

HARDING LOEVNER FUNDS PLC

Annual Commentary

Global Equity Fund

International Equity Fund

Emerging Markets Equity Fund

Global Small Companies Equity Fund



30 June 2020



HARDING
LOEVNER

Fundamental. Thinking. Worldwide.

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■ PERFORMANCE SUMMARY

The Global Equity Fund USD Class A shares rose 14.19% (at dealing prices) for the 12 months ended 30 June 2020, net of fees, in US dollar terms, outperforming its benchmark, the MSCI All Country World Index, which rose 2.11%. 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 2020. Though the COVID-19 outbreak was certainly the defining macroeconomic event of the period, and one with which companies around the world will continue to grapple for the foreseeable future, the more lasting impact on the global economy may be the central bank largesse (first in response to slowing global growth, then later to address the impacts of COVID-19) that was unleashed throughout the year.

The period began with evidence of a weakening global economy; business sentiment was souring and capital spending slowing in the US and Europe. In September, the OECD cut its 2019 forecast for global economic growth to the slowest rate in a decade, citing the impact of the US-China tariff wars on global trade and capital investment. It also reduced its GDP growth estimates for next year for 18 of the G20 economies.

Confronted with anemic economic growth and still no inflationary impulse from ten years of easy money, central banks responded with additional stimulus. The People's Bank of China cut its bank reserve ratios three times over the course of 2019, and lowered its short-term funding rate for the first time since 2015. Chinese state-

owned banks were guided to increase their lending. The European Central Bank lowered the interest rate on the deposit facility in September and restarted asset purchases in November. In the fourth quarter, calling it insurance against recession, the US Federal Reserve (Fed) again cut interest rates, almost completely reversing the rate increases of 2018. In December, Japan's government launched a large round of fiscal stimulus, the first since 2016, to combat the combined effects of a recent consumption tax hike, typhoon damage, and a slowing global economy. Not to be left out, the Bank of Japan revised its forward guidance, signaling it may take interest rates deeper into negative territory.

Sentiment was further boosted as the trade war between the US and China—which had dominated headlines for much of 2019—also witnessed something of a détente late in the year, with the two parties agreeing to a limited pull-back from their entrenched positions. In mid-December, officials announced a “Phase One” trade agreement, which rolled back some US tariffs on Chinese goods while boosting Chinese purchases of US energy, manufactured goods, and agricultural products.

Any hopes for increased stability going into 2020, however, were quickly dashed. The first quarter began with the US killing of a top Iranian general, escalating tensions in the Middle East, before investor attention was gripped by mushrooming outbreaks of a novel coronavirus in China. By mid-February, Chinese authorities locked down the entire province of Hubei, an area the size of Illinois but, at nearly 60 million people, four times its population. Within a month, the World Health Organization (WHO) declared the outbreak a global pandemic. Although the respiratory disease spread first in Asia, the epicenter shifted rapidly to Europe and the United States. By quarter-end, the infection had spread to over 180 countries, and governments everywhere were struggling to contain the disease and its fallout. The ensuing travel restrictions, enforced business closures, and home confinements brought economic activity to a shuddering stop.

Returning to their response to slowing global growth only months prior, central bankers pulled out all the stops. The Bank of England pledged unlimited support to large company financings, the US Federal Reserve lowered short-term rates to near-zero and unveiled aggressive actions to keep credit flowing, and the European Central Bank expanded its asset purchase program, relaxing its asset eligibility requirements for both sovereign and corporate issuers. The People's Bank of China cut its reserve requirement ratio—twice—hoping to spur bank lending. On the fiscal front, governments responded with massive spending plans, dwarfing the rescue programs from the global financial crisis. The United States passed a US\$2.2 trillion economic relief package, and European governments pledged hundreds of billions of euros to mitigate the sudden losses of personal and corporate incomes. Chinese officials committed to increase spending on infrastructure projects.

Though far from a panacea, these efforts did help to stem the bleeding as global markets rebounded sharply in the second quarter. Though business activity remained weak, many indicators—unemployment, consumer spending, and service and manufacturing surveys—bounced off the troughs witnessed in April. Despite record coronavirus cases in many countries, including the United States and much of Latin America, apparent progress on a vaccine further boosted sentiment.

Governments in aggregate introduced an additional US\$3 trillion in fiscal stimulus during the quarter to combat weak economic conditions, bumping up the total since the outbreak began to about US\$11 trillion, according to the International Monetary Fund (IMF). The US, Japan, and Europe boosted direct cash transfers to citizens and China dusted off its battle-tested financial-crisis playbook, funneling funds to local governments for infrastructure spending. As a result, global governmental debt as a percentage of global GDP is expected to surpass 100% for the first time ever.

Financial conditions also remained highly accommodative across the world, with central banks keeping short-term interest rates anchored near zero in every major economy. The Fed, having rejoined the near-zero club in March, promised to renew its membership, guiding for ultra-low rates through 2022 in anticipation of a slow and laborious recovery. The Fed also took the unusual step of purchasing corporate bonds directly, a step to which it committed in March to enhance bond market liquidity. It also ordered banks to limit dividends and suspend share buybacks to preserve capital until the cumulative effects of the pandemic on eventual loan losses are clearer. Both the European Central Bank and Bank of Japan expanded their lending packages for cash-strapped firms, whereas the People's Bank of China cut bank reserve requirements yet again and pumped funds into rural and regional lenders.

The Information Technology (IT) sector performed well in the year, as did stocks in the Health Care, Consumer Discretionary, and Communications Services sectors. Stocks in Energy and Financials declined significantly; the former from the collapse in oil prices, the latter from ultra-low interest rates hitting revenues, and bank exposure to nonperforming loans.

GEOGRAPHIC EXPOSURE (%) AT 30 JUNE 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	0.0	2.7
EMERGING MARKETS	14.5	12.2
EUROPE EMU	6.9	8.8
EUROPE EX-EMU	10.2	8.3
FRONTIER MARKETS ²	0.0	—
JAPAN	7.5	7.0
MIDDLE EAST	0.0	0.2
PACIFIC EX-JAPAN	2.3	3.2
UNITED STATES	57.0	57.6
CASH	1.6	—

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

SECTOR EXPOSURE (%) AT 30 JUNE 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	11.8	9.4
CONS DISCRETIONARY	7.3	11.8
CONS STAPLES	5.4	8.1
ENERGY	1.6	3.6
FINANCIALS	13.2	13.4
HEALTH CARE	19.0	12.9
INDUSTRIALS	12.9	9.4
INFO TECHNOLOGY	21.5	20.7
MATERIALS	5.7	4.6
REAL ESTATE	0.0	2.9
UTILITIES	0.0	3.2
CASH	1.6	—

¹MSCI All Country World Index.

In terms of geography, US and Japanese stocks outperformed. All other regions detracted during the period, with stocks in Pacific ex-Japan and Canada performing the worst.

Stocks of higher-quality companies outperformed, but the fastest-growing stocks outperformed dramatically, regardless of their seemingly rich valuations, and the more cheaply priced (aka “value”) stocks significantly lagged.

■ PERFORMANCE ATTRIBUTION

Stock selection in Health Care contributed the most to relative performance in the period, with US-based biopharmaceutical company **Vertex Pharmaceuticals** and Swiss biotechnology company **Lonza** having the largest effect. Shares of Vertex appreciated as the company launched new drugs used to treat cystic fibrosis patients, who are at higher risk for life-threatening complications from COVID-19, assuring strong take-up of its medication. Lonza benefitted from strong demand for its anti-microbial chemicals as well as from news that the company's strategic partner Moderna reported positive interim clinical data for its COVID-19 vaccine. Strong stocks in IT were also helpful, particularly US-based electronic payment services company **PayPal**, which has benefitted from accelerated growth in eCommerce and cashless transactions in an era of increased social distancing.

Conversely, the fund's weak stock selection in Energy detracted the most from relative returns of the fund. US-based oilfield services provider **Schlumberger** declined severely as its customers rushed to cut expenditures for exploration and production in the face of declining oil prices. Stocks in Consumer Discretionary also detracted, particularly US-based online travel agency **Booking Holdings** which fell sharply in anticipation of dramatic revenue and profit declines as a result of the cessation of global travel.

Viewed by region, the fund had good stocks in most regions, outperforming the index in the eurozone, Japan, and the US by more

than 1500 basis points. Because of our large weight to the US, the good stock selection there was the largest contributor to relative performance during the period, including Vertex and PayPal, but also **Apple**, **NVIDIA**, and **Regeneron**.

■ PERSPECTIVE AND OUTLOOK

The astounding rally in equity markets since the March 23 lows has opened a chasm between resurging prices for risky assets and a beleaguered global economy reeling from the ongoing pandemic. This disparity has bewildered many investors caught flat-footed and provoked an outpouring of angst aimed squarely at the runup in prices. But share prices are not barometers of the current state of affairs. They are a discounting mechanism, a mechanism that invariably races ahead of current events, typically declining ahead of oncoming slowdowns and springing to life well before the first signs of recovery.

Such an optimistic view, however, ignores the outsized and equivocal role being played by government assistance in revitalizing risk appetites. Working hand in glove, fiscal and monetary authorities the world over have unleashed a torrent of aid in a bid to contain the crisis. Along with the customary fiscal stabilizers that kick-in automatically during downturns, interest rates have been slashed, asset purchase programs replenished, and outright financial grants extended further than at any other period outside of wartime.

What's qualitatively different this time, and triggering added apprehension, is the vastly expanded role of the Fed and other central banks in developed countries. In addition to their traditional role of inflation guardian and lender of last resort, central bankers have been recast as fiscal partner to elected legislatures and investor of last resort, responsible not just for well-functioning markets but also for capping credit costs and curtailing investor losses.

Not since the governorship of Marriner Eccles in the 1930's and 40's has US monetary policy found itself bound up so tightly with US fiscal objectives. According to the historian Trevor Jackson, "In terms of crisis governance, the United States is not a country with a central bank; it is a central bank with a country." Extending its tendrils into every nook and cranny of the financial system, the Fed has added, for the first time, a cross section of corporate bonds to its balance sheet—including those issued by **Apple**, the antithesis of a struggling enterprise. By undertaking a massive expansion of their balance sheet without triggering inflation, the Fed's governors would seem to be walking an increasingly frayed tightrope.

When faced with colossal economic or political shocks, our response is stubbornly to follow the same script: we note the scale of the shock; attempt to assess the company- and industry-level implications; stop occasionally to think about how it ought to cause us to change our investment process, inevitably concluding that only incremental adjustment is warranted; and eventually (or, better, promptly) return to our knitting. That knitting

consists of a resolutely bottom-up, fundamental appraisal of the growth prospects for a select group of high-quality companies, and what they might be worth. The current episode would be no different, if it weren't for the difficulties we are having in that final piece—ascertaining what an excellent company might be worth. We have returned to our knitting, but there are faintly audible curses to be heard over the clatter of busy needles.

**Once again, we have returned to our knitting,
but there are faintly audible curses to be heard
over the clatter of busy needles.**

We have consistently tried to be clear-eyed and disciplined about distinguishing between a company and its shares. The fundamental attributes of great businesses, those with strong competitive positions, attractive growth prospects, sound finances, and able managements, tend to persist through time. Their shares, however, are more fickle, tending to reflect the insecurities and enthusiasms of other investors. We were fortunate to recognize some years ago that, in an environment of scarce growth and low interest rates, companies consistently delivering strong organic revenue growth and profits to match would be highly prized by investors. Those low interest rates would allow investors to discount the profits from distant growth back into the present only modestly diminished by the passage of time.

At the moment, however, investors are confronted by dramatically increased uncertainty about how and when the global economy can recover from the ravages of the global pandemic, and in addition whether the prospects for any given company, assuming it survives to the other side of the chasm, will be radically altered once it is reached. The pandemic has been a boon for companies such as Amazon and Alibaba, which have provided the home delivery lifeline for hundreds of millions of consumers under lockdown. Likewise, the social media platform giants Tencent and **Facebook** have enabled increased interactions by people starved for diversion or human connection during isolation, while PayPal and **MasterCard** (along with AliPay, WeChatPay and Adyen) have accelerated the demise of physical cash transactions.

The problem in trying to value these rapidly growing companies is that we can't really know whether the crisis has merely brought forward their future growth (which was arguably already embedded in investor expectations and thus in the stock price), or whether it has also expanded their addressable market, thereby extending the duration of their rapid growth. The market's view is clear: one of the effects of COVID-19 and the resulting fiscal and monetary stimulus has been to supercharge the embedded growth expectations for the largest and fastest-growing companies. Rising to new highs in the second quarter, the stock prices of these companies continued to stand near the extremes of valuation, even as the entire market has rebounded. So far into the future is the profit growth that some stock prices discount today that our tolerance of high prices begins to feel more like an embrace of fundamental uncertainty. While we are certain that stimulus writ large is the right course of action by

governments aimed at preserving their citizens and the business enterprises and other institutions that make up their economies, we are much less sure that the double-barreled fiscal and monetary blunderbuss just fired will not ricochet to wound investors, especially growth investors, on the far side of the pandemic.

So far, the world's various central banks and government spending programs seem to have fulfilled their mission in calming markets, stabilizing credit institutions, and underpinning the economy. But there is still a long way to go, and the longer-term economic picture continues to deteriorate. On the present course, should the virus continue to frustrate containment efforts or recovery prove elusive, it seems likely that authorities will stick to their playbook. Unlike the global financial crisis, where emergency liquidity—primarily directed toward banks to repair their balance sheets—was contained within the financial sector, in the current episode liquidity has been spread far more widely. Under such a scenario, and with the decline in global trade further pressuring aggregate supply, could we see a jump in inflation? Given how low it is today, it wouldn't take much of a jump to spook markets. The last time US monetary policy was similarly entwined with government spending plans, it took a dramatic increase in inflation ignited by the Korean War for the Fed finally to put its foot down. After an acquiescent monetary policy that lasted throughout the Great Depression and World War II, and a mere three years after the departure of Marriner Eccles, the Fed, aghast at what it viewed as the carelessness of the Treasury in stoking inflation, demanded its independence. President Truman caved and signed the Treasury accords splitting the role of debt management from monetary policy, an agreement that is still technically in force today.

The prospect of a burst of inflation may seem like a distant concern in a world still mired in a deflationary shock. So far at least, the efforts to avert a disorderly collapse in financial markets during the pandemic have been a success. A necessary first step to avoid a more damaging economic slowdown. The true cost of that success, however, may only be revealed slowly over the coming quarters and years.

TEN LARGEST HOLDINGS AT 30 JUNE 2020

COMPANY	SECTOR	COUNTRY	%
PAYPAL	INFO TECHNOLOGY	US	4.5
VERTEX PHARMACEUTICALS	HEALTH CARE	US	3.7
LONZA	HEALTH CARE	SWITZERLAND	3.1
ALPHABET	COMM SERVICES	US	2.9
ROPER	INDUSTRIALS	US	2.8
ILLUMINA	HEALTH CARE	US	2.7
APPLE	INFO TECHNOLOGY	US	2.6
FACEBOOK	COMM SERVICES	US	2.6
TENCENT	COMM SERVICES	CHINA	2.5
FIRST REPUBLIC BANK	FINANCIALS	US	2.4

PERFORMANCE (% TOTAL RETURN)

as of 30 June 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR ¹						21 JUNE 2007
GLOBAL EQUITY FUND USD A ²	4.45	14.19	10.73	10.69	11.25	7.17
MSCI ALL COUNTRY WORLD INDEX ³	-6.25	2.11	6.13	6.45	9.16	4.22
EURO						21 JUNE 2007
GLOBAL EQUITY FUND EUR A ²	4.29	15.57	11.36	10.52	12.21	8.69
MSCI ALL COUNTRY WORLD INDEX ³	-6.31	3.53	6.68	6.29	10.11	5.64
GBP STERLING						5 MARCH 2008
GLOBAL EQUITY FUND GBP A ²	11.67	17.06	12.59	16.07	13.38	12.19
MSCI ALL COUNTRY WORLD INDEX ³	0.51	5.18	7.92	11.72	11.27	9.29
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR						5 JUNE 2018
GLOBAL EQUITY FUND USD B ²	4.39	13.99	—	—	—	6.58
MSCI ALL COUNTRY WORLD INDEX ³	-6.25	2.11	—	—	—	2.82
GBP STERLING						15 AUGUST 2018
GLOBAL EQUITY FUND GBP B ²	11.61	16.74	—	—	—	10.39
MSCI ALL COUNTRY WORLD INDEX ³	0.51	5.18	—	—	—	5.11
CLASS D	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR						4 JANUARY 2018
GLOBAL EQUITY FUND USD D ²	4.14	13.32	—	—	—	6.04
MSCI ALL COUNTRY WORLD INDEX ³	-6.25	2.11	—	—	—	2.14
CLASS M	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR ⁴						21 SEPTEMBER 2015
GLOBAL EQUITY FUND USD M ²	4.52	14.30	10.70	—	—	12.54
MSCI ALL COUNTRY WORLD INDEX ³	-6.25	2.11	6.13	—	—	8.36
EURO						31 JANUARY 2018
GLOBAL EQUITY FUND EUR M ²	4.32	15.65	—	—	—	9.92
MSCI ALL COUNTRY WORLD INDEX ³	-6.31	3.53	—	—	—	5.15
SINGAPORE DOLLAR						21 SEPTEMBER 2015
GLOBAL EQUITY FUND SGD M ²	8.27	17.71	11.26	—	—	12.31
MSCI ALL COUNTRY WORLD INDEX ³	-2.74	5.29	6.60	—	—	8.12
CLASS S	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
GBP STERLING						26 OCTOBER 2018
GLOBAL EQUITY FUND GBP S ²	12.11	17.87	—	—	—	19.01
MSCI ALL COUNTRY WORLD INDEX ³	0.51	5.18	—	—	—	10.64
CLASS S1	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR						29 AUGUST 2018
GLOBAL EQUITY FUND USD S1 ²	4.62	14.46	—	—	—	6.99
MSCI ALL COUNTRY WORLD INDEX ³	-6.25	2.11	—	—	—	1.74

¹USD Class A shares launched on 18 July 2011; returns prior to this are derived from EUR Class A returns; ²Net of fees; ³Net of withholding taxes; ⁴USD Class M shares are not yet launched; returns are derived from SGD Class M returns. 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 International Equity Fund USD Class A shares rose 2.43% (at dealing prices) for the 12 months ended 30 June 2020, net of fees, in US dollar terms, outperforming its benchmark, the MSCI All Country World Index, which *declined* 4.80%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

International stock markets modestly declined in the trailing year ended 30 June 2020. Though the COVID-19 outbreak was certainly the defining macroeconomic event of the period, and one with which companies around the world will continue to grapple for the foreseeable future, the more lasting impact on the global economy may be the central bank largesse (first in response slowing global growth, then later to address the impacts of COVID-19) that was unleashed throughout the year.

The period began with evidence of a weakening global economy; business sentiment was souring and capital spending slowing in the US and Europe. In September, the OECD cut its 2019 forecast for global economic growth to the slowest rate in a decade, citing the impact of the US-China tariff wars on global trade and capital investment. It also reduced its GDP growth estimates for next year for 18 of the G20 economies.

Confronted with anemic economic growth and still no inflationary impulse from ten years of easy money, central banks responded with additional stimulus. The People's Bank of China cut its bank reserve ratios three times over the course of 2019, and lowered its short-term funding rate for the first time since 2015. Chinese state-owned banks were guided to increase their lending. The European Central Bank lowered the interest rate on the deposit facility in September and restarted asset purchases in November. In the fourth quarter, calling it insurance against recession, the US Federal Reserve (Fed) again cut interest rates, almost completely

reversing the rate increases of 2018. In December, Japan's government launched a large round of fiscal stimulus, the first since 2016, to combat the combined effects of a recent consumption tax hike, typhoon damage, and a slowing global economy. Not to be left out, the Bank of Japan revised its forward guidance, signaling it may take interest rates deeper into negative territory.

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Returning to their response to slowing global growth only months prior, central bankers pulled out all the stops. The Bank of England pledged unlimited support to large company financings, the Fed lowered short-term rates to near-zero and unveiled aggressive actions to keep credit flowing, and the European Central Bank expanded its asset purchase program, relaxing its asset eligibility requirements for both sovereign and corporate issuers. The People's Bank of China cut its reserve requirement ratio—twice—hoping to spur bank lending. On the fiscal front, governments responded with massive spending plans, dwarfing the rescue programs from the global financial crisis. The US passed a US\$2.2 trillion economic relief package, and European governments pledged hundreds of billions of euros to mitigate the sudden losses of personal and corporate incomes. Chinese officials committed to increase spending on infrastructure projects.

Though far from a panacea, these efforts did help to stem the bleeding as global markets rebounded sharply in the second quarter. Though business activity remained weak, many indicators—unemployment, consumer spending, and service and manufacturing surveys—bounced off the troughs witnessed in April. Despite

record coronavirus cases in many countries, including the US and much of Latin America, apparent progress on a vaccine further boosted sentiment.

Governments in aggregate introduced an additional US\$3 trillion in fiscal stimulus during the quarter to combat weak economic conditions, bumping up the total since the outbreak began to about US\$11 trillion, according to the International Monetary Fund (IMF). The US, Japan, and Europe boosted direct cash transfers to citizens and China dusted off its battle-tested financial-crisis playbook, funneling funds to local governments for infrastructure spending. As a result, global governmental debt as a percentage of global GDP is expected to surpass 100% for the first time ever.

Financial conditions also remained highly accommodative across the world, with central banks keeping short-term interest rates anchored near zero in every major economy. The Fed, having re-joined the near-zero club in March, promised to renew its membership, guiding for ultra-low rates through 2022 in anticipation of a slow and laborious recovery. The Fed also took the unusual step of purchasing corporate bonds directly, a step to which it committed in March to enhance bond market liquidity. It also ordered banks to limit dividends and suspend share buybacks to preserve capital until the cumulative effects of the pandemic on eventual loan losses are clearer. Both the European Central Bank and Bank of Japan expanded their lending packages for cash-strapped firms, while the People's Bank of China cut bank reserve requirements yet again and pumped funds into rural and regional lenders.

Stocks in Energy and Financials declined significantly during the year; the former from the collapse in oil prices, the latter from ultra-low interest rates hitting revenues and bank exposure to non-performing loans. Stocks in Real Estate also declined. Information Technology and Health Care both outperformed.

In terms of geography, all major international regions detracted during the period except Japan and the Middle East, with stocks in Pacific ex-Japan and Canada performing the worst.

GEOGRAPHIC EXPOSURE (%) AT 30 JUNE 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	2.0	6.5
EMERGING MARKETS	22.0	28.6
EUROPE EMU	23.5	20.8
EUROPE EX-EMU	24.4	19.7
FRONTIER MARKETS ²	0.0	—
JAPAN	15.0	16.5
MIDDLE EAST	1.4	0.4
PACIFIC EX-JAPAN	5.1	7.5
OTHER ³	1.4	—
CASH	5.2	—

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

SECTOR EXPOSURE (%) AT 30 JUNE 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	5.2	7.6
CONS DISCRETIONARY	4.0	12.6
CONS STAPLES	13.9	9.9
ENERGY	2.4	4.8
FINANCIALS	14.7	18.1
HEALTH CARE	13.7	10.7
INDUSTRIALS	13.1	11.4
INFO TECHNOLOGY	20.4	11.0
MATERIALS	7.4	7.6
REAL ESTATE	0.0	2.8
UTILITIES	0.0	3.5
CASH	5.2	—

¹MSCI All Country World ex-US Index.

