



**HARDING  
LOEVNER**

Fundamental. Thinking. Worldwide.

# Annual Commentary

**Harding  
Loevner  
Funds plc**

30 June 2022

Global Equity Fund

International Equity Fund

Emerging Markets Equity Fund

Global Small Companies Equity Fund

Global Paris-Aligned Equity Fund

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## Portfolio Management Team



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## Performance Summary

The Global Equity Fund USD Class A shares declined 28.79% (at dealing prices) for the twelve months ended 30 June 2022, net of fees, in US dollar terms, underperforming its benchmark, the MSCI All Country World Index, which declined 15.75%. Please refer to the chart immediately following this commentary for returns related to the Fund's other share classes.

## Market Review

Stock markets fell sharply during the period as the confluence of several macroeconomic events battered share prices.

In November, consumer price inflation in the US reached its highest rate since 1982, leading the US Federal Reserve to signal several interest rate hikes and an imminent end to its bond buying program. Other central banks moved even more quickly: the Bank of England raised its main interest rate and the European Central Bank announced it would end its bond buying program. At the same time, just as supply chain bottlenecks showed signs of easing, the emergence of Omicron threatened to upend the progress and reintroduce global lockdowns. Chinese officials, aiming for zero transmission, pursued the most stringent lockdown policies—further hampering economic growth that had already been stalled amid a slowdown in construction spending after several heavily indebted property developers, including the gargantuan Evergrande, defaulted on bond payments.

Investors barely had time to digest these events when, in February, Russia commenced its invasion of Ukraine. The reaction by Western governments was swift and emphatic as they sought to tread a delicate balance between punishing Russian aggression and avoiding an escalating military conflict. The US and its allies enacted crippling economic sanctions against Russia, including freezing a significant share of the Russian central bank reserve assets, cutting off many of the country's banks from the SWIFT global financial messaging system, and outlawing the export of a variety of industrial and luxury goods. The sanctions initially led to a collapse in the ruble, while the Moscow stock exchange closed for almost a month before re-opening for domestic investors only. With foreign investors effectively unable to trade, major market index providers expunged all Russian securities from their indexes.

Prices for a wide range of commodities for which Russia is a major producer—including oil, gas, grains, and metals—surged on fears of disruption, prompting billions of US dollars in margin calls to cover futures positions. Headline inflation, which had already been rising rapidly around the world prior to the invasion, received a fillip from the shock to energy and food supplies stemming from the war, increasing the pressure on central banks to tighten monetary policy. In March, the US Fed did just that, raising interest rates for the first time in three years, causing stocks to retreat further as investors feared that efforts to tame inflation may cause a recession.

This tightening continued into May as the Fed further boosted rates by 0.75% after a worse-than-expected 8.6% rise in consumer prices. Central bankers in the UK, Canada, Australia, and Switzerland continued to raise borrowing rates as well, along with numerous emerging markets (EMs) central banks. The European Central Bank, despite faltering economic growth, previewed a July rate increase that will be its first in 11 years and hinted at additional hikes in the months ahead. An exception was the Bank of Japan, which remains committed to its ultra-accommodative monetary policy. The closing days of the period did bring some respite, however; commodities prices fell (albeit largely because fears of recession overshadowed inflation) and the Chinese government eased their weeks-long COVID-19 lockdowns in Beijing and Shanghai. Further, China also announced new stimulus measures, including tax relief and infrastructure spending, to boost economic activity in the wake of the shutdowns.

Geographically, all major regions declined. Emerging Markets performed the worst, largely due to Russia and China—the latter of which faced an economic slowdown aggravated by difficulties in maintaining its zero-COVID policy, sweeping regulatory actions, and the government's attempts to slowly deflate its colossal real estate bubble. The eurozone was severely impacted as sanctions

against Russia served to compound the difficulties of countries already grappling with mounting inflation. Japanese stocks also lagged, with supply chain issues emanating out of China and other economic concerns weighing on the market. US stocks, while outperforming the index as a whole, fell over 10%.

On a sector basis, Energy performed strongly, reflecting the meteoric rise in commodity prices caused by supply shocks from war and sanctions. Utilities was the only other sector to eke out gains. Consumer Discretionary and Communication Services performed the worst; the former was impacted by slumping consumer confidence in the wake of the rapid rise in inflation, while the latter—largely comprised of highly priced growth stocks—was impacted by central bank efforts to tame inflation.

Style factors played a significant role: the most highly priced shares suffered throughout, first from the regulatory mauling of many Chinese growth leaders, and then from a reassessment of discount rates in the face of rising inflation. Similarly, the fastest growing stocks significantly underperformed their slowest growing peers. Quality offered little protection; while shares of the highest quality companies outperformed their lowest quality peers, they still fell over 20% for the period.

#### Portfolio Positioning (% Weight) at 30 June 2022

Sector	Fund	Benchmark <sup>1</sup>
Comm Services	8.8	7.9
Cons Discretionary	7.4	11.1
Cons Staples	2.7	7.6
Energy	1.5	5.0
Financials	14.1	14.5
Health Care	24.0	12.9
Industrials	14.1	9.4
Info Technology	21.8	20.8
Materials	0.0	4.8
Real Estate	1.5	2.8
Utilities	0.0	3.2
Cash	4.1	–
Geography	Fund	Benchmark <sup>1</sup>
Canada	0.0	3.2
Emerging Markets	12.0	11.7
Europe EMU	9.1	7.6
Europe ex-EMU	9.9	8.2
Frontier Markets <sup>2</sup>	0.0	–
Japan	2.1	5.4
Middle East	0.0	0.2
Pacific ex-Japan	1.8	3.1
United States	61.0	60.6
Cash	4.1	–

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

## Performance Attribution

The Fund's concentration in expensive stocks, a hazard of our commitment to investing in the stocks of high-quality rapidly growing businesses, hurt relative performance in the period during which investors fled from richly priced companies. So stiff was this style headwind that, when viewed through the standard lenses of sector and geographic attribution, our Fund underperformed within each sector and each region.

According to our growth and valuation rankings, the Fund's emphasis on companies in the fastest-growing cohorts—or, inseparably, its tolerance of their rankings among the most richly priced cohorts—accounted for about 30% of our underperformance in the period. Our parallel emphasis on quality provided little defense in the period. However much we've steadily reduced holdings of highly priced stocks, the Fund remains skewed toward the expensive end of the market, and that skew has cost over 350 basis points of relative performance in the year. The remaining underperformance is due to stock selection across sectors and regions.

By sector, poor stocks in Health Care and Information Technology (IT) detracted the most from relative performance. In Health Care, shares of US biotechnology company **Illumina** declined sharply. The company is suffering from fallout from its controversial decision to acquire GRAIL, a ground-breaking Illumina-incubated startup, over antitrust objections from US and European regulators. Additionally, a Delaware jury ordered the company to pay more than \$333 million in damages after ruling that the company's DNA-sequencing systems infringed upon two patents of Chinese genomics rival BGI. In IT, US financial technology company **PayPal** reported slower growth outside its core US market and lowered its earnings guidance for 2022. The Fund's overweight in Health Care contributed.

By geography, weak US and Emerging Markets stocks detracted the most. In the former, in addition to Illumina and PayPal, social media service **Pinterest** fell as the company faced difficulties in sustaining the extremely rapid growth it enjoyed over the past two years of pandemic lockdown and social distancing. Chinese holdings were the main laggard in EMs, hampered by property manager **Country Garden Services** and **WuXi Biologics**, a China-based provider of outsourced research and manufacturing services for biotech firms. The former suffered amid the general slowdown of the Chinese real estate sector while the latter suffered from regulatory headwinds. In February, WuXi was placed on a US “unverified list” of foreign importers due to COVID-19 restrictions preventing US Commerce Department inspectors from undertaking routine examinations of the country's manufacturing facilities to confirm civilian use of US-made equipment. The share price fell sharply in response, despite the positive surprise of an 83% year-over-year increase in revenue growth and a doubling of the company's adjusted net profits. In second quarter 2022, US inspectors were allowed to survey one of WuXi Biologics' Chinese facilities, and shares rose on hopes the company may soon be removed from the blacklist.

## Perspective and Outlook

Since our founding 33 years ago, we have stuck to the same approach: investing in reasonably priced shares of high-quality growing businesses. We want to own growing companies because the compounding of economic value creation is the foundation for long-term investor returns. We prefer high-quality businesses because they typically create more economic value and are more resilient in the face of adversity than lesser businesses. Moreover, because quality and growth are synergistic, the benefit of insisting on both factors can be greater than the sum of the factor parts. High-quality businesses can sustain their profitable growth over multiple businesses cycles, and there is greater visibility into their long-term cash flows than for companies whose businesses are more exposed to economic vagaries. Much of our focus is aimed at projecting uncertain future cash flows, handicapping them to account for risk, and continually monitoring fluctuations in the attendant valuations, which allows us to judge when to pounce on price declines in the shares of fundamentally strong businesses or—conversely—to take some of our exposure to strong and expensive businesses off the table. After all, returns are inextricably linked to what you paid (or could have received).

We have worried—and written—a good deal about the nosebleed valuations for the fastest-growing cohort of companies, and we trimmed our holdings at the margin when valuations reached extremes. But on balance we have been unwilling to compromise on growth, judging it unwise to forsake fundamentally robust businesses in the hopes of timing valuation cycles successfully. Our insistence that growing revenues be matched by strong balance sheets and solid profitability is aimed at moderating valuation extremes by steering clear of the more speculative growth companies.

Recent market behavior shows that, in the absence of more aggressive actions to address our concerns about valuation, our reliance on quality to temper the price risks of the Fund was wishful thinking. Contrary to historical form, the shares of high-quality businesses have underperformed for two consecutive quarters in the teeth of a brutal market pullback. The poor

shareholder returns of our Fund companies in the market's highest-quality quintile, as measured by consistency of profitability, balance sheet strength, and free cash flow generation, among other metrics, has been disappointing.

Several interrelated factors explain why. Top of the list is price, as the valuation premiums for quality coming into 2022 were higher than we had seen since the height of the global financial crisis in 2008. Second is rising interest rates, which penalize the discounted-cash-flow-based valuations of companies with long-lived earnings streams disproportionately, a trait that is emblematic of quality companies. A third is that, because the rout appears largely to reflect retreating valuations, the absence thus far of the ravages of an economic contraction on corporate earnings means the advantages held by intrinsically robust businesses have yet to be highlighted. Intriguingly, this raises the possibility that the relative performance of quality companies will improve should the nascent slowdown morph into an actual recession.

Our insistence that the companies in which we invest meet our quality and growth criteria is not just a philosophical holding; it is also a form of self-discipline. Our research process requires evaluation of a company in terms of quality and growth criteria before we consider its shares' valuation. The idea behind this rule is simple: addressing valuation too early in the process can cloud one's judgment about a business's fundamentals. So, we leave consideration of valuation for last. Consequently, we will miss out on some good-performing stocks of not-so-good companies. And we will sometimes spend a great deal of time and effort identifying and monitoring good companies whose stocks never become attractively priced enough for us to buy them.

Despite the inability of the shares of high-quality companies to distinguish themselves from other high-priced growth stocks in this market correction thus far, we think it is only a matter of time before many "good companies" again become "good stocks." We don't know if the shares of high-quality companies have reached a trough, but, while the valuations of high-quality companies are still elevated relative to those of low-quality companies, that premium has declined during this year's sell-off. That puts us in an improved position to find excellent companies whose shares are priced to perform well in the years ahead.

We also don't know when supply disruptions will abate, what the outcome of the Ukraine conflict will be, how far central banks will go to tame inflation, nor how tighter monetary policy will reverberate. But we can remain focused on industry structure, management quality, and competitive advantage to ensure that each growth thesis remains intact. In the next section, we use this lens to examine some of our holdings which have recently suffered the most.

### Ten Largest Holdings at 30 June 2022

Company	Sector	Market	%
Alphabet	Comm Services	United States	3.8
Vertex Pharmaceuticals	Health Care	United States	3.5
First Republic Bank	Financials	United States	3.2
UnitedHealth Group	Health Care	United States	3.0
Schneider Electric	Industrials	France	2.8
Microsoft	Info Technology	United States	2.8
SVB Financial Group	Financials	United States	2.7
John Deere	Industrials	United States	2.4
L'Oréal	Cons Staples	France	2.2
Amazon.com	Cons Discretionary	United States	2.2

## Performance (% Total Return)

as of 30 June 2022

Class A	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>US Dollar</b>						<b>21 June 2007</b>
Global Equity Fund USD A <sup>1</sup>	-30.66	-28.79	4.14	6.07	8.80	6.11
MSCI All Country World Index <sup>2</sup>	-20.18	-15.75	6.21	7.00	8.76	4.75
<b>Euro</b>						<b>21 June 2007</b>
Global Equity Fund EUR A <sup>1</sup>	-24.66	-19.43	7.01	7.92	10.88	7.91
MSCI All Country World Index <sup>2</sup>	-13.18	-4.43	9.28	8.88	10.89	6.50
<b>GBP Sterling</b>						<b>5 March 2008</b>
Global Equity Fund GBP A <sup>1</sup>	-22.93	-19.12	5.60	7.50	11.56	10.44
MSCI All Country World Index <sup>2</sup>	-10.98	-4.16	7.88	8.45	11.58	9.28
Class B	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>US Dollar</b>						<b>5 June 2018</b>
Global Equity Fund USD B <sup>1</sup>	-30.74	-28.99	3.88	–	–	2.87
MSCI All Country World Index <sup>2</sup>	-20.18	-15.75	6.21	–	–	5.49
<b>GBP Sterling</b>						<b>15 August 2018</b>
Global Equity Fund GBP B <sup>1</sup>	-22.98	-19.26	5.32	–	–	4.92
MSCI All Country World Index <sup>2</sup>	-10.98	-4.16	7.88	–	–	7.23
Class D	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>US Dollar</b>						<b>4 January 2018</b>
Global Equity Fund USD D <sup>1</sup>	-30.92	-29.36	3.32	–	–	2.68
MSCI All Country World Index <sup>2</sup>	-20.18	-15.75	6.21	–	–	4.85
Class M	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>US Dollar</b>						<b>21 September 2015</b>
Global Equity Fund USD M <sup>1</sup>	-30.65	-28.75	4.20	6.07	–	8.52
MSCI All Country World Index <sup>2</sup>	-20.18	-15.75	6.21	7.00	–	8.35
<b>Singapore Dollar</b>						<b>21 September 2015</b>
Global Equity Fund SGD M <sup>1</sup>	-28.48	-26.39	5.12	6.33	–	8.31
MSCI All Country World Index <sup>2</sup>	-17.60	-12.77	7.21	7.23	–	8.14
<b>Euro</b>						<b>31 January 2018</b>
Global Equity Fund EUR M <sup>1</sup>	-24.65	-19.36	7.07	–	–	6.73
MSCI All Country World Index <sup>2</sup>	-13.18	-4.43	9.28	–	–	8.32
Class S	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>Euro</b>						<b>6 March 2019</b>
Global Equity Fund EUR S <sup>1</sup>	-24.41	-18.89	7.79	–	–	8.48
MSCI All Country World Index <sup>2</sup>	-13.18	-4.43	9.28	–	–	9.80
<b>GBP Sterling</b>						<b>26 October 2018</b>
Global Equity Fund GBP S <sup>1</sup>	-22.58	-18.46	6.39	–	–	8.89
MSCI All Country World Index <sup>2</sup>	-10.98	-4.16	7.88	–	–	9.88
<b>Canadian Dollar</b>						<b>23 August 2019</b>
Global Equity Fund CAD S <sup>1</sup>	-29.17	-25.51	–	–	–	5.59
MSCI All Country World Index CAD <sup>2</sup>	-18.49	-12.24	–	–	–	6.98

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

Please read the separate disclosures page for important information.

