt: 0.74% (30 June 2018: 0.62%)				Sberbank ADR (Financials)	1,088,127	16,735,393	2.74%
Commercial International Bank GDR (Financials)	1,065,362	4,527,789	0.74%	Yandex (Communication Services)	103,642	3,938,396	0.65%
Hong Kong: 7.77% (30 June 2018: 5.90%)				RUSSIAN FEDERATION TOTAL		53,125,189	8.71%
AIA Group (Financials)	1,651,800	17,814,836	2.92%	South Africa: 4.49% (30 June 2018: 5.91%)			
ASM Pacific Technology (Information Technology)	376,529	3,856,052	0.63%	Aspen Pharmacare (Health Care)	82,652	589,449	0.10%
Hong Kong Exchanges (Financials)	250,769	8,853,654	1.45%	Discovery Holdings (Financials)	619,814	6,561,624	1.08%
Sands China (Consumer Discretionary)	2,417,300	11,557,811	1.90%	Naspers (Consumer Discretionary)	26,996	6,554,019	1.07%
Techtronic (Industrials)	689,000	5,274,422	0.87%	Sasol (Materials)	198,714	4,940,833	0.81%
HONG KONG TOTAL		47,356,775	7.77%				

Harding Loevner Funds plc

Emerging Markets Equity Fund Schedule of Investments 30 June 2019 (Continued)

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
South Africa (Continued)			
Standard Bank (Financials)	626,942	8,754,042	1.43%
SOUTH AFRICA TOTAL		27,399,967	4.49%
Taiwan: 6.98% (30 June 2018: 8.13%)			
Eclat (Consumer Discretionary)	573,273	7,345,986	1.21%
Hon Hai Precision (Information Technology)	1,089,568	2,715,194	0.44%
Largan Precision (Information Technology)	45,000	5,585,248	0.92%
Taiwan Semiconductor (Information Technology)	3,493,465	26,881,892	4.41%
TAIWAN TOTAL		42,528,320	6.98%
Thailand: 1.63% (30 June 2018: 1.07%)			
Siam Commercial Bank (Financials)	2,181,400	9,922,729	1.63%
Turkey: 0.00% (30 June 2018: 1.15%)			
United Arab Emirates: 1.13% (30 June 2018: 1.80%)			
DP World (Industrials)	324,080	5,152,872	0.85%
Emaar (Real Estate)	1,440,095	1,732,905	0.28%
UNITED ARAB EMIRATES TOTAL		6,885,777	1.13%
United Kingdom: 1.86% (30 June 2018: 1.99%)			
Bank of Georgia (Financials)	82,635	1,572,036	0.26%
Coca-Cola HBC (Consumer Staples)	258,703	9,764,206	1.60%
UNITED KINGDOM TOTAL		11,336,242	1.86%
United States: 1.60% (30 June 2018: 0.45%)			
EPAM Systems (Information Technology)	56,364	9,756,608	1.60%
Total transferable securities (30 June 2018: 96.60%)			
		591,281,110	96.99%
(Cost: USD 496,932,351) (30 June 2018: Cost: USD 497,896,003)			
Cash and cash equivalents (30 June 2018: 3.42%)			
		16,741,085	2.75%
Other assets and liabilities (30 June 2018: (0.02)%)			
		1,627,370	0.26%
Net assets attributable to holders of redeemable participating shares			
		609,649,565	100.00%
Analysis of total gross assets			
Transferable securities admitted to an official stock exchange listing			% of total gross assets
			96.71%
Cash and cash equivalents			2.74%
Other assets			0.55%
			100.00%

Harding Loevner Funds plc

Global Small Companies Equity Fund Schedule of Investments 30 June 2019

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Argentina: 1.20%				Japan (Continued)			
Globant (Information Technology)	133	13,440	1.20%	Macromill (Communication Services)	1,100	13,192	1.18%
Bangladesh: 0.40%				Misumi Group (Industrials)	650	16,290	1.46%
Square Pharmaceuticals (Health Care)	1,446	4,501	0.40%	MonotaRO (Industrials)	350	8,525	0.76%
Canada: 1.81%				Nakanishi (Health Care)	800	14,684	1.31%
Kinaxis (Information Technology)	325	20,269	1.81%	Nihon M&A Center Inc (Industrials)	600	14,380	1.28%
China: 1.59%				Nomura Research Institute (Information Technology)	300	4,806	0.43%
51job ADR (Industrials)	112	8,456	0.76%	Pigeon (Consumer Staples)	300	12,063	1.08%
Haitian (Industrials)	4,500	9,344	0.83%	Rinnai (Consumer Discretionary)	100	6,354	0.57%
CHINA TOTAL		17,800	1.59%	SMS (Industrials)	200	4,684	0.42%
Finland: 1.49%				Stanley Electric (Consumer Discretionary)	200	4,912	0.44%
Nokian Renkaat (Consumer Discretionary)	112	3,497	0.31%	Sugi (Consumer Staples)	200	9,442	0.84%
Vaisala (Information Technology)	529	13,174	1.18%	Yume No Machi Souzou Linka (Consumer Discretionary)	400	5,851	0.52%
FINLAND TOTAL		16,671	1.49%	ZOZO (Consumer Discretionary)	500	9,363	0.84%
France: 4.70%				JAPAN TOTAL		202,676	18.11%
Alten (Information Technology)	192	23,011	2.06%	Kenya: 0.45%			
Chargeurs SA (Consumer Discretionary)	250	4,958	0.44%	East African Breweries (Consumer Staples)	2,600	5,064	0.45%
IPSOS (Communication Services)	99	2,612	0.23%	Mexico: 1.89%			
LISI (Industrials)	211	6,826	0.61%	Grupo Herdez (Consumer Staples)	6,300	13,500	1.21%
Rubis (Utilities)	269	15,147	1.36%	Megacable Holdings (Communication Services)	1,800	7,647	0.68%
FRANCE TOTAL		52,554	4.70%	MEXICO TOTAL		21,147	1.89%
Germany: 8.32%				Netherlands: 1.24%			
Bechtle (Information Technology)	195	22,395	2.00%	ASM International (Information Technology)	162	10,548	0.94%
Carl Zeiss Meditec (Health Care)	191	18,841	1.68%	Brunei International (Industrials)	229	3,354	0.30%
Fuchs Petrolub (Materials)	337	12,013	1.08%	NETHERLANDS TOTAL		13,902	1.24%
Rational (Industrials)	26	17,901	1.60%	Nigeria: 0.31%			
STRATEC Biomedical (Health Care)	212	13,717	1.23%	Zenith Bank (Financials)	62,642	3,441	0.31%
Symrise (Materials)	85	8,181	0.73%	Norway: 1.00%			
GERMANY TOTAL		93,048	8.32%	Tomra Systems (Industrials)	341	11,209	1.00%
Hong Kong: 1.07%				Peru: 0.54%			
Vitasoy International (Consumer Staples)	2,500	12,017	1.07%	Alicorp (Consumer Staples)	1,914	6,004	0.54%
Indonesia: 0.49%				Philippines: 0.69%			
Sarana Menara Nusantara (Communication Services)	109,900	5,484	0.49%	Intl Container Terminal Services (Industrials)	2,690	7,686	0.69%
Israel: 0.53%				Republic of South Korea: 1.21%			
CyberArk (Information Technology)	46	5,881	0.53%	Cheil Worldwide (Communication Services)	257	6,544	0.58%
Italy: 3.07%				Coway (Consumer Discretionary)	70	4,692	0.42%
DiaSorin (Health Care)	144	16,718	1.50%	Hankook Tire (Consumer Discretionary)	76	2,310	0.21%
Fineco (Financials)	912	10,173	0.91%	REPUBLIC OF SOUTH KOREA TOTAL		13,546	1.21%
Reply (Information Technology)	109	7,431	0.66%	South Africa: 1.79%			
ITALY TOTAL		34,322	3.07%	Discovery Holdings (Financials)	1,646	17,425	1.56%
Japan: 18.11%				Tiger Brands (Consumer Staples)	162	2,573	0.23%
ABC-Mart (Consumer Discretionary)	300	19,533	1.74%	SOUTH AFRICA TOTAL		19,998	1.79%
Ariake Japan (Consumer Staples)	300	18,921	1.69%	Sweden: 2.81%			
Cosmos Pharmaceutical (Consumer Staples)	100	16,964	1.52%	Alfa Laval (Industrials)	175	3,818	0.34%
FINDEX (Health Care)	500	4,081	0.37%	Intrum Justitia (Industrials)	409	10,500	0.94%
Infomart (Information Technology)	700	10,914	0.97%	Paradox Interactive (Communication Services)	315	5,238	0.47%
Kakaku.com (Communication Services)	400	7,717	0.69%				

Harding Loevner Funds plc

Global Small Companies Equity Fund Schedule of Investments 30 June 2019 (Continued)

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Sweden (Continued)				United States (Continued)			
Thule Group AB (Consumer Discretionary)	482	11,907	1.06%	Signature Bank (Financials)	198	23,926	2.14%
SWEDEN TOTAL		31,463	2.81%	SVB Financial Group (Financials)	45	10,107	0.90%
Switzerland: 3.33%				Synopsis (Information Technology)	94	12,097	1.08%
Bossard (Industrials)	48	7,464	0.66%	UNITED STATES TOTAL		304,989	27.26%
LEM Holding (Information Technology)	15	21,082	1.89%	Vietnam: 0.33%			
Temenos Group AG (Information Technology)	49	8,766	0.78%	Hoa Phat Group (Materials)	3,640	3,670	0.33%
SWITZERLAND TOTAL		37,312	3.33%	Total transferable securities			
Taiwan: 3.35%				(Cost: USD 993,982)			
Advantech (Information Technology)	1,500	12,750	1.14%			1,113,402	99.51%
Eclat (Consumer Discretionary)	1,000	12,814	1.14%	Cash and cash equivalents			
Silergy (Information Technology)	610	11,941	1.07%			18,345	1.64%
TAIWAN TOTAL		37,505	3.35%	Other assets and liabilities			
Turkey: 0.51%						(12,875)	(1.15%)
Anadolu Hayat Emeklilik (Financials)	2,389	2,075	0.19%	Net assets attributable to holders of redeemable			
Ulker Biskuvi Sanayi (Consumer Staples)	1,076	3,613	0.32%	participating shares			
TURKEY TOTAL		5,688	0.51%			1,118,872	100.00%
Ukraine: 0.57%				Analysis of total gross assets			
Kernel (Consumer Staples)	491	6,352	0.57%	% total gross assets			
United Arab Emirates: 0.19%				Transferable securities admitted to an official stock exchange listing			
Agthia Group (Consumer Staples)	2,160	2,117	0.19%	Cash and cash equivalents			
United Kingdom: 9.26%				Other assets			
Abcam (Health Care)	1,361	25,477	2.28%				
Bank of Georgia (Financials)	356	6,772	0.61%				
BBA Aviation (Industrials)	1,382	4,953	0.44%				
Clarkson (Industrials)	98	3,124	0.28%				
Dechra Pharmaceuticals (Health Care)	451	15,728	1.40%				
EMIS Group (Health Care)	376	5,806	0.52%				
Rathbone Bros (Financials)	351	9,896	0.88%				
Rightmove (Communication Services)	1,824	12,386	1.11%				
Senior (Industrials)	2,052	5,623	0.50%				
Spirax-Sarco Engineering (Industrials)	119	13,881	1.24%				
UNITED KINGDOM TOTAL		103,646	9.26%				
United States: 27.26%							
Allegion (Industrials)	64	7,075	0.63%				
BorgWarner (Consumer Discretionary)	385	16,162	1.44%				
Cable One (Communication Services)	7	8,197	0.73%				
Cognex (Information Technology)	370	17,753	1.59%				
Copart (Industrials)	135	10,090	0.90%				
Core Laboratories (Energy)	259	13,540	1.21%				
Elanco Animal Health (Health Care)	169	5,712	0.51%				
EnerSys (Industrials)	360	24,660	2.20%				
EPAM Systems (Information Technology)	93	16,098	1.44%				
Exponent (Industrials)	175	10,244	0.92%				
Gartner (Information Technology)	63	10,139	0.90%				
Guidewire Software (Information Technology)	222	22,507	2.01%				
Healthcare Services Group (Industrials)	574	17,404	1.56%				
HEICO (Industrials)	136	18,198	1.63%				
Helmerich & Payne (Energy)	227	11,491	1.03%				
IPG Photonics (Information Technology)	97	14,962	1.34%				
Kansas City Southern (Industrials)	39	4,751	0.43%				
Lazard (Financials)	211	7,256	0.65%				
Reinsurance Group of America (Financials)	57	8,894	0.80%				
Rollins (Industrials)	216	7,748	0.69%				
Sensata (Industrials)	122	5,978	0.53%				

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Global Equity Fund Significant Purchases & Sales 30 June 2019 (unaudited)

Significant Purchases Security Description	Nominal	Base Cost USD	Significant Sales Security Description	Nominal	Base Proceeds USD
Alphabet (A) (Voting)	23,492	26,577,426	WABCO	103,018	13,631,696
NVIDIA	125,119	22,934,816	Naspers	60,468	13,531,736
M3	772,100	12,610,789	Facebook	68,534	10,873,111
Facebook	71,226	12,462,379	WPP	717,488	9,288,351
PayPal	127,546	11,930,037	Reckitt Benckiser	113,089	8,529,823
Booking Holdings	6,251	11,868,917	AmerisourceBergen	104,483	8,362,240
Alibaba Group Holding	63,151	10,323,669	Novozymes	172,857	7,311,339
NetEase Inc	36,369	9,665,822	NVIDIA	47,597	6,521,271
Illumina	30,756	9,638,330	Televisa	592,195	6,506,081
Roper	31,177	9,626,548	Sysmex	72,700	6,055,807
Schlumberger	212,906	9,312,673	Lonza Group	19,830	6,007,473
ZOZO	434,100	9,242,157	Tenaris ADR	221,728	5,935,130
UnitedHealth Group	33,993	8,945,406	CHR. Hansen	48,223	5,326,710
Vertex Pharmaceuticals	46,346	8,827,930	BMW	72,759	5,312,841
AAC Technologies	922,000	8,820,381	Atlas Copco AB	222,174	5,223,867
AIA Group	892,400	8,065,795	Wuxi Biologics	557,500	5,212,119
First Republic Bank	81,209	7,936,831	Kone	89,359	5,055,599
Verisk Analytics	61,761	7,587,586	SVB Financial Group	14,651	4,736,450
ExxonMobil	94,503	7,483,850	Intrum Justitia	167,969	4,239,120
Symrise	77,787	6,837,514	Park24	177,600	3,784,201
WABCO	58,129	6,761,683	Standard Chartered PLC	447,612	3,574,843
Makita	171,100	6,715,517	Symrise	27,528	2,662,563
Lonza Group	19,563	6,150,216	Weibo ADR	42,186	2,595,151
Naspers	27,749	6,076,047	M3	101,700	2,406,109
MasterCard	27,046	5,944,186	Schlumberger	44,884	1,998,312
Walgreens Boots Alliance	80,674	5,905,035	Kubota	137,800	1,985,436
Regeneron	14,308	5,471,543	Fanuc	11,100	1,931,670
Nike	65,599	5,344,878	Epiroc	222,174	1,855,672
EssilorLuxottica	39,789	5,211,672	Cognex	38,616	1,847,072
Apple Inc	25,723	5,163,071			
Kubota	332,300	5,112,470			
Amazon.com	2,789	4,948,467			
Keyence	8,400	4,682,515			
Wuxi Biologics	491,000	4,524,145			
Standard Chartered PLC	558,928	4,466,168			

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales. If there were fewer than 20 purchases/sales that exceed 1 per cent during the year the largest 20 purchases/sales are disclosed.