Stocks of higher-quality companies outperformed, but the fastest-growing stocks outperformed dramatically, regardless of their seemingly rich valuations. The more cheaply priced (aka “value”) stocks significantly lagged.

■ PERFORMANCE ATTRIBUTION

Stock selection in Health Care contributed the most to relative performance in the period, with Japanese drug maker **Chugai Pharmaceuticals**, Swiss biotechnology company **Lonza**, and Swiss pharmaceutical giant **Roche** having the largest effect. Shares of Chugai benefited from news of the potential use of the company's co-promoted (alongside Roche, who owns a majority of the company) drug Actemra to treat COVID-19 symptoms (although more recent study results were mixed). Chugai has several key proprietary drugs that treat a range of diseases, which, when coupled with the company's strong R&D platform and alliance with Roche, should help drive long term growth. Lonza benefitted from strong demand for its anti-microbial chemicals as well as from news that the company's strategic partner Moderna reported positive interim clinical data for its COVID-19 vaccine. Strong stocks in Industrials were also helpful, particularly Swedish industrials supplier **Atlas Copco**, whose strong balance sheet and order growth gave the company more breathing room than peers. The portfolio's overweight in Information Technology was also helpful.

Conversely, the portfolio's weak stock selection in Financials detracted the most from relative returns. Spanish lender **BBVA's** shares fell due to concerns about the company's exposure to Mexico's and Turkey's struggling economies. Relative returns were also hurt by Brazilian bank holding **Itaú Unibanco**, whose shares declined over concerns about the ability of banks to generate loan growth as well as the risk of rising non-performing loans due to the pandemic-induced slowdown. The Brazilian government's chaotic response to the pandemic also further undermined trust in its ability to govern effectively. Weak stocks in Energy detracted as well, particularly

TEN LARGEST HOLDINGS AT 30 JUNE 2020

COMPANY	SECTOR	COUNTRY	%
TSMC	INFO TECHNOLOGY	TAIWAN	3.9
ROCHE	HEALTH CARE	SWITZERLAND	3.3
L'OREAL	CONS STAPLES	FRANCE	3.1
SAP	INFO TECHNOLOGY	GERMANY	3.1
ATLAS COPCO AB	INDUSTRIALS	SWEDEN	3.1
AIA GROUP	FINANCIALS	HONG KONG	3.0
INFINEON TECHNOLOGIES	INFO TECHNOLOGY	GERMANY	2.9
SAMSUNG ELECTRONICS	INFO TECHNOLOGY	SOUTH KOREA	2.9
CHUGAI PHARMACEUTICAL	HEALTH CARE	JAPAN	2.8
TENCENT	COMM SERVICES	CHINA	2.7

US-based oilfield services provider [Schlumberger](#), which declined severely as its customers rushed to cut expenditures for exploration and production in the face of declining oil prices. The portfolio's underweight in Consumer Discretionary detracted as well.

Viewed by region, strong stocks in Japan and in Europe both inside and outside the eurozone (especially France and Switzerland) contributed to performance. In Japan, relative returns were helped by Chugai. Lonza, Roche, and Atlas Copco were the largest contributors in Europe. Weak stocks in Emerging Markets detracted, particularly Brazilian brewer [Ambev](#), whose shares declined as government-imposed restrictions and shut-down businesses continued to impact the sale and distribution of alcoholic beverages.

■ PERSPECTIVE AND OUTLOOK

The astounding rally in equity markets since the March 23 lows has opened a chasm between resurging prices for risky assets and a beleaguered global economy reeling from the ongoing pandemic. This disparity has bewildered many investors caught flat-footed and provoked an outpouring of angst aimed squarely at the runup in prices. But share prices are not barometers of the current state of affairs. They are a discounting mechanism, a mechanism that invariably races ahead of current events, typically declining ahead of oncoming slowdowns and springing to life well before the first signs of recovery.

Such an optimistic view, however, ignores the outsized and equivocal role being played by government assistance in revitalizing risk appetites. Working hand in glove, fiscal and monetary authorities the world over have unleashed a torrent of aid in a bid to contain the crisis. Along with the customary fiscal stabilizers that kick-in automatically during downturns, interest rates have been slashed, asset purchase programs replenished, and outright financial grants extended further than at any other period outside of wartime.

What's qualitatively different this time, and triggering added apprehension, is the vastly expanded role of the US Fed and other central banks in developed countries. In addition to their traditional role of inflation guardian and lender of last resort, central bankers have been recast as fiscal partner to elected legislatures and investor of last resort, responsible not just for

well-functioning markets but also for capping credit costs and curtailing investor losses.

Not since the governorship of Marriner Eccles in the 1930's and 40's has US monetary policy found itself bound up so tightly with US fiscal objectives. According to the historian Trevor Jackson, "In terms of crisis governance, the United States is not a country with a central bank; it is a central bank with a country." Extending its tendrils into every nook and cranny of the financial system, the Fed has added, for the first time, a cross section of corporate bonds to its balance sheet—including those issued by [Apple](#), the antithesis of a struggling enterprise. By undertaking a massive expansion of their balance sheet without triggering inflation, the Fed's governors would seem to be walking an increasingly frayed tightrope.

When faced with colossal economic or political shocks, our response is stubbornly to follow the same script: we note the scale of the shock; attempt to assess the company- and industry-level implications; stop occasionally to think about how it ought to cause us to change our investment process, inevitably concluding that only incremental adjustment is warranted; and eventually (or, better, promptly) return to our knitting. That knitting consists of a resolutely bottom-up, fundamental appraisal of the growth prospects for a select group of high-quality companies, and what they might be worth. The current episode would be no different, if it weren't for the difficulties we are having in that final piece—ascertaining what an excellent company might be worth. We have returned to our knitting, but there are faintly audible curses to be heard over the clatter of busy needles.

We have consistently tried to be clear-eyed and disciplined about distinguishing between a company and its shares. The fundamental attributes of great businesses, those with strong competitive positions, attractive growth prospects, sound finances, and able managements, tend to persist through time. Their shares, however, are more fickle, tending to reflect the insecurities and enthusiasms of other investors. We were fortunate to recognize some years ago that, in an environment of scarce growth and low interest rates, companies consistently delivering strong organic revenue growth and profits to match would be highly prized by investors. Those low interest rates would allow investors to discount the profits from distant growth back into the present only modestly diminished by the passage of time.

At the moment, however, investors are confronted by dramatically increased uncertainty about how and when the global economy can recover from the ravages of the global pandemic, and in addition whether the prospects for any given company, assuming it survives to the other side of the chasm, will be radically altered once it is reached. The pandemic has been a boon for companies such as Amazon and Alibaba, which have provided the home delivery lifeline for hundreds of millions of consumers under lockdown. Likewise, the social media platform giants [Tencent](#) and Facebook have enabled increased interactions by people starved for diversion or human connection during isolation, while PayPal and MasterCard (along with AliPay, WeChatPay, and Adyen) have accelerated the demise of physical cash transactions.

The problem in trying to value these rapidly growing companies is that we can't really know whether the crisis has merely brought forward their future growth (which was arguably already embedded in investor expectations and thus in the stock price), or whether it has also expanded their addressable market, thereby extending the duration of their rapid growth. The market's view is clear: one of the effects of COVID-19 and the resulting fiscal and monetary stimulus has been to supercharge the embedded growth expectations for the largest and fastest-growing companies. Rising to new highs in the second quarter, the stock prices of these companies continued to stand near the extremes of valuation, even as the entire market has rebounded. So far into the future is the profit growth that some stock prices discount today that our tolerance of high prices begins to feel more like an embrace of fundamental uncertainty. While we are certain that stimulus writ large is the right course of action by governments aimed at preserving their citizens and the business enterprises and other institutions that make up their economies, we are much less sure that the double-barreled fiscal and monetary blunderbuss just fired will not ricochet to wound investors, especially growth investors, on the far side of the pandemic.

So far, the world's various central banks and government spending programs seem to have fulfilled their mission in calming markets, stabilizing credit institutions, and underpinning the economy. But there is still a long way to go, and the longer-term economic picture continues to deteriorate. On the present course, should the virus continue to frustrate containment efforts or recovery prove elusive, it seems likely that authorities will stick to their playbook. Unlike the global financial crisis, where emergency liquidity—primarily directed toward banks to repair their balance sheets—was

contained within the financial sector, in the current episode liquidity has been spread far more widely. Under such a scenario, and with the decline in global trade further pressuring aggregate supply, could we see a jump in inflation? Given how low it is today, it wouldn't take much of a jump to spook markets. The last time US monetary policy was similarly entwined with government spending plans, it took a dramatic increase in inflation ignited by the Korean War for the Fed finally to put its foot down. After an acquiescent monetary policy that lasted throughout the Great Depression and World War II, and a mere three years after the departure of Marriner Eccles, the Fed, aghast at what it viewed as the carelessness of the Treasury in stoking inflation, demanded its independence. President Truman caved and signed the Treasury accords splitting the role of debt management from monetary policy, an agreement that is still technically in force today.

The prospect of a burst of inflation may seem like a distant concern in a world still mired in a deflationary shock. So far at least, the efforts to avert a disorderly collapse in financial markets during the pandemic have been a success. A necessary first step to avoid a more damaging economic slowdown. The true cost of that success, however, may only be revealed slowly over the coming quarters and years.

PERFORMANCE (% TOTAL RETURN)

as of 30 June 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR¹					7 JUNE 2013
INTERNATIONAL EQUITY FUND USD A ²	-4.59	2.43	4.35	5.60	5.92
MSCI ALL COUNTRY WORLD EX-US INDEX ³	-11.00	-4.80	1.13	2.26	3.24
GBP STERLING					7 JUNE 2013
INTERNATIONAL EQUITY FUND GBP A ²	2.01	4.97	6.13	10.73	9.39
MSCI ALL COUNTRY WORLD EX-US INDEX ³	-4.58	-1.95	2.83	7.32	6.64
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					27 SEPTEMBER 2013
INTERNATIONAL EQUITY FUND USD B ²	-4.68	2.14	4.15	5.34	4.94
MSCI ALL COUNTRY WORLD EX-US INDEX ³	-11.00	-4.80	1.13	2.26	2.23
CLASS S	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					26 OCTOBER 2018
INTERNATIONAL EQUITY FUND USD S ²	-4.11	3.27	—	—	9.65
MSCI ALL COUNTRY WORLD EX-US INDEX ³	-11.00	-4.80	—	—	3.69

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.

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■ PERFORMANCE SUMMARY

The Emerging Markets Equity Fund USD Class A shares fell 8.52% (at dealing prices) for the year ended 30 June 2020, net of fees, in US dollar terms, underperforming its benchmark the MSCI Emerging Markets Index, which fell 3.39%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

The fiscal year began with escalating US-China trade tensions and signs of a global slowdown, and emerging markets (EMs) fell in response in late July and early August. However, EMs recovered and then rose strongly through the end of 2019 as governments and central banks acted to stimulate their economies. By the fall of 2019, positive economic data from the US gradually dispelled fears of an imminent recession in the world's largest economy. China's economy continued to slow, but the resilience of its consumers, who experienced real wage growth and benefited from targeted fiscal policy measures, helped avert a worse economic downturn. The trade war between the US and China also witnessed something of a détente late in the year. In mid-December, officials announced a "Phase One" trade agreement that rolled back some US tariffs on Chinese goods while boosting Chinese purchases of US energy, manufactured goods, and agricultural products. The countries also agreed on enhanced protections for intellectual property.

Then in January, the world, and the positive trajectory of markets, radically changed as the COVID-19 pandemic engulfed the planet. EMs plummeted nearly 34% from early January through late-March. The size and speed of the equity market decline were unprecedented. Volatility reached levels not seen since the global financial crisis.

Developing countries' economies suffered secondary effects of the outbreak, including plummeting commodity prices and currency

weakness amid a temporary global dollar shortage, itself an effect of lower commodity exports combined with an existing high proportion of dollar-denominated debt. Exacerbating the economic turmoil, Saudi Arabia retaliated against Russia for its unwillingness to curb oil production and flooded the market with excess supplies of oil. A price war between two of the world's biggest oil producers amid a collapse in demand conspired to push down oil prices to an 18-year low of just under US\$23 for Brent crude.

Policymakers grappled with how to respond. On the monetary front, central bankers in numerous EM and developed market countries significantly reduced rates and injected liquidity into their banking systems. The balance sheet expansion by the US Federal Reserve dwarfed its answer to the Global Financial Crisis. On the fiscal front, governments responded with massive spending plans. The scale and pace of monetary and fiscal stimulus helped keep financial markets functioning and appeared to allow economies to negotiate a path of recovery. By the end of the fiscal year, there was evidence that Chinese GDP was nudging back into positive territory, which supported a rebound in industrial commodity prices. Crude oil prices also staged a sharp recovery as discipline among the OPEC+ consortium appeared to improve and signs emerged of a recovery in economic activity within countries where the virus had stopped spreading. Progress toward a possible vaccine further boosted investor sentiment, even as an acceleration of new cases in Latin America, US, South Africa, India, and elsewhere continued to cast a cloud over the immediate future. EMs rose just over 30% from late March through the end of the fiscal year.

Behind the modest 3% overall decline of the MSCI EM Index were sharp divergences in individual sector performance. Health Care, Information Technology, Communication Services, and Consumer Discretionary all rose double-digits as companies in these sectors became vital to combatting the virus and sustaining commercial and consumer activity amid the lockdowns. In Health Care, equipment and online health platforms benefitted from a surge in COVID-19-related demand, and the sector's drug development and manufacturing companies standing to benefit from their scalable, low-cost capabilities amid global efforts to turn back the coronavirus. In IT, hardware and semiconductor companies continue to enjoy growth in demand from the rollout of 5G wireless networks and increased usage of cloud computing services. Communication Services was helped by strong performance by Chinese online game stocks including **Tencent** while Consumer Discretionary stocks were led by e-commerce companies such as China's **Alibaba** and **JD.com**, as well as online education companies.

By stark contrast, Financials, Energy, and Materials stocks fell double-digits in the fiscal year. EM bank shares in particular were highly sensitive to news updates on flagging virus mitigation efforts in some regions, and as a group they continued to be

clouded by the economic outlook and the extent of loan losses once governmental support measures for the weakest credits expire. Expectations for loan growth have also fallen with weaker economic activity.

Communication Services was helped by Chinese online game stocks including Tencent while Consumer Discretionary were led by e-commerce companies such as China's Alibaba and JD.com, as well as online education companies.

Geographically, China and technology-heavy Taiwan were exceptional in posting strong returns for the year, while all other markets (except South Korea, which was nearly flat) declined, most by double digits. By the end of the fiscal year, investors were cheered by nascent signs of China's recovery with the country's outperformance led by the stocks of e-commerce, internet game, and online education companies. Geopolitical tensions, however, once again began to loom as an issue for Chinese stocks. The central government imposed new political restrictions on Hong Kong and the resulting uproar in the West combined with digital security concerns to prod the US Senate into proceeding with a possible de-listing of Chinese companies listed on US exchanges, although the conflict failed to materially slow Chinese share prices, at least for the time being. Latin America was the worst-performing region, dragged down especially by Brazil, which has been reeling from coronavirus shutdowns and the Brazilian government's chaotic response to the pandemic.

GEOGRAPHIC EXPOSURE (%) AT 30 JUNE 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
BRAZIL	7.0	5.1
CHINA + HONG KONG ²	33.5	41.0
INDIA	7.1	8.0
MEXICO	4.0	1.7
RUSSIA	8.6	3.2
SOUTH AFRICA	1.3	3.8
SOUTH KOREA	9.7	11.6
TAIWAN	9.2	12.3
SMALL EMERGING MARKETS ³	6.9	13.3
FRONTIER MARKETS ⁴	2.1	—
DEVELOPED MARKET LISTED ⁵	5.8	—
CASH	4.8	—

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 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	10.4	13.5
CONS DISCRETIONARY	14.5	17.4
CONS STAPLES	9.9	6.5
ENERGY	5.7	5.9
FINANCIALS	22.9	19.1
HEALTH CARE	1.7	4.3
INDUSTRIALS	8.0	4.7
INFO TECHNOLOGY	20.7	16.9
MATERIALS	0.0	6.8
REAL ESTATE	0.0	2.6
UTILITIES	1.4	2.3
CASH	4.8	—

¹MSCI Emerging Markets Index.

The influence of style on investment returns was significant in this period. Growth and quality all outperformed. Expensive stocks also outperformed, with a concentrated handful of industries driving returns. Among high valuation stocks, a number of companies with lower quality characteristics significantly outperformed. Shares of companies benefiting from an acceleration in business stemming from the COVID-19 pandemic were over-represented in this cohort.

■ PERFORMANCE ATTRIBUTION

The Fund's returns relative to the MSCI EM Index were heavily influenced by the performance of our holdings in the second half of the fiscal year amid the initial shock of the COVID-19 outbreak and subsequent market rebound. The share-price weakness for many of our Financials holdings, especially bank stocks, in this period was a significant cause of our underperformance this year. Nearly one-fifth of the portfolio is invested in high-quality banks. Many of these are based in countries like Russia, Brazil, Mexico, and Colombia that were hard hit by the external shocks of lower oil prices and global economic growth concerns, which also led to significant currency weakness. The Fund continues to hold companies such as Brazil's **Banco Bradesco** and Russia's **Sberbank**, which possess solid balance sheets and strong management teams who have successfully navigated turbulent markets in the past.

Another negative contributor to relative returns has been the outperformance of many fast-growing but lower-quality companies. With the extreme economic uncertainty caused by the pandemic, the valuation premium has widened for stocks of companies in the fastest-growing industries, notably e-commerce, that appear to benefit from revised patterns in consumption and transformation of corporate practices. Among these high valuation stocks, many belong to companies that have yet to demonstrate a consistent ability to generate high returns on capital. Due to our focus on growth, quality, and valuation, our portfolio has been underweight the most expensive cohort of stocks since the second

half of 2019. This underweight has been one headwind for our performance both in the downturn and subsequent bounce.

We had poor stock selection in Consumer Discretionary in part due to our lower exposure versus the benchmark to high-flying and expensively valued e-commerce businesses. Additionally, Macao casino operator **Sands China** dragged on performance, despite it being among the companies best positioned to emerge healthy once the chill on travel has passed.

In Consumer Staples, Brazil-based brewer **Ambev** was a significant detractor. The economic slowdown and decline in disposable incomes has weighed on the company's shares.

We benefited from good stocks in Industrials. Hong Kong-based power tools manufacturer **Techtronic Industries** has been witnessing resurgent demand amid the pandemic, especially in cordless do-it-yourself power equipment and floorcare products, and its e-commerce business is growing rapidly. Two Chinese delivery service companies, **SF Express** and **ZTO Express**, were also positive contributors.

Geographically, we had poor stock selection in South Africa, where the share price of South African chemicals company **Sasol** collapsed. Historically, Sasol has had a strong balance sheet with low leverage and investment-grade credit ratings. However, its leverage rose significantly this period as the company struggled to complete a large chemical project in Louisiana that experienced delays and cost overruns. The decline in oil prices made its financial status more precarious, and we sold the holding. Our underweight in China and overweight in Mexico also hurt relative performance. In China, we hold high-quality, growth businesses across several industries, ranging from technology and energy to appliances and communication services. However, we had less exposure than the index to online businesses in China.

INVESTMENT PERSPECTIVES

By investing only in high-quality businesses, we seek to limit how much we need to worry about the impact of adverse events on their long-term sustainability. This focus has meant that our portfolios have usually been resilient during market panics. In the most recent decline, however, the relative returns of our Emerging Markets strategy were disappointing. Obviously, two quarters represents only the initial stage of the market's reaction to a world-shattering event. This is not a defense. Contrary to our expectations, our portfolio of high-quality companies has underperformed during the coronavirus crisis, and it is important to understand why.

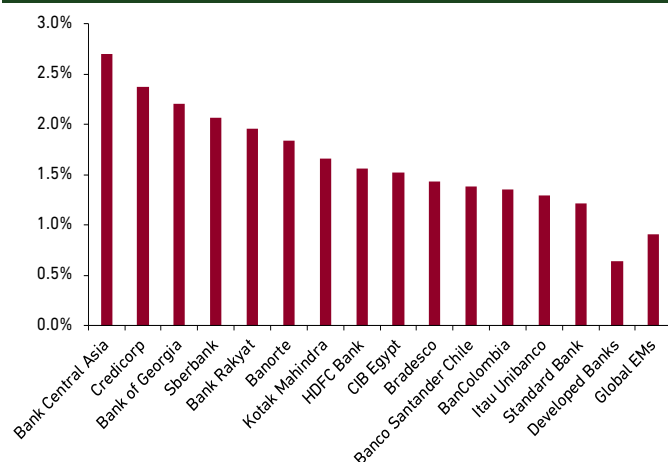
The proximate cause was the performance of our Financials holdings, especially bank stocks. Nearly one-fifth of the portfolio is invested in high-quality banks operating in economies where the penetration of financial services remains low and the need for retirement savings is only beginning to be recognized. Our highest exposures are in Brazil, Russia, and Indonesia. Over long periods, our Financials holdings have produced consistently

strong relative returns; in fact, in the five years leading up to the end of 2019, they contributed more to the portfolio's excess returns than any other sector.

Bank shares in China and Taiwan have been relative safe havens. These countries appear to have managed the outbreak well. Also, as net importers of most commodities, including oil, their economies have benefited from the sharp drop in prices. Our lack of bank holdings in both these countries hurt us.

The acute sell-off in EM bank stocks elsewhere has been relatively indiscriminate. Many EMs outside of China are more exposed to the risk appetite of foreign investors. The de-risking of global investment portfolios has led to the large-scale selling of EM fixed-income and equity assets, which in turn has weakened EM currencies. The uncertainties over the timing and pace of economic recovery, and therefore the extent of future credit losses, has placed bank stocks under additional pressure. Our pursuit of banks with great long-term growth potential often draws us to those in countries with low penetration of financial services, but countries with underdeveloped financial systems are underdeveloped in other respects, too. Some of these countries, including many in Latin America and Southeast Asia, lack robust health care infrastructure and public services and have struggled to contain the virus.

HL EM BANK HOLDINGS - RETURN ON ASSETS



Source: FactSet; Harding Loevner Emerging Markets Model. Data as of December 31, 2019.

We recognize that massive economic shutdowns could lead to significant losses and capital erosion at our banks. However, we would point to their fundamental strengths, including their solid balance sheets. If our banks had to increase their loss provisions significantly, akin to what they experienced during the global financial crisis a decade ago, their balance sheets could withstand it. For example, Mexico's **GF Banorte** has returns on equity of 20% and a tier 1 capital ratio of 13%. In a recent stress test that assumed more than a doubling of credit-loss-related charges, management found that its capital ratio would fall to 11%, still well above the minimum regulatory requirement of 8%.