## Portfolio Management Team



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*Portfolio Manager*



**Patrick Todd, CFA**  
*Portfolio Manager*

## Performance Summary

The International Equity Fund USD Class A shares declined 22.92% (at dealing prices) for the twelve months ended 30 June 2022, net of fees, in US dollar terms, underperforming its benchmark, the MSCI All Country World ex-US Index, which declined 19.42%. Please refer to the chart immediately following this commentary for returns related to the Fund's other share classes.

## Market Review

Stock markets fell sharply during the period as the confluence of several macroeconomic events battered share prices.

In November, consumer price inflation in the US reached its highest rate since 1982, leading the US Federal Reserve to signal several interest rate hikes and an imminent end to its bond buying program. Other central banks moved even more quickly: the Bank of England raised its main interest rate and the European Central Bank announced it would end its bond buying program. At the same time, just as supply chain bottlenecks showed signs of easing, the emergence of Omicron threatened to upend the progress and reintroduce global lockdowns. Chinese officials, aiming for zero transmission, pursued the most stringent lockdown policies—further hampering economic growth that had already been stalled amid a slowdown in construction spending after several heavily indebted property developers, including the gargantuan Evergrande, defaulted on bond payments.

Investors barely had time to digest these events when, in February, Russia commenced its invasion of Ukraine. The reaction by Western governments was swift and emphatic as they sought to tread a delicate balance between punishing Russian aggression and avoiding an escalating military conflict. The US and its allies enacted crippling economic sanctions against Russia, including freezing a significant share of the Russian central bank reserve assets, cutting off many of the country's banks from the SWIFT global financial messaging system, and outlawing the export of a variety of industrial and luxury goods. The sanctions initially led to a collapse in the ruble, while the Moscow stock exchange closed for almost a month before re-opening for domestic investors only. With foreign investors effectively unable to trade, major market index providers expunged all Russian securities from their indexes.

Prices for a wide range of commodities for which Russia is a major producer—including oil, gas, grains, and metals—surged on fears of disruption, prompting billions of US dollars in margin calls to cover futures positions. Headline inflation, which had already been rising rapidly around the world prior to the invasion, received a fillip from the shock to energy and food supplies stemming from the war, increasing the pressure on central banks to tighten monetary policy. In March, the US Fed did just that, raising interest rates for the first time in three years, causing stocks to retreat further as investors feared efforts to tame inflation may cause a recession.

This tightening continued into May as the Fed further boosted rates by 0.75% after a worse-than-expected 8.6% rise in consumer prices. Central bankers in the UK, Canada, Australia, and Switzerland continued to raise borrowing rates as well, along with numerous emerging markets (EMs) central banks. The European Central Bank, despite faltering economic growth, previewed a July rate increase that will be its first in 11 years and hinted at additional hikes in the months ahead. An exception was the Bank of Japan, which remains committed to its ultra-accommodative monetary policy. The weeks of the period did bring some respite, however; commodities prices fell (albeit largely because fears of recession overshadowed inflation) and the Chinese government eased their weeks-long COVID-19 lockdowns in Beijing and Shanghai. Further, China also announced new stimulus measures, including tax relief and infrastructure spending, to boost economic activity in the wake of the shutdowns.

Geographically, all major regions declined. Emerging Markets performed the worst, largely due to Russia and China—the latter of which faced an economic slowdown aggravated by difficulties in maintaining its zero-COVID policy, sweeping regulatory actions, and the government's attempts to slowly deflate its colossal real estate bubble. The eurozone was severely impacted as sanctions against Russia served to compound the difficulties of countries already grappling with mounting inflation. Japanese stocks also

lagged, with supply chain issues emanating out of China and other economic concerns weighing on the market.

On a sector basis, only Energy was able to eke out modest gains during the period, reflecting the meteoric rise in commodity prices caused by supply shocks from war and sanctions. Consumer Discretionary and Information Technology (IT) performed the worst; the former was impacted by slumping consumer confidence in the wake of the rapid rise in inflation, while the latter—largely comprised of highly priced growth stocks—was impacted by central bank efforts to tame inflation.

Style factors played a significant role: the most highly priced shares suffered throughout, first from the regulatory mauling of many Chinese growth leaders, and then from a reassessment of discount rates in the face of rising inflation. Similarly, the fastest-growing stocks significantly underperformed their slowest-growing peers. There was no clear effect by quality as both the highest- and lowest-quality stocks performed similar to the average.

#### Portfolio Positioning (% Weight) at 30 June 2022

Sector	Fund	Benchmark <sup>1</sup>
Comm Services	4.5	6.5
Cons Discretionary	3.9	11.7
Cons Staples	11.3	8.9
Energy	2.4	6.0
Financials	19.5	20.3
Health Care	13.3	9.8
Industrials	15.0	11.8
Info Technology	13.3	11.0
Materials	9.6	8.1
Real Estate	0.0	2.5
Utilities	1.7	3.4
Cash	5.5	–
Geography	Fund	Benchmark <sup>1</sup>
Canada	3.8	8.1
Emerging Markets	24.4	29.7
Europe EMU	19.5	19.2
Europe ex-EMU	23.6	20.7
Frontier Markets <sup>2</sup>	0.0	–
Japan	12.6	13.8
Middle East	0.0	0.5
Pacific ex-Japan	9.3	8.0
Other <sup>3</sup>	1.3	–
Cash	5.5	–

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

## Performance Attribution

In a period in which investors fled from richly priced, high-quality growth companies, it should come as no surprise that, whether viewed through the lens of sector or geographic attribution, our portfolio underperformed within most sectors and regions. A laundry list of the contributors to underperformance would not improve much on the explanation. An exception, of course, is the value destruction from our two Russian holdings, **Lukoil** and **Yandex**—almost half the total underperformance in the period—which dominates whichever category they fall under in any breakdown of returns.

A more informative parsing of returns comes from viewing them according to how they relate to rankings of growth, quality, and valuation. Viewed through the lens of growth, our efforts to resist a skew towards the most expensive members of the faster-growing quintiles of the market meant that only a modest amount of our underperformance, about 40 basis points, is attributable to our preference for growth businesses. The rest, like sector or regional attribution, comes across as poor stocks within the different quintiles of growth. Our heavy skew towards higher quality companies had similarly modest allocation effects. However much we've steadily reduced holdings of highly priced stocks, the Fund remains skewed toward the expensive end of the market, and that skew has cost about 240 basis points of relative performance in the year.

## Perspective and Outlook

Since our founding 33 years ago, we have stuck to the same approach: investing in reasonably priced shares of high-quality growing businesses. We want to own growing companies because the compounding of economic value creation is the foundation for long-term investor returns. We prefer high-quality businesses because they typically create more economic value and are more resilient in the face of adversity than lesser businesses. Moreover, because quality and growth are synergistic, the benefit of insisting on both factors can be greater than the sum of the factor parts. High-quality businesses can sustain their profitable growth over multiple business cycles, and there is greater visibility into their long-term cash flows than for companies whose businesses are more exposed to economic vagaries. Much of our focus is aimed at projecting uncertain future cash flows, handicapping them to account for risk, and continually monitoring fluctuations in the attendant valuations, which allows us to judge when to pounce on price declines in the shares of fundamentally strong businesses or—conversely—to take some of our exposure to strong and expensive businesses off the table. After all, returns are inextricably linked to what you paid (or could have received).

We've worried—and written—a good deal about the nosebleed valuations for the fastest-growing cohort of companies, and we've repeatedly trimmed our holdings of them to the point where, in the eyes of certain observers, we risked forsaking our reputation as

bona fide growth investors. So, when the tide turned against the most expensive stocks of the growthiest companies in late 2020, we were relatively prepared.

Recent market behavior shows we would have benefitted from having an equal level of concern about high valuations for high-quality companies. Contrary to historical form, the shares of high-quality businesses have underperformed for two consecutive quarters in the teeth of a brutal market pullback. The poor shareholder returns of our fund companies in the market's highest-quality quintile, as measured by consistency of profitability, balance sheet strength, and free cash flow generation, among other metrics, has been disappointing.

Several interrelated factors explain why. Top of the list is price, as valuation premiums for quality coming into 2022 were higher than we've seen since the height of the global financial crisis (GFC) in 2008. Second is rising interest rates, which penalize the discounted-cash-flow-based valuations of companies with long-lived earnings streams disproportionately, a trait that is emblematic of quality companies. A third is that, because the rout appears largely to reflect retreating valuations, the absence thus far of the impact of an economic contraction on corporate earnings means the advantages held by intrinsically robust businesses have yet to be highlighted. Intriguingly, this raises the possibility that the relative performance of quality companies will improve should the nascent slowdown morph into an actual recession.

Our insistence that the companies in which we invest meet our quality and growth criteria is not just a philosophical holding, it is also a form of self-discipline. Our research process requires evaluation of a company in terms of quality and growth criteria before we consider its shares' valuation. The idea behind this rule is simple: addressing valuation too early in the process can cloud one's judgment about a business's fundamentals. So, we leave consideration of valuation for last. Consequently, we will miss out on some good-performing stocks of not-so-good companies. And we will sometimes spend a great deal of time and effort identifying and monitoring good companies whose stocks never become attractively priced enough for us to buy them.

Despite the inability of the shares of high-quality companies to distinguish themselves from high-priced growth stocks in this market correction thus far, we think it is only a matter of time before many "good companies" again become "good stocks." We don't know if the shares of high-quality companies have reached a trough, but, while the valuations of high-quality companies are still elevated relative to those of low-quality companies, that premium has declined during this year's sell-off. That puts us in a more favorable position to find excellent companies whose shares are priced to perform well in the years ahead.

### Ten Largest Holdings at 30 June 2022

Company	Sector	Market	%
L'Oréal	Cons Staples	France	3.4
Alia Group	Financials	Hong Kong	3.3
Samsung Electronics	Info Technology	South Korea	3.3
Roche	Health Care	Switzerland	3.1
Tencent	Comm Services	China	3.0
BHP	Materials	Australia	2.8
DBS Group	Financials	Singapore	2.8
Atlas Copco	Industrials	Sweden	2.7
Schneider Electric	Industrials	France	2.4
TSMC	Info Technology	Taiwan	2.3

## Performance (% Total Return)

as of 30 June 2022

Class A	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>US Dollar*</b>					<b>7 June 2013</b>
International Equity Fund USD A <sup>1</sup>	-24.58	-22.92	1.92	3.27	4.97
MSCI All Country World ex-US Index <sup>2</sup>	-18.42	-19.42	1.35	2.50	3.53
<b>GBP Sterling</b>					<b>7 June 2013</b>
International Equity Fund GBP A <sup>1</sup>	-16.12	-12.41	3.37	4.70	7.85
MSCI All Country World ex-US Index <sup>2</sup>	-9.02	-8.34	2.95	3.89	6.38
Class B	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>US Dollar</b>					<b>27 September 2013</b>
International Equity Fund USD B <sup>1</sup>	-24.70	-23.15	1.64	3.04	4.12
MSCI All Country World ex-US Index <sup>2</sup>	-18.42	-19.42	1.35	2.50	2.76
Class S	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>US Dollar</b>					<b>26 October 2018</b>
International Equity Fund USD S <sup>1</sup>	-24.29	-22.32	2.73	–	5.67
MSCI All Country World ex-US Index <sup>2</sup>	-18.42	-19.42	1.35	–	4.17

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

Please read the separate disclosures page for important information.

## Portfolio Management Team



**Pradipta Chakraborty**

*Co-Lead Portfolio Manager*



**Scott Crawshaw**

*Co-Lead Portfolio Manager*



**Richard Schmidt, CFA**

*Portfolio Manager*

## Performance Summary

The Emerging Markets Equity Fund USD Class A shares fell 33.76% (at dealing prices) for the fiscal year ended 30 June 2022, net of fees, in US dollar terms, underperforming its benchmark, the MSCI Emerging Markets Index, which fell 25.29%. Please refer to the chart immediately following this commentary for returns related to the Fund's other share classes.

## Market Review

Emerging Markets (EMs) fell steadily in the first two-thirds of the fiscal year, weighed down by the ongoing threat of COVID-19 variants—which slowed economic activity, further stymied supply chains, and stoked further inflationary pressures across the global—and the Chinese government's new regulatory directives on an array of businesses across key industries. EMs then fell sharply starting in late February when Russia launched its deadly and destructive invasion of Ukraine. The reaction by Western governments was swift and emphatic, with the implementation of crippling economic sanctions against Russia. The sanctions initially led to a collapse in the ruble, while the Moscow stock exchange closed for almost a month before re-opening for domestic investors only. With foreign investors effectively unable to trade, major market index providers expunged all Russian securities from their indexes.

EMs also faced headwinds this year from central banks' efforts combat rising inflation. From March through June 2022, the US Federal Reserve increased rates on three occasions, most recently a 75 basis point hike in June that was the largest single increase since 1994. Most central banks in EM countries in Latin America and Europe have been ahead of the Fed in resisting inflation, and many continued to raise rates following the Fed's June hike. Meanwhile central banks in Asia, including China and Indonesia, have been relatively dovish this year as inflationary pressures have remained subdued in their countries.

As a result of the Russia-Ukraine war, European stocks with material businesses in, or trade linkages to, Russia or Ukraine (as well as stocks in markets closest to the conflict) underperformed the broad market. However, markets across Latin America and the Middle East, as well as South Africa, outperformed with support from the sharp rise in energy and commodity prices caused by the conflict. Crude prices rose over the fiscal year from about US\$76 to nearly US\$135 before settling just above US\$110 as OPEC eschewed requests to increase production; grain prices spiked, as did Russian-sourced metals like palladium and nickel. Latin America was relatively resilient despite heightened political risk across the region; Brazil was the weakest performer as the market braced for the October 2022 presidential election.