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International Equity Fund Significant Purchases & Sales 30 June 2019 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Infineon Technologies	257,783	4,912,521	Bayer AG	87,290	5,588,454
China Mobile ADR	90,875	4,638,765	AIA Group	467,400	4,244,178
Diageo	123,490	4,405,099	Dassault Systemes	28,547	3,708,813
Ambev ADR	953,343	4,366,192	Temenos Group AG	19,998	3,426,992
Ping An Insurance	442,000	4,237,090	LVMH Moet Hennessy	10,282	3,117,204
Lukoil ADR	48,551	3,856,662	Air Liquide	24,985	3,009,894
Chugai Pharmaceutical	60,600	3,738,159	Naspers	13,898	2,959,149
ADIDAS	16,291	3,607,316	Royal Dutch Shell	93,840	2,916,907
SAP ADR	34,389	3,535,173	Fanuc	16,000	2,614,536
Amadeus IT Group	44,942	3,485,334	Fresenius Medical Care	30,174	2,393,422
Atlas Copco AB	131,419	3,077,040	CSL	18,089	2,292,044
Dentsu Group	73,800	3,049,079	Weibo ADR	36,149	2,250,010
Komatsu	112,300	3,001,199	GF Banorte	392,700	2,247,458
Roche Holding	11,951	2,962,005	JGC	144,600	2,118,218
Taiwan Semiconductor ADR	75,735	2,755,534	BMW	27,300	2,024,335
DBS Group	153,500	2,715,966	M3	88,600	1,909,924
Tencent Holdings	64,700	2,676,475	MonotaRO	74,000	1,668,088
Alimentation Couche-Tard	49,200	2,646,720	WPP	120,700	1,608,030
BBVA	487,671	2,607,688	Park24	69,100	1,451,607
Rio Tinto	45,031	2,606,336	Allianz	6,373	1,424,288
Yandex	81,069	2,583,570	Daito Trust Construction	10,000	1,305,057
Unicharm	81,500	2,554,380	Sysmex	16,700	1,268,418
SGS	1,041	2,514,473	Nestle ADR	13,292	1,240,798
Kubota	154,400	2,365,072	Tenaris ADR	52,374	1,217,098
FEMSA ADR	27,107	2,353,292	Roche Holding	3,958	1,069,255
AIA Group	246,600	1,947,713	Taiwan Semiconductor ADR	25,579	1,045,858
Check Point	18,228	1,904,020	Check Point	8,421	1,042,538
Schlumberger	46,527	1,891,605	Itau Unibanco (Pref) ADR	105,478	1,015,723
L'Oreal	7,324	1,674,218	L'Oreal	3,828	1,006,705
Nestle ADR	20,104	1,666,082	SAP ADR	8,611	976,755
Bayer AG	21,980	1,555,250	DBS Group	49,500	948,582
Epiroc	158,432	1,496,389	BBVA	148,207	876,449
Alfa Laval	60,973	1,322,683			
Baidu ADR	7,797	1,313,447			
Allianz	6,519	1,308,701			
HDFC Bank ADR	12,069	1,235,184			

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales. If there were fewer than 20 purchases/sales that exceed 1 per cent during the year the largest 20 purchases/sales are disclosed.

Harding Loevner Funds plc

Emerging Markets Equity Fund Significant Purchases & Sales 30 June 2019 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Alibaba Group Holding	62,924	10,277,818	Shenzhen	597,000	7,615,155
Ping An Insurance	824,000	8,634,694	Jiangsu Hengrui Medicine (China A)	721,220	6,517,137
EPAM Systems	63,567	7,956,281	Itau Unibanco (Pref) ADR	416,448	5,315,995
Coway	83,264	6,609,016	EPAM Systems	30,503	5,295,093
Autohome ADR	58,589	6,597,247	51job ADR	59,670	5,018,632
Tata Consultancy Services	213,011	6,157,151	Airtac International Group	401,644	4,662,176
Naspers	19,313	4,911,622	Sino Biopharmaceutical	5,245,000	4,443,169
Tencent Holdings	115,300	4,714,703	Turkiye Garanti Bankasi	2,902,399	4,402,217
Techtronic	716,500	4,294,067	Banco Santander Chile ADR	138,417	4,359,546
Sands China	905,200	4,266,669	Naspers	17,026	4,310,604
Yandex	109,412	4,105,268	Tencent Holdings	94,700	4,296,430
Localiza Rent a Car	382,100	3,285,048	Taiwan Semiconductor	521,000	4,122,350
Raia Drogasil	168,900	3,252,828	Bank Rakyat	16,708,900	3,969,381
FEMSA ADR	33,910	3,089,415	B3	498,100	3,692,935
Sunny Optical	265,800	2,595,594	ENN Energy	347,000	3,543,407
Tenaris ADR	67,562	2,477,648	Banco Macro ADR	70,844	3,375,684
Kotak Mahindra Bank	117,339	2,326,924	Aspen Pharmacare	317,604	3,083,167
LG Household & Health Care	1,957	2,268,489	Hon Hai Precision	1,111,000	2,966,428
Ctrip.com ADR	51,676	2,243,950	Emaar	2,321,621	2,907,741
Taiwan Semiconductor	257,000	2,052,373	NovaTek GDR Reg S	18,368	2,860,017
Baidu ADR	7,522	1,958,963	Bharti Airtel	663,867	2,842,547
Han's Laser Technology (China A)	411,088	1,852,824	Richter Gedeon Nyrt	160,820	2,790,466
Amorepacific	7,914	1,844,830	Han's Laser Technology (China A)	456,600	2,772,369
HDFC Corp	63,913	1,799,542	Jiangsu Expressway	2,124,000	2,566,848
Hankook Tire	42,718	1,675,187	Pao de Acucar (Pref) ADR	112,231	2,315,692
Siam Commercial Bank	388,100	1,663,385	Hong Kong Exchanges	68,900	2,238,985
WEG	315,300	1,528,842	Ctrip.com ADR	49,620	2,177,058
Banco Bradesco ADR	167,586	1,444,851	Grupo Aeroportuario del Sureste ADR	11,089	2,029,631
Jiangsu Yanghe Brewery	80,715	1,410,625	GF Banorte	279,100	1,868,265
Wal-Mart de Mexico	467,000	1,393,943	Lukoil ADR	24,190	1,862,130
Samsung Electronics (Voting) GDR Reg S	1,395	1,384,117	Credicorp	7,382	1,710,006
Coca-Cola HBC	38,597	1,355,902	Largan Precision	10,000	1,638,884
			Arcelik	628,044	1,636,478
			NetEase Inc	6,189	1,634,184
			Discovery Holdings	160,811	1,629,600
			Coca-Cola HBC	44,292	1,586,386

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales. If there were fewer than 20 purchases/sales that exceed 1 per cent during the year the largest 20 purchases/sales are disclosed.

Harding Loevner Funds plc

Global Small Companies Equity Fund Significant Purchases & Sales 30 June 2019 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
EnerSys	421	32,521	RIB Software	1,201	20,613
Healthcare Services Group	712	29,377	WABCO	129	16,788
Signature Bank	253	27,590	CHR. Hansen	132	14,141
Ariake Japan	350	25,709	M3	700	13,094
Guidewire Software	244	20,581	HEICO	86	10,921
Alten	228	20,187	Church & Dwight	137	9,965
Core Laboratories	302	19,515	First Republic Bank	98	9,565
Discovery Holdings	1,797	18,914	Symrise	77	7,228
Cosmos Pharmaceutical	100	18,493	Silergy	390	6,477
Abcam	1,361	18,468	Signature Bank	55	6,071
HEICO	222	18,093	Vitasoy International	1,500	5,641
Misumi Group	800	17,401	Healthcare Services Group	138	5,571
ABC-Mart	300	17,146	ASM International	97	5,353
Carl Zeiss Meditec	208	16,954	ASOS	172	4,962
Kinaxis	325	16,823	EnerSys	61	4,704
Nihon M&A Center Inc	700	16,496	Temenos Group AG	22	3,861
Vitasoy International	4,000	16,125	Alten	36	3,544
Bechtle	195	15,901	Misumi Group	150	3,441
Silergy	1,000	15,791	Ariake Japan	50	3,154
LEM Holding	15	15,373	Synopsys	30	2,991
Cognex	370	15,352	Copart	53	2,771
Rational	26	15,281	Core Laboratories	43	2,741
Rubis	269	15,040	Nihon M&A Center Inc	100	2,524
Nakanishi	900	14,874	ZOZO	100	2,055
RIB Software	1,201	13,868	Nostrum Oil & Gas	1,362	1,930
Helmerich & Payne	227	13,804	Guidewire Software	22	1,831
STRATEC Biomedical	212	13,737			
WABCO	129	13,637			
Fuchs Petrolub	337	13,600			
ZOZO	600	13,490			
Dechra Pharmaceuticals	451	13,272			
BorgWarner	385	13,271			
Grupo Herdez	6,300	12,823			
IPG Photonics	105	12,622			
Symrise	162	12,523			
Pigeon	300	12,102			
DiaSorin	144	11,995			
CHR. Hansen	132	11,986			

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales. If there were fewer than 20 purchases/sales that exceed 1 per cent during the year the largest 20 purchases/sales are disclosed.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2019

		Harding Loevner Global Equity Fund As at 30 June 2019	Harding Loevner International Equity Fund As at 30 June 2019	Harding Loevner Emerging Markets Equity Fund As at 30 June 2019	Harding Loevner Global Small Companies Equity Fund As at 30 June 2019	Harding Loevner Funds plc Total As at 30 June 2019
	Notes					
Current assets						
Financial assets at fair value through profit or loss	2,4,13	955,370,437	231,243,807	591,281,110	1,113,402	1,779,008,756
Cash and cash equivalents	2,5	40,633,643	7,708,263	16,741,085	18,345	65,101,336
Receivables	6	2,583,911	1,127,110	3,386,166	5,566	7,102,753
Total current assets		998,587,991	240,079,180	611,408,361	1,137,313	1,851,212,845
Financial liabilities not at fair value through profit or loss						
Creditors (amounts falling due within one year)	3,8	1,839,193	803,275	1,758,796	18,441	4,419,705
Total liabilities excluding net assets attributable to holders of redeemable participating shares		1,839,193	803,275	1,758,796	18,441	4,419,705
Net assets attributable to holders of redeemable participating shares	15	996,748,798	239,275,905	609,649,565	1,118,872	1,846,793,140

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2019 (Continued)

		Harding Loevner Global Equity Fund As at 30 June 2019	Harding Loevner International Equity Fund As at 30 June 2019	Harding Loevner Emerging Markets Equity Fund As at 30 June 2019	Harding Loevner Global Small Companies Equity Fund As at 30 June 2019
Redeemable participating shares in issue at financial year end	Notes				
Euro Class A	10	47,720,263.794	—	—	—
Sterling Class A	10	50,439,870.474	1,611,803.998	—	—
Sterling Class B	10	99,000.000	—	—	—
US Dollar Class B	10	1,265,065.414	8,082,301.077	5,150,068.344	—
US Dollar Class D	10	470,500.513	—	—	—
US Dollar Class I	10	—	—	98,817,574.656	—
Euro Class I	10	—	—	81,140,182.086	—
US Dollar Class S1	10	156,725,341.964	—	—	—
Canadian Dollar Class I	10	—	—	132,640,698.557	—
Euro Class M	10	61,072,803.997	—	—	—
Euro Class S	10	52,523,826.776	—	—	—
Sterling Class S	10	202,788,813.837	—	—	—
Sterling Class M	10	—	—	52,485,751.570	—
US Dollar Class A	10	31,288,577.157	51,051,340.518	39,271,363.180	1,000,000.000
Canadian Dollar Class M	10	—	—	72,215,000.000	—
Singapore Dollar Class M	10	69,491,829.620	—	—	—
US Dollar Class S	10	49,952,866.483	137,582,470.500	—	—
Net Asset Value per redeemable participating share					
Euro Class A	14	EUR 1.895	—	—	—
Euro Class A USD equivalent	14	USD 2.155	—	—	—
Sterling Class A	14	GBP 1.697	GBP 1.715	—	—
Sterling Class A USD equivalent	14	USD 2.156	USD 2.178	—	—
Sterling Class B	14	GBP 1.031	—	—	—
Sterling Class B USD equivalent	14	USD 1.309	—	—	—
US Dollar Class B	14	USD 1.001	USD 1.356	USD 1.203	—
US Dollar Class D	14	USD 1.021	—	—	—
US Dollar Class I	14	—	—	USD 1.263	—
Euro Class I	14	—	—	EUR 1.160	—
Euro Class I USD equivalent	14	—	—	USD 1.319	—
US Dollar Class S1	14	USD 0.989	—	—	—

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2019 (Continued)

		Harding Loevner Global Equity Fund As at 30 June 2019	Harding Loevner International Equity Fund As at 30 June 2019	Harding Loevner Emerging Markets Equity Fund As at 30 June 2019	Harding Loevner Global Small Companies Equity Fund As at 30 June 2019
Net Asset Value per redeemable participating share	Notes				
Canadian Dollar Class I	14	—	—	CAD 1.601	—
Canadian Dollar Class I USD equivalent	14	—	—	USD 1.223	—
Euro Class M	14	EUR 1.086	—	—	—
Euro Class M USD equivalent	14	USD 1.235	—	—	—
Euro Class S	14	EUR 1.046	—	—	—
Euro Class S USD equivalent	14	USD 1.190	—	—	—
Sterling Class S	14	GBP 1.135	—	—	—
Sterling Class S USD equivalent	14	USD 1.441	—	—	—
Sterling Class M	14	—	—	GBP 1.162	—
Sterling Class M USD equivalent	14	—	—	USD 1.476	—
US Dollar Class A	14	USD 2.157	USD 1.359	USD 1.361	USD 1.119
Canadian Dollar Class M	14	—	—	CAD 1.424	—
Canadian Dollar Class M USD equivalent	14	—	—	USD 1.087	—
Singapore Dollar Class M	14	SGD 1.479	—	—	—
Singapore Dollar Class M USD equivalent	14	USD 1.093	—	—	—
US Dollar Class S	14	USD 1.095	USD 1.130	—	—

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director



J. Cleary

Director



M. Kirby

18 September 2019

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2018

		Harding Loevner Global Equity Fund As at 30 June 2018	Harding Loevner International Equity Fund As at 30 June 2018	Harding Loevner Emerging Markets Equity Fund As at 30 June 2018	Harding Loevner Frontier Emerging Markets Equity Fund As at 30 June 2018	Harding Loevner Funds plc Total As at 30 June 2018
	Notes					
Current assets						
Financial assets at fair value through profit or loss	2,4,13	667,567,146	193,716,958	618,415,813	–	1,479,699,917
Cash and cash equivalents	2,5	17,445,160	6,657,357	21,886,252	16,849	46,005,618
Receivables	6	2,388,684	339,655	3,216,319	2,950	5,947,608
Total current assets		687,400,990	200,713,970	643,518,384	19,799	1,531,653,143
Financial liabilities not at fair value through profit or loss						
Creditors (amounts falling due within one year)	3,8	13,435,509	282,238	3,312,193	19,799	17,049,739
Total liabilities excluding net assets attributable to holders of redeemable participating shares		13,435,509	282,238	3,312,193	19,799	17,049,739
Net assets attributable to holders of redeemable participating shares	15	673,965,481	200,431,732	640,206,191	–	1,514,603,404

On 15 August 2017, shares for the Frontier Emerging Markets Equity Fund were fully redeemed. The Fund will remain in a dormant status and open to investors should subscriptions arise in the future.

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2018 (Continued)

		Harding Loevner Global Equity Fund As at 30 June 2018	Harding Loevner International Equity Fund As at 30 June 2018	Harding Loevner Emerging Markets Equity Fund As at 30 June 2018	Harding Loevner Frontier Emerging Markets Equity Fund As at 30 June 2018
Redeemable participating shares in issue at financial year end	Notes				
US Dollar Class A	10	30,362,748.154	19,810,706.397	17,514,740.993	—
Euro Class A	10	36,057,447.517	—	—	—
Sterling Class A	10	48,868,125.062	2,905,768.910	—	—
US Dollar Class B	10	252,670.140	9,955,178.951	6,065,886.762	—
US Dollar Class D	10	519,229.100	—	—	—
US Dollar Class I	10	—	141,545,751.542	98,817,574.656	—
Euro Class I	10	—	—	103,677,744.690	—
Sterling Class I	10	70,752,332.270	—	—	—
Canadian Dollar Class I	10	—	—	115,943,472.900	—
US Dollar Class M	10	—	—	29,013,364.448	—
Euro Class M	10	50,023,080.240	—	—	—
Sterling Class M	10	67,459,350.092	—	52,485,751.570	—
Canadian Dollar Class M	10	—	—	72,215,000.000	—
Singapore Dollar Class M	10	69,491,829.620	—	—	—
Net Asset Value per redeemable participating share					
US Dollar Class A	14	USD 2.106	USD 1.352	USD 1.381	—
Euro Class A	14	EUR 1.802	—	—	—
Euro Class A USD equivalent	14	USD 2.104	—	—	—
Sterling Class A	14	GBP 1.600	GBP 1.665	—	—
Sterling Class A USD equivalent	14	USD 2.112	USD 2.198	—	—
US Dollar Class B	14	USD 0.980	USD 1.352	USD 1.224	—
US Dollar Class D	14	USD 1.004	—	—	—
US Dollar Class I	14	—	USD 1.087	USD 1.278	—
Euro Class I	14	—	—	EUR 1.143	—
Euro Class I USD equivalent	14	—	—	USD 1.335	—
Sterling Class I	14	GBP 1.646	—	—	—
Sterling Class I USD equivalent	14	USD 2.172	—	—	—
Canadian Dollar Class I	14	—	—	CAD 1.627	—
Canadian Dollar Class I USD equivalent	14	—	—	USD 1.238	—
US Dollar Class M	14	—	—	USD 1.458	—
Euro Class M	14	EUR 1.032	—	—	—
Euro Class M USD equivalent	14	USD 1.205	—	—	—

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2018 (Continued)

		Harding Loevner Global Equity Fund As at 30 June 2018	Harding Loevner International Equity Fund As at 30 June 2018	Harding Loevner Emerging Markets Equity Fund As at 30 June 2018	Harding Loevner Frontier Emerging Markets Equity Fund As at 30 June 2018
Net Asset Value per redeemable participating share	Notes				
Sterling Class M	14	GBP 1.595	—	GBP 1.134	—
Sterling Class M USD equivalent	14	USD 2.106	—	USD 1.496	—
Canadian Dollar Class M	14	—	—	CAD 1.449	—
Canadian Dollar Class M USD equivalent	14	—	—	USD 1.102	—
Singapore Dollar Class M	14	SGD 1.454	—	—	—
Singapore Dollar Class M USD equivalent	14	USD 1.067	—	—	—