Our banks have track records of surviving past economic dislocations and thriving thereafter. The resilience of Brazil's **Itaú Unibanco** and Banco Bradesco was tested during the country's severe recession from 2014 to 2017. Due to their strong capital positions and high returns on assets (ROAs), they had enough cushion to absorb losses through the downturn. Both remained profitable throughout, and their ROAs improved during the recovery as competition waned from state banks saddled with bad loans.

We have positive impressions of the speed and extent of government actions across most EMs to provide liquidity to the banking system and regulatory flexibility to allow banks to negotiate the impending period of stress. Measures include payment holidays and loan term extensions for the most hard-pressed customers, such as lower-income individuals and small- and medium-sized enterprises. This coordinated response, in conjunction with global support from developed markets' central banks and the World Bank, provides some comfort that systemic risks can be managed, assuming the economic disruption is measured in months and not years.

Our banks have been successful in managing through bleak economic conditions over the last 20 years. Their skill at crisis management, supported by their robust financial strength and compelling valuations, have led us to stick with our bank investments and, in some cases, add to them.

TEN LARGEST HOLDINGS AT 30 JUNE 2020

COMPANY	SECTOR	COUNTRY	%
TENCENT	COMM SERVICES	CHINA	6.1
TSMC	INFO TECHNOLOGY	TAIWAN	5.4
SAMSUNG ELECTRONICS	INFO TECHNOLOGY	SOUTH KOREA	5.4
ALIBABA	CONS DISCRETIONARY	CHINA	4.9
EPAM SYSTEMS	INFO TECHNOLOGY	UNITED STATES	3.0
AIA GROUP	FINANCIALS	HONG KONG	2.7
LG HOUSEHOLD & HEALTH CARE	CONS STAPLES	SOUTH KOREA	2.7
LUKOIL	ENERGY	RUSSIA	2.5
SBERBANK	FINANCIALS	RUSSIA	2.2
HDFC CORP	FINANCIALS	INDIA	2.1

PERFORMANCE (% TOTAL RETURN)

as of 30 June 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					25 SEPTEMBER 2012
EMERGING MARKETS EQUITY FUND USD A ¹	-15.48	-8.52	-0.69	2.47	2.86
MSCI EMERGING MARKETS INDEX ²	-9.78	-3.39	1.90	2.86	2.30
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					25 OCTOBER 2013
EMERGING MARKETS EQUITY FUND USD B ¹	-15.54	-8.73	-0.92	2.20	1.41
MSCI EMERGING MARKETS INDEX ²	-9.78	-3.39	1.90	2.86	1.90
CANADIAN DOLLAR					28 FEBRUARY 2020
EMERGING MARKETS EQUITY FUND CAD B ¹	—	—	—	—	-5.40
MSCI EMERGING MARKETS INDEX ²	—	—	—	—	1.36
CLASS I	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					9 JANUARY 2017
EMERGING MARKETS EQUITY FUND USD I ¹	-15.34	-8.23	-0.37	—	4.34
MSCI EMERGING MARKETS INDEX ²	-9.78	-3.39	1.90	—	6.14
CANADIAN DOLLAR					14 NOVEMBER 2013
EMERGING MARKETS EQUITY FUND CAD I ¹	-11.45	-4.81	1.16	4.52	6.57
MSCI EMERGING MARKETS INDEX ²	-5.24	0.70	3.53	4.67	6.55
CLASS M	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
CANADIAN DOLLAR					22 DECEMBER 2014
EMERGING MARKETS EQUITY FUND CAD M ¹	-11.51	-4.99	1.01	4.36	5.63
MSCI EMERGING MARKETS INDEX ²	-5.24	0.70	3.53	4.67	6.11

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 6.66% (at dealing prices) for the 12 months ended 30 June 2020, net of fees, in US dollar terms, significantly outperforming its benchmark, the MSCI All Country World Small Cap Index, which fell 5.54%.

■ MARKET REVIEW

The start of the fiscal year was marked by investors' concerns over global economic weakness, the US-China trade war, an additional trade dispute between Japan and South Korea, and other geopolitical turbulence. After a rocky start, however, global small company equities rose through the beginning of 2020 in response to yet another round of stimulus provided by central banks to combat the anemic economic growth and the lack of an inflationary impulse after ten years of easy money. The Federal Reserve cut interest rates for the first time since the global financial crisis and the European Central Bank renewed its quantitative easing program, pushing short-term interest rates deeper into negative territory. Central banks in other countries including China and India also moved to cut rates or otherwise create monetary stimulus.

The trade war between the US and China also witnessed something of a détente late in 2019. In mid-December, officials announced a "Phase One" trade agreement that rolled back some US tariffs on Chinese goods while boosting Chinese purchases of US energy, manufactured goods, and agricultural products. The countries also agreed on enhanced protections for intellectual property.

In January, the rising optimism for earnings growth amid de-escalating US-China trade tensions quickly evaporated as a new and virulent coronavirus spread from its origins in the Chinese city of Wuhan to other parts of the country, then to elsewhere in Asia, and then rapidly to Europe and the US. By March, the World Health Organization declared the outbreak a global pandemic and governments everywhere were struggling to contain the disease and its

fallout. The ensuing travel restrictions, business closures, and home confinements radically slowed global economic activity.

Stocks of global small companies plummeted as the COVID-19 pandemic engulfed the planet. The size and speed of equity market declines globally were unprecedented, with volatility reaching levels not seen since the global financial crisis.

To help hard-hit economies, governments and central bankers provided extraordinary fiscal and monetary support. The US, Japan, and Europe boosted direct cash transfers to citizens and China dusted off its battle-tested financial-crisis playbook, funneling funds to local governments for infrastructure spending. Central bankers also remained highly accommodative across the world, with short-term interest rates hovering near-zero in every major economy, and guidance for more of the same for many months to come.

Though far from a panacea, these efforts did help to stem the bleeding. From March through the end of the fiscal year, global small company stocks rebounded sharply from their lows, as countries around the world started to reopen. Small caps outperformed large caps, in part due to the ongoing monetary support from central banks helping to boost prices of riskier assets. While business activity remained weak, economic data signaled a nascent recovery. Progress toward a vaccine also boosted sentiment, despite new surges of coronavirus cases in many countries including the United States and much of Latin America.

Small caps outperformed large caps, in part due to the ongoing monetary support from central banks helping to boost prices of riskier assets.

Returns by sector in the fiscal year reflected the impact of the pandemic on markets. Health Care and Information Technology (IT) performed best. Drug and medical sales are typically less sensitive in recessions, and the hope of new treatments or diagnostics for COVID-19 boosted the share prices of companies more directly involved in those efforts. In IT, increased adoption of cloud-based applications and rising levels of investment in next-generation mobile technology extended demand for semiconductors, hardware, and software-as-a-service (SaaS) companies. Small-company Energy stocks were by far the worst performers, falling in sympathy with the dramatic fall in oil prices that occurred this year amid global stay-at-home orders. Financials also lagged significantly, anticipating the overall decline in economic activity and likely increase in defaults.

Returns by geography diverged widely. Japan was the best-performing large market in the index (up nearly 2%), while Taiwan's technology-heavy market (21%) was the best performer overall.

Returns in Europe's major markets ranged from outperformance by Sweden (11%) and Germany (3%) and underperformance by France (-17%) and the UK (-14%). China fell only 2%, while a number of other emerging markets suffered double-digit declines in US dollar terms, including India (-21%), Brazil (-25%), and Indonesia (-44%).

In terms of style, both growth and quality outperformed in the fiscal year. The cheapest stocks (i.e., value) underperformed by a wide margin.

■ PERFORMANCE ATTRIBUTION

In the fiscal year, the Global Small Companies Fund significantly outperformed its benchmark, the MSCI All Country World Small Cap Index. Strong holdings in Information Technology (IT) and Industrials were the main contributors to relative returns. The portfolio's overweight in IT was also helpful. Poor stocks in Energy and our overweight in Industrials detracted.

In IT, **Kinaxis**, a Canada-based provider of supply-chain management software, was the largest contributor to positive relative performance. Its business was strong as companies worldwide called upon Kinaxis to help assess global supply-chain resilience in the face of COVID-19 disruptions. **The Trade Desk**, a US-based digital advertising platform enabling clients to purchase and manage data-driven advertising campaigns, also outperformed as advertising spend continued to shift from traditional TV to streaming services. In Industrials, Japan's **Nihon M&A Center, Inc.**, an advisor to other small companies on mergers and acquisitions, has been accelerating its growth through beefing up its number of consultants.

Netherlands-based energy-services company **Core Laboratories** was the main detractor in Energy. The company's business has been hurt as the oil-price decline has caused US shale producers to decrease their drilling activity.

GEOGRAPHIC EXPOSURE (%) AT 30 JUNE 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	2.0	3.2
EMERGING MARKETS	9.0	10.5
EUROPE EMU	16.4	7.3
EUROPE EX-EMU	17.8	11.3
FRONTIER MARKETS ²	1.8	—
JAPAN	17.8	10.9
MIDDLE EAST	1.3	0.7
PACIFIC EX-JAPAN	1.4	4.7
UNITED STATES	29.6	51.4
CASH	2.9	—

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

SECTOR EXPOSURE (%) AT 30 JUNE 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	5.8	3.4
CONS DISCRETIONARY	9.5	12.9
CONS STAPLES	9.6	4.9
ENERGY	0.4	2.5
FINANCIALS	7.0	12.0
HEALTH CARE	14.3	12.5
INDUSTRIALS	21.4	16.8
INFO TECHNOLOGY	24.6	14.7
MATERIALS	3.5	7.3
REAL ESTATE	0.0	10.0
UTILITIES	1.0	3.0
CASH	2.9	—

¹MSCI All Country World Small Cap Index.

Viewed geographically, the Fund especially benefited from strong stock selection in the eurozone and Japan, in addition to our overweight in the latter market. German IT services company **Bechtle** has enjoyed stellar growth in sales. In Japan, beyond Nihon M&A Center, returns also saw a lift from **MonotaRO**, a distributor of maintenance, repair, and operations goods. The company's growth in new customers has been boosted by larger companies that previously might not have been in the market for MonotaRO's services, but are now looking to retool or repair existing equipment instead of springing for major new capital investments.

Our underweight in the US and overweight in Europe (both within the European Monetary Union and without) dampened relative returns. We also had poor stock selection in the Pacific ex-Japan region. In Hong Kong, the COVID-19 pandemic caused disruptions to the operations of soy-based foods and beverages producer **Vitasoy International**, hurting revenues and profits.

■ PERSPECTIVE AND OUTLOOK

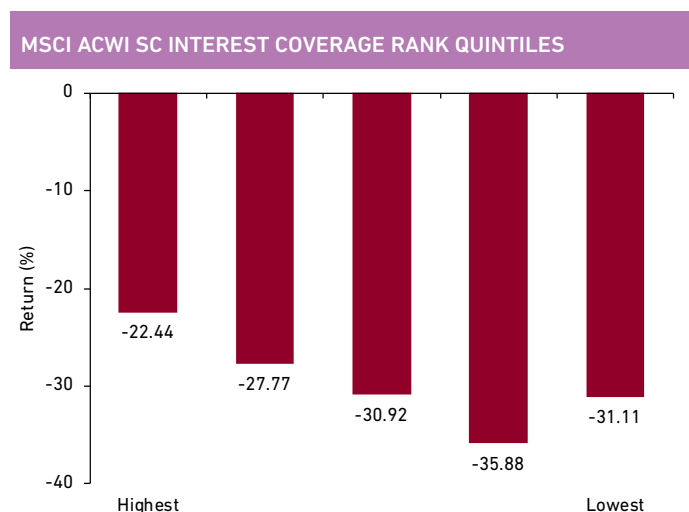
Initially, stock markets outside China largely shrugged off reports of an emerging epidemic and its potential to cause material harm to the global economy. Investors made a mental leap, drawing parallels between the new outbreak with ones from the recent past such as the SARS coronavirus in 2003 and the H1N1 swine flu in 2009, neither of which had a material or lasting impact on the world-wide economy. But as the new coronavirus engulfed other countries, the analogizing shifted to another epidemiological episode: the 1918 influenza pandemic, which killed roughly 50 million people globally. Like a century ago, governments imposed quarantines, restricted travel, and ordered social distancing—in effect, putting their economies into medically induced comas to save lives and protect health care systems. By the end of March, investors had priced in a sharp drop in economic activity, wiping out trillions of dollars of market value.

This is not the first time an unforeseen catastrophic event has triggered an economic crisis. Nor will it be the last. To survive any type of crisis, advance preparation is crucial. For us, this advanced preparation takes the form of an investment process based on four essential criteria: we invest only in companies that possess a competitive advantage, can generate sustainable superior long term growth, have superior financial strength to support that growth and withstand difficult economic and credit environments, and have management with the foresight and dynamism to apply these strengths to changing challenges and opportunities for the benefit of shareholders.

Sometimes, when the storm is upon you, the least exciting aspect of your preparation reveals itself to be critical. We think the most immediately important preparation our approach provides is our insistence on financial strength. By not compromising on our commitment to strong balance sheets when times are good, we reduce losses arising from financial distress when the tide of easy credit and abundant demand inevitably recedes. We can therefore place greater confidence on our estimates of the long-term value of our companies, for if a company is to enjoy the growth in an economic recovery it must first survive the transient shock. Currently, the debt to equity ratio of our portfolio companies is meaningfully lower than that of the benchmark (24% vs 61%); this is but one of the dimensions of financial strength that we consider.

By not compromising on our commitment to strong balance sheets when times are good, we reduce losses arising from financial distress when the tide of easy credit and abundant demand inevitably recedes.

From January through March, small companies with the lowest debt burdens outperformed, as the chart below detailing returns by interest coverage ratio indicates. We believe the market's focus is correct, particularly for small caps, which can face more difficulty accessing credit than large companies in periods of distress. Because a company's finances can change quickly, our analysts are continu-



Source: FactSet; Harding Loevner. Run date: March 31, 2020.

TEN LARGEST HOLDINGS AT 30 JUNE 2020

COMPANY	SECTOR	COUNTRY	%
COSMOS PHARMACEUTICAL	CONS STAPLES	JAPAN	2.5
ENERSYS	INDUSTRIALS	US	2.1
THULE GROUP	CONS DISCRETIONARY	SWEDEN	2.1
BORGWARNER	CONS DISCRETIONARY	US	2.0
KINAXIS	INFO TECHNOLOGY	CANADA	2.0
ABCAM	HEALTH CARE	UK	1.8
ALTEN	INFO TECHNOLOGY	FRANCE	1.8
PROTO LABS	INDUSTRIALS	US	1.8
ALTAIR ENGINEERING	INFO TECHNOLOGY	US	1.7
SIGNATURE BANK	FINANCIALS	US	1.7

ally evaluating the pandemic's potential impact on their respective companies, scrutinizing them for new and newly heightened risks to their investment theses. So far, unsurprisingly, analysts are finding the impact varies markedly by sector.

Airplane parts supplier **Senior** is highly exposed to the aviation industry's freefall. Major airlines worldwide have slashed capacity, and the International Air Travel Association reported they might lose as much as US\$252 billion in passenger revenue in 2020. The airlines are furiously cutting costs to survive, testing the financial strength of plane manufacturers Airbus and Boeing as well as their suppliers. We have reviewed Senior's financial position with its management. The company's net debt is manageable, and it has only £15 million in debt coming due this year. Before the crisis, Senior was planning £50 million of capital expenditures and £20 million of dividends. Those have since been cut to £30-35 and no dividends. By employing these types of cash-saving measures, we think the company can weather a 70% drop in EBITDA without breaching its debt covenants. Our analyst notes that Senior has a long history of generating free cash, even in downturns, and we believe its management is capable of steering the company through this challenging period.

Our companies in IT, a sector that has generally held up during the crisis, have done relatively well. An example is supply-chain software developer Kinaxis. The forced closure of factories around the world led many companies to reassess their supply chains. Interest has surged in Kinaxis's flagship product, RapidReponse, which allows its customers to analyze and reconfigure their supply chains in real-time. Thanks to its low fixed costs, debt-free balance sheet, and access to short-term revolving credit, we have no concern about the company's financial condition. In fact, Kinaxis has used its cash during the crisis to enhance its competitive advantage by investing in sales and marketing and to jump on growth opportunities. In late February, it bought Prana, a long-time service partner based in India. This acquisition will add highly skilled employees who are familiar with RapidResponse and establish an important hub from which the company can offer expanded services to regional customers.

The pandemic's impact on most of our companies will not be as dire as that on Senior or as positive as Kinaxis. The rest, which

fall somewhere in between, require scrutiny as the crisis continues to unfold. **DiaSorin**, an Italian-based manufacturer of specialty tests for infectious diseases like mumps and measles, hypertension, and blood disorders, is a case in point. Though its business continued to operate throughout the lockdowns, demand for tests unrelated to COVID-19 has dropped as patients delay non-essential medical procedures and tests. With a net cash position, however, we are not concerned about its finances. Another example is **Cosmos Pharmaceutical**, a Japanese small-format discount drug store that primarily sells food, cosmetics, and over-the-counter pharmaceuticals. In July, Cosmos released earnings for the quarter ended May 30, and it grew profits by 43% in the period thanks to COVID-driven demand for food and consumer goods, as buyers stockpiled products in the face of pandemic uncertainty.

PERFORMANCE (% TOTAL RETURN)

as of 30 June 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION
US DOLLAR				13 DECEMBER 2018
GLOBAL SMALL COS EQUITY FUND USD A ¹	-0.89	6.66	—	13.61
MSCI ALL COUNTRY WORLD SMALL CAP INDEX ²	-12.85	-5.54	—	2.65

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, 2020).

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 2020

Harding Loevner Funds plc

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Harding Loevner Funds plc

Directors and Other Information

For the Financial Year Ended 30 June 2020

DIRECTORS	David Loevner	(US resident) (Non-executive)
	Mike Kirby	(Irish resident) (Non-executive)
	Jim Cleary	(Irish resident) (Independent, Non-executive)
	Ryan Bowles	(US resident) (Non-executive)

REGISTERED OFFICE (Effective from 4th December 2019)
2nd Floor
5 Earlsfort Terrace
Dublin 2
Ireland
Registered Number: 437095

(Effective to 3rd December 2019)
3rd Floor
3 George's Dock, IFSC
Dublin, D01 X5X0
Ireland

INVESTMENT MANAGER Harding Loevner LP
400 Crossing Boulevard
4th Floor
Bridgewater
New Jersey 08807
USA

DEPOSITARY Northern Trust Fiduciary Services (Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2
Ireland

ADMINISTRATOR Northern Trust International Fund Administration Services (Ireland) Limited
George's Court
54-62 Townsend Street
Dublin 2
Ireland

COMPANY SECRETARY (Effective from 4th December 2019)
Dechert Secretarial Limited
2nd Floor
5 Earlsfort Terrace
Dublin 2
Ireland

(Effective to 3rd December 2019)
Dechert Secretarial Limited
3rd Floor
3 George's Dock, IFSC
Dublin, D01 X5X0
Ireland

INDEPENDENT AUDITORS Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Harding Loevner Funds plc

Directors and Other Information (Continued)

For the Financial Year Ended 30 June 2020

IRISH LEGAL ADVISERS

(Effective from 4th December 2019)

Dechert
2nd Floor
5 Earlsfort Terrace
Dublin 2
Ireland

(Effective to 3rd December 2019)

Dechert
3rd Floor
3 George's Dock, IFSC
Dublin, D01 X5X0
Ireland

Harding Loevner Funds plc

Directors' Responsibilities Statement

For the Financial Year Ended 30 June 2020

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:

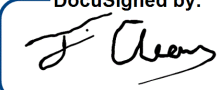
- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those 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

DocuSigned by:

5EC264EB4B78422...
J. Cleary

Director

DocuSigned by:

924E03A647A54F9...
M. Kirby

18 September 2020

Harding Loevner Funds plc

Background to the Company and Directors' Report

For the Financial Year Ended 30 June 2020

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 as amended, (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 2020 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 2020 the following share classes were in issue in the Global Equity Fund:

US Dollar	Euro	Sterling	Singapore Dollar	Canadian 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	Class S

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 (Continued)

For the Financial Year Ended 30 June 2020

The Harding Loevner International Equity Fund (Continued)

As at 30 June 2020 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 2020 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 2020 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 2020 the following share classes were in issue in the Emerging Markets Equity Fund:

US Dollar	Canadian Dollar
Class A Class B Class I	Class B 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 2020 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 2020 there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

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.

Harding Loevner Funds plc

Background to the Company and Directors' Report (Continued)

For the Financial Year Ended 30 June 2020

The Harding Loevner Global Small Companies Equity Fund (Continued)

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 2020 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 2020, 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 2020, the Global Equity Fund distributed the following net income:

A distribution of 0.004635976 per share on the Sterling Class A shares, with a total value of GBP 234,661, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.001324085 per share on the Sterling Class B shares, with a total value of GBP 131, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.006940208 per share on the Sterling Class S shares, with a total value of GBP 1,407,020, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.004621146 per share on the Sterling Class S shares, with a total value of GBP 772,272, for the financial year ended 30 June 2020. This distribution was declared on 15 April 2020 with a record date of 14 April 2020, an ex-date of 15 April 2020 and a pay date of 20 April 2020.

During the financial year ended 30 June 2020, the International Equity Fund distributed the following net income:

A distribution of 0.025452857 per share on the Sterling Class A shares, with a total value of GBP 25,856, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.006717078 per share on the Sterling Class A shares, with a total value of GBP 6,929, for the financial year ended 30 June 2020. This distribution was declared on 15 April 2020 with a record date of 14 April 2020, an ex-date of 15 April 2020 and a pay date of 20 April 2020.

On 26 July 2019, Sterling Class M shares for Emerging Markets Equity Fund were fully redeemed.

On 23 August 2019, the Canadian Dollar Class S shares for the Global Equity Fund were first issued.

Effective from 4 December 2019 the registered office changed to 2nd Floor, 5 Earlsfort Terrace, Dublin 2.

Harding Loevner Funds plc

Background to the Company and Directors' Report (Continued)

For the Financial Year Ended 30 June 2020

Significant Events During the Financial Year (Continued)

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (Covid-19). The worldwide outbreak of Covid-19 has resulted in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The eventual impact on the global economy and the operations and financial performance of certain Fund's investments will largely depend upon future developments, including (i) the duration and spread of the outbreak, (ii) the effects on the financial markets, and (iii) the effects on the economy overall, all of which are highly uncertain and cannot be predicted. If the financial performance of a Fund is impacted because of these factors for an extended period, the relevant Fund's investment results may be adversely affected. The Board has considered the general impact resulting from the spread of Covid-19 on the Company and has ongoing engagement with its delegates. The delegates have invoked their Business Continuity Plans (BCPs) which are operating effectively allowing the Company to continue to service its client base. The Board continues to closely monitor market conditions taking into account any changes in liquidity or other market volatility and/or restrictions.