China, the largest EM, lagged the Index due to a confluence of factors beyond the government's regulatory actions, including a severe COVID-19 outbreak starting in late 2021 and continued weakening of the property sector. The government's zero-COVID policy meant the rising case count in Shanghai and other major cities led to large scale lockdowns and strict containment measures in key commercial areas. As a result, the nascent recovery in China's services sector was stymied, and factories were temporarily shuttered, exacerbating global supply chain issues. Vice Premier Liu He sent out some positive signals in March, however, reaffirming the government's focus on solving the crisis in the beleaguered real estate sector and supporting economic growth and capital markets ahead of the National Party Congress in October. The phased reopening of Shanghai and Beijing from the pandemic lockdowns, along with the relaxation of mobility restrictions in several other Chinese cities, triggered a sharp rebound in Chinese equities at the end of the fiscal year.

All sectors except Utilities declined in the 12-month period, with high-growth sectors such as Consumer Discretionary and Health Care the worst performers. Consumer Discretionary suffered from continued weakness in Chinese e-commerce stocks, while Health Care stocks corrected after reaching pricey valuations on lofty growth expectations. Information Technology (IT) also underperformed due to expectations of weaker global demand for consumer electronics. South Korean memory chip makers like **Samsung Electronics** and Hynix were among the weak performers.

Financials outperformed the Index helped particularly by shares of banks, whose net interest margins and earnings growth may be boosted by the rising interest rate environment.

Style effects were mixed in the 12-month period. The fastest-growing EM stocks posted exceptionally weak performance. Poor returns in China were a key reason, but this was a broad—if not universal—feature of EMs. The most-expensive stocks also lagged. There was no

clear trend for quality for the entire period, although in the second half of the fiscal year stocks of high-quality companies lagged those of low quality.

## Performance Attribution

The Fund's heavy absolute loss and underperformance were primarily due to our direct holdings in Russia: **Lukoil** and **Novatek** in Energy, **Sberbank** in Financials, and **Yandex** in Communication Services. We began the fiscal year overweight Russia by 500 basis points (bps). As the invasion of Ukraine unfolded, we marked the value of our Russian positions, which had stood at 8.0% of the Fund at the end of January, down to zero on March 7, the point at which these US- and UK-listed shares became untradeable because of Western sanctions and actions taken by stock exchanges and brokers to avoid any possibility of entanglement. The losses in Russia accounted for about 370 bps—roughly half—of our total underperformance.

Beyond Russia, the notable detractors from relative returns included weak stock selection in South Korea and Brazil. In the former, cosmetics and household products company **LG Household & Health Care** was hurt by China's pandemic-related shutdowns, which caused a sharp decline in cosmetic sales within China and in the number of Chinese travelers making shopping trips to purchase the company's products overseas. In Brazil, online brokerage and wealth management company **XP** fell as the company reported disappointing first-quarter revenue growth due to lower capital markets activity. **Magazine Luiza**, a major Brazilian retailer, underperformed despite posting an acceleration of sales growth, both in-store and online, in the first quarter 2022. Further hikes in interest rates will increase the company's expenses, and signs of a slowing economy in Brazil raised fears that sales growth could falter once again.

Meanwhile, South Africa's **Standard Bank** enjoyed relatively good returns from the country's economic recovery. Our underweight of the lagging Chinese market was also helpful.

By sector, the wipeout of our Russian and Russia-related holdings appeared as severe negative stock selection across Energy (Novatek and Lukoil), Communication Services (Yandex), and Financials (Sberbank). Poor returns in Energy were partly mitigated by our holding in **Tenaris**, a leading maker of seamless pipes for the oil and gas industry. Higher energy prices have boosted investment and rig activation in the sector, particularly in the Americas, which has led to higher demand and better pricing for Tenaris' products.

We also had poor stock selection in IT, where US-listed technology-services provider **EPAM** fell sharply in response to Russia's attack on Ukraine. About 60% of EPAM's workforce is based in Belarus, Ukraine, and Russia, although the company derives only a small portion of its revenues from Russia and eastern Europe. EPAM's share outperformed the broad market at the end of the fiscal year, reflecting management's remarkable progress in relocating its

## Portfolio Positioning (% Weight) at 30 June 2022

Sector	Fund	Benchmark <sup>1</sup>
Comm Services	7.5	10.6
Cons Discretionary	15.3	14.9
Cons Staples	7.1	6.1
Energy	1.3	5.0
Financials	23.1	21.2
Health Care	3.6	4.0
Industrials	13.0	5.6
Info Technology	21.1	19.2
Materials	0.0	8.4
Real Estate	0.5	2.1
Utilities	2.1	2.9
Cash	5.4	—

Geography	Fund	Benchmark <sup>1</sup>
Brazil	6.0	4.9
China + Hong Kong <sup>2</sup>	34.7	35.4
India	10.1	12.7
Mexico	6.8	2.1
Russia	0.0	—
South Africa	2.2	3.5
South Korea	8.5	11.2
Taiwan	11.8	14.5
Small Emerging Markets <sup>3</sup>	6.9	15.7
Frontier Markets <sup>4</sup>	1.4	—
Developed Markets Listed <sup>5</sup>	6.2	—
Cash	5.4	—

<sup>1</sup>MSCI Emerging Markets Index; <sup>2</sup>The Emerging Markets Fund's end weight in China at 30 June 2022 is 29.1% and Hong Kong is 5.6%. The Benchmark does not include Hong Kong; <sup>3</sup>Includes the remaining emerging markets which, individually, comprise less than 5% of the Index; <sup>4</sup>Includes countries with less-developed markets outside the Index; <sup>5</sup>Includes emerging markets or frontier markets companies listed in developed markets.

engineers to new locations and accelerating recruitment in other regions. Customer demand for EPAM's digital transformation projects has also remained strong.

Health Care was a positive contributor to the Fund's relative returns, due to our underweight of the sector and the purchase late in the year of **WuXi AppTec**, near the stock's 52-week low. A global leader in outsourced services for small molecule drug development and manufacturing, WuXi AppTec has a unique capability to support the entire drug development process from early-stage small molecule drug discovery, through lab analysis and clinical services, to manufacturing. Its growth is set to accelerate in 2022, boosted by strong demand arising from COVID-19-related commercial projects. The Fund's underweight to Consumer Discretionary, in part due to our avoidance of some expensively valued Chinese e-commerce and electric-vehicle companies, was also helpful. We

were rewarded for owning shares of the automobile companies **Astra International** and **Maruti Suzuki**, which rose on improved prospects for auto sales in Indonesia and India, respectively.

## Investment Perspectives

We made our Russian investments based on a favorable fundamental view of the four companies: Lukoil and Novatek, both prominent players in the global oil and gas sector; Yandex, Russia's dominant search engine with expansive growth businesses in ride-hailing, e-commerce, and autonomous mobility; and Sberbank, Russia's leading banking franchise. Each was a high-quality business with good long-term growth prospects, and each had navigated hazardous economic conditions while cementing their dominant competitive position.

We deeply regret the capital losses suffered by our clients with respect to our Russian investments, which resulted, not from the invasion per se, but as collateral damage from the sanctions heaped upon Russia by the US and its allies. We have a structured, deliberative process designed to defend against behavioral flaws we exhibit as human beings, such as over-confidence and action bias. We refrain from making decisions based upon forecasts of macroeconomic or geopolitical events, where we have little faith in the reliability of such forecasts, ours or those of others. Could one have foreseen this particular set of outcomes, including Russia's military advance, the unparalleled scope, speed, and unanimity of Western sanctions, and the market disorder that immediately followed? Yes, in theory, but only in hindsight is the chain of causality and the outcome clearly visible. In forecasting, one must consider various possible outcomes and their associated probabilities—wherein, by definition, black swans must be discounted as highly unlikely and accorded little weight. We continue to reflect on whether we could have made better decisions with respect to these investments in the run-up to the invasion, on its eve, and in the very brief period after the attack until trading venues closed. Taking into consideration the information available at each point in time, including the predictions of geopolitical experts and the available market prices (which fell sharply at the outbreak of war), we have yet to identify clear oversights or lapses in judgement.

We continue to believe staying true to the decision-making discipline we have formalized in our investment process will produce over time the best overall result for our clients, even though it will not lead to the best outcome in every instance—as recent events have demonstrated.

The EM landscape is currently fogged by an exceptional confluence of risks: armed conflict, inflation, rising interest rates, volatile commodity prices, and concerns about food and energy security.

These risks could lead to changes in the pattern of global trade that would present challenges and opportunities to the businesses we examine. Increased confrontation among the world's economic powers and a deepening focus on local priorities would erode many of the efficiencies conferred by established global networks,

### Ten Largest Holdings at 30 June 2022

Company	Sector	Market	%
TSMC	Info Technology	Taiwan	5.0
Samsung Electronics	Info Technology	South Korea	4.7
Tencent	Comm Services	China	3.8
Alibaba	Cons Discretionary	China	3.1
AIA Group	Financials	Hong Kong	2.9
Tata Consultancy Services	Info Technology	India	2.9
HDFC Corp.	Financials	India	2.6
EPAM	Info Technology	United States	2.3
Walmart de México	Cons Staples	Mexico	2.2
ENN Energy	Utilities	China	2.1

whether they be cost-efficient supply chains, open financial platforms, or telecommunications. Uncoupling would materially reduce growth in the world's economic output by increasing input costs and introducing operational frictions. But however ruinous overall, such an environment wouldn't be bad for all companies. Those companies that can develop innovative products or services and then find smart ways to mitigate the potential risks of a less-globalized economy would have a comparative advantage.

One example among our fund companies is **Discovery Holdings**, one of South Africa's leading providers of life and health insurance, which has found a creative way to grow globally without having to actually set up shop in other markets. The company was founded thirty years ago as a specialist life insurer; its major innovation was the development of what is referred to as the "shared values" model of insurance. The idea is to apply behavioral economic principles to benefit both the customer and Discovery, encouraging actions that lead to better health for the former and lower claims costs for the latter. For instance, Discovery offers members a subsidized gym membership that costs less the more they visit. The benefits to Discovery are clear: if you can find ways to get your customers to be physically active and eat well, they live longer and healthier lives, and claims costs decrease. Discovery has expanded this behavioral model beyond life and health insurance to its auto insurance and investment management businesses, and it is now three years into developing a digital bank in its domestic market.

The potential market for Discovery's shared-value products stretches far beyond South Africa, as health care and pension costs are rising around the world due to aging populations and growth in the upper-middle class in Emerging Markets countries. But other than its life and health business in the UK, Discovery has not directly expanded into other markets. Instead, it has relied on a series of joint ventures and partnerships where it is not responsible for the sale or administration of policies, but rather supplies technology to enable the same behavioral model to be employed under other insurers' brands.

This partnership approach not only has the benefit of lower capital requirements for Discovery but also achieves geographic diversification and access to fast-growing markets such as China where the penetration of life and health insurance remains low.

## Performance (% Total Return)

as of 30 June 2022

<b>Class A</b>	<b>6 Months</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Since Inception</b>
<b>US Dollar</b>					<b>25 September 2012</b>
Emerging Markets Equity Fund USD A <sup>1</sup>	-26.92	-33.76	-4.62	-1.46	1.72
MSCI Emerging Markets Index <sup>2</sup>	-17.63	-25.29	0.57	2.18	2.36
<b>Class B</b>	<b>6 Months</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Since Inception</b>
<b>US Dollar</b>					<b>25 October 2013</b>
Emerging Markets Equity Fund USD B <sup>1</sup>	-27.05	-34.04	-4.95	-1.76	0.37
MSCI Emerging Markets Index <sup>2</sup>	-17.63	-25.29	0.57	2.18	2.06
<b>Canadian Dollar</b>					<b>28 February 2020</b>
Emerging Markets Equity Fund CAD B <sup>1</sup>	-25.77	-31.49	–	–	-7.00
MSCI Emerging Markets Index <sup>2</sup>	-15.88	-22.17	–	–	0.45
<b>Class M</b>	<b>6 Months</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Since Inception</b>
<b>US Dollar</b>					<b>15 September 2021</b>
Emerging Markets Equity Fund USD M <sup>1</sup>	-26.86	–	–	–	-30.30
MSCI Emerging Markets Index <sup>2</sup>	-17.63	–	–	–	-20.81
<b>Class S</b>	<b>6 Months</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Since Inception</b>
<b>Canadian Dollar</b>					<b>7 October 2020</b>
Emerging Markets Equity Fund CAD S <sup>1</sup>	-25.33	-30.60	–	–	-9.78
MSCI Emerging Markets Index <sup>2</sup>	-15.88	-22.17	–	–	-5.26

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

Please read the separate disclosures page for important information.

## Portfolio Management Team



**Christopher Mack, CFA**  
*Co-Lead Portfolio Manager*

**Jafar Rizvi, CFA**  
*Co-Lead Portfolio Manager*

## Performance Summary

The Global Small Companies Equity Fund USD Class A shares declined 23.24% (at dealing prices) for the fiscal year ended 30 June 2022, net of fees, in US dollar terms, underperforming its benchmark, the MSCI All Country World Small Cap Index, which declined 21.82%.

## Market Review

Global small-cap stocks rose modestly in the first half of the fiscal year only to fall sharply in the second half as the world dealt with Russia's invasion of Ukraine, rising inflation, and fears of a possible recession from monetary tightening.

The reaction to the invasion by Western governments was swift and emphatic as they sought to tread a delicate balance between punishing Russian aggression and avoiding an escalating military conflict. The US and its allies enacted economic sanctions against Russia, including freezing a significant share of the Russian central bank reserve assets, cutting off many of the country's banks from the SWIFT global financial messaging system, and outlawing the export of a variety of industrial and luxury goods. The revulsion at Russian aggression also provoked an exodus of Western companies from Russian markets. The Moscow stock exchange closed for almost a month before re-opening for domestic investors only. With foreign investors effectively unable to trade, major market index providers expunged all Russian securities from their broad market indexes.

Already-rising headline inflation received a fillip from the shock to energy and food supplies stemming from the war, particularly for goods for which Russia and Ukraine are heavy producers. Prices

for a wide range of commodities—including oil, gas, grains, and metals—surged on fears of disruption, prompting billions of US dollars in margin calls to cover futures positions. Reductions in gas shipments from Russia to Europe also raised concerns; Germany announced it was moving to stage two of its emergency gas plan because it expects the supply situation will worsen as winter approaches, further clouding the economic growth outlook for the country and the region.

Central bankers responded to rising inflation at varying speeds, with the Bank of England and the Reserve Bank of Australia taking a gradual approach, while the European Central Bank announced a larger-than-expected rate hike of 50 basis points for July 2022. In March 2022, the US Federal Reserve lifted rates for the first time since December 2018 and announced an aggressive rate hike plan to bring inflation under control. It followed through by further increasing the federal funds rate by 75 bps in June 2022; more hikes of similar magnitude are expected. The Bank of Japan was the notable exception to the tightening trend as it maintained its loose policy to achieve “healthy” inflation led by wage growth. In response, the yen fell to a 20-year low against the US dollar in June 2022; this presents new cost pressures for Japanese manufacturers that depend on imported inputs—even if it enhances the competitiveness of their finished goods overseas.