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Comprehensive Income

For the Financial Year Ended 30 June 2019

		Harding Loevner Global Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2019 USD
	Notes					
Income						
Dividend income	2	10,596,831	4,927,285	14,104,989	11,335	29,640,440
Interest income	2	359,212	150,253	284,728	233	794,426
Other income		18,562	4,684	11,795	42,331	77,372
Management fee rebate		2,192	43,322	106,240	–	151,754
Net realised gain/(loss) on financial assets at fair value through profit or loss	2	6,030,862	(842,839)	14,107,955	18,821	19,314,799
Net realised (loss)/gain on foreign currency	2	(2,451)	(13,813)	(182,230)	34	(198,460)
Net movement in unrealised gain/(loss) on financial assets at fair value through profit or loss	2	20,021,192	6,994,645	(26,171,052)	119,420	964,205
Net movement in unrealised gain on foreign currency	2	14,016	608	5,786	6	20,416
Total investment gain		37,040,416	11,264,145	2,268,211	192,180	50,764,952
Expenses						
Operating expenses	3	(4,982,139)	(1,076,000)	(6,659,271)	(71,724)	(12,789,134)
Total investment gain/(loss) before finance costs		32,058,277	10,188,145	(4,391,060)	120,456	37,975,818
Finance costs						
Distributions paid during the financial year		(1,691,394)	(76,677)	–	–	(1,768,071)
Bank interest expense		(265)	(196)	(5)	–	(466)
Withholding tax		(1,441,092)	(510,459)	(1,441,693)	(1,584)	(3,394,828)
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations		28,925,526	9,600,813	(5,832,758)	118,872	32,812,453

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Comprehensive Income

For the Financial Year Ended 30 June 2018

		Harding Loevner Global Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2018 USD
	Notes					
Income						
Dividend income	2	8,384,168	4,012,255	15,828,646	21,676	28,246,745
Interest income	2	283,637	86,110	252,806	772	623,325
Other income		171,951	76,784	17,866	1,365	267,966
Management fee rebate		3,510	69,638	126,105	48,676	247,929
Net realised gain on financial assets at fair value through profit or loss	2	106,060,091	357,410	21,528,222	96,824	128,042,547
Net realised gain/(loss) on foreign currency	2	56,141	48,681	(173,068)	(28,300)	(96,546)
Net movement in unrealised (loss)/gain on financial assets at fair value through profit or loss	2	(10,410,361)	9,008,326	29,838,515	8,945	28,445,425
Net movement in unrealised loss on foreign currency	2	(14,806)	(1,328)	(16,416)	(241)	(32,791)
Total investment gain		104,534,331	13,657,876	67,402,676	149,717	185,744,600
Expenses						
Operating expenses	3	(5,278,977)	(1,345,963)	(6,743,148)	(76,794)	(13,444,882)
Total investment gain before finance costs		99,255,354	12,311,913	60,659,528	72,923	172,299,718
Finance costs						
Distributions paid during the financial year		(1,093,727)	(27,846)	—	—	(1,121,573)
Bank interest expense		—	—	(13)	(7)	(20)
Withholding tax		(1,333,439)	(565,425)	(1,637,849)	(1,574)	(3,538,287)
Increase in net assets attributable to holders of redeemable participating shares from operations		96,828,188	11,718,642	59,021,666	71,342	167,639,838

On 15 August 2017, shares for the Frontier Emerging Markets Equity Fund were fully redeemed. The Fund will remain in a dormant status and open to investors should subscriptions arise in the future.

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the Financial Year Ended 30 June 2019

		Harding Loevner Global Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2019 USD
	Notes					
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		673,965,481	200,431,732	640,206,191	–	1,514,603,404
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		28,925,526	9,600,813	(5,832,758)	118,872	32,812,453
Issue of redeemable participating shares during the financial year		773,408,689	65,550,032	80,664,673	1,000,000	920,623,394
Payments for shares redeemed during the financial year		(479,550,898)	(36,355,727)	(105,388,541)	–	(621,295,166)
Anti-dilution levy	2	–	49,055	–	–	49,055
Net increase/(decrease) from redeemable participating shares issued/redeemed during the financial year		293,857,791	29,243,360	(24,723,868)	1,000,000	299,377,283
Net assets attributable to holders of redeemable participating shares at the end of the financial year	15	996,748,798	239,275,905	609,649,565	1,118,872	1,846,793,140

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the Financial Year Ended 30 June 2018

		Harding Loevner Global Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2018 USD
	Notes					
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		709,488,447	73,140,440	640,925,570	6,646,292	1,430,200,749
Increase in net assets attributable to holders of redeemable participating shares from operations		96,828,188	11,718,642	59,021,666	71,342	167,639,838
Issue of redeemable participating shares during the financial year		151,650,792	223,496,485	5,821,279	–	380,968,556
Payments for shares redeemed during the financial year		(284,014,645)	(107,923,835)	(65,559,050)	(6,717,634)	(464,215,164)
Anti-dilution levy	2	12,699	–	(3,274)	–	9,425
Net (decrease)/increase from redeemable participating shares issued/redeemed during the financial year		(132,351,154)	115,572,650	(59,741,045)	(6,717,634)	(83,237,183)
Net assets attributable to holders of redeemable participating shares at the end of the financial year	15	673,965,481	200,431,732	640,206,191	–	1,514,603,404

On 15 August 2017, shares for the Frontier Emerging Markets Equity Fund were fully redeemed. The Fund will remain in a dormant status and open to investors should subscriptions arise in the future.

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Cash Flows

For the Financial Year Ended 30 June 2019

	Harding Loevner Global Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund Financial year ended 30 June 2019 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2019 USD
Cash flows from operating activities					
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	28,925,526	9,600,813	(5,832,758)	118,872	32,812,453
Adjustment for:					
Net realised (gain)/loss on financial assets at fair value through profit or loss	(6,030,861)	842,839	(14,107,955)	(18,821)	(19,314,798)
Net movement in unrealised (gain)/loss on financial assets at fair value through profit or loss	(20,021,192)	(6,994,646)	26,171,052	(119,420)	(964,206)
Purchase of financial assets	(434,014,472)	(115,806,380)	(133,681,699)	(1,154,285)	(684,656,836)
Sale of financial assets	172,263,234	84,431,338	148,753,305	179,124	405,627,001
Dividends paid	1,691,394	76,677	–	–	1,768,071
Increase in receivables and other assets	(195,227)	(787,455)	(169,847)	(5,566)	(1,158,095)
(Decrease)/increase in creditors	(11,596,316)	521,037	(1,553,397)	18,441	(12,610,235)
Net cash flows provided (used in)/by operating activities	(268,977,914)	(28,115,777)	19,578,701	(981,655)	(278,496,645)
Cash flows from financing activities					
Proceeds from redeemable participating shares issued during the financial year	773,408,689	65,550,032	80,664,673	1,000,000	920,623,394
Payments for redeemable participating shares redeemed during the financial year	(479,550,898)	(36,306,672)	(105,388,541)	–	(621,246,111)
Dividends paid	(1,691,394)	(76,677)	–	–	(1,768,071)
Net cash flows provided by/(used in) financing activities	292,166,397	29,166,683	(24,723,868)	1,000,000	297,609,212
Net increase/(decrease) in cash and cash equivalents	23,188,483	1,050,906	(5,145,167)	18,345	19,112,567
Reconciliation of cash movement during the financial year					
Net cash and cash equivalents at the beginning of the financial year	17,445,160	6,657,357	21,886,252	–	45,988,769
Net cash and cash equivalents at the end of the financial year	40,633,643	7,708,263	16,741,085	18,345	65,101,336
Supplementary information					
Dividends received	10,865,325	4,715,853	14,270,359	10,439	29,861,976
Interest received	339,572	145,718	303,505	192	788,987
Interest paid	(106)	(196)	(5)	–	(307)

Cash held in dormant fund (Harding Loevner Frontier Emerging Markets Equity Fund) at 30 June 2018 has been excluded in the beginning cash balance in the Statement of Cash Flows totaling to USD 16,849.

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Cash Flows

For the Financial Year Ended 30 June 2018

	Harding Loevner Global Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund Financial year ended 30 June 2018 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2018 USD
Cash flows from operating activities					
Increase in net assets attributable to holders of redeemable participating shares from operations	96,828,188	11,718,642	59,021,666	71,342	167,639,838
Adjustment for:					
Net realised gain on financial assets at fair value through profit or loss	(106,060,091)	(357,410)	(21,528,222)	(96,824)	(128,042,547)
Net movement in unrealised loss/(gain) on financial assets at fair value through profit or loss	10,410,361	(9,008,326)	(29,838,515)	(8,945)	(28,445,425)
Purchase of financial assets	(198,221,996)	(131,117,214)	(145,343,741)	(359,584)	(475,042,535)
Sale of financial assets	320,702,818	17,180,071	200,608,566	6,963,987	545,455,442
Dividends paid	1,093,727	27,846	–	–	1,121,573
Decrease/(increase) in receivables and other assets	5,112,313	(180,264)	1,699,998	39,505	6,671,552
Increase/(decrease) in creditors	12,853,796	189,519	406,395	(69,194)	13,380,516
Net cash flows provided by/(used in) operating activities	142,719,116	(111,547,136)	65,026,147	6,540,287	102,738,414
Cash flows from financing activities					
Proceeds from redeemable participating shares issued during the financial year	151,650,792	223,496,485	5,821,279	–	380,968,556
Payments for redeemable participating shares redeemed during the financial year	(292,048,490)	(107,923,835)	(65,562,324)	(6,717,634)	(472,252,283)
Dividends paid	(1,093,727)	(27,846)	–	–	(1,121,573)
Net cash flows (used in)/provided by financing activities	(141,491,425)	115,544,804	(59,741,045)	(6,717,634)	(92,405,300)
Net increase/(decrease) in cash and cash equivalents	1,227,691	3,997,668	5,285,102	(177,347)	10,333,114
Reconciliation of cash movement during the financial year					
Net cash and cash equivalents at the beginning of the financial year	16,217,469	2,659,689	16,601,150	194,196	35,672,504
Net cash and cash equivalents at the end of the financial year	17,445,160	6,657,357	21,886,252	16,849	46,005,618
Supplementary information					
Dividends received	8,351,838	3,830,699	16,604,686	39,295	28,826,518
Interest received	262,941	76,939	220,723	918	561,521
Interest paid	–	–	(13)	(7)	(20)

On 15 August 2017, shares for the Frontier Emerging Markets Equity Fund were fully redeemed. The Fund will remain in a dormant status and open to investors should subscriptions arise in the future.

The notes on pages 38 to 70 are an integral part of these financial statements.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019

1. General Information

Harding Loevner Funds plc (the "Company") is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "Central Bank") under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended ("the UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (the "Central Bank UCITS Regulations").

The Company was incorporated and registered in Ireland under the Companies Act 2014 on 29 March 2007, with registered number 437095.

The state of the origin of the fund is Ireland. This document may only be distributed in Switzerland to qualified investors within the meaning of art. 10 para. 3, 3bis and 3ter CISA. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Banque Cantonale de Genève, 17, Quai de l'Île, CH-1204 Geneva. The basic documents of the fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge from the representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

2. Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with Irish statute comprising the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended ("the UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (the "Central Bank UCITS Regulations").

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying the Company's accounting policies.

Accounting standards in issue

IFRS 9 Financial Instruments (effective January 2018)

IFRS 9 "Financial Instruments", published in July 2014, has replaced the existing guidance in IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, and early adoption was permitted.

IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent solely payments of principal and interest. All other financial assets would be measured at fair value. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless an accounting mismatch is created.

IFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 July 2018. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39.

No change to the classification or measurement of financial instruments. The Company held equity securities at 1 July 2018 of USD 1,479,699,917 which had previously been designated at fair value to the profit and loss. On adoption of IFRS 9, the securities are mandatorily classified as fair value through profit and loss. There's no material impact as a result of adopting IFRS 9.

IFRS 16, 'Leases' (effective January 2019)

The IASB published IFRS 16 Leases in January 2016 with an effective date of 1 January 2019. The new standard requires lessees to recognise nearly all leases on the statement of financial position which will reflect their right to use an asset for a period of time and the associated liability for payments. The adoption of this standard did not have a material effect on the financial statements.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

2. Significant Accounting Policies (continued)

Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The functional currency and presentation currency of the Company and sub-funds is the US Dollar ("USD").

(ii) Transactions and Balances

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US Dollar at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to US Dollar at the foreign currency exchange rates ruling at the dates that the values were determined. Any unrealised and realised foreign exchange gains or losses arising on investments are included in "net movement in unrealised gain/(loss) on financial assets at fair value through profit or loss" and "net realised gain/(loss) on financial assets at fair value through profit or loss" respectively. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are included in the "net realised gain/(loss) on foreign currency" and "net movement in unrealised gain/(loss) on foreign currency" in the Statement of Comprehensive Income.

Financial Assets and Liabilities at Fair Value Through Profit or Loss

(i) Classification

In accordance with IFRS 9 - Financial Instruments: Recognition and Measurement ("IFRS 9"), all of the Company's investments are classified as financial assets and financial liabilities at fair value through profit or loss. This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

Financial Assets and Liabilities Held for Trading

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term or, if on initial recognition, are part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are categorised as held for trading.

Financial Assets and Liabilities Designated at Fair Value Through Profit or Loss at Inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information. Equities are categorised as financial assets and liabilities designated at fair value through profit or loss at inception.

(ii) Recognition

Financial assets and liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on the trade date, which is the date on which the Company commits to purchase or sell the investment. Investments other than those subject to regular way sale are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise. Unrealised gains and losses on investments arising during the financial year are taken to the Statement of Comprehensive Income.

Interest income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within interest income using the effective interest method. Dividend income from equity investments at fair value through profit or loss is recognised in the Statement of Comprehensive Income within dividend income when the Company's right to receive payments is established.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

2. Significant Accounting Policies (continued)

(iv) Fair Value Estimation

IFRS 13 – Fair Value Measurement (“IFRS 13”) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities, exchange traded funds, warrants, floating rate notes and bonds) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets and liabilities held by the Company is the current last traded price.

(v) Derecognition of Financial Assets and Liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9. The Company uses the average cost method to determine realised gains and losses on derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Forward Currency Contracts

A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts are valued by reference to the forward price at which a new forward contract at the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and the forward price, and is recognised in the Statement of Comprehensive Income.

Redeemable Participating Shares

The Company issues redeemable participating shares, which are redeemable at the holder’s option and are classified as financial liabilities. Redeemable participating shares can be put back to the Company at any time for cash equal to a proportionate share of the Company’s Net Asset Value. The redeemable participating shares are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the shares back to the Company.

Anti-Dilution Levy

The Directors may, where there are large net subscriptions and/or redemptions, charge an anti-dilution levy which will be calculated to cover the costs of acquiring and/or redeeming investments as a result of net subscriptions and/or redemptions on any Dealing Day, which will include any dealing spreads, commissions and will be charged in circumstances where the Directors believe it is necessary to prevent an adverse effect on the value of the assets of the sub-funds. The level of the anti-dilution levy may vary but at no time shall exceed a maximum 5% of the Net Asset Value of the sub-fund. The amount of anti-dilution levy charged during the financial year, if any, is disclosed in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

Cash and Cash Equivalents

Cash and cash equivalents comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value of base currency, and may be held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Interest income on cash and cash equivalents is recognised in the Statement of Comprehensive Income using effective interest rates. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Dividend and Interest Income

Dividend income, gross of withholding tax, relating to exchange-traded equity investments is recognised in the Statement of Comprehensive Income on the ex-dividend date. In some cases, the Company may receive or choose dividends in the form of additional shares rather than cash. In such cases, the Company recognises the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment. Interest income is accounted for on an accrual basis.

Expenses

All expenses, including management fees, administration fees, depositary fees and custodian fees, are recognised in the Statement of Comprehensive Income on an accrual basis.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

2. Significant Accounting Policies (continued)

Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended are held by the Company; and
- b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. Transaction costs, when incurred, are immediately recognized in Statement of Comprehensive Income as a change in fair value of financial assets and at fair value through profit or loss.

For the financial year ended 30 June 2019 the Company incurred transaction costs totaling USD 889,261 (financial year ended 30 June 2018: USD 1,244,295). The transaction costs include USD 509,598 (financial year ended 30 June 2018: USD 718,722) of commissions and USD 379,663 (financial year ended 30 June 2018: USD 525,573) of brokerage charges.