On 28 February 2020, the Canadian Dollar Class B shares for Emerging Market Equity Fund were first issued.

On 20 March 2020, the Prospectus and Supplements in respect of the Fund of the Company were updated. Within the Prospectus, minor updates included, among others, a change in the registered address of the Company; revised disclosure regarding the use of comparator indices and benchmarks, as well as the active management of the Fund; changes to the semi-annual distribution dates; revised disclosure regarding how investors can subscribe for shares; a new risk factor regarding Brexit; and other minor changes. Within the Supplements, minor updates included, among others: revised disclosure regarding the active management of the Fund; disclosure that settlement dates for subscriptions will be T+3; and other minor changes. Within the Emerging Markets Equity Fund Supplement, the minimum initial investment amount, and minimum shareholding, for Class B shares were lowered. The documents were approved by the Central Bank.

On 19 May 2020, the Euro Class I shares for Emerging Markets Equity Fund were fully redeemed.

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 2020	30 June 2019
US Dollar Class A	USD 2.463	USD 2.157
Euro Class A	EUR 2.190	EUR 1.895
Sterling Class A	GBP 1.981	GBP 1.697
Sterling Class B	GBP 1.202	GBP 1.031
US Dollar Class B	USD 1.141	USD 1.001
US Dollar Class D	USD 1.157	USD 1.021
US Dollar Class S1	USD 1.132	USD 0.989
Euro Class M	EUR 1.256	EUR 1.086
Euro Class S	EUR 1.219	EUR 1.046
Sterling Class S	GBP 1.324	GBP 1.135
Singapore Dollar Class M	SGD 1.741	SGD 1.479
Canadian Dollar Class S	CAD 1.228	–
US Dollar Class S	USD 1.260	USD 1.095

The Harding Loevner International Equity Fund

Class	30 June 2020	30 June 2019
US Dollar Class A	USD 1.392	USD 1.359
US Dollar Class S	USD 1.167	USD 1.130
Sterling Class A	GBP 1.765	GBP 1.715
US Dollar Class B	USD 1.385	USD 1.356

The Harding Loevner Emerging Markets Equity Fund

Class	30 June 2020	30 June 2019
US Dollar Class A	USD 1.245	USD 1.361
US Dollar Class B	USD 1.098	USD 1.203
US Dollar Class I	USD 1.159	USD 1.263
Euro Class I	–	EUR 1.160
Canadian Dollar Class B	CAD 0.946	–
Canadian Dollar Class I	CAD 1.524	CAD 1.601
Sterling Class M	–	GBP 1.162
Canadian Dollar Class M	CAD 1.353	CAD 1.424

Harding Loevner Funds plc

Background to the Company and Directors' Report (Continued)

For the Financial Year Ended 30 June 2020

The Harding Loevner Global Small Companies Equity Fund

Class	30 June 2020	30 June 2019
US Dollar Class A	USD 1.218	USD 1.119

The Investment Manager's report on pages 3 to 21 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 2020. 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 set out in the Company's Prospectus and in note 13 'Financial Instruments and Associated Risks'.

The Investment Manager may use financial derivative instruments for investment purposes, for efficient portfolio management purposes, to gain exposure to markets in a cost efficient manner consistent with the maintenance of an appropriate level of risk within the sub-funds, or for hedging purposes in accordance with the requirements of the Central Bank.

Results and Dividends

The results and dividends for the financial year are set out in the Statement of Comprehensive Income on pages 33 to 34. The Directors intend to declare a dividend in respect of the Sterling currency classes of the Global Equity and International 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 January and 15 July in each calendar year beginning in calendar 2021; and for calendar 2020, on or about 15 April and 15 July). A distribution was made in April 2020 (for the financial year ended 30 June 2020) and in October 2019 (for the financial period ended 31 December 2019) 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 2020 will be made within the required timeframe.

Events After the Reporting Date

Effective 1 July 2020 on the Global Equity Fund the expense caps reduced, 0.70% for Class I shares, 0.75% for the Class M shares, 0.80% for the Class A shares, 1.10% 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.

The Global Equity Fund distributed net income of 0.005009537 per share on the Sterling Class S shares, with a total value of GBP 814,103. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

The International Equity Fund distributed net income of 0.012711116 per share on the Sterling Class A shares, with a total value of GBP 13,170. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

The Covid-19 outbreak has caused extensive disruption to businesses and economic activities globally. The uncertainty and instability described in the Significant Events During the Financial Year continues post financial period-end.

There have been no other material events to report subsequent to the financial year ended 30 June 2020.

Directors

The names of the persons who were Directors of the Company at any time during the financial year ended 30 June 2020 are set out below.

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

Company Secretary

Effective 4 December 2019 Dechert Secretarial Limited updated its address to 2nd Floor 5 Earlsfort Terrace, Dublin 2, Ireland.

Harding Loevner Funds plc

Background to the Company and Directors' Report (Continued)

For the Financial Year Ended 30 June 2020

Directors' and Secretary's Interests in Shares and Contracts

Entities related to David Loevner and Ryan Bowles 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. No Director held any shares in the Company at 30 June 2020.

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 2006/461EC) 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 2nd Floor 5 Earlsfort Terrace, Dublin 2, 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.

Statement on Relevant Audit Information

The Directors confirm that during the financial year end 30 June 2020:

- 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.

Harding Loevner Funds plc

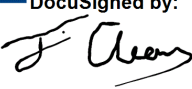
Background to the Company and Directors' Report (Continued)

For the Financial Year Ended 30 June 2020

Statement on Relevant Audit Information (Continued)

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

DocuSigned by:

5EC264EB4B78422...
J. Cleary

Director

DocuSigned by:

924E03A647A54F9...
M. Kirby

18 September 2020

Harding Loevner Funds plc

Depository's Report

For the Financial Year Ended 30 June 2020

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 2020. 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 2020 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 2020

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 2020 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.

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.

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

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.



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

Date: 23 September 2020

Harding Loevner Funds plc

Global Equity Fund Schedule of Investments 30 June 2020

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: 2.22% (30 June 2019: 1.12%)				Sweden: 0.00% (30 June 2019: 0.41%)			
Itau Unibanco (Pref) ADR (Financials)	4,730,306	22,185,135	2.22%	Switzerland: 6.51% (30 June 2019: 4.85%)			
China: 6.64% (30 June 2019: 4.87%)				Alcon (Health Care)	209,053	11,982,918	1.20%
Alibaba Group Holding ADR (Consumer Discretionary)	85,255	18,389,503	1.84%	Lonza Group (Health Care)	58,396	30,829,785	3.09%
NetEase Inc ADR (Communication Services)	31,787	13,648,702	1.36%	Nestle ADR (Consumer Staples)	117,734	13,002,543	1.30%
Tencent Holdings (Communication Services)	386,100	24,838,328	2.49%	Sonova Holding (Health Care)	45,853	9,154,145	0.92%
Trip.com ADR (Consumer Discretionary)	365,691	9,478,711	0.95%	SWITZERLAND TOTAL		64,969,391	6.51%
CHINA TOTAL		66,355,244	6.64%	United Kingdom: 2.88% (30 June 2019: 2.30%)			
Denmark: 0.78% (30 June 2019: 0.81%)				Abcam (Health Care)	770,534	12,727,068	1.27%
CHR. Hansen (Materials)	75,508	7,787,029	0.78%	Network International (Information Technology)	1,295,742	7,080,493	0.71%
Finland: 1.00% (30 June 2019: 0.98%)				Standard Chartered PLC (Financials)	1,641,327	8,950,615	0.90%
Kone (Industrials)	145,091	9,979,457	1.00%	UNITED KINGDOM TOTAL		28,758,176	2.88%
France: 3.11% (30 June 2019: 4.43%)				United States: 57.02% (30 June 2019: 49.38%)			
Air Liquide (Materials)	71,826	10,361,433	1.04%	3M Company (Industrials)	35,082	5,472,441	0.55%
L'Oreal (Consumer Staples)	34,030	10,923,084	1.09%	Abbott Labs (Health Care)	138,446	12,658,118	1.27%
Schneider Electric SE (Industrials)	87,750	9,748,296	0.98%	Align Technology (Health Care)	40,454	11,102,196	1.11%
FRANCE TOTAL		31,032,813	3.11%	Alphabet (Communication Services)	20,379	28,898,441	2.89%
Germany: 2.35% (30 June 2019: 2.37%)				Amazon.com (Consumer Discretionary)	6,009	16,577,749	1.66%
Symrise (Materials)	202,076	23,497,853	2.35%	Apple Inc (Information Technology)	72,075	26,292,960	2.63%
Hong Kong: 2.29% (30 June 2019: 3.03%)				Cognizant Technology (Information Technology)	114,882	6,527,595	0.65%
AIA Group (Financials)	2,448,600	22,841,595	2.29%	Colgate-Palmolive (Consumer Staples)	120,143	8,801,676	0.88%
India: 2.74% (30 June 2019: 2.92%)				Deere (Industrials)	69,168	10,869,751	1.09%
HDFC Bank ADR (Financials)	351,874	15,996,192	1.60%	Disney (Communication Services)	77,917	8,688,525	0.87%
ICICI Bank ADR (Financials)	1,223,612	11,367,355	1.14%	eBay (Consumer Discretionary)	212,237	11,131,831	1.11%
INDIA TOTAL		27,363,547	2.74%	EPAM Systems (Information Technology)	44,884	11,311,217	1.13%
Indonesia: 1.31% (30 June 2019: 1.60%)				Estee Lauder (Consumer Staples)	51,336	9,686,077	0.97%
Bank Central Asia (Financials)	6,555,176	13,066,758	1.31%	ExxonMobil (Energy)	349,991	15,651,598	1.57%
Israel: 0.00% (30 June 2019: 0.95%)				Facebook (Communication Services)	112,916	25,639,836	2.57%
Japan: 7.52% (30 June 2019: 9.84%)				First Republic Bank (Financials)	222,870	23,621,991	2.37%
Fanuc (Industrials)	33,100	5,904,200	0.59%	Illumina (Health Care)	73,155	27,092,954	2.71%
Keyence (Information Technology)	46,900	19,559,222	1.96%	Linde (Materials)	75,065	15,871,947	1.59%
Kubota (Industrials)	591,700	8,811,795	0.89%	Mastercard (Information Technology)	73,653	21,779,192	2.18%
Makita (Industrials)	239,947	8,700,093	0.87%	Microsoft (Information Technology)	81,960	16,679,680	1.67%
Nidec (Industrials)	130,600	8,703,844	0.87%	Nike (Consumer Discretionary)	178,041	17,456,920	1.75%
Shiseido (Consumer Staples)	180,700	11,438,615	1.14%	NVIDIA (Information Technology)	28,049	10,656,096	1.07%
Sysmex (Health Care)	157,456	12,001,509	1.20%	PayPal (Information Technology)	258,372	45,016,153	4.51%
JAPAN TOTAL		75,119,278	7.52%	Proto Labs (Industrials)	96,137	10,812,528	1.08%
Republic of South Korea: 0.00% (30 June 2019: 0.95%)				Roper (Industrials)	71,521	27,768,744	2.78%
Russian Federation: 1.63% (30 June 2019: 1.42%)				salesforce.com (Information Technology)	58,507	10,960,116	1.10%
Yandex (Communication Services)	326,012	16,307,120	1.63%	SVB Financial Group (Financials)	42,669	9,196,450	0.92%
South Africa: 0.00% (30 June 2019: 1.55%)				Synopsys (Information Technology)	66,343	12,936,885	1.30%
Spain: 0.43% (30 June 2019: 2.07%)				Thermo Fisher Scientific (Health Care)	38,299	13,877,260	1.39%
BBVA (Financials)	1,251,052	4,306,627	0.43%	Trade Desk (Information Technology)	38,294	15,566,511	1.56%
				UnitedHealth Group (Health Care)	29,489	8,697,780	0.87%
				Verisk Analytics (Industrials)	131,108	22,314,582	2.23%
				Vertex Pharmaceuticals (Health Care)	127,398	36,984,913	3.70%
				Waters (Health Care)	14,622	2,637,809	0.27%

Harding Loevner Funds plc

Global Equity Fund Schedule of Investments (Continued) 30 June 2020

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
United States (Continued)			
Workday (Information Technology)	54,409	10,194,070	1.02%
UNITED STATES TOTAL		569,432,592	57.02%
Total transferable securities (30 June 2019: 95.85%)			
		983,002,615	98.43%
(Cost: USD 706,633,237) (30 June 2019: Cost: USD 745,864,406)			
Cash and cash equivalents (30 June 2019: 4.08%)			
		18,027,090	1.81%
Other assets and liabilities (30 June 2019: 0.07%)			
		(2,331,746)	(0.24%)
Net assets attributable to holders of redeemable participating shares			
		998,697,959	100.00%
Analysis of total gross assets			
		% of total gross assets	
Transferable securities admitted to an official stock exchange listing		97.87%	
Cash and cash equivalents		1.79%	
Other assets		0.34%	
		100.00%	

Harding Loevner Funds plc

International Equity Fund Schedule of Investments 30 June 2020

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: 2.84% (30 June 2019: 2.83%)				Japan (Continued)			
Ambev ADR (Consumer Staples)	908,816	2,399,274	1.27%	UNICHARM (Consumer Staples)	120,100	4,916,342	2.60%
Itau Unibanco (Pref) ADR (Financials)	630,316	2,956,182	1.57%	JAPAN TOTAL		29,819,972	15.78%
BRAZIL TOTAL		5,355,456	2.84%	Mexico: 1.09% (30 June 2019: 0.99%)			
Canada: 2.15% (30 June 2019: 3.06%)				FEMSA ADR (Consumer Staples)	33,197	2,058,546	1.09%
Alimentation Couche-Tard (Consumer Staples)	67,900	2,129,127	1.13%	Netherlands: 2.40% (30 June 2019: 0.00%)			
Canadian National Railway (Industrials)	21,816	1,932,243	1.02%	Adyen (Information Technology)	3,118	4,538,231	2.40%
CANADA TOTAL		4,061,370	2.15%	Republic of South Korea: 3.06% (30 June 2019: 2.82%)			
China: 7.09% (30 June 2019: 5.90%)				Samsung Electronics (Pref) GDR Reg S (Information Technology)	3,123	3,019,941	1.60%
Alibaba Group Holding ADR (Consumer Discretionary)	12,027	2,594,224	1.37%	Samsung Electronics (Voting) GDR Reg S (Information Technology)	2,507	2,765,221	1.46%
China Mobile ADR (Communication Services)	62,767	2,111,482	1.12%	REPUBLIC OF SOUTH KOREA TOTAL		5,785,162	3.06%
Ping An Insurance (Financials)	322,000	3,219,792	1.70%	Russian Federation: 2.85% (30 June 2019: 2.75%)			
Tencent Holdings (Communication Services)	85,100	5,474,597	2.90%	Lukoil ADR (Energy)	34,651	2,571,797	1.36%
CHINA TOTAL		13,400,095	7.09%	Yandex (Communication Services)	56,047	2,803,471	1.49%
Denmark: 1.09% (30 June 2019: 0.86%)				RUSSIAN FEDERATION TOTAL		5,375,268	2.85%
Novozymes (Materials)	35,476	2,051,270	1.09%	Singapore: 2.17% (30 June 2019: 2.71%)			
France: 8.37% (30 June 2019: 5.54%)				DBS Group (Financials)	274,750	4,100,746	2.17%
Air Liquide (Materials)	13,788	1,989,021	1.05%	South Africa: 0.00% (30 June 2019: 1.63%)			
Dassault Systemes (Information Technology)	18,149	3,131,966	1.66%	Spain: 1.37% (30 June 2019: 4.66%)			
L'Oreal (Consumer Staples)	19,490	6,255,978	3.31%	BBVA (Financials)	750,351	2,583,011	1.37%
Schneider Electric SE (Industrials)	39,941	4,437,113	2.35%	Sweden: 5.60% (30 June 2019: 4.74%)			
FRANCE TOTAL		15,814,078	8.37%	Alfa Laval (Industrials)	108,880	2,388,344	1.27%
Germany: 12.60% (30 June 2019: 12.55%)				Atlas Copco AB (Industrials)	144,088	6,101,728	3.23%
ADIDAS (Consumer Discretionary)	10,823	2,840,492	1.50%	Epiroc (Industrials)	167,270	2,084,099	1.10%
Allianz (Financials)	24,013	4,903,631	2.59%	SWEDEN TOTAL		10,574,171	5.60%
Fuchs Petrolub (Pref) (Materials)	22,778	914,625	0.49%	Switzerland: 12.04% (30 June 2019: 10.98%)			
Infineon Technologies (Information Technology)	249,463	5,850,672	3.10%	Alcon (Health Care)	47,542	2,725,107	1.44%
SAP ADR (Information Technology)	43,996	6,159,440	3.26%	Lonza Group (Health Care)	9,676	5,108,381	2.70%
Symrise (Materials)	27,034	3,143,575	1.66%	Nestle ADR (Consumer Staples)	39,311	4,341,507	2.30%
GERMANY TOTAL		23,812,435	12.60%	Roche Holding (Health Care)	18,779	6,508,085	3.45%
Hong Kong: 3.21% (30 June 2019: 3.60%)				SGS (Industrials)	719	1,756,805	0.93%
AIA Group (Financials)	650,700	6,070,010	3.21%	Sonova Holding (Health Care)	11,583	2,312,443	1.22%
India: 2.12% (30 June 2019: 3.04%)				SWITZERLAND TOTAL		22,752,328	12.04%
HDFC Bank ADR (Financials)	43,277	1,967,373	1.04%	Taiwan: 4.15% (30 June 2019: 2.92%)			
ICICI Bank ADR (Financials)	218,414	2,029,066	1.08%	Taiwan Semiconductor ADR (Information Technology)	138,119	7,841,016	4.15%
INDIA TOTAL		3,996,439	2.12%	United Kingdom: 6.95% (30 June 2019: 7.49%)			
Israel: 1.45% (30 June 2019: 2.69%)				Diageo (Consumer Staples)	85,295	2,834,052	1.50%
Check Point (Information Technology)	25,548	2,744,622	1.45%	Rio Tinto (Materials)	66,548	3,751,089	1.99%
Japan: 15.78% (30 June 2019: 11.46%)				Royal Dutch Shell (Energy)	153,579	2,329,269	1.23%
Chugai Pharmaceutical (Health Care)	104,700	5,590,141	2.96%	Standard Chartered PLC (Financials)	258,557	1,409,983	0.75%
Fanuc (Industrials)	10,300	1,837,259	0.97%	Unilever (Consumer Staples)	51,896	2,800,454	1.48%
Keyence (Information Technology)	10,800	4,504,043	2.38%	UNITED KINGDOM TOTAL		13,124,847	6.95%
Komatsu (Industrials)	125,500	2,561,141	1.36%				
Kubota (Industrials)	197,900	2,947,193	1.56%				
Nitori Holdings (Consumer Discretionary)	12,800	2,504,283	1.33%				
Shionogi (Health Care)	35,200	2,200,510	1.16%				
Sysmex (Health Care)	36,198	2,759,060	1.46%				

Harding Loevner Funds plc

International Equity Fund Schedule of Investments (Continued) 30 June 2020

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
United States: 1.53% (30 June 2019: 3.42%)			
Linde (Materials)	13,699	2,896,554	1.53%
Total transferable securities (30 June 2019: 96.64%) (Cost: USD 164,034,819) (30 June 2019: Cost: USD 202,941,302)			
Cash and cash equivalents (30 June 2019: 3.22%)			
		2,903,899	1.54%
Other assets and liabilities (30 June 2019: 0.14%)			
		(2,727,411)	(1.45%)
Net assets attributable to holders of redeemable participating shares			
		188,932,115	100.00%
Analysis of total gross assets			
			% of total gross assets
Transferable securities admitted to an official stock exchange listing			92.49%
Cash and cash equivalents			1.42%
Other assets			6.09%
			100.00%