As monetary tightening accelerated towards the end of the fiscal year, the question became how long business and consumer spending could hold up against rising inflationary and financial headwinds. The answer to that question is perhaps most consequential for small caps, which tend to be more sensitive to the economic cycle because they are more reliant on external financing. In June 2022, the World Bank offered its opinion by lowering its estimate of the year's global GDP growth to 2.9% from the 4.1% estimated as recently as January.

Fears surrounding the consequences of war, inflation, and monetary tightening resulted in every region—and nearly every sector—finishing the year significantly in the red. Energy was an exception, benefitting in early 2022 from the surge in the oil price to levels last seen in 2008, though this spike later began to pull back as anticipation of softened demand offset some of the supply-constraint concerns. The relatively defensive Utilities sector also rose slightly.

By style, the highest-quality and most-expensive small-cap stocks significantly underperformed their cheaper and lower-quality counterparts.

## Performance Attribution

By region, weak stocks in Japan were the primary cause of underperformance. **Rakus**, a provider of cloud-based productivity software tools, saw more aggressive marketing spending depress profit margins, despite the company reporting robust revenue growth. **Nihon M&A Center Inc.**, which offers M&A services for small- and medium-sized businesses, had to restate its earnings for 2021 after some employees falsified reports to accelerate 2022 revenue into 2021. Management has at least been forthcoming in disclosing the incident, and it has tightened its internal controls. Weak stocks in Pacific ex-Japan also hurt.

Strong stocks in the US, Emerging Markets, and the eurozone were helpful this period. In the US, food ingredients company and distillery **MGP Ingredients** posted record growth and margin expansion on strong demand for its aged whiskey as well as specialty wheat starches and proteins used in food products.

By sector, weak Industrials stocks detracted from performance. Protolabs, a US provider of software-driven manufacturing, saw

### Portfolio Positioning (% Weight) at 30 June 2022

Sector	Fund	Benchmark <sup>1</sup>
Comm Services	6.9	3.0
Cons Discretionary	9.0	12.0
Cons Staples	9.5	5.2
Energy	1.8	4.5
Financials	16.2	13.6
Health Care	15.7	10.4
Industrials	17.2	18.1
Info Technology	18.3	12.2
Materials	2.0	8.1
Real Estate	0.0	9.7
Utilities	0.5	3.2
Cash	2.9	–
Geography	Fund	Benchmark <sup>1</sup>
Canada	1.1	3.6
Emerging Markets	10.5	12.3
Europe EMU	11.3	6.4
Europe ex-EMU	15.4	9.9
Frontier Markets <sup>2</sup>	2.3	–
Japan	11.6	9.6
Middle East	1.7	0.9
Pacific ex-Japan	0.7	5.0
United States	42.5	52.3
Cash	2.9	–

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

its chief technology officer step down, continuing a string of senior management turnover that started over a year ago. Switzerland's **Bossard**, a fastener distribution and logistics company, saw worsening global supply chain problems finally catch up with its ability to procure industrial fasteners from its suppliers, many of which are located in China and Southeast Asia. Management issued lower-than-expected 2022 revenue and profit guidance due to rising personnel and logistics costs and dampened demand for screws due to shortages of other parts. The portfolio's underweight in Energy and lack of holdings in Real Estate also hurt. Strong stocks in Health Care and Financials contributed to performance. In Health Care, **Neurocrine Biosciences**, a developer of treatments for neurological diseases, reported good first quarter 2022 results, and management maintained its guidance for the year. While COVID-19 fears initially discouraged medical visits and limited new diagnoses, those challenges have since dissipated, enabling Neurocrine to benefit from robust growth of its tardive dyskinesia treatment, Ingrezza, which prevents an involuntary-movement disorder caused by chronic antipsychotic drug use.

## Perspective and Outlook

Increasingly over recent years we have felt the impact of the high valuations being demanded for high-quality growing businesses. Our historical response to this has been to trim and, in extreme cases, exit positions when valuations exceed what we think to be reasonable.

In hindsight, we should have responded more aggressively to the rising valuations. While our exposure to expensive areas of the market, like IT services, has hurt our performance during the sharp value rotation that during the last 12 months, our investments in these same sectors and industries have been, over the long term, among our biggest winners.

Within IT services, consider the growth opportunities facing small providers. The industry has an estimated US\$1 trillion in annual sales and is growing about 5% per year. One segment of the market, so-called "digital services," is growing even faster as the adoption of advanced technologies—artificial intelligence (AI), machine learning, cloud-based solutions, among others—by business customers accelerates. That the industry remains so fragmented—each of the global market leaders controls only a single-digit share—shows there's ample opportunity for small competitors to carve out niches.

We are long-term owners of several IT-services companies that have seized that opportunity: **Alten** and **Bechtle** (both purchased in 2013), **Reply** (2015), and **Globant**, which we purchased in 2016. Reply, for example, stands out for its efforts to gain a competitive edge by way of an unusual corporate structure. It was started in 1996 by Mario Rizzante, who, like many founders, left a larger organization (Atos, a French IT-services company). One of his key decisions was to organize the company differently than most IT-services providers, around numerous small teams that function as independent companies under the Reply umbrella. Today, Reply has

160 of these companies, and while it reports consolidated results for them each quarter, these units operate largely autonomously when it comes to hiring and spending decisions and profit-and-loss accounting. This autonomy has allowed each team to build deep expertise in specialized areas, such as internet of things (think autonomous machinery in industrial facilities), AI (developing a next-generation voice assistant) or working with a customer to establish a first-mover advantage in quantum computing. The decentralized structure also allows many teams to be in close geographic proximity to their customers. While the effectiveness of this structure may diminish as Reply grows, it has proved to be influential as industry giant Accenture has begun trying to replicate aspects of it.

While many of Reply's customers started upgrading their technological capabilities only at the onset of the pandemic, we expect these critical investments to continue through the coming period of economic volatility; they may even accelerate given that businesses will be searching for ways to cut costs by raising efficiency. We expect Reply to grow through opportunistic acquisitions as well, such as its recent purchases of US-based Enowa, a specialist in cloud-based SAP solutions for the industrials, health care, and consumer markets, and the Spur Group, a data-driven consultancy that advises on sales and marketing strategy. Reply is not immune to soaring labor costs hitting the IT world. Even so, its consistent revenue growth and steady profitability over the past decade are evidence that its unconventional structure helps it win customers, which may give Reply pricing power to pass on some of those costs.

Our patience has paid off with EMIS Group, a software provider to primary care physicians in the UK. When we initiated our position in 2016, our thesis was straightforward: as the National Health Service looked to software to improve health care inefficiencies, EMIS's dominant position in this niche would translate into durable growth. After Andy Thorburn took over as CEO in 2017, EMIS embarked on several initiatives directed at enabling patient information to flow securely and seamlessly across the UK's

### Ten Largest Holdings at 30 June 2022

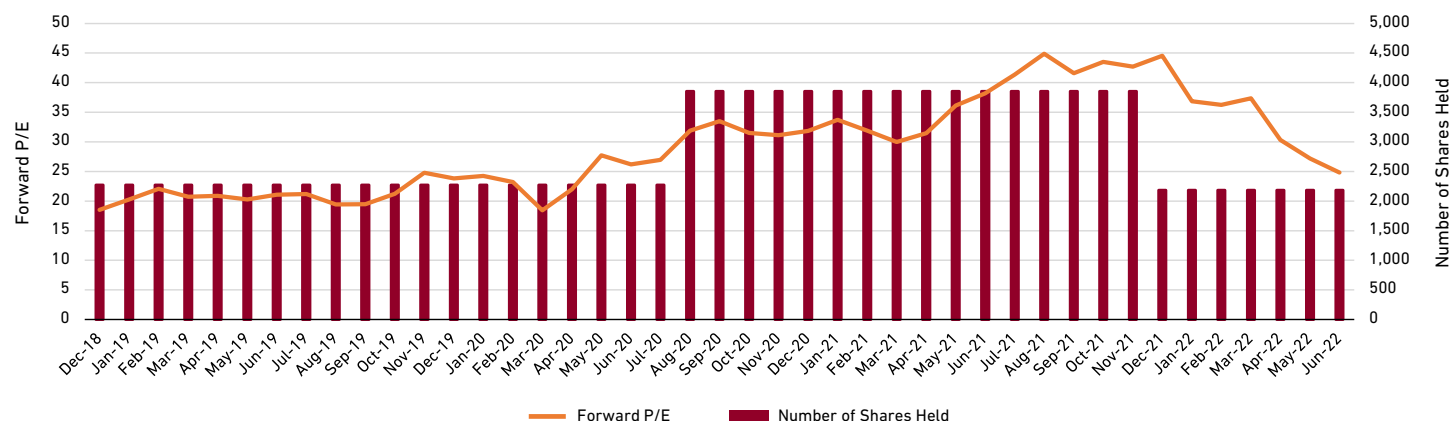
Company	Sector	Market	%
Neurocrine Biosciences	Health Care	United States	2.7
MGP Ingredients	Cons Staples	United States	2.5
Altair Engineering	Info Technology	United States	2.4
Simulations Plus	Health Care	United States	2.3
Stock Yards	Financials	United States	2.2
Enersys	Industrials	United States	2.2
Reynolds	Cons Staples	United States	2.2
RGA	Financials	United States	2.2
Lakeland Financial	Financials	United States	2.1
Exponent	Industrials	United States	2.0

sprawling health system. Even though the share price approached the top of our valuation estimates in 2019 as those efforts began to bear fruit, we held on; in 2020 amid the COVID-induced market sell-off we added to our position. Finally, in June of 2022, Optum, a subsidiary of UnitedHealth—a large US-based health care company owned in our Global Equity strategy—offered to acquire EMIS for roughly US\$1.5 billion, a nearly 50% premium to our estimate of fair value.

Of course, we don't count on buyouts to justify our valuations. While EMIS's share price was volatile at times, we stayed focused on the company's strong fundamentals, which led us to add to our position and allowed us to benefit from its ultimate sale.

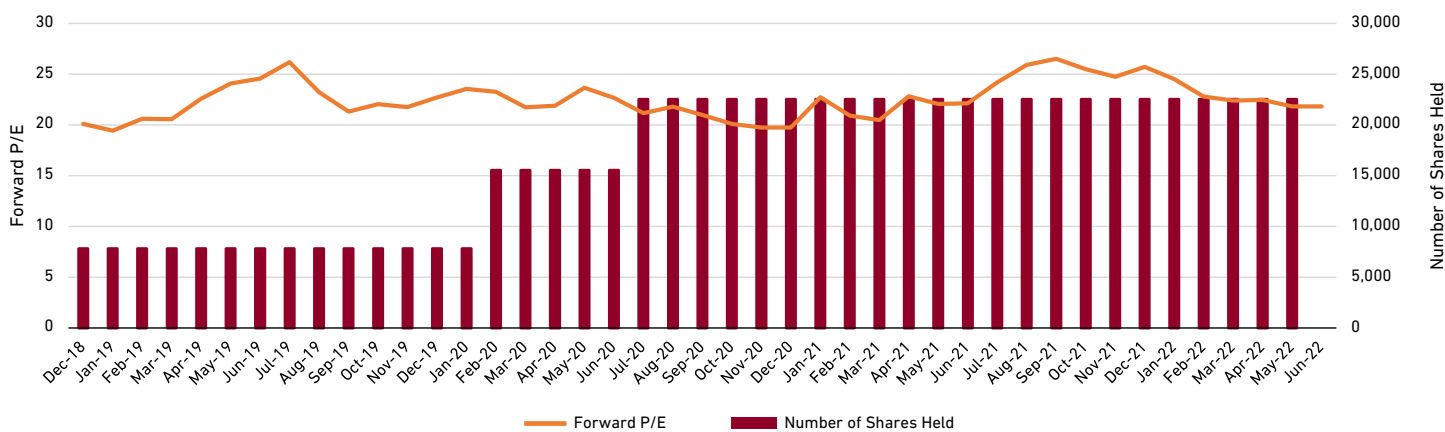
This latest broad market downturn, while painful, abounds with opportunities to purchase other high-quality companies whose long-term growth pictures remain clear and whose prices are no longer an obstacle. We are carefully sifting through this expanded universe of companies that, from a valuation perspective, are suddenly within reach.

### Reply Valuation vs. Number of Shares Held in HL GSC Model



Source: FactSet

## EMIS Group Valuation vs. Number of Shares Held in HL GSC Model



Source: FactSet

## Performance (% Total Return)

as of 30 June 2022

Class A	6 Months	1 Year	3 Years	Since Inception
US Dollar				13 December 2018
Global Small Companies Equity Fund USD A <sup>1</sup>	-26.72	-23.24	3.82	7.16
MSCI AC World Small Cap Index USD <sup>2</sup>	-22.27	-21.82	4.40	6.60

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

Please read the separate disclosures page for important information.

## Portfolio Management Team



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**Scott Crawshaw**  
*Portfolio Manager*



**Christopher Mack, CFA**  
*Portfolio Manager*



**Richard Schmidt, CFA**  
*Portfolio Manager*



**Moon Surana, CFA**  
*Portfolio Manager*

## Performance Summary

The Global Paris-Aligned Equity Fund USD Class X1 shares rose 2.50% (at dealing prices) from the Fund's inception on 17 June 2022, net of fees, in US dollar terms, outperforming its benchmark, the MSCI All Country World Index, which rose 2.17%.

## Market Review

Stock markets fell sharply during the period as the confluence of several macroeconomic events battered share prices.

In November, consumer price inflation in the US reached its highest rate since 1982, leading the US Federal Reserve to signal several interest rate hikes and an imminent end to its bond buying program. Other central banks moved even more quickly: the Bank of England raised its main interest rate and the European Central Bank announced it would end its bond buying program. At the same time, just as supply chain bottlenecks showed signs of easing, the emergence of Omicron threatened to upend the progress and reintroduce global lockdowns. Chinese officials, aiming for zero transmission, pursued the most stringent lockdown policies—further hampering economic growth that had already been stalled amid a slowdown in construction spending after several heavily indebted property developers, including the gargantuan Evergrande, defaulted on bond payments.

Investors barely had time to digest these events when, in February, Russia commenced its invasion of Ukraine. The reaction by Western governments was swift and emphatic as they sought to tread a delicate balance between punishing Russian aggression and avoiding an escalating military conflict. The US and its allies enacted crippling economic sanctions against Russia, including freezing a significant share of the Russian central bank reserve assets, cutting off many of the country's banks from the SWIFT global financial messaging system, and outlawing the export of a variety of industrial and luxury goods. The sanctions initially led to a collapse in the ruble, while the Moscow stock exchange closed for almost a month before re-opening for domestic investors only. With foreign investors effectively unable to trade, major market index providers expunged all Russian securities from their indexes.