3. Operating Expenses

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Administration fee	267,121	101,720	204,270	202	573,313
Directors' fees	22,790	5,697	16,959	14	45,460
Audit fee	11,733	11,733	11,733	5,866	41,065
Transfer agent fee	30,048	21,161	23,788	8,425	83,422
Sub-custodian fee	91,150	47,515	212,057	4,158	354,880
Depository fee	161,698	58,599	136,557	155	357,009
Management fee	4,263,584	797,616	5,139,681	5,184	10,206,065
Capital gains tax provision	—	—	802,538	1	802,539
Legal fees	48,557	8,508	26,128	59	83,252
Other fees	85,458	23,451	85,560	47,660	242,129
Total	4,982,139	1,076,000	6,659,271	71,724	12,789,134

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

3. Operating Expenses (continued)

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Administration fee	220,245	98,786	231,813	15,647	566,491
Directors' fees	21,782	5,302	22,254	45	49,383
Audit fee	12,015	12,015	12,015	3,587	39,632
Transfer agent fee	19,068	18,225	22,125	2,712	62,130
Sub-custodian fee	68,002	36,527	259,007	6,327	369,863
Depository fee	142,947	42,361	147,574	1,610	334,492
Management fee	4,623,326	1,097,838	5,929,968	12,689	11,663,821
Capital gains tax provision	—	—	(25,440)	8,280	(17,160)
Legal fees	54,062	7,765	39,561	10,358	111,746
Other fees	117,530	27,144	104,271	15,539	264,484
Total	5,278,977	1,345,963	6,743,148	76,794	13,444,882

Directors' Fees

The total Directors' fees are disclosed in the operating expense tables. All of these fees were emoluments in respect of services for the Company. The listing of the members of the Board of Directors is shown on page 1 of the financial statements. Currently only Mike Kirby and Jim Cleary receive a Director's fee. David Loevner's and Ryan Bowles Directors' fees have been waived. The fees for the financial year ended 30 June 2019 were USD 45,460 (financial year ended 30 June 2018: USD 49,383). The amount payable as at 30 June 2019 was USD 22,779 (30 June 2018: USD 23,326).

Auditors' Remunerations

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Auditors' services	11,733	11,733	11,733	5,866	41,065
Tax advisory services	568	(1,805)	5,180	14,628	18,571
Total	12,301	9,928	16,913	20,494	59,636

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Auditors' services	12,015	12,015	12,015	3,587	39,632
Tax advisory services	7,819	5,437	22,356	12,322	47,934
Total	19,834	17,452	34,371	15,909	87,566

Administration Fee

The Company has an administration agreement with Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") to provide fund accounting & financial reporting services and transfer agency services for the sub-funds. As per the terms of the agreement, the sub-funds pay an administration fee determined as a percentage of the Net Asset Value of the sub-funds calculated in accordance with a sliding scale subject to a minimum monthly fee of USD 7,000 per sub-fund (up to 2 classes of shares) plus a minimum monthly fee of USD 750 per additional share class.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

3. Operating Expenses (continued)

Administration Fee (Continued)

The Administrator is also entitled to receive an annual fee of USD 15,000 per sub-fund plus a per investor transaction fee of USD 40 for providing Transfer Agency services to the sub-funds and an account maintenance or registration fee for each account of USD 150 per annum. For provision of services in respect of German, UK and Swiss tax filings, the Administrator will be entitled to receive out of the net assets of each sub-fund requiring such services an annual fee of EUR 15,000, USD 2,000, and USD 2,000 respectively. In addition, the Administrator will be entitled to receive new account fee of USD 25 per account opened, account maintenance fee of USD 25 per account per annum, reporting to tax authorities fee of USD 2,000 per report submitted, nil reporting to tax authorities fee of USD 250 per nil report submitted, and pre-existing due diligence review fee of USD 75 per investor. The Administration fee is accrued and calculated at each valuation point and payable monthly in arrears. The Administrator is entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of the sub-funds plus value added tax, if any.

The Administration fee for the Global Small Companies Equity Fund is waived for 6 months from 20 December 2018 (date of amendment).

The Administration fee for the Company for the financial year ended 30 June 2019 was USD 573,313 (financial year ended 30 June 2018: USD 566,491). The amount payable at 30 June 2019 was USD 99,139 (30 June 2018: USD 43,939).

The Northern Trust Company, London Branch ("TNTC") provides KIID services to the Company. Fees of USD 16,742 (30 June 2018: 13,870) were paid to TNTC during the financial year and USD 6,929 (30 June 2018: Nil) was payable at 30 June 2019.

Depository Fee

The Company has a depository agreement with Northern Trust Fiduciary Services (Ireland) Limited (the "Depository") to provide oversight and verification services for the sub-funds. Per the terms of the agreement, the sub-funds pay a fee determined as a percentage of the Net Asset Value of the sub-funds calculated in accordance with a sliding scale subject to a minimum monthly fee of USD 750 per sub-fund.

Subject to a minimum annual custody fee of USD 9,000 per sub-fund, the Depository will be entitled to receive out of the net assets of each sub-fund the following additional transaction fees: Clean Payments USD 10, ETD Transactions USD 25, Hedge Fund Holdings USD 1,500, Hedge Funds Transactions USD 25, Margin Movements USD 20, OTC Holdings Moderate – IM Valuations USD 900, OTC Holdings Moderate – Independent Valuations USD 900, OTC Holdings Simple – IM Valuations USD 600, OTC Holdings Simple – Independent Valuations USD 600, OTC Transactions – Moderate USD 150, OTC Transactions – Simple USD 100, Principal Paydowns USD 5, Private Market Holdings USD 1,500, Private Market Transactions USD 25, Real Estate Fund Holdings USD 1,500, Real Estate Holding Transactions USD 25, Single Line Item USD 1,500, Single Line Transactions USD 25, STIF Holdings, USD 1,500, STIF Transactions USD 10, Swap Resets USD 20, Third Party Fixed Deposits USD 50, and Third Party FX USD 50. The Depository fee is accrued and calculated at each valuation point and payable monthly in arrears.

The Depository fee for the Global Small Companies Equity Fund is waived for 6 months from 20 December 2018 (date of amendment).

The Depository fee for the financial year ended 30 June 2019 was USD 711,889 (financial year ended 30 June 2018: USD 704,354). The amount payable at 30 June 2019 was USD 120,175 (30 June 2018: USD 54,180).

Investment Manager Fees and Expenses

The Investment Manager is entitled to receive from the sub-funds out of the assets of the sub-funds an annual fee of:

- 0.65% for the Global Equity Fund Class I shares, 0.70% for the Class M shares, 0.75% for the Class A shares, 1.00% for the Class B shares, 1.50% for the Class D shares and the following for USD Class S1 shares:
 - 0.70% on the first USD 50 million of assets attributable to the US Dollar Class S1 shares; plus
 - 0.50% on the next USD 50 million of assets attributable to the US Dollar Class S1 shares; plus
 - 0.45% on the next USD 150 million of assets attributable to the US Dollar Class S1 shares; plus
 - 0.40% on the next USD 250 million of assets attributable to the US Dollar Class S1 shares; plus
 - 0.35% on the next USD 250 million of assets attributable to the US Dollar Class S1 shares; plus
 - 0.30% on assets attributable to the US Dollar Class S1 shares in excess of 750 million.
- 0.65% for the for the International Equity Fund Class I shares, 0.70% for the Class M shares, 0.75% for the Class A shares, and 1.00% for the Class B shares.
- 0.80% for the Emerging Markets Equity Fund Class I shares, 0.95% for the Class M shares, 1.10% for the Class A shares 1.35% and for the Class B shares
- 1.50% for the Frontier Emerging Markets Equity Fund Class A shares; and
- 0.90% for the Global Small Companies Equity Fund Euro Class A Shares, 0.90% for the US Dollar Class A Shares, 0.90% for the Sterling Class A Shares and 1.15% for the US Dollar Class B Shares.

The Investment Manager shall not receive a fee for the Class F shares of the Global Equity Fund and the Emerging Markets Equity Fund, nor the Class S shares of the Global Equity Fund and the International Equity Fund. Fees for these share classes are charged outside of the net

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

3. Operating Expenses (continued)

Investment Manager Fees and Expenses (Continued)

asset value.

This fee accrues and is calculated on each dealing day and is payable monthly in arrears.

The Investment Manager is also entitled to be reimbursed out of the assets of the sub-funds for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties. The Investment Manager fee for the financial year ended 30 June 2019 for the Company was USD 10,206,065 (financial year ended 30 June 2018: USD 11,663,821). The amount payable as at 30 June 2019 was USD 731,051 (30 June 2018: USD 945,846).

In order to limit the sub-funds' expenses to a maximum cap of the sub-funds' Net Asset Value, the Investment Manager has agreed to reimburse the sub-funds for expenses in excess of this voluntarily imposed limit as follows:

- 0.75% for the Global Equity Fund Class I shares, 0.80% for the Class M shares, 0.90% for the Class A shares, 1.15% for the Class B shares, 0.68% (10 bps of operating expenses excluding Management Fees) for the USD Class S1 and 0.10% and for Class S shares;
- 0.75% for the International Equity Fund Class I shares, 0.80% for the Class M shares, 0.90% for the Class A shares, 1.15% for the Class B shares and 0.10% for the Class S Shares;
- 0.90% for the Emerging Markets Equity Fund Class I shares, 1.05% for the Class M shares, 1.20% for the Class A shares and 1.50% and for the Class B shares.;
- 1.75% for the Frontier Emerging Markets Equity Fund Class A shares; and
- 1.05% for the Global Small Companies Equity Fund Class A Shares.

4. Financial Assets at Fair Value Through Profit or Loss

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Equity and equity related instruments					
At cost	745,864,406	202,941,302	496,932,351	993,982	1,446,732,041
Unrealised gain on financial assets at fair value through profit or loss	209,506,031	28,302,505	94,348,759	119,420	332,276,715
	955,370,437	231,243,807	591,281,110	1,113,402	1,779,008,756

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Equity and equity related instruments					
At cost	478,082,307	172,409,099	497,896,003	—	1,148,387,408
Unrealised gain on financial assets at fair value through profit or loss	189,484,839	21,307,859	120,519,810	—	331,312,509
	667,567,146	193,716,958	618,415,813	—	1,479,699,917

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

5. Cash and Cash Equivalents

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Cash held at custodian bank	40,633,643	7,708,263	16,741,085	18,345	65,101,336
	40,633,643	7,708,263	16,741,085	18,345	65,101,336

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Cash held at custodian bank	17,445,160	6,657,357	21,886,252	16,849	46,005,618
	17,445,160	6,657,357	21,886,252	16,849	46,005,618

Cash and cash equivalents include cash held in an interest bearing account with TNTC.

6. Receivables

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Interest and dividends receivable	483,429	550,503	2,866,414	937	3,901,283
Amounts receivable on securities sold	2,098,843	460,004	514,767	35	3,073,649
Amounts receivable on shares issued	—	115,000	—	—	115,000
Other assets	1,639	1,603	4,985	4,594	12,821
	2,583,911	1,127,110	3,386,166	5,566	7,102,753

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Interest and dividends receivable	732,283	334,536	3,050,561	—	4,117,380
Amounts receivable on securities sold	1,598,255	—	159,486	—	1,757,741
Other assets	58,146	5,119	6,272	2,950	72,487
	2,388,684	339,655	3,216,319	2,950	5,947,608

7. Forward Foreign Exchange Contracts

The Company may engage in forward foreign currency transactions for protection against exchange rate risk. The Investment Manager would not normally expect to utilise such instruments except to act as a hedge against an adverse movement in the value of the portfolio of income producing securities held by the Company.

As at 30 June 2019 and 30 June 2018 the Company had no open forward foreign currency exchange contracts for the purpose of trade settlement.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

8. Creditors (Amounts Falling Due Within One Year)

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Amounts payable on securities purchased	1,339,964	620,449	–	–	1,960,413
Amounts payable on capital shares redeemed	–	–	9,271	–	9,271
Management fee payable	292,820	48,862	388,598	771	731,051
Administration fee payable	49,931	16,488	32,657	63	99,139
Depository fee payable	47,063	18,150	54,471	491	120,175
Capital gains tax provision	–	–	861,673	1	861,674
Other accrued expenses	109,415	99,326	412,126	17,115	637,982
	1,839,193	803,275	1,758,796	18,441	4,419,705

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Amounts payable on securities purchased	12,888,100	–	2,009,935	–	14,898,035
Amounts payable on capital shares redeemed	–	122,141	65,989	–	188,130
Management fee payable	381,599	111,977	452,270	–	945,846
Administration fee payable	18,160	8,104	17,675	–	43,939
Depository fee payable	19,085	9,982	30,719	–	59,786
Capital gains tax provision	–	–	310,844	–	310,844
Other accrued expenses	128,565	30,034	424,761	19,799	603,159
	13,435,509	282,238	3,312,193	19,799	17,049,739

9. Distributions to Redeemable Participating Shareholders

The Directors intend to declare a dividend in respect of the Sterling Class shares of Global Equity Fund such that substantially all of the net income relating to such classes shall be distributed on a semi-annual basis. There are no dividend entitlements for all other share classes of the Global Equity Fund. The Directors also intend to declare a dividend in respect of Sterling Class shares of the International Equity Fund on a semi-annual basis. There are no dividend entitlements for all other share classes of the International Equity Fund. There are no dividend entitlements for share classes of the Emerging Markets Equity Fund or the Global Small Companies Equity Fund.

During the financial year ended 30 June 2019 the Directors declared dividends totaling USD 1,768,071 (30 June 2018: USD 1,121,573).

10. Redeemable Participating Shares

The authorised share capital of the Company is 1,000,000,000,000 shares of no par value initially designated as unclassified shares. The minimum issued share capital of the Company is €2 represented by 2 shares (the “Subscriber Shares”) issued for the purposes of the incorporation of the Company and to obtain a certificate to commence trade at an issue price of €1 per share which are fully paid up and which are beneficially owned by David Loevner (1 share) and Ryan Bowles (1 share). The maximum issued share capital of the Company is 1,000,000,000,000 unclassified shares of no par value. The Subscriber Shares do not form part of the Net Asset Value of the Company and are thus disclosed in the financial statements by way of this note only.

The unclassified shares are available for issue as shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the shares in the Company.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

10. Redeemable Participating Shares (continued)

The Harding Loevner Global Equity Fund

The Global Equity Fund issued the following redeemable participating shares during the financial year:

Share class	Initial offer price	Minimum initial investment	Minimum additional investment
US Dollar Class A	USD 1.058	USD 1,000,000	USD 100
Euro Class A	EUR 0.740	USD 1,000,000 or currency equivalent	EUR 100
Sterling Class A	GBP 0.483	USD 1,000,000 or currency equivalent	GBP 100
US Dollar Class B	USD 1.000	USD 100	USD 100
Sterling Class B	GBP 1.000	USD 100 or currency equivalent	GBP 100
US Dollar Class D	USD 1.000	USD 100	USD 100
Sterling Class I	GBP 1.000	USD 100,000,000 or currency equivalent	GBP 100
Euro Class M	EUR 1.000	USD 50,000,000 or currency equivalent	EUR 100
Sterling Class M	GBP 1.000	USD 50,000,000 or currency equivalent	GBP 100
US Dollar Class S	USD 1.000	USD 30,000,000 or currency equivalent	USD 100
Sterling Class S	GBP 1.000	USD 30,000,000 or currency equivalent	GBP 100
US Dollar Class S1	USD 1.000	USD 30,000,000	USD 100
Euro Class S	EUR 1.000	USD 1,000,000 or currency equivalent	EUR 100
Singapore Dollar Class M	SGD 1.000	USD 50,000,000 or currency equivalent	SGD 100

The Harding Loevner International Equity Fund

The International Equity Fund issued the following redeemable participating shares during the financial year:

Share class	Initial offer price	Minimum initial investment	Minimum additional investment
US Dollar Class A	USD 1.000	USD 1,000,000	USD 100
Sterling Class A	GBP 1.000	USD 1,000,000 or currency equivalent	EUR 100
US Dollar Class B	USD 1.000	USD 100,000	USD 100
US Dollar Class I	USD 1.000	USD 100,000,000	USD 100
US Dollar Class S	USD 1.000	USD 30,000,000	USD 100

The Harding Loevner Emerging Markets Equity Fund

The Emerging Markets Equity Fund issued the following redeemable participating shares during the financial year:

Share class	Initial offer price	Minimum initial investment	Minimum additional investment
US Dollar Class A	USD 1.000	USD 1,000,000	USD 100
US Dollar Class B	USD 1.000	USD 100,000	USD 100
Canadian Dollar Class I	CAD 1.000	USD 100,000,000 or currency equivalent	CAD 100
Euro Class I	EUR 1.000	USD 100,000,000 or currency equivalent	EUR 100
US Dollar Class I	USD 1.000	USD 100,000,000	USD 100
US Dollar Class M	USD 1.000	USD 50,000,000	USD 100
Canadian Dollar Class M	CAD 1.000	USD 50,000,000 or currency equivalent	CAD 100
Sterling Class M	GBP 1.000	USD 50,000,000 or currency equivalent	GBP 100

The Harding Loevner Frontier Emerging Markets Equity Fund

As at 30 June 2019, there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

The Harding Loevner Global Small Companies Equity Fund

Share class	Initial offer price	Minimum initial investment	Minimum additional investment
US Dollar Class A	USD 1.000	USD 1,000,000	USD 100

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

10. Redeemable Participating Shares (continued)

The following table details the movement in the redeemable participating shares during the financial year ended 30 June 2019 and 30 June 2018:

The Harding Loevner Global Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
30 June 2019				
US Dollar Class A	30,362,748.154	8,606,842.444	(7,681,013.441)	31,288,577.157
Euro Class A	36,057,447.517	107,320,409.803	(95,657,593.526)	47,720,263.794
Sterling Class A	48,868,125.062	1,571,745.412	–	50,439,870.474
Sterling Class B	–	108,950.000	(9,950.000)	99,000.000
US Dollar Class B	252,670.140	1,012,395.274	–	1,265,065.414
US Dollar Class D	519,229.100	50,085.642	(98,814.229)	470,500.513
Sterling Class I	70,752,332.270	296,524.826	(71,048,857.096)	–
US Dollar Class S1	–	156,725,341.964	–	156,725,341.964
Euro Class M	50,023,080.240	11,049,723.757	–	61,072,803.997
Euro Class S	–	52,544,300.610	(20,473.834)	52,523,826.776
Sterling Class S	–	208,129,513.653	(5,340,699.816)	202,788,813.837
Sterling Class M	67,459,350.092	101,068.326	(67,560,418.418)	–
Singapore Dollar Class M	69,491,829.620	–	–	69,491,829.620
US Dollar Class S	–	50,000,000.000	(47,133.517)	49,952,866.483
30 June 2018				
US Dollar Class A	20,325,732.385	12,836,805.503	(2,799,789.734)	30,362,748.154
Euro Class A	65,257,758.865	73,530.538	(29,273,841.886)	36,057,447.517
Sterling Class A	91,233,606.875	4,468,565.115	(46,834,046.928)	48,868,125.062
Singapore Dollar Class A	31,319,218.886	–	(31,319,218.886)	–
US Dollar Class B	–	252,670.140	–	252,670.140
US Dollar Class D	–	519,229.100	–	519,229.100
Sterling Class I	70,541,424.988	210,907.282	–	70,752,332.270
Euro Class M	–	50,023,080.240	–	50,023,080.240
Sterling Class M	41,466,250.720	27,164,758.110	(1,171,658.738)	67,459,350.092
Australian Dollar Class M	82,211,993.680	–	(82,211,993.680)	–
Singapore Dollar Class M	69,491,829.620	–	–	69,491,829.620

The Harding Loevner International Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
30 June 2019				
US Dollar Class A	19,810,706.397	39,121,093.797	(7,880,459.676)	51,051,340.518
US Dollar Class S	–	179,217,298.769	(41,634,828.269)	137,582,470.500
Sterling Class A	2,905,768.910	37,161.837	(1,331,126.749)	1,611,803.998
US Dollar Class B	9,955,178.951	1,157,904.777	(3,030,782.651)	8,082,301.077
US Dollar Class I	141,545,751.542	–	(141,545,751.542)	–
30 June 2018				
US Dollar Class A	47,531,430.046	54,744,572.746	(82,465,296.395)	19,810,706.397
Sterling Class A	1,126,424.820	1,779,344.090	–	2,905,768.910
US Dollar Class B	10,337,163.326	3,192,643.013	(3,574,627.388)	9,955,178.951
US Dollar Class I	–	141,545,751.542	–	141,545,751.542

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

10. Redeemable Participating Shares (continued)

The Harding Loevner Emerging Markets Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
30 June 2019				
US Dollar Class A	17,514,740.993	30,833,761.776	(9,077,139.589)	39,271,363.180
US Dollar Class B	6,065,886.762	621,872.231	(1,537,690.649)	5,150,068.344
US Dollar Class I	98,817,574.656	16,175,331.268	(16,175,331.268)	98,817,574.656
Euro Class I	103,677,744.690	—	(22,537,562.604)	81,140,182.086
Canadian Dollar Class I	115,943,472.900	16,697,225.657	—	132,640,698.557
US Dollar Class M	29,013,364.448	—	(29,013,364.448)	—
Sterling Class M	52,485,751.570	—	—	52,485,751.570
Canadian Dollar Class M	72,215,000.000	—	—	72,215,000.000
30 June 2018				
US Dollar Class A	26,699,023.994	1,548,015.341	(10,732,298.342)	17,514,740.993
US Dollar Class B	7,281,653.978	1,177,512.035	(2,393,279.251)	6,065,886.762
Australian Dollar Class F	14,764,956.750	1,955,264.900	(16,720,221.650)	—
US Dollar Class I	98,817,574.656	—	—	98,817,574.656
Euro Class I	103,677,744.690	—	—	103,677,744.690
Canadian Dollar Class I	115,943,472.900	—	—	115,943,472.900
US Dollar Class M	48,384,837.384	—	(19,371,472.936)	29,013,364.448
Sterling Class M	52,485,751.570	—	—	52,485,751.570
Canadian Dollar Class M	72,215,000.000	—	—	72,215,000.000

The Harding Loevner Frontier Emerging Markets Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
30 June 2019				
30 June 2018				
US Dollar Class A	522,473.963	—	(522,473.963)	—
Euro Class A	1,000,000.000	—	(1,000,000.000)	—
Australian Dollar Class A	5,967,359.050	—	(5,967,359.050)	—

The Harding Loevner Global Small Companies Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
30 June 2019				
US Dollar Class A	—	1,000,000.000	—	1,000,000.000

Each of the shares entitles the shareholder to participate equally on a pro rata basis in the dividends and net assets of the Company, save in the case of dividends declared prior to becoming a shareholder. Each of the shares entitles the holder to attend and vote at meetings of the Company. No Class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class of shares or any voting rights in relation to matters relating solely to any other Class of shares. The Company may from time to time by ordinary resolution alter the share capital by consolidating, sub-dividing, cancelling and redenominating the currency of any Class of shares.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

11. Efficient Portfolio Management Techniques

The Company may employ investment techniques and instruments relating to its investments for the purpose of efficient portfolio management under the conditions and within the limits stipulated from time to time by the Central Bank under the UCITS Regulations. The Company may use the various investment techniques and instruments for efficient portfolio management such as taking long or short positions in derivative instruments including options, futures, forward contracts, and swaps so as to alter the interest rate, credit and/or currency exposure of the portfolio. Derivative instruments may be purchased for the purposes of efficient portfolio management only and in accordance with the Central Bank's guidelines. The Company did not use these techniques during the financial year.

12. Related Party Transactions

IAS 24 – Related Party Transactions ("IAS 24") requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company has appointed Harding Loevner LP (the "Investment Manager") to perform investment management and advisory services, in accordance with the investment objectives and policies of the Company.

Entities owned by David Loevner are limited partners and Ryan Bowles is an employee of the Investment Manager. David Loevner's and Ryan Bowles' directors' fees have been waived. They each hold one Subscriber Share.

Mike Kirby is the Managing Principal of KB Associates, who provide consulting services to the Company. Fees of USD 46,157 (30 June 2018: USD 37,551) were paid to KB Associates during the financial year and USD 50,501 (30 June 2018: USD 16,378) was payable at 30 June 2019.

The Northern Trust Company ("TNTC") earned fees for provision of KIID services to the Company. Please refer to Note 3 for details of these fees.

The amounts earned by the Directors and the Investment Manager are disclosed in Note 3 on pages 41 to 44. The amount owing to the Directors and the investment manager are disclosed in Note 3 on pages 41 to 44.

Although not deemed to be related parties under IFRS as they do not exercise "significant influence" over the activities of the sub-funds, UCITS Regulations also deems a "Depositary" and its "associated or group companies" to be related parties to the Company. As such, Northern Trust Fiduciary Services (Ireland) Limited, the Depositary, and Northern Trust International Fund Administration Services (Ireland) Limited, the Administrator, are related parties to the Company under the Central Bank's UCITS Regulations. During the year, Northern Trust Fiduciary Services (Ireland) Limited and Northern Trust International Fund Administration Services (Ireland) Limited earned fees for provision of custody and administration services to the Company as disclosed in Note 3 to the financial statements. During the year companies related to the Depositary were also selected by the Investment Manager on behalf of the Company to execute foreign currency spot and forward foreign currency transactions and to accept deposits. All of the above transactions were carried out as if conducted at arms length.

13. Financial Instruments and Associated Risks

The Company maintains positions in a variety of freely transferable equity and equity related securities as dictated by its investment management strategy.

The Company seeks to achieve its objective by investing in companies that the Investment Manager regards as well managed, financially sound, fast growing, and competitively well positioned. Each sub-fund's investment portfolio comprises of quoted equity investments that it intends to hold for an indefinite period of time. Portfolio allocation is determined by the Investment Manager who manages the distribution of the assets to achieve the investment objectives. The composition of the portfolio and divergence from the target portfolio allocation is monitored by the Investment Manager. In instances where the portfolio has diverged from the target portfolio allocations, the Investment Manager will rebalance the portfolio to align it with the target portfolio allocations. The Company may invest in derivative financial instruments.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Company are discussed below.

Market Risk

The market value of the Company's investments fluctuates with, amongst other things, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the issuers of the securities in which the Company invests.

The Company's market risk is comprised mainly of price risk and foreign currency risk. Market price of the securities owned by the Company will fluctuate as a result of factors specific to an individual security as well as global factors affecting all instruments traded in the market. Interest rate risk, another component of market risk, is minimal since the Company tends to be fully invested in non-interest bearing assets minimizing each sub-fund's cash weighting.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Market Risk (Continued)

Market risk is managed by the Investment Manager by ensuring that each sub-fund's portfolio remains diversified across economic sectors, industries, geography and currencies. Also, limits are imposed on the number of holdings, maximum position in a single security, single sector/industry, single country etc.

At the level of individual holdings, the Investment Manager monitors the performance of the companies in which it has invested to support continued investment in the stock of the companies. The Investment Manager continually reviews future growth prospects, financial strength, management quality and competitive position of each of the companies in the portfolio. At the portfolio level, the Investment Manager uses a global factor risk model to estimate prospective tracking error versus each sub-fund's benchmark (refer to the Investment Manager's report pages 3 to 20 of the Annual Commentary). Such analysis and review helps identify unacceptable risks and allows the Investment Manager to take corrective action where needed.

Price Risk

Price risk encompasses the risk that the value of an investment will fluctuate as a result of changes in market prices whether caused by factors specific to an individual investment or all factors affecting all securities traded in the market. All of the Company's financial instruments are carried at fair value, with fair value changes recognised in the Statement of Comprehensive Income and the Statement of Financial Position, all changes in market conditions will directly affect Net Investment Income and Net Asset Value, respectively.

Adherence to the investment guidelines and to investment and borrowing powers set out in the instrument of incorporation, the Prospectus and the UCITS Regulations issued by the Central Bank mitigates the risk of excessive exposure to any particular sector, geographic region, type of security or issuer.

All of the Company's equity investments are listed on stock exchanges and regulated markets as outlined in Appendix 1 at page 70 of the Prospectus. Details of the investment objective and policies for each sub-fund of the Company appear in the supplement for the relevant sub-fund.

Price Risk Sensitivity Analysis

Sensitivity analysis has been determined based on the exposure to risks as at 30 June 2019.

The Company's price risk is one of the three main components of market risk. If the price of equities at 30 June 2019 had increased by 10% for the Harding Loevner Global Equity Fund with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating shares by approximately USD 95,537,044 (30 June 2018: USD 66,756,715). Conversely, if the price of equities had decreased by 10%, this would have decreased net assets attributable to holders of redeemable participating shares by approximately USD 95,537,044 (30 June 2018: USD 66,756,715).

If the price of equities at 30 June 2019 had increased by 10% for the Harding Loevner International Equity Fund with all other variables held constant, this would have increased net assets attributable to holders of redeeming participating shares by approximately USD 23,124,381 (30 June 2018: USD 19,371,696). Conversely, if the price of equities had decreased by 10%, this would have decreased net assets attributable to holders of redeemable participating shares by approximately USD 23,124,381 (30 June 2018: USD 19,371,696).

If the price of equities at 30 June 2019 had increased by 10% for the Harding Loevner Emerging Markets Equity Fund with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating shares by approximately USD 59,128,111 (30 June 2018: USD 61,841,581). Conversely, if the price of equities had decreased by 10%, this would have decreased net assets attributable to holders of redeemable participating shares by approximately USD 59,128,111 (30 June 2018: 61,841,581).

If the price of equities at 30 June 2019 had increased by 10% for the Harding Loevner Global Small Companies Equity Fund with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating shares by approximately USD 111,340 (30 June 2018: USD Nil). Conversely, if the price of equities had decreased by 10%, this would have decreased net assets attributable to holder of redeemable participating shares by approximately USD 111,340 (30 June 2018: Nil).

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of the Company is US Dollars but the investments in equity securities are made in a number of countries worldwide in local currencies. The financial assets and liabilities of the sub-funds are denominated in currencies other than the base currency with the effect that the statement of financial position can be significantly affected by currency movements. Share classes not denominated in USD will have exposure to USD movements.

The Company's currency risk exposure is managed by the Investment Manager as follows:

- The Company's foreign currency exposure is embedded in the foreign equity securities it owns. The risk is managed through diversification and use of a global factor risk model as referenced above.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Foreign Currency Risk (Continued)

- The Company tends to be fully invested in equity securities and holds limited cash.

The following table sets out the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities.

The Harding Loevner Global Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
30 June 2019				
British Sterling Pound	22,918,018	—	22,918,018	2.30
Danish Krone	8,112,649	—	8,112,649	0.81
Euro	102,823,401	(11,189)	102,812,212	10.31
Hong Kong Dollar	47,419,384	—	47,419,384	4.76
Indonesian Rupiah	15,913,274	—	15,913,274	1.60
Japanese Yen	98,111,735	122,955	98,234,690	9.86
South African Rand	9,852,636	—	9,852,636	0.99
Swedish Krona	4,085,108	—	4,085,108	0.41
Swiss Franc	34,393,069	—	34,393,069	3.45
Foreign currency exposure	343,629,274	111,766	343,741,040	34.49
US Dollar	652,374,806	632,952	653,007,758	65.51
	996,004,080	744,718	996,748,798	100.00

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
30 June 2018				
British Sterling Pound	35,827,412	305,981	36,133,393	5.36
Danish Krone	15,810,655	64,479	15,875,134	2.36
Euro	77,345,211	—	77,345,211	11.48
Hong Kong Dollar	35,931,140	—	35,931,140	5.33
Indonesian Rupiah	7,818,333	—	7,818,333	1.16
Japanese Yen	69,612,316	1,679,334	71,291,650	10.58
South African Rand	28,738,842	(10,116,100)	18,622,742	2.76
Swedish Krona	12,439,452	—	12,439,452	1.85
Swiss Franc	24,363,321	—	24,363,321	3.61
Foreign currency exposure	307,886,682	(8,066,306)	299,820,376	44.49
US Dollar	374,408,764	(263,659)	374,145,105	55.51
	682,295,446	(8,329,965)	673,965,481	100.00

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Foreign Currency Risk (Continued)

The Harding Loevner International Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
30 June 2019				
British Sterling Pound	17,911,556	30,514	17,942,070	7.50
Canadian Dollar	2,794,093	—	2,794,093	1.17
Danish Krone	2,066,734	—	2,066,734	0.86
Euro	50,373,865	—	50,373,865	21.05
Hong Kong Dollar	15,990,307	—	15,990,307	6.68
Japanese Yen	27,426,652	85,550	27,512,202	11.50
Singapore Dollar	6,476,569	1	6,476,570	2.71
South African Rand	3,909,001	—	3,909,001	1.63
Swedish Krona	11,336,434	—	11,336,434	4.74
Swiss Franc	17,391,567	—	17,391,567	7.27
Foreign currency exposure	155,676,778	116,065	155,792,843	65.11
US Dollar	83,275,292	207,770	83,483,062	34.89
	<u>238,952,070</u>	<u>323,835</u>	<u>239,275,905</u>	<u>100.00</u>

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
30 June 2018				
Australian Dollar	2,487,470	—	2,487,470	1.24
British Sterling Pound	15,501,197	85,248	15,586,445	7.78
Danish Krone	1,937,750	—	1,937,750	0.97
Euro	53,636,229	—	53,636,229	26.76
Hong Kong Dollar	8,919,504	—	8,919,504	4.45
Japanese Yen	28,425,482	20,647	28,446,129	14.19
Mexican Nuevo Peso	2,314,845	8	2,314,853	1.15
Singapore Dollar	4,561,296	—	4,561,296	2.28
South African Rand	8,837,819	—	8,837,819	4.41
Swedish Krona	5,696,997	—	5,696,997	2.84
Swiss Franc	11,975,767	—	11,975,767	5.97
Foreign currency exposure	144,294,356	105,903	144,400,259	72.04
US Dollar	56,079,960	(48,487)	56,031,473	27.96
	<u>200,374,316</u>	<u>57,416</u>	<u>200,431,732</u>	<u>100.00</u>

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Foreign Currency Risk (Continued)

The Harding Loevner Emerging Markets Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
30 June 2019				
Brazilian Real	18,025,066	52,932	18,077,998	2.97
British Sterling Pound	11,336,242	—	11,336,242	1.86
Chinese Yuan	20,109,160	—	20,109,160	3.30
Czech Republic Koruna	5,955,607	—	5,955,607	0.98
Hong Kong Dollar	116,760,378	201,383	116,961,761	19.19
Indian Rupee	35,055,205	—	35,055,205	5.75
Indonesian Rupiah	20,732,351	—	20,732,351	3.40
Kenyan Shilling	7,667,099	—	7,667,099	1.26
Mexican Nuevo Peso	15,696,229	160	15,696,389	2.57
South African Rand	27,399,967	—	27,399,967	4.49
South Korean Won	27,042,981	52,488	27,095,469	4.44
Taiwan Dollar	42,528,320	1,058,983	43,587,303	7.15
Thai Baht	9,922,729	—	9,922,729	1.63
UAE Dirham	1,807,099	(255,690)	1,551,409	0.25
Foreign currency exposure	360,038,433	1,110,256	361,148,689	59.24
US Dollar	247,983,760	517,116	248,500,876	40.76
	<u>608,022,193</u>	<u>1,627,372</u>	<u>609,649,565</u>	<u>100.00</u>