Harding Loevner Funds plc

Emerging Markets Equity Fund Schedule of Investments 30 June 2020

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: 6.97% (30 June 2019: 7.99%)				India (Continued)			
Ambev ADR (Consumer Staples)	1,656,864	4,374,121	1.18%	Kotak Mahindra Bank (Financials)	276,573	4,983,378	1.35%
B3 (Financials)	274,700	2,782,814	0.76%	Maruti Suzuki India (Consumer Discretionary)	49,636	3,838,085	1.04%
Banco Bradesco ADR (Financials)	1,222,866	4,659,120	1.26%	Tata Consultancy Services (Information Technology)	212,491	5,859,817	1.59%
Cia Brasileira de Distribuicao ADR (Consumer Staples)	98,878	1,292,335	0.35%	INDIA TOTAL		26,155,119	7.09%
Itau Unibanco (Pref) ADR (Financials)	991,988	4,652,424	1.26%	Indonesia: 2.78% (30 June 2019: 3.40%)			
Localiza Rent a Car (Industrials)	427,655	3,217,184	0.87%	Astra International (Consumer Discretionary)	6,188,600	2,079,473	0.56%
Lojas Renner (Consumer Discretionary)	209,500	1,610,323	0.44%	Bank Central Asia (Financials)	1,981,074	3,948,973	1.07%
WEG (Industrials)	335,390	3,121,327	0.85%	Bank Rakyat (Financials)	19,894,425	4,219,819	1.15%
BRAZIL TOTAL		25,709,648	6.97%	INDONESIA TOTAL		10,248,265	2.78%
Chile: 0.28% (30 June 2019: 0.47%)				Italy: 0.64% (30 June 2019: 1.20%)			
Banco Santander Chile ADR (Financials)	62,468	1,024,475	0.28%	Tenaris ADR (Energy)	181,732	2,349,795	0.64%
China: 26.77% (30 June 2019: 24.00%)				Kenya: 1.29% (30 June 2019: 1.26%)			
51job ADR (Industrials)	65,342	4,690,902	1.27%	East African Breweries (Consumer Staples)	474,059	722,990	0.20%
AAC Technologies (Information Technology)	293,500	1,800,648	0.49%	Safaricom (Communication Services)	14,989,790	4,030,572	1.09%
Alibaba Group Holding ADR (Consumer Discretionary)	83,518	18,014,833	4.89%	KENYA TOTAL		4,753,562	1.29%
Autohome ADR (Communication Services)	19,224	1,451,412	0.39%	Mexico: 3.99% (30 June 2019: 4.54%)			
Baidu ADR (Communication Services)	25,388	3,043,767	0.83%	FEMSA ADR (Consumer Staples)	69,417	4,304,548	1.17%
CNOOC ADR (Energy)	18,955	2,138,882	0.58%	GF Banorte (Financials)	968,970	3,360,799	0.91%
CSPC Pharmaceutical Group (Health Care)	2,133,600	4,030,179	1.09%	Grupo Aeroportuario del Sureste ADR (Industrials)	26,212	2,943,346	0.80%
ENN Energy (Utilities)	460,265	5,178,390	1.40%	Wal-Mart de Mexico (Consumer Staples)	1,713,200	4,110,726	1.11%
Fuyao Glass Industry (Consumer Discretionary)	799,693	2,360,404	0.64%	MEXICO TOTAL		14,719,419	3.99%
Hangzhou Hikvision Digital Tec (China A) (Information Technology)	874,593	3,754,096	1.02%	Panama: 0.81% (30 June 2019: 0.99%)			
Jiangsu Yanghe Brewery (Consumer Staples)	98,000	1,457,252	0.40%	Copa Holdings (Industrials)	59,190	2,992,646	0.81%
Midea Group (China A) (Consumer Discretionary)	719,087	6,080,659	1.65%	Peru: 0.96% (30 June 2019: 1.31%)			
Ping An Insurance (Financials)	533,500	5,334,656	1.45%	Credicorp (Financials)	26,596	3,555,087	0.96%
SF (Industrials)	348,900	2,699,162	0.73%	Republic of South Korea: 9.73% (30 June 2019: 8.96%)			
Shenzhen (Consumer Discretionary)	294,550	3,549,574	0.96%	Amorepacific (Consumer Staples)	21,156	2,946,028	0.80%
Sino Biopharmaceutical (Health Care)	1,223,440	2,304,655	0.63%	Coway (Consumer Discretionary)	51,981	3,120,114	0.84%
Sunny Optical (Information Technology)	253,000	4,047,739	1.09%	LG Household & Health Care (Consumer Staples)	8,872	9,927,848	2.69%
Tencent Holdings (Communication Services)	350,450	22,544,916	6.11%	Samsung Electronics (Pref) GDR Reg S (Information Technology)	4,113	3,977,271	1.08%
Trip.com ADR (Consumer Discretionary)	84,498	2,190,188	0.59%	Samsung Electronics (Voting) GDR Reg S (Information Technology)	14,448	15,936,144	4.32%
ZTO Express Cayman ADR (Industrials)	56,330	2,067,874	0.56%	REPUBLIC OF SOUTH KOREA TOTAL		35,907,405	9.73%
CHINA TOTAL		98,740,188	26.77%	Russian Federation: 8.67% (30 June 2019: 8.71%)			
Colombia: 0.69% (30 June 2019: 1.23%)				Lukoil ADR (Energy)	124,936	9,272,750	2.52%
Bancolombia (Pref) ADR (Financials)	96,542	2,540,020	0.69%	NovaTek GDR Reg S (Energy)	50,924	7,241,393	1.96%
Czech Republic: 0.62% (30 June 2019: 0.98%)				Sberbank ADR (Financials)	713,973	8,125,013	2.20%
Komerční Banka (Financials)	98,070	2,277,794	0.62%	Yandex (Communication Services)	146,870	7,346,437	1.99%
Egypt: 0.73% (30 June 2019: 0.74%)				RUSSIAN FEDERATION TOTAL		31,985,593	8.67%
Commercial International Bank GDR (Financials)	699,036	2,698,279	0.73%	South Africa: 1.34% (30 June 2019: 4.49%)			
Hong Kong: 6.79% (30 June 2019: 7.77%)				Discovery Holdings (Financials)	406,709	2,450,450	0.67%
AIA Group (Financials)	1,083,000	10,102,690	2.74%	Standard Bank (Financials)	411,371	2,477,353	0.67%
ASM Pacific Technology (Information Technology)	247,029	2,592,840	0.70%	SOUTH AFRICA TOTAL		4,927,803	1.34%
Sands China (Consumer Discretionary)	1,612,900	6,326,322	1.72%	Taiwan: 9.28% (30 June 2019: 6.98%)			
Techtronic (Industrials)	615,000	6,014,709	1.63%	Airtac International Group (Industrials)	115,000	2,011,219	0.55%
HONG KONG TOTAL		25,036,561	6.79%	Eclat (Consumer Discretionary)	376,273	4,361,550	1.18%
India: 7.09% (30 June 2019: 5.75%)							
HDFC Bank ADR (Financials)	79,385	3,608,842	0.98%				
HDFC Corp (Financials)	338,436	7,864,997	2.13%				

Harding Loevner Funds plc

Emerging Markets Equity Fund Schedule of Investments (Continued) 30 June 2020

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Taiwan (Continued)			
Hon Hai Precision (Information Technology)	714,568	2,090,095	0.57%
Largan Precision (Information Technology)	42,000	5,815,045	1.58%
Taiwan Semiconductor (Information Technology)	1,879,465	19,938,401	5.40%
TAIWAN TOTAL		34,216,310	9.28%
Thailand: 0.91% (30 June 2019: 1.63%)			
Siam Commercial Bank (Financials)	1,431,300	3,357,413	0.91%
United Arab Emirates: 0.00% (30 June 2019: 1.13%)			
United Kingdom: 2.19% (30 June 2019: 1.86%)			
Bank of Georgia (Financials)	54,221	718,882	0.19%
Coca-Cola HBC (Consumer Staples)	293,558	7,376,805	2.00%
UNITED KINGDOM TOTAL		8,095,687	2.19%
United States: 2.99% (30 June 2019: 1.60%)			
EPAM Systems (Information Technology)	43,753	11,026,194	2.99%
Total transferable securities (30 June 2019: 96.99%)		352,317,263	95.52%
(Cost: USD 320,890,600) (30 June 2019: Cost: USD 496,932,351)			
Cash and cash equivalents (30 June 2019: 2.75%)		13,553,803	3.67%
Other assets and liabilities (30 June 2019: 0.26%)		2,959,065	0.81%
Net assets attributable to holders of redeemable participating shares		368,830,131	100.00%
Analysis of total gross assets			
Transferable securities admitted to an official stock exchange listing		95.20%	
Cash and cash equivalents		3.66%	
Other assets		1.14%	
		100.00%	

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Global Small Companies Equity Fund Schedule of Investments 30 June 2020

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: 0.58% (30 June 2019: 1.20%)				Japan (Continued)			
Globant (Information Technology)	46	6,893	0.58%	Ariake Japan (Consumer Staples)	300	19,004	1.58%
Bangladesh: 0.26% (30 June 2019: 0.40%)				Cosmos Pharmaceutical (Consumer Staples)	200	30,637	2.55%
Square Pharmaceuticals (Health Care)	1,547	3,145	0.26%	Infomart (Information Technology)	1,400	9,647	0.81%
Canada: 2.03% (30 June 2019: 1.81%)				JCU (Materials)	500	15,559	1.30%
Kinaxis (Information Technology)	170	24,300	2.03%	Kakaku.com (Communication Services)	200	5,055	0.42%
China: 1.09% (30 June 2019: 1.59%)				Misumi Group (Industrials)	750	18,713	1.56%
51job ADR (Industrials)	112	8,041	0.67%	MonotaRO (Industrials)	350	14,003	1.17%
Haitian (Industrials)	2,500	5,077	0.42%	Nakanishi (Health Care)	800	10,417	0.87%
CHINA TOTAL		13,118	1.09%	Nihon M&A Center Inc (Industrials)	450	20,296	1.69%
Denmark: 2.11% (30 June 2019: 0.00%)				Nomura Research Institute (Information Technology)	400	10,843	0.90%
Ambu (Health Care)	226	7,101	0.59%	Pigeon (Consumer Staples)	350	13,517	1.13%
SimCorp (Information Technology)	169	18,219	1.52%	Rinnai (Consumer Discretionary)	100	8,335	0.70%
DENMARK TOTAL		25,320	2.11%	SMS (Industrials)	320	7,163	0.59%
Finland: 1.37% (30 June 2019: 1.49%)				Stanley Electric (Consumer Discretionary)	200	4,807	0.40%
Nokian Renkaat (Consumer Discretionary)	360	7,903	0.66%	Sugi (Consumer Staples)	200	13,522	1.13%
Vaisala (Information Technology)	229	8,580	0.71%	JAPAN TOTAL		219,050	18.26%
FINLAND TOTAL		16,483	1.37%	Kenya: 0.00% (30 June 2019: 0.45%)			
France: 3.86% (30 June 2019: 4.70%)				Lithuania: 0.78% (30 June 2019: 0.00%)			
Alten (Information Technology)	255	21,931	1.83%	Siauli Bankas (Financials)	20,515	9,404	0.78%
IPSOS (Communication Services)	99	2,480	0.20%	Malaysia: 0.66% (30 June 2019: 0.00%)			
LSI (Industrials)	434	9,021	0.75%	TIME dotCom (Communication Services)	3,100	7,871	0.66%
Rubis (Utilities)	269	12,929	1.08%	Mexico: 1.29% (30 June 2019: 1.89%)			
FRANCE TOTAL		46,361	3.86%	Grupo Herdez (Consumer Staples)	6,300	9,311	0.78%
Germany: 7.59% (30 June 2019: 8.32%)				Megacable Holdings (Communication Services)	2,100	6,146	0.51%
Bechtle (Information Technology)	115	20,285	1.69%	MEXICO TOTAL		15,457	1.29%
Carl Zeiss Meditec (Health Care)	131	12,775	1.06%	Netherlands: 0.79% (30 June 2019: 1.24%)			
Fuchs Petrolub (Materials)	408	13,752	1.15%	ASM International (Information Technology)	61	9,427	0.79%
Nemetschek (Information Technology)	161	11,070	0.93%	Nigeria: 0.00% (30 June 2019: 0.31%)			
Rational (Industrials)	18	10,079	0.84%	Norway: 1.25% (30 June 2019: 1.00%)			
STRATEC Biomedical (Health Care)	134	13,158	1.10%	Tomra Systems (Industrials)	408	14,967	1.25%
Symrise (Materials)	85	9,884	0.82%	Peru: 0.36% (30 June 2019: 0.54%)			
GERMANY TOTAL		91,003	7.59%	Alicorp (Consumer Staples)	1,914	4,340	0.36%
Hong Kong: 1.44% (30 June 2019: 1.07%)				Philippines: 0.00% (30 June 2019: 0.69%)			
Vitasoy International (Consumer Staples)	4,500	17,215	1.44%	Republic of South Korea: 0.29% (30 June 2019: 1.21%)			
Indonesia: 0.65% (30 June 2019: 0.49%)				Cheil Worldwide (Communication Services)	257	3,504	0.29%
Sarana Menara Nusantara (Communication Services)	109,900	7,847	0.65%	South Africa: 1.19% (30 June 2019: 1.79%)			
Israel: 1.33% (30 June 2019: 0.53%)				Discovery Holdings (Financials)	2,378	14,328	1.19%
CyberArk (Information Technology)	161	15,982	1.33%	Sweden: 3.03% (30 June 2019: 2.81%)			
Italy: 3.13% (30 June 2019: 3.07%)				Alfa Laval (Industrials)	175	3,839	0.32%
DiaSorin (Health Care)	86	16,464	1.37%	Paradox Interactive (Communication Services)	315	6,795	0.57%
Fineco (Financials)	912	12,311	1.03%	Thule Group AB (Consumer Discretionary)	1,017	25,670	2.14%
Reply (Information Technology)	109	8,799	0.73%	SWEDEN TOTAL		36,304	3.03%
ITALY TOTAL		37,574	3.13%	Switzerland: 2.35% (30 June 2019: 3.33%)			
Japan: 18.26% (30 June 2019: 18.11%)				Bossard (Industrials)	48	7,336	0.61%
ABC-Mart (Consumer Discretionary)	300	17,532	1.46%	LEM Holding (Information Technology)	9	13,299	1.11%

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Global Small Companies Equity Fund Schedule of Investments (Continued) 30 June 2020

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
Switzerland (Continued)				United States (Continued)			
Temenos Group AG (Information Technology)	49	7,610	0.63%	Trade Desk (Information Technology)	45	18,292	1.52%
SWITZERLAND TOTAL		28,245	2.35%	UNITED STATES TOTAL		364,071	30.34%
Taiwan: 2.67% (30 June 2019: 3.35%)				Vietnam: 0.35% (30 June 2019: 0.33%)			
Advantech (Information Technology)	1,000	10,015	0.83%	Hoa Phat Group (Materials)	3,640	4,204	0.35%
Eclat (Consumer Discretionary)	1,000	11,592	0.97%				
Silergy (Information Technology)	160	10,412	0.87%				
TAIWAN TOTAL		32,019	2.67%	Total transferable securities		1,192,833	99.42%
Turkey: 0.32% (30 June 2019: 0.51%)				(Cost: USD 1,039,413) (30 June 2019: Cost: USD 993,982)			
Ulker Biskuvi Sanayi (Consumer Staples)	1,076	3,815	0.32%	(30 June 2019: 99.51%)			
Ukraine: 0.43% (30 June 2019: 0.57%)				Cash and cash equivalents (30 June 2019: 1.64%)		34,684	2.89%
Kernel (Consumer Staples)	491	5,175	0.43%	Other assets and liabilities (30 June 2019: (1.15)%)		(27,701)	(2.31%)
United Arab Emirates: 0.14% (30 June 2019: 0.19%)				Net assets attributable to holders of redeemable participating shares		1,199,816	100.00%
Agthia Group (Consumer Staples)	2,160	1,664	0.14%				
United Kingdom: 9.48% (30 June 2019: 9.26%)				Analysis of total gross assets			
Abcam (Health Care)	1,361	22,480	1.87%	Transferable securities admitted to an official stock exchange listing			% total gross assets
Bank of Georgia (Financials)	356	4,720	0.39%	Cash and cash equivalents			96.68%
Clarkson (Industrials)	98	2,726	0.23%	Other assets			2.81%
Dechra Pharmaceuticals (Health Care)	509	17,950	1.50%				0.51%
EMIS Group (Health Care)	745	9,970	0.83%				100.00%
Rathbone Bros (Financials)	351	6,176	0.52%				
Rightmove (Communication Services)	1,824	12,340	1.03%				
Senior (Industrials)	14,183	12,276	1.02%				
Signature Aviation (Industrials)	1,105	3,175	0.27%				
Spirax-Sarco Engineering (Industrials)	69	8,529	0.71%				
YouGov (Communication Services)	1,405	13,405	1.11%				
UNITED KINGDOM TOTAL		113,747	9.48%				
United States: 30.34% (30 June 2019: 27.26%)							
ABIOMED (Health Care)	63	15,218	1.27%				
Allegion (Industrials)	64	6,542	0.54%				
Altair Engineering (Information Technology)	539	21,425	1.79%				
BorgWarner (Consumer Discretionary)	694	24,498	2.04%				
Cable One (Communication Services)	3	5,325	0.44%				
Cognex (Information Technology)	219	13,079	1.09%				
Elanco Animal Health (Health Care)	169	3,625	0.30%				
EnerSys (Industrials)	406	26,138	2.18%				
EPAM Systems (Information Technology)	30	7,560	0.63%				
Exponent (Industrials)	175	14,163	1.18%				
Guidewire Software (Information Technology)	156	17,293	1.44%				
Healthcare Services Group (Industrials)	682	16,682	1.39%				
HEICO (Industrials)	129	12,855	1.07%				
Helmerich & Payne (Energy)	227	4,429	0.37%				
IPG Photonics (Information Technology)	107	17,162	1.43%				
Kansas City Southern (Industrials)	39	5,823	0.49%				
Lazard (Financials)	211	6,041	0.50%				
LeMaitre Vascular (Health Care)	317	8,369	0.70%				
Neurocrine Biosciences (Health Care)	117	14,274	1.19%				
Penumbra (Health Care)	58	10,371	0.87%				
Planet Fitness (Consumer Discretionary)	266	16,112	1.34%				
Proto Labs (Industrials)	192	21,594	1.80%				
Reinsurance Group of America (Financials)	35	2,745	0.23%				
Repligen (Health Care)	80	9,889	0.82%				
Rollins (Industrials)	216	9,156	0.76%				
Sensata (Industrials)	122	4,542	0.38%				
Signature Bank (Financials)	198	21,170	1.77%				
SVB Financial Group (Financials)	45	9,699	0.81%				

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Global Equity Fund Significant Purchases & Sales 30 June 2020 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Tencent Holdings	389,500	20,825,746	M3	1,188,994	31,754,987
Vertex Pharmaceuticals	108,064	19,383,985	EssilorLuxottica	180,260	24,049,216
Ctrip.com ADR	434,408	15,482,252	Booking Holdings	15,131	21,974,012
Itau Unibanco (Pref) ADR	3,831,784	15,185,151	PayPal	165,854	21,933,525
Shiseido	203,600	14,691,897	Regeneron	44,345	19,354,903
Alcon	244,857	14,578,523	NVIDIA	53,324	17,538,761
Amazon.com	6,405	13,870,099	Amazon.com	9,045	16,004,873
Thermo Fisher Scientific	38,299	13,487,132	MonotaRO	563,300	15,023,419
Illumina	49,138	13,476,293	Baidu ADR	146,496	14,895,420
Deere	75,162	13,127,995	Grifols (Pref) ADR	598,933	12,803,868
salesforce.com	70,939	10,971,216	Roper	33,125	12,145,567
Workday	64,866	10,725,716	Verisk Analytics	76,213	11,552,953
Nidec	78,900	10,408,065	Samsung Electronics (Voting) GDR Reg S	9,662	11,265,462
Network International	1,550,344	10,343,578	ZOZO	445,400	10,103,079
Baidu ADR	99,767	10,316,731	Colgate-Palmolive	150,393	10,086,919
Proto Labs	99,271	10,000,950	Wuxi Biologics	1,049,000	9,921,467
Facebook	63,140	9,687,958	Check Point	84,793	9,173,726
Schneider Electric SE	87,750	9,627,758	Waters	48,349	9,021,509
Synopsys	68,475	9,494,851	IPG Photonics	62,097	8,844,133
HDFC Bank ADR	204,413	9,420,152	AAC Technologies	1,417,500	8,066,077
Align Technology	41,782	9,263,007	Cognex	158,156	7,305,872
EPAM Systems	45,676	8,803,094	Walgreens Boots Alliance	156,735	6,491,465
ExxonMobil	217,679	8,222,137	Schlumberger	371,105	6,360,530
Estee Lauder	52,379	7,947,754	Vertex Pharmaceuticals	26,666	6,126,783
Trade Desk	39,548	7,373,949	Naspers	41,954	6,034,358
Colgate-Palmolive	106,494	7,135,707	Alphabet (A) (Voting)	4,247	5,856,297
Abcam	375,827	5,411,481	First Republic Bank	46,449	5,259,995
			AIA Group	510,400	5,129,125
			Lonza Group	12,172	4,675,359

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

International Equity Fund Significant Purchases & Sales 30 June 2020 (unaudited)

Significant Purchases Security Description	Nominal	Base Cost USD	Significant Sales Security Description	Nominal	Base Proceeds USD
Schneider Electric SE	61,270	5,253,791	Nestle ADR	69,361	7,389,295
Adyen NV	4,419	3,891,179	Roche Holding	20,022	6,384,345
Roche Holding	12,675	3,640,155	M3	245,202	5,942,422
Alcon	64,411	3,568,049	Baidu ADR	56,047	5,529,497
Tencent Holdings	66,300	3,458,346	Taiwan Semiconductor ADR	90,678	4,548,469
Baidu ADR	29,385	3,353,972	Check Point	44,252	4,447,657
Standard Chartered PLC	366,471	3,343,184	SAP ADR	29,134	3,609,886
Alibaba Group Holding	16,300	3,271,302	L'Oreal	12,880	3,561,086
Unicharm	99,100	3,228,301	Atlas Copco AB	96,555	3,491,307
Shionogi	47,600	2,898,555	Infineon Technologies	165,653	3,391,194
Itau Unibanco (Pref) ADR	609,856	2,847,460	AIA Group	376,200	3,380,940
Rio Tinto	57,469	2,761,533	Chugai Pharmaceutical	30,700	3,348,720
Nitori Holdings	17,600	2,754,856	Canadian National Railway	40,303	3,283,850
AIA Group	227,600	2,455,395	Allianz	16,035	3,201,012
Taiwan Semiconductor ADR	50,163	2,439,856	Linde	16,429	3,044,684
Nestle ADR	22,900	2,433,130	Lonza Group	6,476	2,908,528
Royal Dutch Shell	122,634	2,381,855	Amadeus IT Group	55,949	2,688,387
Ambev ADR	600,890	2,256,810	HSBC	376,603	2,527,440
Allianz	8,978	2,110,671	Dentsu Group	78,600	2,470,057
SAP ADR	16,252	2,093,238	DBS Group	160,100	2,443,933
L'Oreal	7,161	2,047,735	Keyence	5,100	2,156,397
Infineon Technologies	103,289	2,019,663	Schneider Electric SE	21,329	2,038,692
Atlas Copco AB	54,516	1,844,234	Tencent Holdings	38,100	1,968,371
DBS Group	97,300	1,818,078	Diageo	53,337	1,933,908
Komatsu	89,900	1,703,483	Ping An Insurance	186,000	1,932,989
FEMSA ADR	23,844	1,692,215	ADIDAS	7,142	1,895,267
Check Point	14,213	1,637,137	Unilever	34,150	1,847,807
BBVA	256,203	1,396,601	Unicharm	50,600	1,847,661
Ping An Insurance	113,000	1,347,118	BBVA	476,088	1,826,510
Lonza Group	3,641	1,313,814	Symrise	17,808	1,825,622
Linde	6,399	1,309,589	Dassault Systemes	11,581	1,814,908
Canadian National Railway	13,107	1,203,349	Lukoil ADR	22,753	1,764,571
Keyence	2,600	1,202,200	Schlumberger	107,125	1,728,917
Chugai Pharmaceutical	14,500	1,189,057	Rio Tinto	32,429	1,696,588
Diageo	28,164	1,184,902	Kubota	119,100	1,688,840
ADIDAS	3,801	1,174,244	Samsung Electronics (Pref) GDR Reg S	1,938	1,642,729
Unilever	18,950	1,156,440	Royal Dutch Shell	86,398	1,597,464
Kubota	71,100	1,091,531	Samsung Electronics (Voting) GDR Reg S	1,556	1,564,999
Lukoil ADR	12,332	1,070,783	Adyen NV	1,301	1,564,465
			China Mobile ADR	42,282	1,563,991
			Sonova Holding	7,154	1,527,196
			Ambev ADR	521,485	1,526,873
			Naspers	10,109	1,499,591
			Itau Unibanco (Pref) ADR	286,638	1,444,811