Prices for a wide range of commodities for which Russia is a major producer—including oil, gas, grains, and metals—surged on fears of disruption, prompting billions of US dollars in margin calls to cover futures positions. Headline inflation, which had already been rising rapidly around the world prior to the invasion, received a fillip from the shock to energy and food supplies stemming from the war, increasing the pressure on central banks to tighten monetary policy. In March, the US Fed did just that, raising interest rates for the first time in three years, causing stocks to retreat further as investors feared that efforts to tame inflation may cause a recession.

This tightening continued into May as the Fed further boosted rates by 0.75% after a worse-than-expected 8.6% rise in consumer prices. Central bankers in the UK, Canada, Australia, and Switzerland continued to raise borrowing rates as well, along with numerous emerging markets (EMs) central banks. The European Central Bank, despite faltering economic growth, previewed a July rate increase that will be its first in 11 years and hinted at additional hikes in the months ahead. An exception was the Bank of Japan, which remains committed to its ultra-accommodative monetary policy. The closing days of the period did bring some respite, however; commodities prices fell (albeit largely because fears of recession overshadowed inflation) and the Chinese government eased their weeks-long COVID-19 lockdowns in Beijing and Shanghai. Further, China also announced new stimulus measures, including tax relief and infrastructure spending, to boost economic activity in the wake of the shutdowns.

Geographically, all major regions declined. Emerging Markets performed the worst, largely due to Russia and China—the latter of which faced an economic slowdown aggravated by difficulties in maintaining its zero-COVID policy, sweeping regulatory actions, and the government's attempts to slowly deflate its colossal real estate bubble. The eurozone was severely impacted as sanctions against Russia served to compound the difficulties of countries

already grappling with mounting inflation. Japanese stocks also lagged, with supply chain issues emanating out of China and other economic concerns weighing on the market. US stocks, while outperforming the index as a whole, fell over 10%.

On a sector basis, Energy performed strongly, reflecting the meteoric rise in commodity prices caused by supply shocks from war and sanctions. Utilities was the only other sector to eke out gains. Consumer Discretionary and Communication Services performed the worst; the former was impacted by slumping consumer confidence in the wake of the rapid rise in inflation, while the latter—largely comprised of highly priced growth stocks—was impacted by central bank efforts to tame inflation.

Style factors played a significant role: the most highly priced shares suffered throughout, first from the regulatory mauling of many Chinese growth leaders, and then from a reassessment of discount rates in the face of rising inflation. Similarly, the fastest growing stocks significantly underperformed their slowest growing peers. Quality offered little protection; while shares of the highest quality companies outperformed their lowest quality peers, they still fell over 20% for the period.

## Perspective and Outlook

Since our founding 33 years ago, we have stuck to the same approach: investing in reasonably priced shares of high-quality growing businesses. We want to own growing companies because the compounding of economic value creation is the foundation for long-term investor returns. We prefer high-quality businesses because they typically create more economic value and are more resilient in the face of adversity than lesser businesses. Moreover, because quality and growth are synergistic, the benefit of insisting on both factors can be greater than the sum of the factor parts. High-quality businesses can sustain their profitable growth over multiple businesses cycles, and there is greater visibility into their long-term cash flows than for companies whose businesses are more exposed to economic vagaries. Much of our focus is aimed at projecting uncertain future cash flows, handicapping them to account for risk, and continually monitoring fluctuations in the attendant valuations, which allows us to judge when to pounce on price declines in the shares of fundamentally strong businesses or—conversely—to take some of our exposure to strong and expensive businesses off the table. After all, returns are inextricably linked to what you paid (or could have received).

We have worried—and written—a good deal about the nosebleed valuations for the fastest-growing cohort of companies, and we trimmed our holdings at the margin when valuations reached extremes. But on balance we have been unwilling to compromise on growth, judging it unwise to forsake fundamentally robust businesses in the hopes of timing valuation cycles successfully. Our insistence that growing revenues be matched by strong balance sheets and solid profitability is aimed at moderating valuation extremes by steering clear of the more speculative growth companies.

### Portfolio Positioning (% Weight) at 30 June 2022

Sector	Fund	Benchmark <sup>1</sup>
Comm Services	8.8	7.9
Cons Discretionary	7.5	11.1
Cons Staples	2.8	7.6
Energy	0.0	5.0
Financials	14.3	14.5
Health Care	24.2	12.9
Industrials	15.6	9.4
Info Technology	21.5	20.8
Materials	0.0	4.8
Real Estate	1.5	2.8
Utilities	0.0	3.2
Cash	3.8	–

Geography	Fund	Benchmark <sup>1</sup>
Canada	0.0	3.2
Emerging Markets	12.1	11.7
Europe EMU	9.3	7.6
Europe ex-EMU	10.0	8.2
Frontier Markets <sup>2</sup>	0.0	–
Japan	2.2	5.4
Middle East	0.0	0.2
Pacific ex-Japan	1.8	3.1
United States	60.8	60.6
Cash	3.8	–

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

Recent market behavior shows that, in the absence of more aggressive actions to address our concerns about valuation, our reliance on quality to temper the price risks of the Fund was wishful thinking. Contrary to historical form, the shares of high-quality businesses have underperformed for two consecutive quarters in the teeth of a brutal market pullback. The poor shareholder returns of our Fund companies in the market's highest-quality quintile, as measured by consistency of profitability, balance sheet strength, and free cash flow generation, among other metrics, has been disappointing.

Several interrelated factors explain why. Top of the list is price, as the valuation premiums for quality coming into 2022 were higher than we had seen since the height of the global financial crisis in 2008. Second is rising interest rates, which penalize the discounted-cash-flow-based valuations of companies with long-lived earnings streams disproportionately, a trait that is emblematic of quality companies. A third is that, because the rout appears largely to reflect retreating valuations, the absence thus far of the

ravages of an economic contraction on corporate earnings means the advantages held by intrinsically robust businesses have yet to be highlighted. Intriguingly, this raises the possibility that the relative performance of quality companies will improve should the nascent slowdown morph into an actual recession.

Our insistence that the companies in which we invest meet our quality and growth criteria is not just a philosophical holding; it is also a form of self-discipline. Our research process requires evaluation of a company in terms of quality and growth criteria before we consider its shares' valuation. The idea behind this rule is simple: addressing valuation too early in the process can cloud one's judgment about a business's fundamentals. So, we leave consideration of valuation for last. Consequently, we will miss out on some good-performing stocks of not-so-good companies. And we will sometimes spend a great deal of time and effort identifying and monitoring good companies whose stocks never become attractively priced enough for us to buy them.

Despite the inability of the shares of high-quality companies to distinguish themselves from other high-priced growth stocks in this market correction thus far, we think it is only a matter of time before many "good companies" again become "good stocks." We don't know if the shares of high-quality companies have reached a trough, but, while the valuations of high-quality companies are still elevated relative to those of low-quality companies, that premium has declined during this year's sell-off. That puts us in an improved position to find excellent companies whose shares are priced to perform well in the years ahead.

We also don't know when supply disruptions will abate, what the outcome of the Ukraine conflict will be, how far central banks will go to tame inflation, nor how tighter monetary policy will reverberate. But we can remain focused on industry structure, management quality, and competitive advantage to ensure that each growth thesis remains intact.

#### Ten Largest Holdings at 30 June 2022

Company	Sector	Market	%
Alphabet	Comm Services	United States	3.8
Vertex Pharmaceuticals	Health Care	United States	3.6
First Republic Bank	Financials	United States	3.3
John Deere	Industrials	United States	3.1
Schneider Electric	Industrials	France	2.9
UnitedHealth Group	Health Care	United States	2.9
Microsoft	Info Technology	United States	2.8
SVB Financial Group	Financials	United States	2.7
Ametek	Industrials	United States	2.3
L'Oréal	Cons Staples	France	2.3

#### Performance (% Total Return)

as of 30 June 2022

Class X1	6 Months	1 Year	3 Years	Since Inception
US Dollar				17 June 2022
Global Paris-Aligned Equity Fund USD X1 <sup>1</sup>	–	–	–	2.50
MSCI All Country World Index <sup>2</sup>	–	–	–	2.17

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

Please read the separate disclosures page for important information.

## Disclosures

Companies held in the Funds at the end of 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 positioning should not be considered recommendations to buy or sell any security. Current and future Fund holdings are subject to risk.

Sector and geographical weights and ten largest 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).

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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.

Global Paris-Aligned Equity Fund: FactSet; Harding Loevner Funds plc Global Paris-Aligned 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 47 developed and emerging market countries.

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 46 developed and emerging market countries.

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 24 emerging market countries.

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 47 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 88-27,750 million (as of June 30, 2022).

You cannot invest directly in these indexes.



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# Annual Disclosure of Voting Activity

30 June 2022

The EU Shareholder Rights Directive (“SRD II”), as transposed into Irish law, requires asset managers to publicly disclose an engagement policy that describes how they integrate shareholder engagement into their investment strategy.

The following disclosure summarizes how Harding Loevner Funds plc, through its Investment Manager Harding Loevner LP (“Harding Loevner,” “we”), has implemented its engagement policy, including a general description of its voting behavior, its use of third-party corporate governance research providers, and an explanation of the most significant votes it cast in 2021.

## Description of Voting Behavior

Harding Loevner votes all proxies on behalf of clients who have delegated such authority to us, including Harding Loevner Funds plc. We have a fiduciary duty to act solely in the best interest of our clients, including exercising voting rights to maximize shareholder value. Therefore, we seek to use our voting power to promote high standards of corporate governance, including adequate disclosure of company policies, activities, and returns. We demand that companies offer shareholders regular access to management so that they have the ability to hold companies and their boards accountable via appropriate checks and balances. We support company boards in aligning management compensation with long-term shareholder returns through remuneration policies. In addition, we support board independence, both in the composition of individual committees and of the board overall. If company management or shareholders propose a policy that we believe will damage long-term shareholder value, we vote against it.

### Overview of Proxy Voting Guidelines

Harding Loevner assigns responsibility for voting on proposals of a company whose shares we hold in our clients’ portfolio to the individual research analyst primarily responsible for research coverage of that company. Applying Harding Loevner’s proxy voting guidelines, analysts consider each proposal according to its individual circumstances. In considering a complex or controversial proposal, the covering analyst may submit their proposed voting decision to investment colleagues for additional input. However, the covering analyst retains the ultimate discretion on how to vote. Harding Loevner requires analysts to engage with a company formally whenever they vote against a company’s management’s recommendation; this engagement is normally initiated in the form of a letter to management explaining our rationale for the vote and inviting discussion.

We record all votes along with the reason for deviations from management recommendations and any related company engagement, where applicable, in our centralized research management system, where the information is accessible to our entire firm, including all investment professionals.

We disclose to clients our votes on their behalf upon request or as required by law or regulation. Our website, [www.hardingloevner.com](http://www.hardingloevner.com), contains a complete record of all proxies cast by [Harding Loevner Funds plc](#) in addition to our Shareholder Engagement Policy and our Form ADV Part 2, which includes our [proxy voting guidelines](#).

To assure the effectiveness of our engagement policy, we periodically review our proxy voting guidelines to ensure that they provide appropriate guidance on emerging issues.

### Use of Third-Party Corporate Governance Research Providers

Harding Loevner obtains proxy voting research including voting recommendations from corporate governance research firm Glass Lewis. Our research analysts refer to Glass Lewis research when determining how Harding Loevner should vote, but they do not rely upon Glass Lewis recommendations and retain sole responsibility for each voting decision.

# Explanation of the Most Significant Votes Cast in 2021

In 2021, Harding Loevner analysts cast more than 5,000 proxy votes for 396 different companies held across our investment strategies. The charts on the right summarize our voting activity.

Harding Loevner's careful research and extensive analysis of a company's governance, management foresight, and business strategy mean that we generally expect to be supportive of boards and often tend to vote with company management; indeed, most of our votes were cast alongside management's recommendation. This makes votes against management noteworthy. In 2021, we voted against management's recommendation on 403 proposals, with just over 200 of those votes against management in connection with director appointments. Our concerns in this area included insufficient board or committee independence, inadequate qualifications, lack of cognitive and skill diversity, and a director being overextended as an executive of multiple public companies.

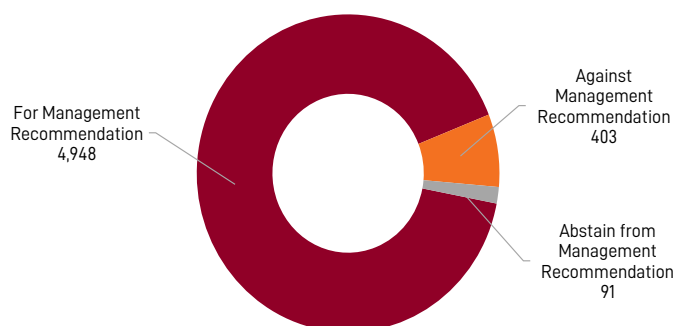
We chose to abstain from voting in 91 proxies. Most often, we abstained because we had insufficient information to cast a vote responsibly. In other instances, we disagreed with management recommendation but wanted to engage with management instead of voting against them. We also abstained for procedural reasons, including cumulative voting structures in which shareholders can choose to either allocate their votes across all candidates for the board of directors when the board has multiple openings, or apply their votes to just one candidate and abstain from voting on the appointment of the remaining candidates.

Some of our votes against management are more significant than others. For the purposes of this annual disclosure to clients, our definition of "significant" votes against management considers whether the company was held by Harding Loevner Funds plc and the size of our investment in the company, as well as other factors, including whether the proposal:

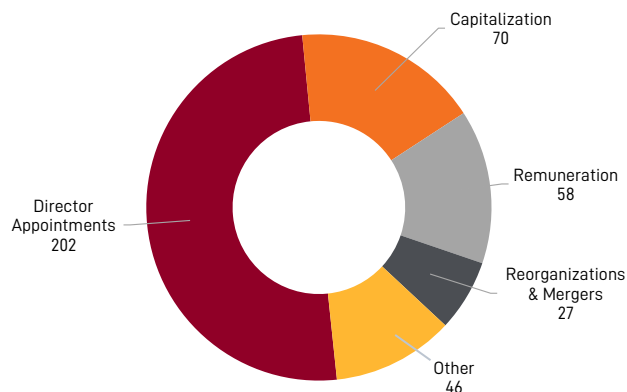
- Was controversial in nature, defined as those proposals for which more than 25% of shareholders voted against management;<sup>1</sup>
- Involved a high-profile issue, such as those that are typically subject to supermajority approval, or involved a specific issue of material importance to the industry in which the company operates.

Of the 403 total votes against management across all Harding Loevner investment strategies in 2021, 37 votes on behalf of our UCITS sub-funds met at least one of the criteria to be considered significant. On the following pages, we summarize nine of those votes.

2021 Proxy Vote Activity



Votes Cast Against Management



<sup>1</sup>Harding Loevner selected a 25% threshold to define "controversial" in order to focus on those votes with particularly high instances of votes against management proposals (or for shareholder proposals). We acknowledge that other thresholds could be used and will continue to review market practice and regulatory guidance in establishing a definition of "significant".