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
30 June 2018				
Brazilian Real	8,139,771	46,783	8,186,554	1.28
British Sterling Pound	12,744,413	178,063	12,922,476	2.02
Chinese Yuan	31,772,058	—	31,772,058	4.96
Czech Republic Koruna	6,644,070	—	6,644,070	1.04
Hong Kong Dollar	126,338,095	445,074	126,783,169	19.80
Hungarian Forint	2,936,957	—	2,936,957	0.46
Indian Rupee	29,884,078	(743,854)	29,140,224	4.55
Indonesian Rupiah	19,162,158	(410,996)	18,751,162	2.93
Kenyan Shilling	8,592,433	—	8,592,433	1.34
Mexican Nuevo Peso	16,071,945	37	16,071,982	2.51
South African Rand	38,302,416	(494,423)	37,807,993	5.91
South Korean Won	25,593,768	64,321	25,658,089	4.00
Taiwan Dollar	52,019,823	778,890	52,798,713	8.25
Thai Baht	6,848,892	—	6,848,892	1.07
Turkish Lira	7,379,382	—	7,379,382	1.15
UAE Dirham	4,854,201	—	4,854,201	0.76
Foreign currency exposure	397,284,460	(136,105)	397,148,355	62.03
US Dollar	243,020,377	37,459	243,057,836	37.97
	<u>640,304,837</u>	<u>(98,646)</u>	<u>640,206,191</u>	<u>100.00</u>

The Harding Loevner Frontier Emerging Markets Equity Fund

The Harding Loevner Frontier Emerging Markets Equity Fund had no exposure to foreign currency risk as at 30 June 2018.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Foreign Currency Risk (Continued)

The Harding Loevner Global Small Companies Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
30 June 2019				
Bangladesh Taka	4,501	—	4,501	0.39
British Sterling Pound	103,972	—	103,972	9.10
Canadian Dollar	20,269	—	20,269	1.77
Euro	210,496	341	210,837	18.46
Hong Kong Dollar	21,361	—	21,361	1.87
Indonesian Rupiah	5,484	—	5,484	0.48
Japanese Yen	202,676	251	202,927	17.77
Kenyan Shilling	5,064	—	5,064	0.44
Mexican Nuevo Peso	21,147	—	21,147	1.85
Norwegian Krone	11,209	—	11,209	0.98
Nigerian Naira	3,441	—	3,441	0.30
Peruvian Nuevo Sol	6,005	—	6,005	0.53
Philippine Peso	7,686	—	7,686	0.67
Polish Zloty	6,352	—	6,352	0.56
South African Rand	19,998	69	20,067	1.76
South Korean Won	13,547	46	13,593	1.19
Swedish Krona	31,463	—	31,463	2.75
Swiss Franc	37,312	—	37,312	3.27
Taiwan Dollar	37,505	—	37,505	3.28
Turkish Lira	5,688	—	5,688	0.50
UAE Dirham	2,117	—	2,117	0.19
Vietnamese Dong	3,670	—	3,670	0.32
Foreign currency exposure	<u>780,963</u>	<u>707</u>	<u>781,670</u>	<u>68.43</u>
US Dollar	350,784	9,763	360,547	31.57
	<u>1,131,747</u>	<u>10,470</u>	<u>1,142,217</u>	<u>100.00</u>

Foreign Currency Risk Sensitivity Analysis

At 30 June 2019 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for The Harding Loevner Global Equity Fund with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of redeemable participating shares would amount to approximately USD 34,374,104 (30 June 2018: USD 29,982,038).

At 30 June 2019 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for The Harding Loevner International Equity Fund with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of redeemable participating shares would amount to approximately USD 15,579,284 (30 June 2018: USD 14,440,026).

At 30 June 2019 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for The Harding Loevner Emerging Markets Equity Fund with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of redeemable participating shares would amount to approximately USD 36,114,869 (30 June 2018: USD 39,714,835).

At 30 June 2019 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for The Harding Loevner Frontier Emerging Markets Equity Fund with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of redeemable participating shares would amount to approximately USD Nil (30 June 2018: USD Nil).

At 30 June 2019 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for The Harding Loevner Global Small Companies Equity Fund with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of redeemable participating shares would amount to approximately USD 78,167 (30 June 2018: USD Nil).

In accordance with the Company's policy, the Investment Manager monitors each sub-fund's currency position on a daily basis.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Foreign Currency Risk Sensitivity Analysis (Continued)

The following table demonstrates the impact of a 10% movement in exchange rates against the US Dollar for each individual currency:

The Harding Loevner Global Equity Fund

	Effect of increase/decrease 30 June 2019 USD +/-	Effect of increase/decrease 30 June 2018 USD +/-
British Sterling Pound	2,291,802	3,613,340
Danish Krone	811,265	1,587,514
Euro	10,281,221	7,734,521
Hong Kong Dollar	4,741,938	3,593,114
Indonesian Rupiah	1,591,327	781,833
Japanese Yen	9,823,469	7,129,165
South African Rand	985,264	1,862,274
Swedish Krona	408,511	1,243,945
Swiss Franc	3,439,307	2,436,332
	<u>34,374,104</u>	<u>29,982,038</u>

The Harding Loevner International Equity Fund

	Effect of increase/decrease 30 June 2019 USD +/-	Effect of increase/decrease 30 June 2018 USD +/-
Australian Dollar	—	248,747
British Sterling Pound	1,794,207	1,558,644
Canadian Dollar	279,409	—
Danish Krone	206,673	193,775
Euro	5,037,387	5,363,623
Hong Kong Dollar	1,599,031	891,950
Japanese Yen	2,751,220	2,844,613
Mexican Peso	—	231,485
Singapore Dollar	647,657	456,130
South African Rand	390,900	883,782
Swedish Krona	1,133,643	569,700
Swiss Franc	1,739,157	1,197,577
	<u>15,579,284</u>	<u>14,440,026</u>

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Foreign Currency Risk Sensitivity Analysis (Continued)

The Harding Loevner Emerging Markets Equity Fund

	Effect of increase/decrease 30 June 2019 USD +/-	Effect of increase/decrease 30 June 2018 USD +/-
Brazilian Real	1,807,800	818,656
British Sterling Pound	1,133,624	1,292,248
Chinese yuan	2,010,916	3,177,206
Czech Koruna	595,561	664,407
Hong Kong Dollar	11,696,176	12,678,317
Hungarian Forint	–	293,696
Indian Rupee	3,505,520	2,914,022
Indonesian Rupiah	2,073,235	1,875,116
Kenyan Shilling	766,710	859,243
Mexican Peso	1,569,639	1,607,198
South African Rand	2,739,997	3,780,799
South Korean Won	2,709,547	2,565,809
Taiwan Dollar	4,358,730	5,279,871
Thai Baht	992,273	684,889
Turkish Lira	–	737,938
UAE Dirham	155,141	485,420
	<u>36,114,869</u>	<u>39,714,835</u>

The Harding Loevner Frontier Emerging Markets Equity Fund

The Harding Loevner Frontier Emerging Markets Equity Fund is a dormant fund and so had no exposure to foreign currency sensitivity risk analysis as at 30 June 2019 or 30 June 2018.

The Harding Loevner Global Small Companies Equity Fund

	Effect of increase/decrease 30 June 2019 USD +/-
Bangladesh Taka	450
British Sterling Pound	10,397
Canadian Dollar	2,027
Euro	21,084
Hong Kong Dollar	2,136
Indonesian Rupiah	548
Japanese Yen	20,293
Kenyan Shilling	506
Mexican Peso	2,115
Norwegian Krone	1,121
Nigerian Naira	344
Peruvian Nuevo Sol	600
Philippine Peso	769
Polish Zloty	635
South African Rand	2,007
South Korean Won	1,359
Swedish Krona	3,146
Swiss Franc	3,731
Taiwan Dollar	3,751
Turkish Lira	569
UAE Dirham	212
Vietnamese Dong	367
	<u>78,167</u>

There are no comparatives as Global Small Equities Fund is a new fund.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The sub-funds' financial assets are primarily invested in equities. Cash and cash equivalent balances generally comprise a small percentage of the sub-fund's net assets. As a result, each sub-fund has very limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the sub-fund. The counterparty risk relates primarily to the brokers used for trading in equities of foreign companies and to cash and cash equivalents held with the Depositary. The Investment Manager uses brokers from its approved brokers list for investment by the sub-fund. The approved broker list is reviewed annually by the Investment Manager to determine if any changes are warranted. The factors used during the review process include, but are not limited to:

- The extent to which the broker, acting as Principal, is willing to commit its own capital to fulfill difficult orders;
- The extent of the broker's distribution network and the broker's ability to fulfill more difficult orders (e.g. thinly-traded securities);
- Demonstrated ability to execute a transaction in a particular market, region or security;
- The broker's execution abilities, including the level of accuracy in executing orders, speed of execution, and the ability to obtain best net price; and
- The broker's communications and administrative capabilities, including efficiency of reporting, settlement efficiency, and proper correction of trade errors.

Most trades settle DVP (delivery vs. payment) using the Company's Custodian bank thus further limiting the credit risk of counterparty. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

The following financial assets were exposed to credit risk:

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Cash and cash equivalents	40,633,643	7,708,263	16,741,085	18,345	65,101,336
Amounts receivable on securities sold	2,098,843	460,004	514,767	35	3,073,649
Amounts receivable on shares issued	—	115,000	—	—	115,000
Dividend receivable	431,661	534,500	2,839,526	896	3,806,583
Interest receivable	51,768	16,003	26,888	41	94,700
Other assets	1,639	1,603	4,985	4,594	12,821
Total	43,217,554	8,835,373	20,127,251	23,911	72,204,089

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Cash and cash equivalents	17,445,160	6,657,357	21,886,252	16,849	46,005,618
Amounts receivable on securities sold	1,598,255	—	159,486	—	1,757,741
Dividend receivable	700,155	323,068	3,004,896	—	4,028,119
Interest receivable	32,128	11,468	45,665	—	89,261
Other assets	58,146	5,119	6,272	2,950	72,487
Total	19,833,844	6,997,012	25,102,571	19,799	51,953,226

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depositary of the Fund, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at the financial year-end date 30 June 2019, NTC had a long term credit rating from Standard & Poor's of (A+) (30 June 2018: A+).

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Credit Risk (Continued)

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland and Canada. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Fund's ownership of Other Assets, (as defined under Other Assets, (Art 22(5) of UCITS V Directive 2014/91/EU)), by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Fund on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed.

The Responsible Party manages risk by monitoring the credit quality and financial position of the Depositary and such risk is further managed by the Depositary monitoring the credit quality and financial positions of sub-custodian appointments.

Concentration Risk

The Investment Manager analyses concentration based on the sector allocation of the financial assets that each sub-fund holds. The sub-funds' concentration risk by sector as at 30 June 2019 and 30 June 2018 were as follows:

Harding Loevner Global Equity Fund

	2019	2018
Sector	% of NAV	% of NAV
Communication Services	7.89%	—
Consumer Discretionary	12.91%	14.20%
Consumer Staples	4.51%	4.90%
Energy	2.71%	3.69%
Financials	14.07%	13.77%
Health Care	16.74%	17.96%
Industrials	12.77%	14.65%
Information Technology	17.87%	21.97%
Materials	6.38%	7.91%
Cash & other assets/(liabilities)	4.15%	0.95%
	<u>100.00%</u>	<u>100.00%</u>

Harding Loevner International Equity Fund

	2019	2018
Sector	% of NAV	% of NAV
Communication Services	6.08%	—
Consumer Discretionary	2.84%	6.11%
Consumer Staples	15.12%	7.32%
Energy	4.62%	5.76%
Financials	19.01%	17.89%
Health Care	11.52%	17.88%
Industrials	11.27%	12.12%
Information Technology	18.75%	20.74%
Materials	7.43%	8.02%
Real Estate	—	0.81%
Cash & other assets/(liabilities)	3.36%	3.35%
	<u>100.00%</u>	<u>100.00%</u>

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Concentration Risk (Continued)

Harding Loevner Emerging Markets Equity Fund

	2019	2018
Sector	% of NAV	% of NAV
Communication Services	7.84%	—
Consumer Discretionary	15.12%	11.67%
Consumer Staples	8.91%	7.49%
Energy	8.02%	7.23%
Financials	29.66%	27.22%
Health Care	1.02%	5.46%
Industrials	7.17%	7.90%
Information Technology	16.15%	23.74%
Materials	0.81%	1.08%
Real Estate	0.28%	0.76%
Telecommunication Services	—	1.64%
Utilities	2.01%	2.41%
Cash & other assets/(liabilities)	3.01%	3.40%
	<u>100.00%</u>	<u>100.00%</u>

Harding Loevner Frontier Emerging Markets Equity Fund

	2018
Sector	% of NAV
Cash & other assets/(liabilities)	100.00%
	<u>100.00%</u>

Harding Loevner Global Small Companies Equity Fund

	2019
Sector	% of NAV
Communication Services*	6.16%
Consumer Discretionary	9.13%
Consumer Staples	9.71%
Energy	2.24%
Financials	8.95%
Health Care	11.20%
Industrials	23.60%
Information Technology	25.02%
Materials	2.14%
Utilities	1.36%
Cash & other assets/(liabilities)	0.49%
	<u>100.00%</u>

No comparative as this is an new sub fund

* New sector classification for 2019

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's Memorandum and Articles of Association provides for the monthly creation and cancellation of shares. The Company has offered daily liquidity since inception and has been exposed to the liquidity risk of meeting shareholder redemptions at any time. The Directors may decline to affect a repurchase request that would have the effect of reducing the value of any holding of shares below the minimum holding for that Class of shares. Any repurchase request having such an effect may be treated by the Company as a request to repurchase the entire holding of that Class of shares.

The Company's securities may be listed on non-developed or emerging stock markets, which may result in less liquidity than securities traded on major developed market stock exchanges.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Liquidity Risk (Continued)

	Harding Loevner Global Equity Fund 30 June 2019 USD	Harding Loevner International Equity Fund 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2019 USD	Harding Loevner Funds plc Total 30 June 2019 USD
Financial liabilities not at fair value through profit or loss					
Payable for securities purchased (due within one month)	(1,339,964)	(620,449)	–	–	(1,960,413)
Audit fee payable (due within one to three months)	(11,731)	(11,731)	(11,731)	(5,866)	(41,059)
Accrued expenses (due within one year)	(487,498)	(171,095)	(1,747,065)	(12,575)	(2,418,233)
Net assets attributable to holders of participating shares	(996,748,798)	(239,275,905)	(609,649,565)	(1,118,872)	(1,846,793,140)
Total	(998,587,991)	(240,079,180)	(611,408,361)	(1,137,313)	(1,851,212,845)

	Harding Loevner Global Equity Fund 30 June 2018 USD	Harding Loevner International Equity Fund 30 June 2018 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Frontier Emerging Markets Equity Fund 30 June 2018 USD	Harding Loevner Funds plc Total 30 June 2018 USD
Financial liabilities not at fair value through profit or loss					
Payable for securities purchased (due within one month)	(12,888,100)	–	(2,009,935)	–	(14,898,035)
Audit fee payable (due within one to three months)	(15,438)	(17,003)	(15,438)	(2,500)	(50,379)
Accrued expenses (due within one year)	(531,971)	(265,235)	(1,286,820)	(17,299)	(2,103,325)
Net assets attributable to holders of participating shares	(673,965,481)	(200,431,732)	(640,206,191)	–	(1,514,603,404)
Total	(687,400,990)	(200,713,970)	(643,518,384)	(19,799)	(1,531,653,143)

Valuation of Financial Instruments

IFRS 13 requires disclosures surrounding the level in the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured in the statement of financial position. The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 2, Significant accounting policies. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company categorises investments using the following hierarchy as defined by IFRS 13:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data;
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Valuation of Financial Instruments (Continued)

The following table analyses within the fair value hierarchy each sub-fund's financial assets measured at fair value as at 30 June 2019 and 30 June 2018.

The Harding Loevner Global Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2019				
Equities	955,370,437	–	–	955,370,437
	955,370,437	–	–	955,370,437
30 June 2018				
Equities	667,567,146	–	–	667,567,146
	667,567,146	–	–	667,567,146

The Harding Loevner International Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2019				
Equities	231,243,807	–	–	231,243,807
	231,243,807	–	–	231,243,807
30 June 2018				
Equities	193,716,958	–	–	193,716,958
	193,716,958	–	–	193,716,958

The Harding Loevner Emerging Markets Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2019				
Equities	591,281,110	–	–	591,281,110
	591,281,110	–	–	591,281,110
30 June 2018				
Equities	618,415,813	–	–	618,415,813
	618,415,813	–	–	618,415,813

The Harding Loevner Frontier Emerging Markets Equity Fund

There were no investments held as at 30 June 2019 and 30 June 2018 for Harding Loevner Frontier Markets Equity Fund.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

13. Financial Instruments and Associated Risks (continued)

Valuation of Financial Instruments (Continued)

The Harding Loevner Global Small Companies Equity Fund

30 June 2019	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Equities	1,113,402	–	–	1,113,402
	1,113,402	–	–	1,113,402

There were no transfers between levels during the financial year ended 30 June 2019 and 30 June 2018.