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Harding Loevner Funds plc

Emerging Markets Equity Fund Significant Purchases & Sales 30 June 2020 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Jiangsu Yanghe Brewery	274,585	4,785,895	Taiwan Semiconductor	1,724,000	16,531,429
Coca-Cola HBC	162,510	4,427,458	Alibaba Group Holding	69,284	13,497,251
Fuyao Glass Industry Group	1,172,093	4,140,539	Tencent Holdings	265,500	13,109,358
Ambev ADR	1,106,591	3,785,857	Samsung Electronics (Voting) GDR Reg S	8,288	8,789,150
HDFC Bank ADR	93,440	3,762,142	ENN Energy	838,000	8,778,629
SF Holding Co	643,200	3,563,395	Hong Kong Exchanges	258,669	7,644,715
Yandex	98,567	3,349,731	WEG	900,900	6,816,804
Tata Consultancy Services	95,251	2,386,293	AIA Group	620,800	6,195,881
ZTO Express Cayman ADR	95,605	2,288,643	Lukoil ADR	71,451	5,605,800
Sands China	422,400	2,247,860	Sands China	1,226,800	5,479,464
LG Household & Health Care	2,468	2,226,955	DP World	334,257	5,391,617
Ping An Insurance	183,500	2,113,367	Sberbank GDR	408,324	5,350,253
FEMSA ADR	30,066	2,081,746	Housing Development Finance Co	186,478	5,197,615
Largan Precision	16,000	2,062,292	NovaTek GDR Reg S	29,123	4,821,390
Baidu ADR	20,062	2,058,462	Ping An Insurance	441,500	4,820,232
Alibaba Group Holding	11,969	2,049,676	LG Household & Health Care	4,348	4,711,529
Airtac	136,000	1,941,287	Sunny Optical	306,500	4,682,053
Itau Unibanco (Pref) ADR	415,866	1,930,777	EPAM Systems	22,218	4,672,540
Housing Development Finance Co	61,259	1,855,421	CNOOC ADR	36,465	4,579,366
Banco Bradesco ADR	339,886	1,830,483	Naspers	27,845	4,370,330
Localiza Rent a Car	253,000	1,760,185	Hankook Tire	202,930	3,976,772
Techtronic	246,500	1,757,870	Hangzhou Hikvision Digital Tec (China A)	872,000	3,939,451
Lojas Renner	246,600	1,688,228	Coca-Cola HBC	127,655	3,795,776
EPAM Systems	9,607	1,657,387	Raia Drogasil	163,300	3,572,813
Maruti Suzuki India	16,442	1,593,974	Midea Group (China A)	462,600	3,552,112
Copa Holdings	15,875	1,581,179	Jiangsu Yanghe Brewery	257,300	3,486,545
Kotak Mahindra Bank	61,369	1,367,023	JD.com ADR	84,535	3,298,372
Amorepacific	7,578	1,253,164	Autohome ADR	41,206	3,184,010
Trip.com ADR	34,901	1,171,534	Bank Rakyat	11,377,500	3,015,036
CSPC Pharmaceutical Group	436,000	1,046,470	Kotak Mahindra Bank	150,728	2,983,721
Taiwan Semiconductor	110,000	880,029	Itau Unibanco (Pref) ADR	434,673	2,856,010
			Banco Bradesco ADR	444,108	2,767,958
			51job ADR	37,369	2,747,048

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Harding Loevner Funds plc

Global Small Companies Equity Fund Significant Purchases & Sales 30 June 2020 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Proto Labs	192	19,432	Ambu	759	20,386
Altair Engineering	539	18,836	Synopsys	94	14,976
Planet Fitness	309	17,865	Copart	135	13,943
Ambu	985	16,613	Silergy	450	13,599
SimCorp	169	15,130	ZOZO	500	11,651
Trade Desk	82	13,379	Kinaxis	155	11,602
YouGov	1,405	12,941	EPAM Systems	63	11,505
JCU	500	12,024	Trade Desk	37	10,818
BorgWarner	309	10,977	Globant	87	10,599
Neurocrine Biosciences	117	10,842	Bechtel	80	9,323
Thule Group AB	535	10,744	ASM International	101	9,168
ABIOMED	63	10,171	HEICO	69	8,787
LeMaitre Vascular	317	10,043	Macromill	1,500	8,585
Penumbra	58	9,954	LEM Holding	7	8,447
Siauliu Bankas	20,515	9,290	Cognex	151	8,414
Vitasoy International	2,000	8,391	Vaisala	300	7,516
CyberArk	115	8,360	Guidewire Software	90	7,090
Repligen	107	8,184	Carl Zeiss Meditec	60	6,987
Senior	12,131	8,134	DiaSorin	58	6,727
Nemetschek	161	8,085	Intl Container Terminal Services	2,690	6,495
TIME dotCom	3,100	6,587	Gartner	63	6,245
Discovery Holdings	732	6,042	Spirax-Sarco Engineering	50	6,188
EMIS Group	369	5,664	STRATEC Biomedical	78	5,926
Nokian Renkaat	248	5,614	Yume No Machi Souzou Linka	400	5,820
Core Laboratories	120	5,397	Rational	8	5,698
HEICO	62	4,709	Intrum Justitia	409	5,488
Alten	63	4,377	Cable One	4	5,180
LISI	223	3,842	Chargeurs SA	250	5,068
EnerSys	46	3,560	Kakaku.com	200	4,927
Megacable Holdings	900	3,395	Core Laboratories	379	4,842
Macromill	400	3,316	Nihon M&A Center Inc	150	4,702
			East African Breweries	2,600	4,637
			Advantech	500	4,518
			FINDEX	500	4,419
			Haitian	2,000	3,945
			Coway	70	3,646
			Reinsurance Group of America	22	3,526

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 2020

		Harding Loevner Global Equity Fund As at 30 June 2020 USD	Harding Loevner International Equity Fund As at 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund As at 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund As at 30 June 2020 USD	Harding Loevner Funds plc Total As at 30 June 2020 USD
	Notes					
Current assets						
Financial assets at fair value through profit or loss	2,4,13	983,002,615	188,755,627	352,317,263	1,192,833	1,525,268,338
Cash and cash equivalents	2,5	18,027,090	2,903,899	13,553,803	34,684	34,519,476
Receivables	6	3,328,581	12,429,119	4,206,014	6,334	19,970,048
Total current assets		1,004,358,286	204,088,645	370,077,080	1,233,851	1,579,757,862
Financial liabilities not at fair value through profit or loss						
Creditors (amounts falling due within one year)	3,8	5,660,327	15,156,530	1,246,949	34,035	22,097,841
Total liabilities excluding net assets attributable to holders of redeemable participating shares		5,660,327	15,156,530	1,246,949	34,035	22,097,841
Net assets attributable to holders of redeemable participating shares	15	998,697,959	188,932,115	368,830,131	1,199,816	1,557,660,021

The notes on pages 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position (Continued)

As at 30 June 2020

		Harding Loevner Global Equity Fund As at 30 June 2020	Harding Loevner International Equity Fund As at 30 June 2020	Harding Loevner Emerging Markets Equity Fund As at 30 June 2020	Harding Loevner Global Small Companies Equity Fund As at 30 June 2020
Redeemable participating shares in issue at financial year end	Notes				
Euro Class A	10	58,379,745.983	—	—	—
Sterling Class A	10	21,384,373.318	1,036,062.413	—	—
Sterling Class B	10	99,000.000	—	—	—
US Dollar Class B	10	2,357,989.165	6,647,384.162	4,669,639.937	—
US Dollar Class D	10	375,318.483	—	—	—
US Dollar Class I	10	—	—	98,817,574.656	—
US Dollar Class S1	10	143,126,067.259	—	—	—
Canadian Dollar Class B	10	—	—	500,000.000	—
Canadian Dollar Class I	10	—	—	145,824,614.180	—
Euro Class M	10	37,605,562.688	—	—	—
Euro Class S	10	41,476,628.681	—	—	—
Sterling Class S	10	162,510,630.091	—	—	—
US Dollar Class A	10	35,066,441.702	44,421,112.392	10,601,892.194	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	44,034,323.011	99,094,946.145	—	—
Canadian Dollar Class S	10	35,500,000.000	—	—	—
Net Asset Value per redeemable participating share					
Euro Class A	14	EUR 2.190	—	—	—
Euro Class A USD equivalent	14	USD 2.462	—	—	—
Sterling Class A	14	GBP 1.981	GBP 1.765	—	—
Sterling Class A USD equivalent	14	USD 2.455	USD 2.188	—	—
Sterling Class B	14	GBP 1.202	—	—	—
Sterling Class B USD equivalent	14	USD 1.489	—	—	—
US Dollar Class B	14	USD 1.141	USD 1.385	USD 1.098	—
US Dollar Class D	14	USD 1.157	—	—	—
US Dollar Class I	14	—	—	USD 1.159	—
US Dollar Class S1	14	USD 1.132	—	—	—

The notes on pages 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc


Statement of Financial Position (Continued)

As at 30 June 2020

		Harding Loevner Global Equity Fund As at 30 June 2020	Harding Loevner International Equity Fund As at 30 June 2020	Harding Loevner Emerging Markets Equity Fund As at 30 June 2020	Harding Loevner Global Small Companies Equity Fund As at 30 June 2020
Net Asset Value per redeemable participating share	Notes				
Canadian Dollar Class B	14	—	—	CAD 0.946	—
Canadian Dollar Class B USD equivalent	14	—	—	USD 0.697	—
Canadian Dollar Class I	14	—	—	CAD 1.524	—
Canadian Dollar Class I USD equivalent	14	—	—	USD 1.122	—
Euro Class M	14	EUR 1.256	—	—	—
Euro Class M USD equivalent	14	USD 1.411	—	—	—
Euro Class S	14	EUR 1.219	—	—	—
Euro Class S USD equivalent	14	USD 1.369	—	—	—
Sterling Class S	14	GBP 1.324	—	—	—
Sterling Class S USD equivalent	14	USD 1.641	—	—	—
US Dollar Class A	14	USD 2.463	USD 1.392	USD 1.245	USD 1.218
Canadian Dollar Class M	14	—	—	CAD 1.353	—
Canadian Dollar Class M USD equivalent	14	—	—	USD 0.996	—
Singapore Dollar Class M	14	SGD 1.741	—	—	—
Singapore Dollar Class M USD equivalent	14	USD 1.249	—	—	—
US Dollar Class S	14	USD 1.260	USD 1.167	—	—
Canadian Dollar Class S	14	CAD 1.228	—	—	—
Canadian Dollar Class S USD equivalent	14	USD 0.904	—	—	—

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

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J. Cleary

18 September 2020

Director

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The notes on pages 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2019

		Harding Loevner Global Equity Fund As at 30 June 2019 USD	Harding Loevner International Equity Fund As at 30 June 2019 USD	Harding Loevner Emerging Markets Equity Fund As at 30 June 2019 USD	Harding Loevner Global Small Companies Equity Fund As at 30 June 2019 USD	Harding Loevner Funds plc Total As at 30 June 2019 USD
	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 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position (Continued)

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
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	—

The notes on pages 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position (Continued)

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
Net Asset Value per redeemable participating share	Notes				
Euro Class I USD equivalent	14	–	–	USD 1.319	–
US Dollar Class S1	14	USD 0.989	–	–	–
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	–	–

The notes on pages 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Comprehensive Income

For the Financial Year Ended 30 June 2020

		Harding Loevner Global Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2020 USD
	Notes					
Income						
Dividend income	2	9,043,130	5,336,310	10,683,714	14,739	25,077,893
Interest income	2	570,408	118,571	256,201	488	945,668
Other income		22,651	6,539	12,602	878	42,670
Management fee rebate		–	38,286	135,999	132,944	307,229
Net realised gain/(loss) on financial assets at fair value through profit or loss	2	71,599,416	(319,669)	15,812,548	40,906	87,133,201
Net realised loss on foreign currency	2	(403,454)	(50,344)	(401,727)	(92)	(855,617)
Net movement in unrealised gain/(loss) on financial assets at fair value through profit or loss	2	66,863,347	(3,581,698)	(62,922,096)	34,000	393,553
Net movement in unrealised (loss)/gain on foreign currency	2	(917)	750	(2,690)	(7)	(2,864)
Total investment gain/(loss)		147,694,581	1,548,745	(36,425,449)	223,856	113,041,733
Expenses						
Operating expenses	3	(4,832,818)	(852,187)	(5,678,710)	(140,472)	(11,504,187)
Total investment gain/(loss) before finance costs		142,861,763	696,558	(42,104,159)	83,384	101,537,546
Finance costs						
Distributions paid during the financial year	9	(3,065,536)	(41,723)	–	–	(3,107,259)
Bank interest expense		(13)	(8)	(159)	(1)	(181)
Withholding tax		(1,401,329)	(569,431)	(987,241)	(2,439)	(2,960,440)
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations		138,394,885	85,396	(43,091,559)	80,944	95,469,666

The notes on pages 39 to 71 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	9	(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 39 to 71 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 2020

	Harding Loevner Global Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2020 USD
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year	996,748,798	239,275,905	609,649,565	1,118,872	1,846,793,140
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	138,394,885	85,396	(43,091,559)	80,944	95,469,666
Issue of redeemable participating shares during the financial year	99,207,529	68,538,350	19,691,018	–	187,436,897
Payments for shares redeemed during the financial year	(235,653,253)	(118,967,536)	(217,418,893)	–	(572,039,682)
Net (decrease) from redeemable participating shares issued/redeemed during the financial year	(136,445,724)	(50,429,186)	(197,727,875)	–	(384,602,785)
Net assets attributable to holders of redeemable participating shares at the end of the financial year	998,697,959	188,932,115	368,830,131	1,199,816	1,557,660,021

The subscriptions and redemptions do not include share class switches.

The notes on pages 39 to 71 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		449,205,228	65,550,032	38,943,455	1,000,000	554,698,715
Payments for shares redeemed during the financial year		(155,347,437)	(36,355,727)	(63,667,323)	–	(255,370,487)
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 subscriptions and redemptions do not include share class switches.

The notes on pages 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Cash Flows

For the Financial Year Ended 30 June 2020

	Harding Loevner Global Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner International Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund Financial year ended 30 June 2020 USD	Harding Loevner Funds plc Total Financial year ended 30 June 2020 USD
Cash flows from operating activities					
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	138,394,885	85,396	(43,091,559)	80,944	95,469,666
Adjustment for:					
Net realised (gain)/loss on financial assets at fair value through profit or loss	(71,599,416)	319,669	(15,812,548)	(40,906)	(87,133,201)
Net movement in unrealised (gain)/loss on financial assets at fair value through profit or loss	(66,863,347)	3,581,698	62,922,096	(34,000)	(393,553)
Purchase of financial assets	(355,214,188)	(105,030,754)	(82,506,237)	(315,692)	(543,066,871)
Sale of financial assets	466,044,773	143,617,567	274,360,536	311,167	884,334,043
Dividends paid	3,065,536	41,723	–	–	3,107,259
Increase in receivables and other assets	(655,305)	(11,302,009)	(819,848)	(768)	(12,777,930)
Increase/(decrease) in creditors	3,397,690	(646,745)	(511,847)	15,594	2,254,692
Net cash flows provided by operating activities	116,570,628	30,666,545	194,540,593	16,339	341,794,105
Cash flows from financing activities					
Proceeds from redeemable participating shares issued during the financial year	99,118,164	68,538,350	19,691,018	–	187,347,532
Payments for redeemable participating shares redeemed during the financial year	(235,229,809)	(103,967,536)	(217,418,893)	–	(556,616,238)
Dividends paid	(3,065,536)	(41,723)	–	–	(3,107,259)
Net cash flows used in financing activities	(139,177,181)	(35,470,909)	(197,727,875)	–	(372,375,965)
Net (decrease)/increase in cash and cash equivalents	(22,606,553)	(4,804,364)	(3,187,282)	16,339	(30,581,860)
Reconciliation of cash movement during the financial year					
Net cash and cash equivalents at the beginning of the financial year	40,633,643	7,708,263	16,741,085	18,345	65,101,336
Net cash and cash equivalents at the end of the financial year	18,027,090	2,903,899	13,553,803	34,684	34,519,476
Supplementary information					
Dividends received	9,242,080	5,587,812	12,834,460	14,762	27,679,114
Interest received	612,752	133,573	278,356	519	1,025,200
Interest paid	(139)	-	(159)	-	(298)

The notes on pages 39 to 71 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	449,205,228	65,550,032	38,943,455	1,000,000	554,698,714
Payments for redeemable participating shares redeemed during the financial year	(155,347,437)	(36,306,672)	(63,667,323)	–	(255,321,431)
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 2019 has been excluded in the beginning cash balance in the Statement of Cash Flows totaling to USD 16,849.

The notes on pages 39 to 71 are an integral part of these financial statements.

Harding Loevner Funds plc

Notes to Financial Statements

For the Financial Year Ended 30 June 2020

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. In Switzerland, this document may only be provided to qualified investors within the meaning of art. 10 para. 3 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’Ile, 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. 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

Accounting standards in issue and effective for the first time in these financial statements

The accounting policies are consistent with those of the previous financial year except for the following amended standard which became effective for periods beginning on or after 1 January 2019.

IFRIC 23, ‘Uncertainty over Income Tax Treatments’

IFRIC 23 Uncertainty over Income Tax Treatments (“IFRIC 23”) relates to the possible uncertainty in the recognition and measurement of taxes. IFRIC 23 is effective for annual periods beginning on or after 1 January 2019, with early application permitted. Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. The Company applies significant judgement in identifying uncertainties over income tax treatments. The Company assessed if there was exposure to uncertain tax positions and determined the probability of tax liabilities arising as remote. The adoption of IFRIC 23 has not had an impact on the financial statements of the Company.

Accounting standards in issue that are not yet effective and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019. None of these have a material effect on the financial statements of the Company.

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”).

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

2. Significant Accounting Policies (Continued)

(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.

(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.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

2. Significant Accounting Policies (Continued)

(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.

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.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

2. Significant Accounting Policies (Continued)

Taxation (Continued)

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 2020 the Company incurred transaction costs totaling USD 1,197,657 (financial year ended 30 June 2019: USD 889,261). The transaction costs include USD 675,169 (financial year ended 30 June 2019: USD 509,598) of commissions and USD 522,488 (financial year ended 30 June 2019: USD 379,663) of brokerage charges.

3. Operating Expenses

	Harding Loevner Global Equity Fund 30 June 2020 USD	Harding Loevner International Equity Fund 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2020 USD	Harding Loevner Funds plc Total 30 June 2020 USD
Administration fee	318,165	102,558	175,143	84,003	679,869
Directors' fees	35,907	9,359	20,344	41	65,651
Audit fee	9,453	9,453	9,453	4,809	33,168
Transfer agent fee	36,805	21,341	22,065	15,213	95,424
Sub-custodian fee	90,982	41,035	162,874	4,347	299,238
Depository fee	182,905	66,773	121,700	9,002	380,380
Management fee	3,913,157	543,194	4,309,672	10,269	8,776,292
Capital gains tax provision	—	—	715,297	—	715,297
Legal fees	89,178	23,535	45,981	187	158,881
Professional fee	81,062	17,295	29,502	77	127,936
Registration and filing fee	38,660	4,861	32,014	18,505	94,040
Other fees	36,544	12,783	34,665	(5,981)	78,011
Total	4,832,818	852,187	5,678,710	140,472	11,504,187

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

3. Operating Expenses (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
Administration fee	267,121	101,720	204,270	202	573,313
Directors' fees	22,790	5,697	16,959	14	45,460
Audit fee	9,539	9,539	9,539	4,769	33,386
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
Professional fee	30,423	12,099	30,074	44	72,640
Registration and filing fee	27,172	3,414	29,027	—	59,613
Other fees	30,057	10,132	28,653	48,713	117,555
Total	4,982,139	1,076,000	6,659,271	71,724	12,789,134

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 2020 were USD 65,651 (financial year ended 30 June 2019: USD 45,460). There were no Directors fees payable as at 30 June 2020 (payable as at 30 June 2019: USD 22,779).

Auditors' Remunerations

Fees and expenses payable to the statutory auditors, Deloitte Ireland LLP, amounting to US\$33,168 (30 June 2019: US\$33,386), were earned in respect of the financial year, of which US\$33,168 (30 June 2019: US\$33,386) was payable at the financial year end, which entirely relates to the audit of the financial statements of the Company. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditors for the financial year ended 30 June 2020.

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.

The Administrator shall be entitled to receive out of the net assets of each sub-fund an annual fee, accrued and calculated at each Valuation Point and payable monthly in arrears at an annual rate which will not exceed 0.05% of the Net Asset Value of the sub-fund, plus value added tax, if any, subject to a monthly minimum fee per sub-fund of USD 7,000. For its Transfer Agency services, the Administrator shall be entitled to receive out of the net assets of each sub-fund an annual base fee of USD 15,000 per sub-fund. For the provision of services in respect of German tax filings, the Administrator shall be entitled to receive out of the net assets of each sub-fund requiring such services an annual fee of EUR 15,000. 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 Company for the financial year ended 30 June 2020 was USD 679,869 (financial year ended 30 June 2019: USD 573,313). The amount payable at 30 June 2020 was USD 104,037 (30 June 2019: USD 99,139).

The Northern Trust Company, London Branch ("TNTC") provides KIID services to the Company. Fees of USD 15,635 (30 June 2019: 16,742) were paid to TNTC during the financial year and USD 6,729 (30 June 2019: USD 6,929) was payable at 30 June 2020.

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 up to 0.027% 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.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

3. Operating Expenses (Continued)

Depository Fee (Continued)

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 financial year ended 30 June 2020 was USD 679,618 (financial year ended 30 June 2019: USD 711,889). The amount payable at 30 June 2020 was USD 106,500 (30 June 2019: USD 120,175).

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:
 - 0.65% on the first USD 50 million of assets attributable to the US Dollar Class S1 shares; plus
 - 0.55% 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 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 Class A Shares and 1.15% for the 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, International Equity Fund and the Global Small Companies Equity Fund. Fees for these share classes are charged outside of the net 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 2020 for the Company was USD 8,776,292 (financial year ended 30 June 2020: USD 10,206,065). The amount payable as at 30 June 2020 was USD 667,947 (30 June 2020: USD 731,051).

In order to limit the sub-funds' total expenses, the Investment Manager voluntarily has agreed to reimburse the sub-funds for expenses in excess of the following (as a percentage relative to the classes' respective Net Asset Values):

- 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.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

4. Financial Assets at Fair Value Through Profit or Loss

	Harding Loevner Global Equity Fund 30 June 2020 USD	Harding Loevner International Equity Fund 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2020 USD	Harding Loevner Funds plc Total 30 June 2020 USD
Equity and equity related instruments					
At cost	706,633,237	164,034,819	320,890,600	1,039,413	1,192,598,069
Unrealised gain on financial assets at fair value through profit or loss	276,369,378	24,720,808	31,426,663	153,420	332,670,269
	983,002,615	188,755,627	352,317,263	1,192,833	1,525,268,338

	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

5. Cash and Cash Equivalents

	Harding Loevner Global Equity Fund 30 June 2020 USD	Harding Loevner International Equity Fund 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2020 USD	Harding Loevner Funds plc Total 30 June 2020 USD
Cash held at custodian bank	18,027,090	2,903,899	13,553,803	34,684	34,519,476
	18,027,090	2,903,899	13,553,803	34,684	34,519,476

	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

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

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

6. Receivables

	Harding Loevner Global Equity Fund 30 June 2020 USD	Harding Loevner International Equity Fund 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2020 USD	Harding Loevner Funds plc Total 30 June 2020 USD
Dividends receivable	232,711	282,998	688,780	873	1,205,362
Interest receivable	9,424	1,002	4,733	9	15,168
Amounts receivable on securities sold	2,972,357	12,124,866	3,476,729	—	18,573,952
Amounts receivable on shares issued	89,365	—	—	—	89,365
Other assets	24,724	20,253	35,772	5,452	86,201
	<u>3,328,581</u>	<u>12,429,119</u>	<u>4,206,014</u>	<u>6,334</u>	<u>19,970,048</u>

	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
Dividends receivable	431,661	534,500	2,839,526	896	3,806,583
Interest receivable	51,768	16,003	26,888	41	94,700
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
	<u>2,583,911</u>	<u>1,127,110</u>	<u>3,386,166</u>	<u>5,566</u>	<u>7,102,753</u>

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 2020 and 30 June 2019 the Company had no open forward foreign currency exchange contracts for the purpose of trade settlement.