# Shareholder Proposals

## Regarding Reducing Ownership Threshold Required to Act by Written Consent ("Voting Power Required to Call a Special Meeting")

Harding Loevner believes shareholders should have the right to vote on key corporate governance matters, including changes to governance mechanisms and amendments to the charter, articles, or bylaws of a company. In exceptional circumstances, and with sufficiently broad support, shareholders should have the opportunity to raise issues without having to wait for management to schedule a meeting. We believe shareholders should have the right to call a special meeting in cases where a reasonable number of shareholders (typically a minimum of 10% but no more than 25%) agree to such a meeting by written consent. This allows for shareholder input in situations that merit such action, yet provides the company with adequate protection from frequent, unwarranted, and costly calls for special meetings. In each instance below, our analysts carefully considered the company, the concentration of its shareholder base, and context around each proposal.

### BorgWarner

Country: United States

Sector: Consumer Discretionary

Sub-Fund: Global Equity

**The company:** BorgWarner is a supplier of engineered systems and components, primarily for automotive powertrain applications. The company's systems focus is on improving vehicle performance, fuel efficiency, and stability. BorgWarner serves both the light and commercial (heavy-duty) vehicle markets.

**The proposal, our vote, and rationale:** The proposal from shareholders requested that the Board of Directors take the steps necessary to enable a 10% ownership threshold to initiate written consent, a reduction from a requirement of 20%, noting that any action by written consent would still need more than 60% supermajority approval of the shares that normally cast ballots at the annual meeting. We voted in favor of this proposal. Taking action by written consent in place of a meeting is a way shareholders can raise important matters outside of the annual meeting cycle. We viewed the company's 20% threshold as being too high to provide shareholders with a meaningful right to action by written consent. While the company raised concerns about potential harm from abuse of the right to act by written consent, we noted a lack of evidence that these were of significant concern, given that a supermajority of outstanding shares would still be needed to approve any proposal submitted to shareholders.

**The outcome:** The proposal passed with support from over 50% of votes cast. We wrote to BorgWarner to share our view directly with management since our opinion differed from theirs, with the hope that appropriate steps would be made to improve governance on behalf of shareholders and our clients.

### Synopsys

Country: United States

Sector: Information Technology

Sub-Fund: Global Equity

**The company:** Synopsys provides electronic design automation (EDA) software products used to design and test integrated circuits, which allow engineers to design computer chips more efficiently.

**The proposal, our vote & rationale:** Unlike BorgWarner, we voted against a proposal to set a 10% threshold for calling a special meeting. The proposal was made citing corporate governance best practices and an opinion that the current threshold for calling a special meeting was too high, while also suggesting eliminating a holding period requirement. We shared the board's view in this instance, particularly that a one-year holding period should be required for the ability to call special meetings, and that the 20% threshold requirement was a reasonable proportion of shareholders to agree to such a meeting.

**The outcome:** The proposal did not pass.

## Thermo Fisher Scientific

Country: United States

Sector: Health Care

Sub-Fund: Global Equity

**The company:** Thermo Fisher Scientific provides analytical instruments, equipment, reagents and consumables, software, and services for life science research, manufacturing, analysis, discovery, and diagnostics worldwide.

**The proposal, our vote, and rationale:** We voted for a shareholder proposal regarding the right to call special meetings. It was determined that a 15% threshold for calling a special meeting was appropriate, given Thermo Fisher Scientific's size and shareholder base.

**The outcome:** The proposal passed. We wrote to Thermo Fisher in advance of the 2022 annual general meeting reflecting on 2021 proxy voting activity to express directly that we believe a 15% threshold for calling a special meeting is appropriate.

## Remuneration

### Abcam

Country: United Kingdom

Sector: Health Care

Sub-Fund: Global & International Equity

**The company:** Abcam is a producer and distributor of high-quality protein research tools that enable life scientists to analyze components of living cells at the molecular level which is essential in understanding health and disease.

**The proposal, our vote & rationale:** Harding Loevner, acting in its position as a top 5 shareholder of Abcam common stock shares outstanding as of June 2021, voted in support of both a remuneration policy and profitable growth incentive plan, in agreement with the board of directors. This vote of support of the remuneration plan came after several conversations with the Chairman and others on the compensation committee. We gained comfort that the plan would correct what had previously been below market compensation and would support the retention of key executives.

**The outcome:** Both remuneration plans passed.

### Clarksons

Country: United Kingdom

Sector: Industrials

Sub-Fund: Global Small Companies Equity

**The company:** Clarksons provides integrated shipping services and operates through four segments: broking, financials, support, and research.

**The proposal, our vote, and rationale:** This proposal was a request to approve the remuneration report for Clarkson. Although the pay structure is unusual in that executives receive a predetermined percentage of company profits as opposed to a bonus structured around base salary or key performance indicators of the business, it is not inconsistent with the shipbroking industry, and we continue to believe that it is in the long-term interest of shareholders for the company to honor commitments it has made around pay. In our view, approving this proposal also helps with the retention of the executive team, which has an established track record of delivering value to shareholders.

**The outcome:** The remuneration report proposal passed.

# Director Appointment

## Cable One

Country: United States

Sector: Communication Services

Sub-Fund: Global Small Companies Equity

**The company:** Cable One is a telecommunications company that provides data, video, and voice services to residential and business subscribers in 24 Western, Midwestern, and Southern states in the United States.

**The proposal, our vote, and rationale:** We voted against the re-election of director Thomas Gayner based on concerns that he would not be able to effectively fulfill his obligations as a director of multiple boards, while also serving as co-CEO of Markel. We wrote to Cable One to express our view that it is exceptionally rare for sitting CEOs of public companies to serve on more than one company board, and that we felt obligated to vote in a manner that indicated our desire that board members be fully invested in their duty to Cable One.

**The outcome:** The resolution to appoint Mr. Gayner did not pass, therefore, he was not re-elected. Subsequently, the company did not accept his resignation and reappointed him to the board of Cable One after he stepped down from another board seat. We appreciated that Cable One asked him to reduce his overall board commitments, however, we remain of the opinion that Mr. Gayner serving as co-CEO of another publicly traded company makes it difficult for him to effectively fulfill his obligations to Cable One shareholders. We have written to Cable One expressing this opinion and our plan to vote against him in his next re-election if he is still co-CEO of another publicly traded company and sits on more than one additional board.

# Shareholder Classes and Voting Rights

## Alphabet

Country: United States

Sector: Communication Services

Sub-Fund: Global Equity

**The company:** Alphabet is the parent company of Google, the world's leading search engine, and operates through Google Services, Google Cloud and Other Bets segments.

**The proposal, our vote, and rationale:** This shareholder proposal requested that the board initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share within seven years. It argued that under the multi-class voting structure, Class B stock has 10x the voting rights of Class A, raising concerns that the interests of the public shareholders may be subordinated to those of the co-founders Larry Page and Sergey Brin whose Class B shares exceeded 50% of total voting power as of the 2021 annual meeting's proxy statement. The proposal for equal shareholder voting was requested as a measure of good governance and better shareholder oversight. Harding Loevner voted in support of this proposal, writing to the company to express our belief that equal voting rights are essential to ensure strong corporate governance over the long run. We have voted in favor of a consistent, one-vote-per-share structure and against the multi-class voting structure for the last ten years, as a long-term shareholder.

**The outcome:** The proposal did not pass, although it garnered 25% shareholder support. The company pointed out that this multi-class structure has been in place since 2004 when it went public and that equity investors are aware of this structure at the time of purchase. Alphabet believes that this structure insulates them from short-term pressures and provides stability over the long term. We believe, however, that the support this proposal received from a significant proportion of minority shareholders will cause Alphabet's independent directors to incorporate views of those minority shareholders in a deliberate manner.

# Political Contributions and Equal Employment Opportunity Disclosure

## Nike

Country: United States

Sector: Consumer Discretionary

Sub-Fund: Global Equity

**The company:** Nike's principal business activity is the design, development, and worldwide marketing and selling of athletic footwear, apparel, equipment, and accessory products.

**The proposal, our vote, and rationale:** We voted against a proposal for political contribution disclosure, and in support of a proposal for equal employment opportunity disclosure of its diversity, equity, and inclusion (DEI) programs.

The political contributions proposal called for the company to provide and update, semi-annually, policies and procedures for making contributions on behalf of or opposing any candidate for public office, along with additional disclosure detail. We voted against this proposal because Nike had already committed to improving its disclosure of political spending. In 2020, we abstained from a vote on this topic because we believed, at the time, that a proposed resolution was overly prescriptive. We did, however, agree that Nike needed to improve its disclosure regarding political contributions and lobbying and have engaged with the company on this matter.

We voted in support of the shareholder proposal regarding increased board focus assessing the effectiveness of diversity, equity and inclusion (DEI) programs as it relates to recruitment, promotion, retention of protected classes of its employees. We recognized that the company provides information concerning its diversity programs and the steps it is taking to support diverse employees; however, we believe more insight into the board's role in the oversight of these issues would be beneficial to shareholders and would not be overly burdensome.

**The outcome:** Neither proposal passed. While the ballot item on political spending disclosure did not pass, we have written directly to the company to express our view that transparency regarding this activity is prudent, and Nike has committed publicly to improve its governance and disclosure of political spending starting in 2022. As for the shareholder proposal on assessing the effectiveness Nike's DEI programs, while it did not pass in 2021, it did receive almost 30% shareholder support. Nike has subsequently publicly committed to releasing data on recruitment and promotion rates of diverse employees by 2024.

*Holdings identified may not be held in the identified sub-fund as of 30 June 2022. A complete list of holdings is available upon request.*



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# Audited Financial Statements

Global Equity Fund

International Equity Fund

Emerging Markets Equity Fund

Global Small Companies Equity Fund

Global Paris-Aligned Equity Fund

30 June 2022

# Harding Loevner Funds plc

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# Harding Loevner Funds plc

## Directors and Other Information

For the Financial Year Ended 30 June 2022

<b>DIRECTORS</b>	David Loevner Mike Kirby Jim Cleary Ryan Bowles	(US resident) (Non-executive) (Irish resident) (Non-executive) (Irish resident) (Independent, Non-executive) (US resident) (Non-executive)
<b>REGISTERED OFFICE</b>	2nd Floor 5 Earlsfort Terrace Dublin 2, D02 CK83 Ireland Registered Number: 437095	
<b>INVESTMENT MANAGER</b>	Harding Loevner LP 400 Crossing Boulevard 4th Floor Bridgewater New Jersey 08807 USA	
<b>MANAGEMENT COMPANY</b>	KBA Consulting Management Limited (effective 1 October 2021) 5 George's Dock IFSC Dublin 1, D01 X8N7 Ireland	
<b>DEPOSITARY</b>	Northern Trust Fiduciary Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland	
<b>ADMINISTRATOR</b>	Northern Trust International Fund Administration Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland	
<b>COMPANY SECRETARY</b>	Dechert Secretarial Limited 2nd Floor 5 Earlsfort Terrace Dublin 2, D02 CK83 Ireland	
<b>INDEPENDENT AUDITORS</b>	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2, D02 AY28 Ireland	
<b>IRISH LEGAL ADVISERS</b>	Dechert 2nd Floor 5 Earlsfort Terrace Dublin 2, D02 CK83 Ireland	

## Harding Loevner Funds plc

### Directors' Responsibilities Statement

For the Financial Year Ended 30 June 2022

#### 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 Harding Loevner Funds plc (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:

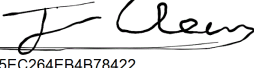
- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those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

28 September 2022

## Harding Loevner Funds plc

### Background to the Company and Directors' Report

#### For the Financial Year Ended 30 June 2022

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

#### Date of Incorporation

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

#### Background to the Company

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

There are six 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 2022, 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 2022, 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 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 2022

##### The Harding Loevner International Equity Fund (Continued)

As at 30 June 2022, 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 2022, 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 2022, 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 S	Class A Class B Class I Class M Class S	Class A Class B Class I Class M Class S	Class A Class B Class I Class F	Class A Class B Class I Class M Class S

As at 30 June 2022, the following share classes were in issue in the Emerging Markets Equity Fund:

US Dollar	Canadian Dollar
Class A Class B Class M*	Class B Class S

\*On 15 September 2021, Class I shareholdings transferred to Class M by way of an in-specie transfer.

##### 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 2022, 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 2022, there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

## Harding Loevner Funds plc

### Background to the Company and Directors' Report (Continued)

#### For the Financial Year Ended 30 June 2022

##### The Harding Loevner Global Small Companies Equity Fund

The Company created The Harding Loevner Global Small Companies Equity Fund ("Global Small Companies Equity Fund") on 4 December 2018 and commenced its operations on 13 December 2018.

The investment objective of the Global Small Companies Equity Fund is to achieve long-term capital appreciation through investments in equity securities of small companies based both inside and outside the United States.

As at 30 June 2022, 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 2022, only the US Dollar Class A shares were in issue in the Global Small Companies Equity Fund.

##### The Harding Loevner Global Paris-Aligned Equity Fund

As a result of a transfer from Global Equity Fund, the Company created the The Harding Loevner Global Paris-Aligned Equity Fund ("Global Paris-Aligned Equity Fund") on 31 May 2022 and commenced its operations on 17 June 2022.

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

As at 30 June 2022, the following class of shares were authorised to be issued in the Global Paris-Aligned Equity Fund:

Euro	Sterling	US Dollar
Class I	Class I	Class I Class X Class X1

As at 30 June 2022, only the US Dollar Class X1 share were in issue in the Global Paris-Aligned 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 2022, the Global Equity Fund distributed the following net income:

A distribution of 0.003171817 per share on the Sterling Class S shares, with a total value of GBP 337,420. This distribution was declared on 17 January 2022 with a record date of 14 January 2022, an ex-date of 18 January 2022 and a pay date of 21 January 2022.

A distribution of 0.004754419 per share on the Sterling Class S shares, with a total value of GBP 775,307. This distribution was declared on 20 July 2021 with a record date of 19 July 2021, an ex-date of 20 July 2021 and a pay date of 23 July 2021.

During the financial year ended 30 June 2022, the International Equity Fund distributed the following net income:

A distribution of 0.009346753 per share on the Sterling Class A shares, with a total value of GBP 16,842. This distribution was declared on 17 January 2022 with a record date of 14 January 2022, an ex-date of 18 January 2022 and a pay date of 21 January 2022.

A distribution of 0.013512861 per share on the Sterling Class A shares, with a total value of GBP 24,194. This distribution was declared on 20 July 2021 with a record date of 19 July 2021, an ex-date of 20 July 2021 and a pay date of 23 July 2021.

On 15 September 2021, Emerging Markets Equity Fund Class I shareholdings transferred to Emerging Markets Equity Fund Class M by way of an in-specie transfer.