Non-Developed Markets Risk

The Global Equity Fund, International Equity Fund, and Global Small Companies Equity Fund may invest a portion of its capital in securities of companies based in non-developed, emerging markets or frontier markets. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing in securities of developed market companies or countries, including without limitations, less liquidity, greater price and foreign currency volatility, and greater legal, tax and regulatory risk.

Securities listed on non-developed, emerging stock markets and frontier markets due to political or other events in these countries, may not be quickly liquidated at their fair value amounts. This risk is managed by limiting investment in a single non-developed or emerging country as follows:

This risk for the Global Equity Fund and Global Small Companies Equity Fund is managed by limiting investment in non-developed, emerging countries, and frontier countries to 25% in the aggregate. The risk for the International Equity Fund is managed by limiting investment in non-developed, emerging and frontier markets to 30% in the aggregate.

Emerging market securities involve unique risks such as exposure to economies less diverse and mature than that of the US or more established foreign markets. Economic or political instability may cause larger price changes in emerging market securities than in securities of issuers based in more developed countries.

Investments in frontier markets involve risks similar to investments in emerging markets but to a greater extent since frontier markets are even smaller, less developed and less accessible than emerging markets. Frontier markets may also experience greater political and economic instability and may have less transparency, less ethical practices, and weaker corporate governance compared to emerging markets. The countries that comprise frontier markets include the lesser developed countries located in Africa, Asia (including countries in the Commonwealth of Independent States, formerly the Soviet Union), the Middle East, Eastern Europe and Latin America.

The Emerging Markets Equity Fund aims to invest primarily in emerging. Therefore, the fund does not have any limitation on aggregate emerging markets ownership.

Global Exposure

Under the Central Bank's UCITS Regulations, the Investment Manager is required to employ a risk management process which enables it to accurately measure, monitor and manage the global exposure to the Company from financial derivative instruments. The Investment Manager uses a methodology known as the commitment approach to measure the global exposure of the Company and the sub-funds. The commitment approach is a methodology that aggregates the underlying market or notional values of financial derivative instruments to determine the exposure of the Company to financial derivative instruments. In accordance with the UCITS Regulations, global exposures for each sub-fund to financial derivative instruments must not exceed 100% of the sub-fund's Net Asset Value.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

14. Net Asset Value per Redeemable Participating Share

Harding Loevner Global Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	USD 67,487,737	USD 63,956,300	USD 36,871,476
Euro Class A	EUR 90,419,093	EUR 64,966,707	EUR 103,526,230
Euro Class A USD equivalent	USD 102,815,554	USD 75,868,121	USD 118,242,484
Sterling Class A	GBP 85,617,562	GBP 78,191,660	GBP 133,887,141
Sterling Class A USD equivalent	USD 108,730,033	USD 103,192,133	USD 174,381,307
Sterling Class B	GBP 102,025	–	–
Sterling Class B USD equivalent	USD 129,567	–	–
Singapore Dollar Class A	–	–	SGD 62,033,395
Singapore Dollar Class A USD equivalent	–	–	USD 45,056,213
US Dollar Class B	USD 1,266,879	USD 247,743	–
US Dollar Class D	USD 480,325	USD 521,538	–
Sterling Class I	–	GBP 116,455,605	GBP 101,515,752
Sterling Class I USD equivalent	–	USD 153,692,298	USD 132,219,192
US Dollar Class S1	USD 155,005,715	–	–
Euro Class M	EUR 66,321,832	EUR 51,630,557	–
Euro Class M USD equivalent	USD 75,414,557	USD 60,294,165	–
Euro Class S	EUR 54,964,458	–	–
Euro Class S USD equivalent	USD 62,500,087	–	–
Sterling Class S	GBP 230,142,137	–	–
Sterling Class S USD equivalent	USD 292,269,036	–	–
Sterling Class M	–	GBP 107,626,787	GBP 57,848,328
Sterling Class M USD equivalent	–	USD 142,040,464	USD 75,344,554
Australian Dollar Class M	–	–	AUD 93,150,437
Australian Dollar Class M USD equivalent	–	–	USD 71,595,426
Singapore Dollar Class M	SGD 102,782,293	SGD 101,033,079	SGD 87,870,156
Singapore Dollar Class M USD equivalent	USD 75,966,218	USD 74,152,719	USD 63,824,337
US Dollar Class S	USD 54,683,090	–	–
Net Asset Value per redeemable participating share	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	USD 2.157	USD 2.106	USD 1.814
Euro Class A	EUR 1.895	EUR 1.802	EUR 1.586
Euro Class A USD equivalent	USD 2.155	USD 2.104	USD 1.812
Sterling Class A	GBP 1.697	GBP 1.600	GBP 1.400
Sterling Class A USD equivalent	USD 2.156	USD 2.112	USD 1.823
Sterling Class B	GBP 1.031	–	–
Sterling Class B USD equivalent	USD 1.309	–	–
Singapore Dollar Class A	–	–	SGD 1.981
Singapore Dollar Class A USD equivalent	–	–	USD 1.439
US Dollar Class B	USD 1.001	USD 0.980	–
US Dollar Class D	USD 1.021	USD 1.004	–
Sterling Class I	–	GBP 1.646	GBP 1.439
Sterling Class I USD equivalent	–	USD 2.172	USD 1.874
US Dollar Class S1	USD 0.989	–	–

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

14. Net Asset Value per Redeemable Participating Share (continued)

Harding Loevner Global Equity Fund (Continued)

Net Asset Value per redeemable participating share	30 June 2019	30 June 2018	30 June 2017
Euro Class M	EUR 1.086	EUR 1.032	–
Euro Class M USD equivalent	USD 1.235	USD 1.205	–
Euro Class S	EUR 1.046	–	–
Euro Class S USD equivalent	USD 1.190	–	–
Sterling Class S	GBP 1.135	–	–
Sterling Class S USD equivalent	USD 1.441	–	–
Sterling Class M	–	GBP 1.595	GBP 1.395
Sterling Class M USD equivalent	–	USD 2.106	USD 1.817
Australian Dollar Class M	–	–	AUD 1.133
Australian Dollar Class M USD equivalent	–	–	USD 0.871
Singapore Dollar Class M	SGD 1.479	SGD 1.454	SGD 1.264
Singapore Dollar Class M USD equivalent	USD 1.093	USD 1.067	USD 0.918
US Dollar Class S	USD 1.095	–	–

Harding Loevner International Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	USD 69,385,905	USD 26,790,227	USD 58,214,163
US Dollar Class S	USD 155,424,540	–	–
Sterling Class A	GBP 2,763,763	GBP 4,839,263	GBP 1,727,549
Sterling Class A USD equivalent	USD 3,509,842	USD 6,386,619	USD 2,249,999
US Dollar Class B	USD 10,955,618	USD 13,460,344	USD 12,676,278
US Dollar Class I	–	USD 153,794,542	–

Net Asset Value per redeemable participating share	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	USD 1.359	USD 1.352	USD 1.225
US Dollar Class S	USD 1.130	–	–
Sterling Class A	GBP 1.715	GBP 1.665	GBP 1.534
Sterling Class A USD equivalent	USD 2.178	USD 2.198	USD 1.998
US Dollar Class B	USD 1.356	USD 1.352	USD 1.226
US Dollar Class I	–	USD 1.087	–

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

14. Net Asset Value per Redeemable Participating Share (continued)

Harding Loevner Emerging Markets Equity Fund

Net assets attributable to holders of redeemable participating shares

	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	USD 11,724,616	USD 24,193,426	USD 33,927,513
US Dollar Class B	USD 6,195,701	USD 7,427,071	USD 8,223,377
Australian Dollar Class F	–	–	AUD 18,714,211
Australian Dollar Class F USD equivalent	–	–	USD 14,383,377
US Dollar Class I	USD 124,804,012	USD 126,310,637	USD 115,848,563
Euro Class I	EUR 94,112,972	EUR 118,506,304	EUR 111,126,287
Euro Class I USD equivalent	USD 107,015,864	USD 138,391,663	USD 126,928,939
Canadian Dollar Class I	CAD 212,406,426	CAD 188,633,456	CAD 170,660,220
Canadian Dollar Class I USD equivalent	USD 162,198,027	USD 143,485,685	USD 131,601,033
US Dollar Class M	–	USD 42,289,614	USD 64,783,588
Sterling Class M	GBP 61,011,719	GBP 59,485,752	GBP 55,387,144
Sterling Class M USD equivalent	USD 77,481,840	USD 78,534,609	USD 72,137,463
Canadian Dollar Class M	CAD 102,808,567	CAD 104,611,284	CAD 94,785,339
Canadian Dollar Class M USD equivalent	USD 78,506,790	USD 79,573,486	USD 73,091,717

Net Asset Value per redeemable participating share

	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	USD 1.361	USD 1.381	USD 1.271
US Dollar Class B	USD 1.203	USD 1.224	USD 1.129
Australian Dollar Class F	–	–	AUD 1.268
Australian Dollar Class F USD equivalent	–	–	USD 0.974
US Dollar Class I	USD 1.263	USD 1.278	USD 1.172
Euro Class I	EUR 1.160	EUR 1.143	EUR 1.072
Euro Class I USD equivalent	USD 1.319	USD 1.335	USD 1.224
Canadian Dollar Class I	CAD 1.601	CAD 1.627	CAD 1.472
Canadian Dollar Class I USD equivalent	USD 1.223	USD 1.238	USD 1.135
US Dollar Class M	–	USD 1.458	USD 1.339
Sterling Class M	GBP 1.162	GBP 1.134	GBP 1.055
Sterling Class M USD equivalent	USD 1.476	USD 1.496	USD 1.374
Canadian Dollar Class M	CAD 1.424	CAD 1.449	CAD 1.312
Canadian Dollar Class M USD equivalent	USD 1.087	USD 1.102	USD 1.012

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

14. Net Asset Value per Redeemable Participating Share (continued)

Harding Loevner Frontier Emerging Markets Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	–	–	USD 661,310
Euro Class A	–	–	EUR 1,129,182
Euro Class A USD equivalent	–	–	USD 1,289,757
Australian Dollar Class A	–	–	AUD 6,108,958
Australian Dollar Class A USD equivalent	–	–	USD 4,695,225

Net Asset Value per redeemable participating share

	30 June 2019	30 June 2018	30 June 2017
US Dollar Class A	–	–	USD 1.266
Euro Class A	–	–	EUR 1.129
Euro Class A USD equivalent	–	–	USD 1.290
Australian Dollar Class A	–	–	AUD 1.024
Australian Dollar Class A USD equivalent	–	–	USD 0.787

Harding Loevner Global Small Companies Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2019
US Dollar Class A	USD 1,118,872

Net Asset Value per redeemable participating share

	30 June 2019
US Dollar Class A	USD 1.119

15. Reconciliation of Net Asset Value

The published Net Asset Value per redeemable participating share at which shareholders may subscribe to or redeem from the sub-funds, differs from the Net Asset Value per the financial statements. The difference is due to the treatment of preliminary expenses. In accordance with provisions of the Company's Memorandum and Articles of Association, preliminary expenses are being amortised over 60 months. However, for the purposes of these financial statements, preliminary expenses have been expensed as incurred in line with International Financial Reporting Standards.

The Harding Loevner Frontier Emerging Markets Equity Fund

There was no reconciliation of net asset value as at 30 June 2019 and 30 June 2018 for Harding Loevner Frontier Markets Equity Fund.

The Harding Loevner Global Small Companies Equity Fund

	30 June 2019 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	1,118,872
Preliminary expenses	23,345
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>1,142,217</u>
Net Asset Value per redeemable participating share at dealing prices	
US Dollar Class A	USD 1.119

At 30 June 2019 an adjustment was required with respect to the Financial Statements of Global Small Companies Equity Fund. The adjustment reflected the difference in accounting treatment of establishment expenses between the Prospectus and IFRS. The Prospectus requires establishment expenses to be amortised over the first 60 months or such other period as the Directors may determine. IFRS requires establishment costs to be expensed as incurred. This adjustment was made for the purposes of the Financial Statements only.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

16. Exchange Rates

The following exchange rates (against the USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD as at 30 June 2019 and 30 June 2018:

		30 June 2019	30 June 2018
AED	UAE Dirham	3.6732	3.6732
AUD	Australian Dollar	1.4250	1.3513
BDT	Bangladesh Taka	84.6000	83.6950
BRL	Brazilian Real	3.8327	3.8758
CAD	Canadian Dollar	1.3068	—
CHF	Swiss Franc	0.9750	0.9903
CLP	Chilean Peso	678.9500	651.0450
CNH	Chinese Renminbi	6.8730	6.6341
CNY	Chinese Yuan	6.8683	6.6253
COP	Colombian Peso	3,207.0000	2,936.9900
CZK	Czech Republic Koruna	22.3429	22.2316
DKK	Danish Krone	6.5540	6.3800
EEK	Estonian Kroon	13.7396	13.4012
EGP	Egyptian Pound	16.6950	17.8900
EUR	Euro	0.8781	0.8563
GBP	British Sterling Pound	0.7857	0.7577
GHS	Ghanian Cedi	5.4500	4.7900
HKD	Hong Kong Dollar	7.8125	7.8456
HRK	Croatian Kuna	6.4966	6.3306
HUF	Hungarian Forint	283.4344	282.0004
IDR	Indonesian Rupiah	14,127.5000	14,330.0000
INR	Indian Rupee	69.0275	68.5150
JOD	Jordanian Dinar	0.7090	0.7099
JPY	Japanese Yen	107.7400	110.7150
KES	Kenyan Shilling	102.2000	100.9500
KRW	South Korean won	1,154.6500	1,114.5000
KZT	Kazakhstan Tenge	380.6250	341.2050
LKR	Sri Lankan Rupee	176.4950	158.3000
MAD	Moroccan Dirham	9.5688	9.4864
MUR	Mauritian Rupee	35.5000	34.6350
MXN	Mexican Nuevo Peso	19.2117	19.8603
MYR	Malaysian Ringgit	4.1325	4.0395
NGN	Nigerian Naira	360.0000	361.5000
PEN	Peruvian Nuevo Sol	3.2880	3.2745
PHP	Philippine Peso	51.2350	53.3675
PKR	Pakistani Rupee	159.7500	121.4500
PLN	Polish Zloty	3.7292	3.7457
QAR	Qatari Rial	3.6413	3.6410
RON	Romanian Leu	4.1538	3.9944
RUB	Russian Rouble	63.0750	62.7025
SAR	Saudi Arabia Riyal	3.7503	3.7504
SEK	Swedish Krona	9.2782	8.9568
SGD	Singapore Dollar	1.3530	1.3635
THB	Thai Baht	30.6675	33.1300
TRY	Turkish Lira	5.7840	4.5939
TTD	Trinidad & Tobago Dollar	6.7525	6.7868
TWD	Taiwan Dollar	31.0595	30.4885
TZS	Tanzanian Shilling	2,300.0000	2,275.0000
VND	Vietnamese Dong	23,305.0000	22,958.5000
XOF	West African CFA Franc	576.0072	561.8235
ZAR	South African Rand	14.1013	13.7175

17. Soft Commissions

The Investment Manager may place trades on behalf of the Company with brokers that will, from time to time, provide or procure research products, specialised software or related services that assist the investment manager in the provision of investment services to its clients, including the Company, provided that each broker has agreed to provide best execution with respect to such trades. The Investment Manager's use of soft commissions falls within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934. Where a product or service provides both eligible and non-eligible assistance, the Investment Manager will make a reasonable allocation of the cost that may be paid for with soft commissions.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

18. Contingent Liabilities

There were no contingent liabilities as at 30 June 2019 or 30 June 2018.

19. Events During the Year

During the financial year ended 30 June 2019, the Global Equity Fund distributed the following net income:

A distribution of 0.004719693 per share on the Sterling Class A shares, with a total value of GBP 237,698, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.0066092467 per share on the Sterling Class I shares, with a total value of GBP 467,620, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.006048263 per share on the Sterling Class M shares, with a total value of GBP 405,332, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.000883396 per share on the Sterling Class S shares, with a total value of GBP 178,988, for the six months ended 31 December 2018. This distribution was declared on 16 April 2019 with a record date of 15 April 2019, an ex-date of 16 April 2019 and a pay date of 18 April 2018.

During the financial year ended 30 June 2019, the International Equity Fund distributed the following net income:

A distribution of 0.017221748 per share on the Sterling Class A shares, with a total value of GBP 50,042, for the six months ended 30 June 2018. This distribution was declared on 17 October 2018 with a record date of 16 October 2018, an ex-date of 17 October 2018 and a pay date of 19 October 2018.