8. Creditors (Amounts Falling Due Within One Year)

	Harding Loevner Global Equity Fund 30 June 2020 USD	Harding Loevner International Equity Fund 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2020 USD	Harding Loevner Funds plc Total 30 June 2020 USD
Amounts payable on securities purchased	4,655,882	—	—	—	4,655,882
Amounts payable on capital shares redeemed	423,444	15,000,000	—	—	15,423,444
Management fee payable	344,289	50,198	272,502	958	667,947
Administration fee payable	51,451	17,000	21,586	14,000	104,037
Depository fee payable	44,013	16,904	42,590	2,993	106,500
Capital gains tax provision	—	—	775,234	—	775,234
Other accrued expenses	141,248	72,428	135,037	16,084	364,797
	<u>5,660,327</u>	<u>15,156,530</u>	<u>1,246,949</u>	<u>34,035</u>	<u>22,097,841</u>

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

8. Creditors (Amounts Falling Due Within One Year) (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
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

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 2020 the Directors declared dividends totaling USD 3,107,259 (30 June 2019: USD 1,768,071).

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.

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 1.000	USD 1,000,000	USD 100
Euro Class A	EUR 1.000	USD 1,000,000 or currency equivalent	EUR 100
Sterling Class A	GBP 1.000	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
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 20,000,000 or currency equivalent	USD 100
Euro Class S	EUR 1.000	USD 20,000,000 or currency equivalent	EUR 100
Sterling Class S	GBP 1.000	USD 20,000,000 or currency equivalent	GBP 100
Canadian Dollar Class S	CAD 1.000	USD 20,000,000 or currency equivalent	EUR 100
US Dollar Class S1	USD 1.000	USD 20,000,000	USD 100

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

10. Redeemable Participating Shares (Continued)

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	GBP 100
US Dollar Class B	USD 1.000	USD 100	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	USD 100
Canadian Dollar Class B	CAD 1.000	USD 100 or currency equivalent	CAD 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

The Harding Loevner Frontier Emerging Markets Equity Fund

As at 30 June 2020, there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

The Harding Loevner Global Small Companies Equity Fund

The Global Small Companies 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

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

10. Redeemable Participating Shares (Continued)

The following table details the movement in the redeemable participating shares during the financial year ended 30 June 2020 and 30 June 2019:

The Harding Loevner Global Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
30 June 2020				
US Dollar Class A	31,288,577.157	4,675,774.177	(897,909.632)	35,066,441.702
Euro Class A	47,720,263.794	16,747,644.724	(6,088,162.535)	58,379,745.983
Sterling Class A	50,439,870.474	7,703,893.592	(36,759,390.748)	21,384,373.318
Sterling Class B	99,000.000	—	—	99,000.000
US Dollar Class B	1,265,065.414	3,520,971.054	(2,428,047.303)	2,357,989.165
US Dollar Class D	470,500.513	172,937.861	(268,119.891)	375,318.483
US Dollar Class S1	156,725,341.964	—	(13,599,274.705)	143,126,067.259
Euro Class M	61,072,803.997	—	(23,467,241.309)	37,605,562.688
Euro Class S	52,523,826.776	3,846,154.000	(14,893,352.095)	41,476,628.681
Sterling Class S	202,788,813.837	1,079,702.700	(41,357,886.446)	162,510,630.091
Singapore Dollar Class M	69,491,829.620	—	—	69,491,829.620
Canadian Dollar Class S	—	35,500,000.000	—	35,500,000.000
US Dollar Class S	49,952,866.483	1,342,682.094	(7,261,225.566)	44,034,323.011
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

The Harding Loevner International Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
30 June 2020				
US Dollar Class A	51,051,340.518	8,609,723.177	(15,239,951.303)	44,421,112.392
US Dollar Class S	137,582,470.500	49,403,240.480	(87,890,764.835)	99,094,946.145
Sterling Class A	1,611,803.998	20,205.972	(595,947.557)	1,036,062.413
US Dollar Class B	8,082,301.077	863,727.109	(2,298,644.024)	6,647,384.162
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)	—

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

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 2020				
US Dollar Class A	39,271,363.180	2,761,741.432	(31,431,212.418)	10,601,892.194
US Dollar Class B	5,150,068.344	475,281.402	(955,709.809)	4,669,639.937
US Dollar Class I	98,817,574.656	—	—	98,817,574.656
Euro Class I	81,140,182.086	—	(81,140,182.086)	—
Canadian Dollar Class B	—	500,000.000	—	500,000.000
Canadian Dollar Class I	132,640,698.557	13,183,915.623	—	145,824,614.180
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 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

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 2020				
US Dollar Class A	1,000,000.000	—	—	1,000,000.000
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. During the financial year the Harding Loevner Frontier Emerging Markets Equity Fund had no shares issued or redeemed.

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.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

12. Related Party Transactions (Continued)

Entities owned by David Loevner and Ryan Bowles 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 71,241 (30 June 2019: USD 46,157) were paid to KB Associates during the financial year and USD 15,196 (30 June 2019: USD 50,501) was payable at 30 June 2020.

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 42 to 45. The amount owing to the Directors and the Investment Manager are disclosed in Note 3 on pages 42 to 45.

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. Further information on the risks arising from the Company's financial instruments are set out in the Prospectus and Supplements.

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.

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 21 of the Annual Commentary). Such analysis and review helps identify unacceptable risks and allows the Investment Manager to take corrective action where needed.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

Equity Risk

The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events, pandemics and wider market expectations. The value of equities can fall as well as rise. A Fund investing in equities could incur significant losses.

Hong Kong – Shanghai and Shenzhen Stock Connect Risk

A Fund may invest in certain eligible securities listed and traded on the Shanghai Stock Exchange through China Connect. China Connect is a securities trading and clearing programme developed by The Stock Exchange of Hong Kong Limited ("SEHK"), the Shanghai Stock Exchange ("SSE"), Hong Kong Securities Clearing Company Limited ("HKSCC"), Shenzhen Stock Exchange ("SZSE") and China Securities Depository and Clearing Corporation Limited for the establishment of mutual market access between SEHK and SSE. A Fund may trade and settle select securities listed on the SSE through the SEHK, HKSCC and SZSE trading link. Trading through China Connect is subject to a number of restrictions which may impact a Fund's investments. In particular, it should be noted that China Connect is in its initial stages. Further developments are likely and there is no assurance as to whether or how such developments may restrict or affect a Fund's investments. Further details on the risks associated with investing through China Connect are set out in the Company's Prospectus.

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 72 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 2020.

The Company's price risk is one of the three main components of market risk. If the price of equities at 30 June 2020 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 98,300,262 (30 June 2019: USD 95,537,044). 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 98,300,262 (30 June 2019: USD 95,537,044).

If the price of equities at 30 June 2020 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 redeemable participating shares by approximately USD 18,875,563 (30 June 2019: USD 23,124,381). 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 18,875,563 (30 June 2019: USD 23,124,381).

If the price of equities at 30 June 2020 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 35,231,726 (30 June 2019: USD 59,128,111). 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 35,231,726 (30 June 2019: USD 59,128,111).

The Harding Loevner Frontier Emerging Markets Equity Fund did not hold any investments in the current financial year or prior financial year and therefore has no exposure to price risk.

If the price of equities at 30 June 2020 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 119,283 (30 June 2019: USD 111,340). 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 119,283 (30 June 2019: USD 111,340).

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

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.
- 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 2020				
British Sterling Pound	29,149,340	(412,287)	28,737,053	2.88
Danish Krone	7,787,029	—	7,787,029	0.78
Euro	87,288,354	(2,652,437)	84,635,917	8.48
Hong Kong Dollar	47,679,923	—	47,679,923	4.77
Indonesian Rupiah	13,066,758	—	13,066,758	1.31
Japanese Yen	75,119,278	105,172	75,224,450	7.53
Swiss Franc	39,983,930	—	39,983,930	4.00
Foreign currency exposure	<u>300,074,612</u>	<u>(2,959,552)</u>	<u>297,115,060</u>	<u>29.75</u>
US Dollar	700,955,042	544,931	701,499,973	70.25
	<u>1,001,029,654</u>	<u>(2,414,621)</u>	<u>998,615,033</u>	<u>100.00</u>

	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	<u>343,629,274</u>	<u>111,766</u>	<u>343,741,040</u>	<u>34.49</u>
US Dollar	652,374,806	632,952	653,007,758	65.51
	<u>996,004,080</u>	<u>744,718</u>	<u>996,748,798</u>	<u>100.00</u>

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

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 2020				
British Sterling Pound	12,095,118	1,029,729	13,124,847	6.95
Canadian Dollar	1,962,937	166,190	2,129,127	1.13
Danish Krone	1,992,089	59,181	2,051,270	1.08
Euro	40,050,338	3,434,528	43,484,866	23.02
Hong Kong Dollar	14,418,692	345,708	14,764,400	7.81
Japanese Yen	29,123,554	761,813	29,885,367	15.82
Singapore Dollar	3,940,628	160,119	4,100,747	2.17
Swedish Krona	9,767,325	806,846	10,574,171	5.60
Swiss Franc	14,422,720	1,262,994	15,685,714	8.30
Foreign currency exposure	127,773,401	8,027,108	135,800,509	71.88
US Dollar	63,886,125	(10,754,519)	53,131,606	28.12
	191,659,526	(2,727,411)	188,932,115	100.00

	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
	238,952,070	323,835	239,275,905	100.00

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

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 2020				
Brazilian Real	10,731,648	16,601	10,748,249	2.91
British Sterling Pound	8,095,686	—	8,095,686	2.19
Canadian Dollar	18	—	18	—
Chinese Yuan	16,351,573	—	16,351,573	4.43
Czech Republic Koruna	2,277,794	—	2,277,794	0.62
Euro	10	—	10	—
Hong Kong Dollar	73,827,317	157,617	73,984,934	20.06
Indian Rupee	22,546,277	—	22,546,277	6.11
Indonesian Rupiah	10,248,265	54,413	10,302,678	2.79
Kenyan Shilling	4,753,562	—	4,753,562	1.29
Mexican Nuevo Peso	7,471,525	1	7,471,526	2.03
South African Rand	4,927,803	—	4,927,803	1.34
South Korean Won	15,993,989	—	15,993,989	4.34
Taiwan Dollar	34,216,310	125,810	34,342,120	9.31
Thai Baht	3,357,415	—	3,357,415	0.91
Foreign currency exposure	214,799,192	354,442	215,153,634	58.33
US Dollar	151,071,874	2,604,625	153,676,499	41.67
	<u>365,871,066</u>	<u>2,959,067</u>	<u>368,830,133</u>	<u>100.00</u>

	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>

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 2020 and 30 June 2019.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

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 2020				
Bangladesh Taka	3,145	—	3,145	0.26
British Sterling Pound	113,747	—	113,747	9.48
Canadian Dollar	24,300	—	24,300	2.03
Danish Krone	25,320	—	25,320	2.11
Euro	210,252	381	210,633	17.56
Hong Kong Dollar	22,292	—	22,292	1.86
Indonesian Rupiah	7,847	—	7,847	0.65
Japanese Yen	219,050	271	219,321	18.28
Malaysian Ringgit	7,871	—	7,871	0.66
Mexican Nuevo Peso	15,457	—	15,457	1.29
Norwegian Krone	14,967	—	14,967	1.25
Peruvian Nuevo Sol	4,340	—	4,340	0.36
Polish Zloty	5,175	—	5,175	0.43
South African Rand	14,328	—	14,328	1.19
South Korean Won	3,504	—	3,504	0.29
Swedish Krona	36,304	—	36,304	3.03
Swiss Franc	28,245	—	28,245	2.35
Taiwan Dollar	32,019	—	32,019	2.67
Turkish Lira	3,815	—	3,815	0.32
UAE Dirham	1,664	—	1,664	0.14
Vietnamese Dong	4,204	—	4,204	0.35
Foreign currency exposure	797,846	652	798,498	66.55
US Dollar	429,671	(28,353)	401,318	33.45
	1,227,517	(27,701)	1,199,816	100.00

	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	780,963	707	781,670	68.43
US Dollar	350,784	9,763	360,547	31.57
	1,131,747	10,470	1,142,217	100.00

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

Foreign Currency Risk Sensitivity Analysis

At 30 June 2020 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 29,711,506 (30 June 2019: USD 34,374,104).

At 30 June 2020 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 13,580,051 (30 June 2019: USD 15,579,284).

At 30 June 2020 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 21,515,363 (30 June 2019: USD 36,114,869).

The Harding Loevner Frontier Emerging Markets Equity Fund had no exposure to foreign currency risk as at 30 June 2020 and 30 June 2019.

At 30 June 2020 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 79,850 (30 June 2019: USD 78,167).

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

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 2020 USD +/-	Effect of increase/decrease 30 June 2019 USD +/-
British Sterling Pound	2,873,705	2,291,802
Danish Krone	778,703	811,265
Euro	8,463,592	10,281,221
Hong Kong Dollar	4,767,992	4,741,938
Indonesian Rupiah	1,306,676	1,591,327
Japanese Yen	7,522,445	9,823,469
South African Rand	—	985,264
Swedish Krona	—	408,511
Swiss Franc	3,998,393	3,439,307
	<u>29,711,506</u>	<u>34,374,104</u>

The Harding Loevner International Equity Fund

	Effect of increase/decrease 30 June 2020 USD +/-	Effect of increase/decrease 30 June 2019 USD +/-
British Sterling Pound	1,312,485	1,794,207
Canadian Dollar	212,913	279,409
Danish Krone	205,127	206,673
Euro	4,348,486	5,037,387
Hong Kong Dollar	1,476,440	1,599,031
Japanese Yen	2,988,537	2,751,220
Singapore Dollar	410,075	647,657
South African Rand	—	390,900
Swedish Krona	1,057,417	1,133,643
Swiss Franc	1,568,571	1,739,157
	<u>13,580,051</u>	<u>15,579,284</u>

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

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 2020 USD +/-	Effect of increase/decrease 30 June 2019 USD +/-
Brazilian Real	1,074,825	1,807,800
British Sterling Pound	809,569	1,133,624
Canadian Dollar	2	–
Chinese yuan	1,635,157	2,010,916
Czech Koruna	227,779	595,561
Euro	1	–
Hong Kong Dollar	7,398,493	11,696,176
Indian Rupee	2,254,628	3,505,520
Indonesian Rupiah	1,030,268	2,073,235
Kenyan Shilling	475,356	766,710
Mexican Peso	747,153	1,569,639
South African Rand	492,780	2,739,997
South Korean Won	1,599,399	2,709,547
Taiwan Dollar	3,434,212	4,358,730
Thai Baht	335,741	992,273
UAE Dirham	–	155,141
	<u>21,515,363</u>	<u>36,114,869</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 2020 or 30 June 2019.

The Harding Loevner Global Small Companies Equity Fund

	Effect of increase/decrease 30 June 2020 USD +/-	Effect of increase/decrease 30 June 2019 USD +/-
Bangladesh Taka	315	450
British Sterling Pound	11,375	10,397
Canadian Dollar	2,430	2,027
Danish Krone	2,532	–
Euro	21,063	21,084
Hong Kong Dollar	2,229	2,136
Indonesian Rupiah	785	548
Japanese Yen	21,932	20,293
Kenyan Shilling	–	506
Malaysian Ringgit	787	–
Mexican Peso	1,546	2,115
Norwegian Krone	1,497	1,121
Nigerian Naira	–	344
Peruvian Nuevo Sol	434	600
Philippine Peso	–	769
Polish Zloty	518	635
South African Rand	1,433	2,007
South Korean Won	350	1,359
Swedish Krona	3,630	3,146
Swiss Franc	2,824	3,731
Taiwan Dollar	3,202	3,751
Turkish Lira	382	569
UAE Dirham	166	212
Vietnamese Dong	420	367
	<u>79,850</u>	<u>78,167</u>

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

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 2020 USD	Harding Loevner International Equity Fund 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2020 USD	Harding Loevner Funds plc Total 30 June 2020 USD
Cash and cash equivalents	18,027,090	2,903,899	13,553,803	34,684	34,519,476
Amounts receivable on securities sold	2,972,357	12,124,866	3,476,729	—	18,573,952
Amounts receivable on shares issued	89,365	—	—	—	89,365
Dividend receivable	232,711	282,998	688,780	873	1,205,362
Interest receivable	9,424	1,002	4,733	9	15,168
Other assets	24,724	20,253	35,772	5,452	86,201
Total	21,355,671	15,333,018	17,759,817	41,018	54,489,524

	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

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 2020, NTC had a long term credit rating from Standard & Poor's of (A+) (30 June 2019: A+).

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.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

Credit Risk (Continued)

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 2020 and 30 June 2019 were as follows:

Harding Loevner Global Equity Fund

	2020	2019
Sector	% of NAV	% of NAV
Communication Services	11.81%	7.89%
Consumer Discretionary	7.31%	12.91%
Consumer Staples	5.38%	4.51%
Energy	1.57%	2.71%
Financials	13.18%	14.07%
Health Care	19.00%	16.74%
Industrials	12.93%	12.77%
Information Technology	21.49%	17.87%
Materials	5.76%	6.38%
Cash & other assets/(liabilities)	1.57%	4.15%
	<u>100.00%</u>	<u>100.00%</u>

Harding Loevner International Equity Fund

	2020	2019
Sector	% of NAV	% of NAV
Communication Services	5.51%	6.08%
Consumer Discretionary	4.20%	2.84%
Consumer Staples	14.68%	15.12%
Energy	2.59%	4.62%
Financials	15.48%	19.01%
Health Care	14.39%	11.52%
Industrials	13.79%	11.27%
Information Technology	21.46%	18.75%
Materials	7.81%	7.43%
Cash & other assets/(liabilities)	0.09%	3.36%
	<u>100.00%</u>	<u>100.00%</u>

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

Concentration Risk (Continued)

Harding Loevner Emerging Markets Equity Fund

	2020	2019
Sector	% of NAV	% of NAV
Communication Services	10.41%	7.84%
Consumer Discretionary	14.51%	15.12%
Consumer Staples	9.90%	8.91%
Energy	5.70%	8.02%
Financials	22.98%	29.66%
Health Care	1.72%	1.02%
Industrials	8.07%	7.17%
Information Technology	20.83%	16.15%
Materials	—	0.81%
Real Estate	—	0.28%
Utilities	1.40%	2.01%
Cash & other assets/(liabilities)	4.48%	3.01%
	<u>100.00%</u>	<u>100.00%</u>

The Harding Loevner Frontier Emerging Markets Equity Fund

The Harding Loevner Frontier Emerging Markets Equity Fund did not hold any investments in the current financial year or prior the prior financial year.

Harding Loevner Global Small Companies Equity Fund

	2020	2019
Sector	% of NAV	% of NAV
Communication Services	5.88%	6.16%
Consumer Discretionary	9.71%	9.13%
Consumer Staples	9.86%	9.71%
Energy	0.37%	2.24%
Financials	7.22%	8.95%
Health Care	14.60%	11.20%
Industrials	21.89%	23.60%
Information Technology	25.19%	25.02%
Materials	3.62%	2.14%
Utilities	1.08%	1.36%
Cash & other assets/(liabilities)	0.58%	0.49%
	<u>100.00%</u>	<u>100.00%</u>

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 (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

Liquidity Risk (Continued)

	Harding Loevner Global Equity Fund 30 June 2020 USD	Harding Loevner International Equity Fund 30 June 2020 USD	Harding Loevner Emerging Markets Equity Fund 30 June 2020 USD	Harding Loevner Global Small Companies Equity Fund 30 June 2020 USD	Harding Loevner Funds plc Total 30 June 2020 USD
Financial liabilities not at fair value through profit or loss					
Payable for securities purchased (due within one month)	(4,655,882)	–	–	–	(4,655,882)
Audit fee payable (due within one to three months)	(9,453)	(9,453)	(9,453)	(4,809)	(33,168)
Accrued expenses (due within one year)	(994,992)	(15,147,077)	(1,237,496)	(29,226)	(17,408,791)
Net assets attributable to holders of participating shares	(998,697,959)	(188,932,115)	(368,830,131)	(1,199,816)	(1,557,660,021)
Total	(1,004,358,286)	(204,088,645)	(370,077,080)	(1,233,851)	(1,579,757,862)

	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)	(9,539)	(9,539)	(9,539)	(4,769)	(33,386)
Accrued expenses (due within one year)	(489,690)	(173,287)	(1,749,257)	(13,672)	(2,425,906)
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)

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 (Continued)

For the Financial Year Ended 30 June 2020

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 2020 and 30 June 2019.

The Harding Loevner Global Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2020				
Equities	983,002,615	–	–	983,002,615
	983,002,615	–	–	983,002,615
30 June 2019				
Equities	955,370,437	–	–	955,370,437
	955,370,437	–	–	955,370,437

The Harding Loevner International Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2020				
Equities	188,755,627	–	–	188,755,627
	188,755,627	–	–	188,755,627
30 June 2019				
Equities	231,243,807	–	–	231,243,807
	231,243,807	–	–	231,243,807

The Harding Loevner Emerging Markets Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2020				
Equities	352,317,263	–	–	352,317,263
	352,317,263	–	–	352,317,263
30 June 2019				
Equities	591,281,110	–	–	591,281,110
	591,281,110	–	–	591,281,110

The Harding Loevner Frontier Emerging Markets Equity Fund

There were no investments held as at 30 June 2020 and 30 June 2019 for Harding Loevner Frontier Markets Equity Fund.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

13. Financial Instruments and Associated Risks (Continued)

Valuation of Financial Instruments (Continued)

The Harding Loevner Global Small Companies Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2020				
Equities	1,192,833	–	–	1,192,833
	1,192,833	–	–	1,192,833
30 June 2019				
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 2020 and 30 June 2019.