## **Harding Loevner Funds plc**

### **Background to the Company and Directors' Report (Continued)**

#### **For the Financial Year Ended 30 June 2022**

##### **Significant Events During the Financial Year (Continued)**

On 1 October 2021, the Prospectus and Supplements were updated to reflect the following changes:

Reduce Emerging Markets Equity Fund Class A Investment Manager fee from 1.00% to 0.90%. Amend the corresponding total expense ratio ("TER") fee cap (i.e. maximum) to 1.00%.

Increase the Minimum Shareholding and Minimum Initial Investment Amounts for all Class S currency classes from a USD 20M equivalent to a USD 35M equivalent.

Effective on 1 October 2021, the Administration fee paid to Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") was amended. Details of this amendment is disclosed on Note 3.

On 1 October 2021, an updated Prospectus and Supplements were filed to reflect the appointment of KBA Consulting Management Limited as the Company's Management Company (the "Management Company").

On 9 December 2021, an updated Prospectus was filed to address the requirements of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation") updates.

On 31 May 2022, an updated Prospectus was filed for the purpose of making non-material changes to disclosure regarding the integration of sustainability risks.

As a result of a transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

During the year ended 30 June 2022, the outbreak of the novel coronavirus ("COVID-19") and subsequent global pandemic continued to significantly impact the global economy, individual companies, and financial markets in general and throughout the world has created significant uncertainty. The duration and extent of COVID-19 over the long-term cannot be reasonably estimated at this time. The ultimate impact of COVID-19 and the extent to which COVID-19 impacts the Company's normal course of business, results of operations, investments, and cash flows will depend on future developments, which are highly uncertain and difficult to predict.

Overall the sub-funds have experienced very few financial reporting impacts arising from COVID-19.

Russian holdings of the International Equity Fund and Emerging Markets Equity Fund were effectively valued at zero due to the inability of those sub-funds to transact in these investments, the lack of visibility on when the sub-funds may do so, and the lack of readily available market prices for such investments. All of these factors are related to the Russian invasion of Ukraine and responses to that event.

Details of these holdings are outlined on pages 16 and 18.

There have been no other significant events to report during the financial year ended 30 June 2022.

## Harding Loevner Funds plc

### Background to the Company and Directors' Report (Continued)

#### For the Financial Year Ended 30 June 2022

##### Review of the Business and Future Developments

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

##### Global Equity Fund

Class	30 June 2022	30 June 2021
Euro Class A	EUR 2.322	EUR 2.882
Sterling Class A	GBP 1.993	GBP 2.464
US Dollar Class A	USD 2.436	USD 3.421
Sterling Class B	GBP 1.203	GBP 1.490
US Dollar Class B	USD 1.122	USD 1.580
US Dollar Class D	USD 1.126	USD 1.594
Euro Class M	EUR 1.333	EUR 1.653
Singapore Dollar Class M	SGD 1.718	SGD 2.334
Canadian Dollar Class S	CAD 1.168	CAD 1.568
Euro Class S	EUR 1.310	EUR 1.615
Sterling Class S	GBP 1.339	GBP 1.650
US Dollar Class S1	–	USD 1.574

##### International Equity Fund

Class	30 June 2022	30 June 2021
Sterling Class A	GBP 1.823	GBP 2.104
US Dollar Class A	USD 1.439	USD 1.867
US Dollar Class B	USD 1.424	USD 1.853
US Dollar Class S	USD 1.225	USD 1.577

##### Emerging Markets Equity Fund

Class	30 June 2022	30 June 2021
US Dollar Class A	USD 1.181	USD 1.783
Canadian Dollar Class B	CAD 0.844	CAD 1.232
US Dollar Class B	USD 1.033	USD 1.566
US Dollar Class I	–	USD 1.664
US Dollar Class M	USD 0.697	–
Canadian Dollar Class S	CAD 0.837	CAD 1.206

##### Frontier Emerging Markets Equity Fund

As at 30 June 2022, there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

##### Global Small Companies Equity Fund

Class	30 June 2022	30 June 2021
US Dollar Class A	USD 1.278	USD 1.652

##### Global Paris-Aligned Equity Fund\*

Class	30 June 2022
US Dollar Class X1	USD 1.025

\*Global Paris-Aligned Equity Fund launched on 17 June 2022 following a transfer from Global Equity Fund.

The Harding Loevner LP's (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 2022. 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.

# Harding Loevner Funds plc

## Background to the Company and Directors' Report (Continued)

### For the Financial Year Ended 30 June 2022

#### 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 35 to 36. 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).

#### 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 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 2022 will be made within the required time frame with the initial deadline being currently six months after the year end date.

#### Events After the Reporting Date

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 Period continues post financial year-end.

The Board have noted the developments in Ukraine and the sanctions being imposed on Russia. The Board continues to monitor the developments closely and to take all the necessary actions.

The Global Equity Fund distributed net income of 0.005588746959 per share on the Sterling Class S shares, with a total value of GBP 595,751. This distribution was declared on 19 July 2022 with a record date of 18 July 2022, an ex-date of 19 July 2022 and a pay date of 22 July 2022.

The International Equity Fund distributed net income of 0.017632666260 per share on the Sterling Class A shares, with a total value of GBP 22,941. This distribution was declared on 19 July 2022 with a record date of 18 July 2022, an ex-date of 19 July 2022 and a pay date of 22 July 2022.

There have been no other material events to report subsequent to the financial year ended 30 June 2022.

#### Directors

The names of the persons who were Directors of the Company at any time during the financial year ended 30 June 2022 are set out below.

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

#### Company Secretary

Dechert Secretarial Limited, 2nd Floor 5 Earlsfort Terrace, Dublin 2, D02 CK83, Ireland.

#### 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 Managing Principal of KB Associates, who provide consulting services to the Company and a Director of KBA Consulting Management Limited, who act as Manager 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 2022.

#### 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, D02 R156, Ireland.

## Harding Loevner Funds plc

### Background to the Company and Directors' Report (Continued)

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#### For the Financial Year Ended 30 June 2022

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##### 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 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 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.

## Harding Loevner Funds plc

### Background to the Company and Directors' Report (Continued)

#### For the Financial Year Ended 30 June 2022

##### 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 2022:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

DocuSigned by:  
  
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J. Cleary

Director

DocuSigned by:  
  
924E03A647A54F9...  
M. Kirby

28 September 2022

# Harding Loevner Funds plc

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## Depository's Report

### For the Financial Year Ended 30 June 2022

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#### 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 2022. 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 2022 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, D02 R156  
Ireland

28 September 2022

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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 2022 and of the result 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 Financial Position;
- the Statement of Comprehensive Income;
- 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 as adopted by the European Union ("IFRS") ("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 ("the applicable 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. 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.

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.

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS 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.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

### **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.

#### **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.

#### **Use of our report**

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.



Michael Hartwell  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

03 October 2022

# Harding Loevner Funds plc

## Global Equity Fund Schedule of Investments 30 June 2022

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
<b>Australia: 0.45% (30 June 2021: 0.48%)</b>				<b>Sweden (Continued)</b>			
Xero (Information Technology)	53,057	2,818,475	0.45%	Hexagon (Information Technology)	1,135,669	11,795,482	1.89%
<b>Brazil: 0.86% (30 June 2021: 0.99%)</b>				<b>SWEDEN TOTAL</b>			
B3 (Financials)	2,553,000	5,346,546	0.86%			<b>23,048,857</b>	<b>3.69%</b>
<b>China: 6.14% (30 June 2021: 8.68%)</b>				<b>Switzerland: 3.09% (30 June 2021: 2.94%)</b>			
Country Garden Services (Real Estate)	2,072,000	9,228,781	1.48%	Alcon (Health Care)	126,228	8,822,075	1.41%
Sangfor (Information Technology)	115,300	1,787,934	0.28%	Roche Holding (Health Care)	18,709	6,242,866	1.00%
Tencent Holdings (Communication Services)	153,300	6,923,780	1.11%	VAT Group (Industrials)	17,856	4,257,084	0.68%
WuXi AppTec (Health Care)	569,529	8,849,440	1.41%	<b>SWITZERLAND TOTAL</b>			
WuXi Biologics Cayman (Health Care)	1,270,000	11,620,788	1.86%			<b>19,322,025</b>	<b>3.09%</b>
<b>CHINA TOTAL</b>				<b>Taiwan: 1.06% (30 June 2021: 1.07%)</b>			
		<b>38,410,723</b>	<b>6.14%</b>	Taiwan Semiconductor ADR (Information Technology)	80,886	6,612,431	1.06%
<b>Denmark: 0.92% (30 June 2021: 0.83%)</b>				<b>United Kingdom: 2.18% (30 June 2021: 1.52%)</b>			
Genmab (Health Care)	17,756	5,746,424	0.92%	Abcam (Health Care)	542,480	7,779,052	1.24%
<b>Finland: 0.00% (30 June 2021: 0.88%)</b>				Spirax-Sarco Engineering (Industrials)	48,667	5,851,959	0.94%
<b>France: 6.05% (30 June 2021: 2.12%)</b>				<b>UNITED KINGDOM TOTAL</b>			
Kering (Consumer Discretionary)	12,389	6,362,994	1.02%			<b>13,631,011</b>	<b>2.18%</b>
L'Oreal (Consumer Staples)	40,008	13,806,358	2.21%	<b>United States: 61.18% (30 June 2021: 63.93%)</b>			
Schneider Electric SE (Industrials)	149,367	17,672,141	2.82%	Accenture (Information Technology)	42,082	11,684,067	1.87%
<b>FRANCE TOTAL</b>				Adobe Systems (Information Technology)	22,052	8,072,355	1.29%
		<b>37,841,493</b>	<b>6.05%</b>	Align Technology (Health Care)	24,426	5,780,901	0.92%
<b>Germany: 0.49% (30 June 2021: 0.96%)</b>				Alphabet (Communication Services)	10,817	23,573,056	3.77%
HelloFresh (Consumer Staples)	94,312	3,049,037	0.49%	Amazon.com (Consumer Discretionary)	128,736	13,673,050	2.19%
<b>Hong Kong: 1.34% (30 June 2021: 1.11%)</b>				AMETEK (Industrials)	91,001	10,000,100	1.60%
AIA Group (Financials)	775,200	8,402,248	1.34%	Apple Inc (Information Technology)	64,602	8,832,385	1.41%
<b>India: 1.82% (30 June 2021: 1.24%)</b>				Applied Materials (Information Technology)	79,733	7,254,108	1.16%
HDFC Bank ADR (Financials)	206,630	11,356,385	1.82%	Broadcom (Information Technology)	14,579	7,082,624	1.13%
<b>Indonesia: 1.54% (30 June 2021: 0.94%)</b>				CME Group (Financials)	44,389	9,086,428	1.45%
Bank Central Asia (Financials)	19,790,280	9,631,115	1.54%	CoStar Group (Industrials)	102,755	6,207,429	0.99%
<b>Japan: 2.13% (30 June 2021: 3.34%)</b>				Danaher (Health Care)	33,338	8,451,850	1.35%
Chugai Pharmaceutical (Health Care)	164,400	4,204,510	0.67%	Deere (Industrials)	51,277	15,355,923	2.46%
Keyence (Information Technology)	16,000	5,469,340	0.87%	Edwards Lifesciences (Health Care)	87,540	8,324,178	1.33%
Misumi Group (Industrials)	173,700	3,661,424	0.59%	Etsy (Consumer Discretionary)	44,640	3,268,094	0.52%
<b>JAPAN TOTAL</b>				First Republic Bank (Financials)	139,403	20,101,913	3.22%
		<b>13,335,274</b>	<b>2.13%</b>	Illumina (Health Care)	46,947	8,655,149	1.38%
<b>Netherlands: 2.61% (30 June 2021: 2.35%)</b>				Intuitive Surgical Inc (Health Care)	28,539	5,728,063	0.92%
Adyen NV (Information Technology)	5,737	8,344,780	1.33%	IQVIA (Health Care)	32,736	7,103,385	1.14%
ASML ADR (Information Technology)	16,819	8,003,825	1.28%	Lululemon Athletica (Consumer Discretionary)	23,741	6,472,034	1.03%
<b>NETHERLANDS TOTAL</b>				MercadoLibre (Consumer Discretionary)	7,925	5,047,195	0.81%
		<b>16,348,605</b>	<b>2.61%</b>	Meta Platforms (Communication Services)	77,877	12,557,666	2.01%
<b>Poland: 0.60% (30 June 2021: 0.87%)</b>				Microsoft (Information Technology)	67,578	17,356,058	2.78%
CD Projekt (Communication Services)	176,084	3,759,476	0.60%	Netflix (Communication Services)	16,485	2,882,732	0.46%
<b>Republic of South Korea: 0.00% (30 June 2021: 1.04%)</b>				Nike (Consumer Discretionary)	115,963	11,851,419	1.90%
<b>Singapore: 0.00% (30 June 2021: 0.95%)</b>				NVIDIA (Information Technology)	30,061	4,556,947	0.73%
<b>Sweden: 3.69% (30 June 2021: 1.73%)</b>				PayPal (Information Technology)	54,922	3,835,753	0.61%
Atlas Copco AB (Industrials)	561,289	5,243,763	0.84%	Pinterest (Communication Services)	303,533	5,512,159	0.88%
Epiroc (Industrials)	389,217	6,009,612	0.96%	Rockwell Automation (Industrials)	39,942	7,960,840	1.27%
				salesforce.com (Information Technology)	35,327	5,830,368	0.93%
				Schlumberger (Energy)	259,722	9,287,659	1.48%
				SVB Financial Group (Financials)	42,266	16,694,648	2.67%
				Synopsys (Information Technology)	40,059	12,165,918	1.95%
				Thermo Fisher Scientific (Health Care)	22,905	12,443,828	1.99%
				Trade Desk (Information Technology)	115,194	4,825,477	0.77%
				Tradeweb Markets (Financials)	117,133	7,994,327	1.28%
				UnitedHealth Group (Health Care)	36,247	18,617,547	2.98%
				Verisk Analytics (Industrials)	35,929	6,218,951	1.00%
				Vertex Pharmaceuticals (Health Care)	78,696	22,175,746	3.55%
				<b>UNITED STATES TOTAL</b>			
						<b>382,522,330</b>	<b>61.18%</b>

## Harding Loevner Funds plc

### Global Equity Fund Schedule of Investments (Continued) 30 June 2022

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Total transferable securities (30 June 2021: 97.97%) (Cost: USD 655,893,533) (30 June 2021: Cost: USD 914,731,178)		601,182,455	96.15%
Cash and cash equivalents (30 June 2021: 1.76%)		24,712,278	3.95%
Other assets and liabilities (30 June 2021: 0.27%)		(632,590)	(0.10%)
Net assets attributable to holders of redeemable participating shares		625,262,143	100.00%
<b>Analysis of total gross assets</b>			
Transferable securities admitted to an official stock exchange listing			95.89%
Cash and cash equivalents			3.94%
Other assets			0.17%
			100.00%