A distribution of 0.005244638 per share on the Sterling Class A shares, with a total value of GBP 8,427, for the six months ended 31 December 2018. This distribution was declared on 16 April 2019 with a record date of 15 April 2019, an ex-date of 16 April 2019 and a pay date of 18 April 2019.

On 2 July 2018, the Prospectus and Supplements in respect of the Fund of the Company were updated to include additional disclosures relating to MiFID II, AML, and data protection, the latter following the implementation of General Data Protection Regulation ("GDPR"). Also, UK tax language was removed and, instead, inserted in the relevant UK Country Supplement filed with the FCA in August. Within the Supplements, Class S shares of the Global Equity and International Equity sub-funds were authorised. The documents were approved by the Central Bank.

On 15 August 2018, the Sterling Class B shares for the Global Equity Fund were first issued.

On 29 August 2018, the US Dollar Class S1 shares for the Global Equity Fund were first issued.

On 25 October 2018, Sterling Class I shares for Global Equity Fund were fully redeemed.

On 25 October 2018, US Dollar Class I Shares for the International Equity Fund were fully redeemed.

On 26 October 2018, the Sterling Class S shares for the Global Equity Fund were first issued.

On 26 October 2018, the US Dollar Class S shares for the International Equity Fund were first issued.

On 19 November 2018, the Supplement in respect of the Global Equity Fund was updated to reflect the authorization of Canadian Dollar Class A.

On 4 December 2018, Harding Loevner Global Small Companies Equity Fund was approved by the Central Bank. On 13 December 2018, US Dollar Class A shares were first issued.

On 20 December 2018, the Prospectus in respect of the Fund of the Company was updated to include amended Administration and Depositary Agreements.

On 8 February 2019, the US Dollar Class S shares for the Global Equity Fund were first issued.

On 6 March 2019, the Euro Class S shares for the Global Equity Fund were first issued.

On 10 April 2019, the Sterling Class M shares for the Global Equity Fund were fully redeemed.

On 15 April 2019, Dechert Secretarial Limited was appointed as Company Secretary.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2019 (Continued)

20. Events After the Reporting Date

On 16 August 2019, the Prospectus and Supplements in respect of the Fund of the Company were updated. Within the Prospectus, several risk disclosures were amended, including those related to the Fund's use of participatory notes, convertible securities, and the risks posed by Brexit. Within the Supplements, the repurchase charge was removed from all sub-funds. Within the Global Equity Supplement, specifically, the minimum initial investment for Class S shares was lowered and the investment manager fees for Class S1 shares were adjusted. The documents were approved by the Central Bank.

There have been no other material events to report subsequent to the financial year ended 30 June 2019.

21. Approval of the Financial Statements

The financial statements were approved and authorised for issue on 18 September 2019.

Harding Loevner Funds plc

Appendix 1 - Remuneration Disclosure (Unaudited)

For the Financial Year Ended 30 June 2019

Remuneration

In line with the requirements of the UCITS Regulations, Harding Loevner Funds Plc (“the Company”) is required to adopt a remuneration policy. The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of senior staff is in line with the risk policies and objectives of the Company. The Company’s remuneration policy applies to those categories of identified staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Company. The Company applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities. The directors of the Company, Designated Persons and MLRO (the “Identified Staff of the Company”) receive fixed remuneration in respect of their services which is set at a level determined by the Board as a whole and which is not performance related. This is detailed on page 38. None of the Identified Staff of the Company are currently in receipt of variable remuneration in respect of their services as directors of the Company and none of the identified staff of the Company are currently in receipt of a pension from the Company.

Harding Loevner LP has been appointed as the Investment Manager to the Company (the “Investment Manager”). The Investment Manager’s compensation for all its employees and partners (“Staff Members”), including the Investment Manager’s Staff Members who can exert a material influence on the risk profile of the Company i.e. the co-lead portfolio managers for each sub-fund of the Company, as designated by the Investment Manager from time to time (the “Identified Staff”), includes a fixed base salary, a benefits package, an annual performance based cash bonus, and for Staff Members other than limited partners of the Investment Manager, an equity-linked deferred compensation plan.

Variable Remuneration

Staff Members who are not partners of the Investment Manager, participation in the firm’s equity-linked deferred compensation plan (“ELIP”).

The Investment Manager does not pay any Identified Staff any Variable Remuneration, as the Investment Manager does not determine compensation based directly on the performance of any sub-fund.

Annual cash bonuses are determined for each employee, including Identified Staff, based upon the completion of agreed-upon personal objectives and contributions to the achievement of firm-wide objectives. These objectives are determined collaboratively by the employee and his/her supervisor at the beginning of each year, placed in writing, and subject to final approval by the Investment Manager’s Compensation Committee.

Personal objectives for investment professionals are primarily concerned with their contributions to investment performance. Contributions of portfolio managers, including Identified Staff, to investment performance are measured by the returns of their individual model portfolios relative to applicable benchmarks. No client account, including any sub-fund, is permitted to deviate from the relevant strategy-level model portfolio except to accommodate unique, agreed-upon client guidelines or restrictions. Portfolio managers are not rewarded for the outperformance of any individual client account, including of any sub-fund.

Identified Staff must achieve a specified level of outperformance in the measurement year in order to earn the target bonus amount related to their investment performance objective. This portion of the annual cash bonus is adjusted upward or downward based upon the degree of out- or underperformance of their individual model portfolio relative to its benchmark.

Another portion of the annual cash bonus for Identified Staff is based upon their degree of success in achieving other objectives relating to their portfolio management or other responsibilities that must be subjectively measured, such as collaborating with colleagues, supervising other investment professionals, representing the firm externally, producing written investment narratives, or completing any special projects.

Long-term compensation

To all employees, including Identified Staff, who are not limited partners of the Investment Manager, the Investment Manager provides long-term deferred compensation via its ELIP, believing it is an effective approach to linking employees’ long-term financial rewards to the long-term investment success of its clients. The degree of participation in the ELIP is determined each year according to length of tenure and overall level of present and anticipated future contributions to the firm. Each year’s deferred compensation award under the ELIP is subject to a 5-year vesting schedule.

Other Variable Remuneration principles

No level of Variable Remuneration is guaranteed.

The total number of Identified Staff of the Investment Manager as at 30 June 2019 was 43.

The Investment Manager’s pay to Identified Staff relates to all funds which the Identified Staff currently manage.

The assets under management of the Investment Manager, inclusive of those under management of the Identified Staff, as at 30 June 2019 was US \$68.8bn of which the Company represents US \$1.846bn, or 2.7% of total assets.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Global Equity Fund For the Financial Year Ended 30 June 2019

Total Expenses Ratio	US Dollar Class A 30 June 2019 USD	US Dollar Class B 30 June 2019 USD	US Dollar Class D 30 June 2019 USD	Euro Class A 30 June 2019 USD	Euro Class M 30 June 2019 USD	Sterling Class A 30 June 2019 USD	Sterling Class I 30 June 2019 USD
Expenses	491,946	8,032	7,184	723,218	463,295	856,114	374,478
Average net assets	58,904,276	742,029	453,797	86,653,827	59,046,947	102,545,015	154,943,774
Total Expense Ratio (*, **, ***)	0.84%	1.08%	1.58%	0.83%	0.78%	0.83%	0.24%

	Sterling Class M 30 June 2019 USD	Singapore Dollar Class M 30 June 2019 USD	Sterling Class S 30 June 2019 USD	US Dollar Class S1 30 June 2019 USD	Sterling Class B 30 June 2019 USD	US Dollar Class S 30 June 2019 USD	Euro Class S 30 June 2019 USD
Expenses	607,828	566,472	131,551	699,932	1,264	16,531	13,541
Average net assets	99,110,110	72,205,862	231,860,965	130,114,400	133,058	52,790,971	53,432,505
Total Expense Ratio (*, **, ***)	0.61%	0.78%	0.06%	0.54%	0.95%	0.03%	0.03%

Portfolio Turnover Ratio

Purchases and sales of securities (i)
Subscription and redemption of shares (ii) ****
Monthly average of total assets (iii)

Total
606,277,706
1,001,275,863
1,102,937,536
36%

* The Total Expense Ratios for Global Equity Fund include Investment Management fee rebates of USD 2,192 (30 June 2018: USD 3,510)

** The Total Expense Ratios for Global Equity Fund include preliminary expenses of USD 2,324 (30 June 2018: USD Nil). These are amortised for valuation purposes over five years; however, they were expensed in the financial statements during the period they were incurred.

*** The Total Expense Ratio is annualised.

**** The subscription and redemption of shares figure in the above table excludes share class switches.

Note - the portfolio turnover ratio is calculated as follows ((i-ii)/iii) x 100). The portfolio turnover ratio is not annualised.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Global Equity Fund

For the Financial Year Ended 30 June 2018

Total Expenses Ratio

	US Dollar Class A	US Dollar Class B	US Dollar Class D	Euro Class A	Euro Class M	Sterling Class A	Sterling Dollar Class A
	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018
	USD	USD	USD	USD	USD	USD	USD
Expenses	390,543	152	2,958	895,606	195,833	1,057,923	27,773
Average net assets	46,224,819	212,400	385,225	106,047,852	60,218,598	125,271,687	45,764,377
Total Expense Ratio (*)	0.85%	1.09%	1.59%	0.85%	0.80%	0.85%	0.85%

	Sterling Class I	Sterling Class M	Singapore Dollar Class M	Australian Dollar Class M
	30 June 2018	30 June 2018	30 June 2018	30 June 2018
	USD	USD	USD	USD
Expenses	1,093,125	962,291	562,893	61,846
Average net assets	146,892,499	121,197,238	70,890,947	73,178,728
Total Expense Ratio (*)	0.75%	0.80%	0.80%	0.79%

Portfolio Turnover Ratio

Purchases and sales of securities (i)

Subscription and redemption of shares (ii) **

Monthly average of total assets (iii)

Portfolio Turnover Ratio

Total
518,924,814
435,665,437
677,361,264
12%

* The Total Expense Ratio is annualised. Note - the portfolio turnover ratio is calculated as follows ((i-ii)/iii) x 100). The portfolio turnover ratio is not annualised.

** The subscription and redemption of shares figure in the above table excludes share class switches.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner International Equity Fund

For the Financial Year Ended 30 June 2019

Total Expenses Ratio	US Dollar Class A 30 June 2019 USD	US Dollar Class B 30 June 2019 USD	Sterling Class A 30 June 2019 USD	US Dollar Class I 30 June 2019 USD	US Dollar Class S 30 June 2019 USD
Expenses	365,490	139,749	40,568	375,918	106,319
Average net assets	41,829,050	12,455,667	4,644,948	153,738,973	161,107,725
Total Expense Ratio (*, **, ***)	0.87%	1.12%	0.87%	0.24%	0.07%

Portfolio Turnover Ratio

Purchases and sales of securities (i)	Total
Subscription and redemption of shares (ii) ****	200,237,718
Monthly average of total assets (iii)	429,175,704
Portfolio Turnover Ratio	373,776,363
	61%

For the Financial Year Ended 30 June 2018

Total Expenses Ratio	US Dollar Class A 30 June 2018 USD	US Dollar Class B 30 June 2018 USD	Sterling Class A 30 June 2018 USD	US Dollar Class I 30 June 2018 USD
Expenses	220,891	155,689	52,158	846,157
Average net assets	24,721,421	13,627,805	5,841,952	130,729,053
Total Expense Ratio (*, **, ***)	0.90%	1.15%	0.90%	0.75%

Portfolio Turnover Ratio

Purchases and sales of securities (i)	Total
Subscription and redemption of shares (ii) ****	148,297,286
Monthly average of total assets (iii)	331,420,321
Portfolio Turnover Ratio	174,920,231
	105%

* The Total Expense Ratios for International Equity Fund include Investment Management fee rebates of USD 43,322 (30 June 2018: USD 69,638).

** The Total Expense Ratios for International Equity Fund include preliminary expenses of USD Nil (30 June 2018: USD Nil). These are amortised for valuation purposes over five years; however, they were expensed in the financial statements during the period they were incurred.

*** The Total Expense Ratio is annualised.

**** The subscription and redemption of shares figure in the above table excludes share class switches.

Note - the portfolio turnover ratio is calculated as follows ((i-ii)/iii) x 100). The portfolio turnover ratio is not annualised.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Emerging Markets Equity Fund

For the Financial Year Ended 30 June 2019

Total Expenses Ratio

	US Dollar Class A	US Dollar Class B	US Dollar Class I	US Dollar Class M	Canadian Dollar Class I	Canadian Dollar Class M	Sterling Class M
	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	USD	USD	USD	USD	USD	USD	USD
Expenses	158,697	97,841	1,063,498	415,099	1,341,943	781,063	770,866
Average net assets	13,261,100	6,681,813	118,488,116	39,640,983	149,510,524	74,589,737	73,615,925
Total Expense Ratio (*, **, ***)	1.20%	1.46%	0.90%	1.05%	0.90%	1.05%	1.05%

	Euro Class I
	30 June 2019
	USD
Expenses	1,109,691
Average net assets	123,649,083
Total Expense Ratio (*, **, ***)	0.90%

Portfolio Turnover Ratio

Purchases and sales of securities (i)
Subscription and redemption of shares (ii) ****
Monthly average of total assets (iii)

Portfolio Turnover Ratio

Total
282,435,004
102,610,778
599,437,281
30%

* The Total Expense Ratios for Emerging Markets Equity Fund include Investment Management fee rebates of USD 106,241 (30 June 2018: USD 126,105).

** The Total Expense Ratios for Emerging Markets Equity Fund include preliminary expenses of USD Nil (30 June 2018: USD Nil). These are amortised for valuation purposes over five years; however, they were expensed in the financial statements during the period they were incurred.

*** The Total Expense Ratio is annualised.

**** The subscription and redemption of shares figure in the above table excludes share class switches.

Note - the portfolio turnover ratio is calculated as follows ((i-ii)/iii) x 100). The portfolio turnover ratio is not annualised.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Emerging Markets Equity Fund

For the Financial Year Ended 30 June 2018

Total Expenses Ratio

	US Dollar Class A	US Dollar Class B	US Dollar Class I	US Dollar Class M	Canadian Dollar Class I	Canadian Dollar Class M	Australian Dollar Class F
	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018
	USD	USD	USD	USD	USD	USD	USD
Expenses	402,692	115,802	1,162,935	636,718	1,321,065	855,364	9,222
Average net assets	33,649,824	7,908,028	129,570,038	60,806,397	147,188,282	81,687,079	17,148,047
Total Expense Ratio (*)	1.20%	1.47%	0.90%	1.05%	0.90%	1.05%	0.12%

	Sterling Class M	Euro Class I
	30 June 2018	30 June 2018
	USD	USD
Expenses	844,197	1,274,165
Average net assets	80,620,607	141,962,811
Total Expense Ratio (*, **, ***)	1.05%	0.90%

Portfolio Turnover Ratio

Purchases and sales of securities (i)

Subscription and redemption of shares (ii) **

Monthly average of total assets (iii)

Portfolio Turnover Ratio

Total

345,952,307

71,380,329

683,393,067

40%

* The Total Expense Ratio is annualised.

** The subscription and redemption of shares figure in the above table excludes share class switches.

Note - the portfolio turnover ratio is calculated as follows ((i-ii)/iii) x 100). The portfolio turnover ratio is not annualised.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Frontier Emerging Markets Equity Fund For the Financial Year Ended 30 June 2018

	USD Class A 30 June 2018 USD	Euro Class A 30 June 2018 AUD	Australian Dollar Class A 30 June 2018 USD
Expenses	1,473	2,873	10,458
Average net assets	667,861	1,302,535	4,741,741
Total Expense Ratio (*)	1.75%	1.75%	1.75%
Portfolio Turnover Ratio			Total
Purchases and sales of securities (i)			7,323,571
Subscription and redemption of shares (ii) **			6,717,634
Monthly average of total assets (iii)			6,712,137
Portfolio Turnover Ratio			9.03%

* The Total Expense Ratio is annualised.

** The subscription and redemption of shares figure in the above table excludes share class switches.

Note - the portfolio turnover ratio is calculated as follows ((i-ii)/iii) x 100). The portfolio turnover ratio is not annualised.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2019 (Continued)

The Harding Loevner Global Small Companies Equity Fund

For the Financial Year Ended 30 June 2019

Total Expenses Ratio

US Dollar Class A

30 June 2019

USD

Expenses	6,048
Average net assets	1,067,146
Total Expense Ratio (*, **, ***)	0.57%

Portfolio Turnover Ratio

Total

Purchases and sales of securities (i)	1,333,409
Subscription and redemption of shares (ii) ****	1,000,000
Monthly average of total assets (iii)	1,067,146
Portfolio Turnover Ratio	31%

* The Total Expense Ratios for Global Small Companies Equity Fund include Expense Capital of USD 42,255.

** The Total Expense Ratios for Global Small Companies Equity Fund include preliminary expenses of USD 2,889 (30 June 2018: USD Nil). These are amortised for valuation purposes over five years; however, they were expensed in the financial statements during the period they were incurred.

*** The Total Expense Ratio is annualised.

**** The subscription and redemption of shares figure in the above table excludes share class switches.

Note - the portfolio turnover ratio is calculated as follows ((i-ii)/iii) x 100). The portfolio turnover ratio is not annualised.