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 markets. 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 (Continued)

For the Financial Year Ended 30 June 2020

14. Net Asset Value per Redeemable Participating Share

Harding Loevner Global Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2020	30 June 2019	30 June 2018
US Dollar Class A	USD 86,381,348	USD 67,487,737	USD 63,956,300
Euro Class A	EUR 127,860,680	EUR 90,419,093	EUR 64,966,707
Euro Class A USD equivalent	USD 143,651,466	USD 102,815,554	USD 75,868,121
Sterling Class A	GBP 42,353,650	GBP 85,617,562	GBP 78,191,660
Sterling Class A USD equivalent	USD 52,480,331	USD 108,730,033	USD 103,192,133
Sterling Class B	GBP 118,963	GBP 102,025	–
Sterling Class B USD equivalent	USD 147,408	USD 129,567	–
US Dollar Class B	USD 2,690,156	USD 1,266,879	USD 247,743
US Dollar Class D	USD 434,121	USD 480,325	USD 521,538
Sterling Class I	–	–	GBP 116,455,605
Sterling Class I USD equivalent	–	–	USD 153,692,298
US Dollar Class S1	USD 161,988,461	USD 155,005,715	–
Euro Class M	EUR 47,232,360	EUR 66,321,832	EUR 51,630,557
Euro Class M USD equivalent	USD 53,065,560	USD 75,414,557	USD 60,294,165
Euro Class S	EUR 50,552,783	EUR 54,964,458	–
Euro Class S USD equivalent	USD 56,796,055	USD 62,500,087	–
Sterling Class S	GBP 215,232,747	GBP 230,142,137	–
Sterling Class S USD equivalent	USD 266,694,918	USD 292,269,036	–
Sterling Class M	–	–	GBP 107,626,787
Sterling Class M USD equivalent	–	–	USD 142,040,464
Singapore Dollar Class M	SGD 120,965,939	SGD 102,782,293	SGD 101,033,079
Singapore Dollar Class M USD equivalent	USD 86,801,047	USD 75,966,218	USD 74,152,719
Canadian Dollar Class S	CAD 43,579,382	–	–
Canadian Dollar Class S USD equivalent	USD 32,100,311	–	–
US Dollar Class S	USD 55,466,777	USD 54,683,090	–
Net Asset Value per redeemable participating share	30 June 2020	30 June 2019	30 June 2018
US Dollar Class A	USD 2.463	USD 2.157	USD 2.106
Euro Class A	EUR 2.190	EUR 1.895	EUR 1.802
Euro Class A USD equivalent	USD 2.462	USD 2.155	USD 2.104
Sterling Class A	GBP 1.981	GBP 1.697	GBP 1.600
Sterling Class A USD equivalent	USD 2.455	USD 2.156	USD 2.112
Sterling Class B	GBP 1.202	GBP 1.031	–
Sterling Class B USD equivalent	USD 1.489	USD 1.309	–
US Dollar Class B	USD 1.141	USD 1.001	USD 0.980
US Dollar Class D	USD 1.157	USD 1.021	USD 1.004
Sterling Class I	–	–	GBP 1.646
Sterling Class I USD equivalent	–	–	USD 2.172
US Dollar Class S1	USD 1.132	USD 0.989	–
Euro Class M	EUR 1.256	EUR 1.086	EUR 1.032
Euro Class M USD equivalent	USD 1.411	USD 1.235	USD 1.205
Euro Class S	EUR 1.219	EUR 1.046	–
Euro Class S USD equivalent	USD 1.369	USD 1.190	–

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

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

Harding Loevner Global Equity Fund (Continued)

Net Asset Value per redeemable participating share	30 June 2020	30 June 2019	30 June 2018
Sterling Class S	GBP 1.324	GBP 1.135	–
Sterling Class S USD equivalent	USD 1.641	USD 1.441	–
Sterling Class M	–	–	GBP 1.595
Sterling Class M USD equivalent	–	–	USD 2.106
Singapore Dollar Class M	SGD 1.741	SGD 1.479	SGD 1.454
Singapore Dollar Class M USD equivalent	USD 1.249	USD 1.093	USD 1.067
Canadian Dollar Class S	CAD 1.228	–	–
Canadian Dollar Class S USD equivalent	USD 0.904	–	–
US Dollar Class S	USD 1.260	USD 1.095	–

Harding Loevner International Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2020	30 June 2019	30 June 2018
US Dollar Class A	USD 61,853,345	USD 69,385,905	USD 26,790,227
US Dollar Class S	USD 115,604,585	USD 155,424,540	–
Sterling Class A	GBP 1,829,019	GBP 2,763,763	GBP 4,839,263
Sterling Class A USD equivalent	USD 2,266,337	USD 3,509,842	USD 6,386,619
US Dollar Class B	USD 9,207,847	USD 10,955,618	USD 13,460,344
US Dollar Class I	–	–	USD 153,794,542

Net Asset Value per redeemable participating share	30 June 2020	30 June 2019	30 June 2018
US Dollar Class A	USD 1.392	USD 1.359	USD 1.352
US Dollar Class S	USD 1.167	USD 1.130	–
Sterling Class A	GBP 1.765	GBP 1.715	GBP 1.665
Sterling Class A USD equivalent	USD 2.188	USD 2.178	USD 2.198
US Dollar Class B	USD 1.385	USD 1.356	USD 1.352
US Dollar Class I	–	–	USD 1.087

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

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 2020	30 June 2019	30 June 2018
US Dollar Class A	USD 13,198,733	USD 11,724,616	USD 24,193,426
US Dollar Class B	USD 5,125,672	USD 6,195,701	USD 7,427,071
US Dollar Class I	USD 114,545,557	USD 124,804,012	USD 126,310,637
Euro Class I	–	EUR 94,112,972	EUR 118,506,304
Euro Class I USD equivalent	–	USD 107,015,864	USD 138,391,663
Canadian Dollar Class B	CAD 472,891	–	–
Canadian Dollar Class B USD equivalent	USD 348,328	–	–
Canadian Dollar Class I	CAD 222,193,885	CAD 212,406,426	CAD 188,633,456
Canadian Dollar Class I USD equivalent	USD 163,666,680	USD 162,198,027	USD 143,485,685
US Dollar Class M	–	–	USD 42,289,614
Sterling Class M	–	GBP 61,011,719	GBP 59,485,752
Sterling Class M USD equivalent	–	USD 77,481,840	USD 78,534,609
Canadian Dollar Class M	CAD 97,672,750	CAD 102,808,567	CAD 104,611,284
Canadian Dollar Class M USD equivalent	USD 71,945,161	USD 78,506,790	USD 79,573,486
Net Asset Value per redeemable participating share	30 June 2020	30 June 2019	30 June 2018
US Dollar Class A	USD 1.245	USD 1.361	USD 1.381
US Dollar Class B	USD 1.098	USD 1.203	USD 1.224
US Dollar Class I	USD 1.159	USD 1.263	USD 1.278
Euro Class I	–	EUR 1.160	EUR 1.143
Euro Class I USD equivalent	–	USD 1.319	USD 1.335
Canadian Dollar Class B	CAD 0.946	–	–
Canadian Dollar Class B USD equivalent	USD 0.697	–	–
Canadian Dollar Class I	CAD 1.524	CAD 1.601	CAD 1.627
Canadian Dollar Class I USD equivalent	USD 1.122	USD 1.223	USD 1.238
US Dollar Class M	–	–	USD 1.458
Sterling Class M	–	GBP 1.162	GBP 1.134
Sterling Class M USD equivalent	–	USD 1.476	USD 1.496
Canadian Dollar Class M	CAD 1.353	CAD 1.424	CAD 1.449
Canadian Dollar Class M USD equivalent	USD 0.996	USD 1.087	USD 1.102

No shares were held in the Harding Loevner Frontier Emerging Markets Equity Fund as at 30 June 2020, 30 June 2019 and 30 June 2018.

Harding Loevner Global Small Companies Equity Fund		
Net assets attributable to holders of redeemable participating shares	30 June 2020	30 June 2019
US Dollar Class A	USD 1,199,816	USD 1,118,872
Net Asset Value per redeemable participating share	30 June 2020	30 June 2019
US Dollar Class A	USD 1.218	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 and subscriptions and redemptions posted after the year end. 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.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

15. Reconciliation of Net Asset Value (Continued)

The Harding Loevner Global Equity Fund

	30 June 2020 USD	30 June 2019 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	998,697,959	996,748,798
Reconciling Net Subscriptions/Redemptions received on 30 June	(82,926)	-
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>998,615,033</u>	<u>996,748,798</u>
Net Asset Value per redeemable participating share at dealing prices		
Euro Class A	USD 2.462	USD 2.155
Sterling Class A	USD 2.455	USD 2.156

The Harding Loevner International Equity Fund

	30 June 2020 USD	30 June 2019 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	188,932,115	239,275,905
Reconciling Redemption Payable received on 30 June	10,000,000	-
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>198,932,115</u>	<u>239,275,905</u>
Net Asset Value per redeemable participating share at dealing prices		
US Dollar Class S	USD 1.167	USD 1.130

At 30 June 2020, an adjustment was required with respect to the Financial Statements of Harding Loevner Global Equity Fund and Harding Loevner International Equity Fund to reconcile to transfer agency records. This adjustment was made for the purposes of the Financial Statements only.

The Harding Loevner Global Small Companies Equity Fund

	30 June 2020 USD	30 June 2019 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	1,199,816	1,118,872
Preliminary expenses	18,012	23,345
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>1,217,828</u>	<u>1,142,217</u>
Net Asset Value per redeemable participating share at dealing prices		
US Dollar Class A	USD 1.218	USD 1.119

At 30 June 2020 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 (Continued)

For the Financial Year Ended 30 June 2020

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 2020 and 30 June 2019:

		30 June 2020	30 June 2019
AED	UAE Dirham	3.6732	3.6732
AUD	Australian Dollar	1.4524	1.4250
BDT	Bangladesh Taka	84.8500	84.6000
BRL	Brazilian Real	5.4908	3.8327
CAD	Canadian Dollar	1.3620	1.3068
CHF	Swiss Franc	0.9476	0.9750
CLP	Chilean Peso	820.6000	678.9500
CNH	Chinese Renminbi	7.0678	6.8730
CNY	Chinese Yuan	7.0741	6.8683
COP	Colombian Peso	3,739.2800	3,207.0000
CZK	Czech Republic Koruna	23.7213	22.3429
DKK	Danish Krone	6.6360	6.5540
EEK	Estonian Kroon	13.9310	13.7396
EGP	Egyptian Pound	16.1400	16.6950
EUR	Euro	0.8904	0.8781
GBP	British Sterling Pound	0.8093	0.7857
GHS	Ghanian Cedi	5.7850	5.4500
HKD	Hong Kong Dollar	7.7505	7.8125
HRK	Croatian Kuna	6.7404	6.4966
HUF	Hungarian Forint	315.5768	283.4344
IDR	Indonesian Rupiah	14,285.0000	14,127.5000
INR	Indian Rupee	75.5038	69.0275
JOD	Jordanian Dinar	0.7090	0.7090
JPY	Japanese Yen	107.8850	107.7400
KES	Kenyan Shilling	106.5500	102.2000
KRW	South Korean won	1,202.8500	1,154.6500
KZT	Kazakhstan Tenge	405.7300	380.6250
LKR	Sri Lankan Rupee	186.2250	176.4950
MAD	Moroccan Dirham	9.7095	9.5688
MUR	Mauritian Rupee	40.2750	35.5000
MXN	Mexican Nuevo Peso	23.1070	19.2117
MYR	Malaysian Ringgit	4.2850	4.1325
NGN	Nigerian Naira	386.5800	360.0000
PEN	Peruvian Nuevo Sol	3.5355	3.2880
PHP	Philippine Peso	49.8250	51.2350
PKR	Pakistani Rupee	167.9000	159.7500
PLN	Polish Zloty	3.9557	3.7292
QAR	Qatari Rial	3.6410	3.6413
RON	Romanian Leu	4.3091	4.1538
RUB	Russian Rouble	71.2544	63.0750
SAR	Saudi Arabia Riyal	3.7510	3.7503
SEK	Swedish Krona	9.3167	9.2782
SGD	Singapore Dollar	1.3951	1.3530
THB	Thai Baht	30.9075	30.6675
TRY	Turkish Lira	6.8548	5.7840
TTD	Trinidad & Tobago Dollar	6.7413	6.7525
TWD	Taiwan Dollar	29.5045	31.0595
TZS	Tanzanian Shilling	2,318.0000	2,300.0000
VND	Vietnamese Dong	23,206.0000	23,305.0000
XOF	West African CFA Franc	584.0333	576.0072
ZAR	South African Rand	17.3750	14.1013

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. There were no soft commissions as at 30 June 2020 or 30 June 2019.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

18. Contingent Liabilities

There were no contingent liabilities as at 30 June 2020 or 30 June 2019.

19. Events During the Year

During the financial year ended 30 June 2020, the Global Equity Fund distributed the following net income:

A distribution of 0.004635976 per share on the Sterling Class A shares, with a total value of GBP 234,661, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.001324085 per share on the Sterling Class B shares, with a total value of GBP 131, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.006940208 per share on the Sterling Class S shares, with a total value of GBP 1,407,020, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.004621146 per share on the Sterling Class S shares, with a total value of GBP 772,272, for the financial year ended 30 June 2020. This distribution was declared on 15 April 2020 with a record date of 14 April 2020, an ex-date of 15 April 2020 and a pay date of 20 April 2020.

During the financial year ended 30 June 2020, the International Equity Fund distributed the following net income:

A distribution of 0.025452857 per share on the Sterling Class A shares, with a total value of GBP 25,856, for the financial year ended 30 June 2020. This distribution was declared on 15 October 2019 with a record date of 11 October 2019, an ex-date of 15 October 2019 and a pay date of 17 October 2019.

A distribution of 0.006717078 per share on the Sterling Class A shares, with a total value of GBP 6,929, for the financial year ended 30 June 2020. This distribution was declared on 15 April 2020 with a record date of 14 April 2020, an ex-date of 15 April 2020 and a pay date of 20 April 2020.

During the financial year ended 30 June 2020, the Global Equity Fund distributed the following net income:

On 26 July 2019, Sterling Class M shares for Emerging Markets Equity Fund were fully redeemed.

On 23 August 2019, the Canadian Dollar Class S shares for the Global Equity Fund were first issued.

Effective from 4 December 2019 the registered office changed to 2nd Floor, 5 Earlsfort Terrace, Dublin 2.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (Covid-19). The worldwide outbreak of Covid-19 has resulted in widespread restrictions on the ability of people to travel, socialise and leave their homes. Global financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The eventual impact on the global economy and the operations and financial performance of certain Fund's investments will largely depend upon future developments, including (i) the duration and spread of the outbreak, (ii) the effects on the financial markets, and (iii) the effects on the economy overall, all of which are highly uncertain and cannot be predicted. If the financial performance of a Fund is impacted because of these factors for an extended period, the relevant Fund's investment results may be adversely affected. The Board has considered the general impact resulting from the spread of Covid-19 on the Company and has ongoing engagement with its delegates. The delegates have invoked their Business Continuity Plans (BCPs) which are operating effectively allowing the Company to continue to service its client base. The Board continues to closely monitor market conditions taking into account any changes in liquidity or other market volatility and/or restrictions.

On 28 February 2020, the Canadian Dollar Class B shares for Emerging Market Equity Fund were first issued

On 20 March 2020, the Prospectus and Supplements in respect of the Fund of the Company were updated. Within the Prospectus, minor updates included, among others, a change in the registered address of the Company; revised disclosure regarding the use of comparator indices and benchmarks, as well as the active management of the Fund; changes to the semi-annual distribution dates; revised disclosure regarding how investors can subscribe for shares; a new risk factor regarding Brexit; and other minor changes. Within the Supplements, minor updates included, among others: revised disclosure regarding the active management of the Fund; disclosure that settlement dates for subscriptions will be T+3; and other minor changes. Within the Emerging Markets Equity Fund Supplement, the minimum initial investment amount, and minimum shareholding, for Class B shares were lowered. The documents were approved by the Central Bank.

On 19 May 2020, the Euro Class I shares for Emerging Markets Equity Fund were fully redeemed.

Harding Loevner Funds plc

Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2020

20. Events After the Reporting Date

Effective 1 July 2020 on the Global Equity Fund the expense caps reduced, 0.70% for Class I shares, 0.75% for the Class M shares, 0.80% for the Class A shares, 1.10% 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.

The Global Equity Fund distributed net income of 0.005009537 per share on the Sterling Class S shares, with a total value of GBP 814,103. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

The International Equity Fund distributed net income of 0.012711116 per share on the Sterling Class A shares, with a total value of GBP 13,170. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

The Covid-19 outbreak has caused extensive disruption to businesses and economic activities globally. The uncertainty and instability described in the Significant Events During the Financial Year continues post financial period-end.

There have been no other material events to report subsequent to the financial year ended 30 June 2020.

21. Approval of the Financial Statements

The financial statements were approved and authorised for issue on 18 September 2020.

Harding Loevner Funds plc

Appendix 1 - Remuneration Disclosure (Unaudited)

For the Financial Year Ended 30 June 2020

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 42. 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 2020 was 10.

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 2020 was US \$67.06bn of which the Company represents US \$1.56bn, or 2.33% of total assets.

Harding Loevner Funds plc

Appendix 2 - Financial Information (Unaudited)

For the Financial Year Ended 30 June 2020

The Harding Loevner Global Equity Fund

For the Financial Year Ended 30 June 2020

Total Expenses Ratio	US Dollar Class A 30 June 2020 USD	US Dollar Class B 30 June 2020 USD	US Dollar Class D 30 June 2020 USD	Euro Class A 30 June 2020 USD	Euro Class M 30 June 2020 USD	Sterling Class A 30 June 2020 USD	Euro Class S 30 June 2020 USD
Expenses	631,781	27,766	6,914	979,859	527,645	650,137	54,685
Average net assets	74,582,894	2,524,668	432,054	115,621,952	66,445,413	77,049,369	59,781,282
Total Expense Ratio (*,**)	0.84%	1.09%	1.59%	0.84%	0.79%	0.84%	0.09%

	Canadian Dollar Class S 30 June 2020 USD	Singapore Dollar Class M 30 June 2020 USD	US Dollar Class S 30 June 2020 USD	Sterling Class S 30 June 2020 USD	US Dollar Class S1 30 June 2020 USD	Sterling Class B 30 June 2020 USD
Expenses	23,049	620,114	47,376	248,242	142,208	1,455
Average net assets	28,878,769	77,855,946	51,247,448	270,095,565	154,293,566	132,465
Total Expense Ratio (*,**)	0.09%	0.79%	0.09%	0.09%	0.09%	1.09%

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

821,258,961

334,860,782

978,941,392

50%

* The Total Expense Ratios for Global Equity Fund include Investment Management fee rebates of USD Nil (30 June 2019: USD 2,192).

** 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) (Continued)

For the Financial Year Ended 30 June 2020

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	491,901	8,029	7,184	723,147	463,244	856,143	374,479
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%	1.09%	1.59%	0.84%	0.79%	0.84%	0.74%

	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	608,065	566,493	131,400	699,973	1,254	16,544	13,529
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 (*)	0.79%	0.79%	0.08%	0.09%	1.08%	0.08%	0.08%

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
606,277,706
604,552,664
1,102,937,536
0.16%

* 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) (Continued)

For the Financial Year Ended 30 June 2020

The Harding Loevner International Equity Fund For the Financial Year Ended 30 June 2020

Total Expenses Ratio	US Dollar Class A 30 June 2020 USD	US Dollar Class B 30 June 2020 USD	Sterling Class A 30 June 2020 USD	US Dollar Class S 30 June 2020 USD
Expenses	501,448	107,052	20,802	178,060
Average net assets	57,022,784	9,479,114	2,370,644	177,092,632
Total Expense Ratio (*,**)	0.87%	1.12%	0.87%	0.10%

Portfolio Turnover Ratio

Purchases and sales of securities (i)	Total
Subscription and redemption of shares (ii) ***	248,648,321
Monthly average of total assets (iii)	187,505,886
Portfolio Turnover Ratio	245,965,174
	25%

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	364,986	139,769	40,578	375,923	106,738
Average net assets	41,829,050	12,455,667	4,644,948	153,738,973	161,107,725
Total Expense Ratio (*,**)	0.87%	1.13%	0.88%	0.75%	0.10%

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)	101,905,759
Portfolio Turnover Ratio	373,776,363
	26%

* The Total Expense Ratios for International Equity Fund include Investment Management fee rebates of USD 38,286 (30 June 2019: USD 43,322).

** 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) (Continued)

For the Financial Year Ended 30 June 2020

The Harding Loevner Emerging Markets Equity Fund

For the Financial Year Ended 30 June 2020

Total Expenses Ratio	US Dollar Class A 30 June 2020 USD	US Dollar Class B 30 June 2020 USD	US Dollar Class I 30 June 2020 USD	Canadian Dollar Class B 30 June 2020 USD	Canadian Dollar Class I 30 June 2020 USD	Canadian Dollar Class M 30 June 2020 USD	US Dollar Class M 30 June 2020 USD
Expenses	518,489	82,544	1,088,767	1,634	1,531,930	798,443	51,702
Average net assets	42,972,586	5,547,658	120,316,628	325,367	169,289,344	75,628,950	64,363,757
Total Expense Ratio (*,**)	1.20%	1.48%	0.90%	1.49%	0.90%	1.05%	1.05%
Total Expenses Ratio							Euro Class I 30 June 2020 USD
Expenses							741,303
Average net assets							92,473,339
Total Expense Ratio (*,**)							0.90%
Portfolio Turnover Ratio							Total
Purchases and sales of securities (i)							356,866,773
Subscription and redemption of shares (ii) ***							237,109,911
Monthly average of total assets (iii)							570,917,628
Portfolio Turnover Ratio							21%

* The Total Expense Ratios for Emerging Markets Equity Fund include Investment Management fee rebates of USD 135,999 (30 June 2019: USD 106,241).

** 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) (Continued)

For the Financial Year Ended 30 June 2020

The Harding Loevner Emerging Markets 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 I 30 June 2019 USD	US Dollar Class M 30 June 2019 USD	Canadian Dollar Class I 30 June 2019 USD	Canadian Dollar Class M 30 June 2019 USD	Sterling Class M 30 June 2019 USD
Expenses	158,697	97,843	1,063,471	415,090	1,341,908	781,046	770,849
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%	1.47%	0.90%	1.05%	0.90%	1.05%	1.05%
Total Expenses Ratio							EUR Class I 30 June 2019 USD
Expenses							1,109,793
Average net assets							123,649,083
Total Expense Ratio (*)							0.90%
Portfolio Turnover Ratio							Total
Purchases and sales of securities (i)							282,435,004
Subscription and redemption of shares (ii) ***							102,610,778
Monthly average of total assets (iii)							599,437,281
Portfolio Turnover Ratio							30%

* 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) (Continued)

For the Financial Year Ended 30 June 2020

The Harding Loevner Global Small Companies Equity Fund For the Financial Year Ended 30 June 2020

Total Expenses Ratio	US Dollar Class A 30 June 2020 USD
Expenses	11,981
Average net assets	1,134,819
Total Expense Ratio (*, **, ***)	1.05%
Portfolio Turnover Ratio	Total
Purchases and sales of securities (i)	626,859
Subscription and redemption of shares (ii) ****	-
Monthly average of total assets (iii)	1,134,819
Portfolio Turnover Ratio	55%

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 (*, **, ***)	1.05%
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 Investment Management fee rebates of USD 132,944 (30 June 2019: USD 42,255).

** The Total Expense Ratios for Global Small Companies Equity Fund include preliminary expenses of USD 5,332 (30 June 2019: USD 2,889). 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.



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