# Harding Loevner Funds plc

## International Equity Fund Schedule of Investments 30 June 2022

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
<b>Australia: 3.26% (30 June 2021: 2.88%)</b>				<b>Israel: 0.00% (30 June 2021: 1.16%)</b>			
BHP Group Limited ADR (Materials)	86,856	4,879,570	2.87%	<b>Japan: 12.83% (30 June 2021: 12.50%)</b>			
Woodside Energy Group ADR (Energy)	30,699	661,871	0.39%	Chugai Pharmaceutical (Health Care)	84,700	2,166,192	1.28%
<b>AUSTRALIA TOTAL</b>		<b>5,541,441</b>	<b>3.26%</b>	Daifuku (Industrials)	31,500	1,801,592	1.06%
<b>Brazil: 1.95% (30 June 2021: 2.74%)</b>				Fanuc (Industrials)	8,300	1,299,322	0.77%
Ambev ADR (Consumer Staples)	792,141	1,988,274	1.17%	Keyence (Information Technology)	5,600	1,914,269	1.13%
XP (Financials)	74,020	1,329,399	0.78%	Komatsu (Industrials)	103,500	2,294,575	1.35%
<b>BRAZIL TOTAL</b>		<b>3,317,673</b>	<b>1.95%</b>	Kubota (Industrials)	163,100	2,436,643	1.43%
<b>Canada: 3.87% (30 June 2021: 1.87%)</b>				Nitori Holdings (Consumer Discretionary)	16,100	1,530,141	0.90%
Alimentation Couche-Tard (Consumer Staples)	59,100	2,305,322	1.36%	Shionogi (Health Care)	49,200	2,485,746	1.46%
Canadian National Railway (Industrials)	19,089	2,146,940	1.26%	Shiseido (Consumer Staples)	42,500	1,705,889	1.00%
Manulife Financial (Financials)	122,700	2,127,614	1.25%	Sysmex (Health Care)	29,198	1,757,303	1.03%
<b>CANADA TOTAL</b>		<b>6,579,876</b>	<b>3.87%</b>	UNICHARM (Consumer Staples)	72,100	2,412,544	1.42%
<b>China: 10.76% (30 June 2021: 7.21%)</b>				<b>JAPAN TOTAL</b>		<b>21,804,216</b>	<b>12.83%</b>
CSPC Pharmaceutical Group (Health Care)	2,492,000	2,473,961	1.46%	<b>Mexico: 1.73% (30 June 2021: 1.09%)</b>			
ENN Energy (Utilities)	185,400	3,045,581	1.79%	FEMSA ADR (Consumer Staples)	43,635	2,944,926	1.73%
Haier Smart Home (Consumer Discretionary)	767,600	3,149,516	1.85%	<b>Netherlands: 1.81% (30 June 2021: 3.01%)</b>			
Ping An Insurance (Financials)	267,500	1,818,719	1.07%	Adyen NV (Information Technology)	2,119	3,082,201	1.81%
Tencent Holdings (Communication Services)	114,400	5,166,866	3.04%	<b>Republic of South Korea: 3.41% (30 June 2021: 3.77%)</b>			
Zhejiang Sanhua Intelligent Controls (Industrials)	642,800	2,639,374	1.55%	Samsung Electronics (Voting) GDR Reg S (Information Technology)	5,320	5,804,120	3.41%
<b>CHINA TOTAL</b>		<b>18,294,017</b>	<b>10.76%</b>	<b>Russian Federation: 0.00% (30 June 2021: 2.69%)</b>			
<b>Denmark: 1.05% (30 June 2021: 0.99%)</b>				Lukoil ADR (Energy)*	40,047	–	0.00%
Novozymes (Materials)	29,761	1,786,276	1.05%	Yandex (Communication Services)*	24,421	–	0.00%
<b>France: 9.39% (30 June 2021: 8.13%)</b>				<b>RUSSIAN FEDERATION TOTAL</b>		–	<b>0.00%</b>
Air Liquide (Materials)	12,872	1,728,265	1.02%	<b>Singapore: 2.87% (30 June 2021: 2.30%)</b>			
Dassault Systemes (Information Technology)	60,890	2,240,677	1.32%	DBS Group (Financials)	228,094	4,872,835	2.87%
Kering (Consumer Discretionary)	4,011	2,060,051	1.21%	<b>Spain: 1.32% (30 June 2021: 1.37%)</b>			
L'Oreal (Consumer Staples)	16,914	5,836,851	3.43%	BBVA (Financials)	493,882	2,241,309	1.32%
Schneider Electric SE (Industrials)	34,662	4,100,984	2.41%	<b>Sweden: 7.54% (30 June 2021: 7.72%)</b>			
<b>FRANCE TOTAL</b>		<b>15,966,828</b>	<b>9.39%</b>	Alfa Laval (Industrials)	94,489	2,277,767	1.34%
<b>Germany: 7.36% (30 June 2021: 9.67%)</b>				Atlas Copco AB (Industrials)	500,176	4,672,824	2.75%
Allianz (Financials)	20,840	3,977,369	2.34%	Epiroc (Industrials)	145,162	2,241,339	1.32%
Infineon Technologies (Information Technology)	163,667	3,960,277	2.33%	Skandinaviska Enskilda Banken (Financials)	369,022	3,621,771	2.13%
SAP ADR (Information Technology)	22,205	2,014,438	1.19%	<b>SWEDEN TOTAL</b>		<b>12,813,701</b>	<b>7.54%</b>
Symrise (Materials)	23,461	2,553,252	1.50%	<b>Switzerland: 9.85% (30 June 2021: 10.76%)</b>			
<b>GERMANY TOTAL</b>		<b>12,505,336</b>	<b>7.36%</b>	Alcon (Health Care)	41,258	2,883,522	1.70%
<b>Hong Kong: 3.42% (30 June 2021: 3.02%)</b>				Lonza Group (Health Care)	6,617	3,528,050	2.07%
AIA Group (Financials)	536,100	5,810,688	3.42%	Nestle ADR (Consumer Staples)	21,237	2,471,774	1.45%
<b>India: 3.20% (30 June 2021: 2.69%)</b>				Roche Holding (Health Care)	16,297	5,438,024	3.20%
HDFC Bank ADR (Financials)	37,871	2,081,390	1.22%	SGS (Industrials)	61	139,617	0.08%
ICICI Bank ADR (Financials)	189,546	3,362,546	1.98%	Sonova Holding (Health Care)	7,197	2,291,822	1.35%
<b>INDIA TOTAL</b>		<b>5,443,936</b>	<b>3.20%</b>	<b>SWITZERLAND TOTAL</b>		<b>16,752,809</b>	<b>9.85%</b>
<b>Indonesia: 1.56% (30 June 2021: 0.97%)</b>				<b>Taiwan: 2.35% (30 June 2021: 3.69%)</b>			
Telkom Indonesia Persero ADR (Communication Services)	97,861	2,646,161	1.56%	Taiwan Semiconductor ADR (Information Technology)	48,969	4,003,216	2.35%
				<b>United Kingdom: 5.64% (30 June 2021: 6.25%)</b>			
				Rio Tinto (Materials)	57,752	3,456,374	2.03%
				Shell (Energy)	133,867	3,477,488	2.05%

## Harding Loevner Funds plc

### International Equity Fund Schedule of Investments (Continued) 30 June 2022

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
<b>United Kingdom (Continued)</b>			
Standard Chartered PLC (Financials)	352,638	2,655,441	1.56%
<b>UNITED KINGDOM TOTAL</b>		<b>9,589,303</b>	<b>5.64%</b>
<b>United States: 1.32% (30 June 2021: 1.01%)</b>			
Linde (Materials)	7,818	2,244,438	1.32%
<b>Total transferable securities (30 June 2021: 97.49%)</b> <b>(Cost: USD 166,218,187) (30 June 2021: Cost: USD 147,517,843)</b>		<b>164,045,306</b>	<b>96.49%</b>
<b>Cash and cash equivalents (30 June 2021: 2.41%)</b>		<b>4,208,286</b>	<b>2.48%</b>
<b>Other assets and liabilities (30 June 2021: 0.10%)</b>		<b>1,765,496</b>	<b>1.03%</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>170,019,088</b>	<b>100.00%</b>
<b>Analysis of total gross assets</b>		<b>% of total gross assets</b>	
Transferable securities admitted to an official stock exchange listing		94.43%	
Cash and cash equivalents		2.42%	
Other assets		3.15%	
		<b>100.00%</b>	

\*Investment categorised as level 3 security that is effectively valued at zero.

# Harding Loevner Funds plc

## Emerging Markets Equity Fund Schedule of Investments 30 June 2022

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
<b>Brazil: 6.08% (30 June 2021: 6.95%)</b>				<b>India (Continued)</b>			
B3 (Financials)	820,900	1,719,146	0.72%	Housing Development Finance (Financials)	230,742	6,342,794	2.64%
Banco Bradesco ADR (Financials)	340,291	1,109,348	0.46%	Kotak Mahindra Bank (Financials)	188,565	3,966,258	1.65%
Itau Unibanco (Pref) ADR (Financials)	623,053	2,666,667	1.11%	Maruti Suzuki India (Consumer Discretionary)	39,582	4,245,645	1.77%
Localiza Rent a Car (Industrials)	291,555	2,919,756	1.21%	Tata Consultancy Services (Information Technology)	167,083	6,912,240	2.87%
Lojas Renner (Consumer Discretionary)	367,890	1,590,093	0.66%	<b>INDIA TOTAL</b>		<b>24,441,592</b>	<b>10.17%</b>
Magazine Luiza (Consumer Discretionary)	2,015,800	901,312	0.38%				
WEG (Industrials)	394,680	1,994,724	0.83%	<b>Indonesia: 3.48% (30 June 2021: 2.21%)</b>			
XP (Financials)	95,219	1,710,133	0.71%	Astra International (Consumer Discretionary)	5,155,100	2,292,501	0.95%
<b>BRAZIL TOTAL</b>		<b>14,611,179</b>	<b>6.08%</b>	Bank Central Asia (Financials)	4,720,770	2,297,405	0.96%
<b>Chile: 0.00% (30 June 2021: 0.24%)</b>				Bank Rakyat (Financials)	13,563,825	3,778,478	1.57%
<b>China: 29.32% (30 June 2021: 27.45%)</b>				<b>INDONESIA TOTAL</b>		<b>8,368,384</b>	<b>3.48%</b>
Alibaba (Consumer Discretionary)	364,988	5,204,944	2.17%	<b>Italy: 1.32% (30 June 2021: 0.76%)</b>			
Alibaba Group Holding ADR (Consumer Discretionary)	21,028	2,390,463	0.99%	Tenaris ADR (Energy)	123,903	3,183,068	1.32%
Baidu (Communication Services)	124,660	2,359,180	0.98%	<b>Kenya: 0.90% (30 June 2021: 1.24%)</b>			
China Tourism Group Duty Free (Consumer Discretionary)	77,253	2,688,742	1.12%	Safaricom (Communication Services)	10,219,890	2,162,733	0.90%
Contemporary Amperex Technology (Industrials)	34,000	2,712,867	1.13%	<b>Mexico: 6.86% (30 June 2021: 5.20%)</b>			
Country Garden Services (Real Estate)	280,000	1,247,132	0.52%	FEMSA ADR (Consumer Staples)	53,508	3,611,255	1.51%
CSPC Pharmaceutical Group (Health Care)	3,053,760	3,031,655	1.26%	GF Banorte (Financials)	733,770	4,092,940	1.70%
ENN Energy (Utilities)	314,065	5,159,170	2.14%	Grupo Aeroportuario del Sureste ADR (Industrials)	16,998	3,338,238	1.39%
Fuyao Glass Industry Group (Consumer Discretionary)	555,200	2,816,047	1.17%	Wal-Mart de Mexico (Consumer Staples)	1,576,300	5,434,490	2.26%
Hefei Meiya Optoelectronic Technology (Industrials)	552,039	1,788,288	0.74%	<b>MEXICO TOTAL</b>		<b>16,476,923</b>	<b>6.86%</b>
JD.com (Consumer Discretionary)	10,797	347,847	0.14%	<b>Netherlands: 0.05% (30 June 2021: 0.00%)</b>			
Li Ning (Consumer Discretionary)	271,500	2,515,427	1.05%	Adyen NV (Information Technology)	83	120,728	0.05%
Midea Group (China A) (Consumer Discretionary)	490,287	4,424,088	1.84%	<b>Panama: 0.51% (30 June 2021: 0.40%)</b>			
Ping An Insurance (Financials)	660,000	4,487,307	1.87%	Copa Holdings (Industrials)	19,326	1,224,689	0.51%
Sangfor (Information Technology)	28,100	435,741	0.18%	<b>Poland: 0.27% (30 June 2021: 0.24%)</b>			
Shenzhen (Consumer Discretionary)	200,550	2,429,306	1.01%	CD Projekt (Communication Services)	30,322	647,389	0.27%
Sunny Optical (Information Technology)	210,800	3,435,964	1.43%	<b>Republic of South Korea: 8.54% (30 June 2021: 9.67%)</b>			
Tencent Holdings (Communication Services)	204,650	9,242,998	3.85%	Coway (Consumer Discretionary)	35,440	1,744,159	0.72%
WuXi AppTec (Health Care)	173,600	2,311,923	0.96%	LG Household & Health Care (Consumer Staples)	7,235	3,789,125	1.58%
WuXi Biologics Cayman (Health Care)	373,000	3,413,035	1.42%	Naver (Communication Services)	14,364	2,655,083	1.10%
Zhejiang Sanhua Intelligent Controls (Industrials)	1,211,023	4,972,531	2.07%	NCSOFT (Communication Services)	3,794	1,021,260	0.43%
ZTO Express Cayman ADR (Industrials)	111,957	3,073,220	1.28%	Samsung Electronics (Pref) GDR Reg S (Information Technology)	767	774,670	0.32%
<b>CHINA TOTAL</b>		<b>70,487,875</b>	<b>29.32%</b>	Samsung Electronics (Voting) GDR Reg S (Information Technology)	9,666	10,545,606	4.39%
<b>Colombia: 0.85% (30 June 2021: 0.53%)</b>				<b>REPUBLIC OF SOUTH KOREA TOTAL</b>		<b>20,529,903</b>	<b>8.54%</b>
Bancolombia (Pref) ADR (Financials)	66,359	2,045,848	0.85%	<b>Russian Federation: 0.00% (30 June 2021: 8.56%)</b>			
<b>Czech Republic: 0.78% (30 June 2021: 0.65%)</b>				Lukoil ADR (Energy)*	85,180	—	0.00%
Komerční Banka (Financials)	66,863	1,876,344	0.78%	NovaTek GDR Reg S (Energy)*	32,065	—	0.00%
<b>Egypt: 0.44% (30 June 2021: 0.44%)</b>				Sberbank ADR (Financials)*	1,947,120	—	0.00%
Commercial International Bank GDR (Financials)	635,455	1,054,855	0.44%	Yandex (Communication Services)*	90,632	—	0.00%
<b>Hong Kong: 5.62% (30 June 2021: 6.68%)</b>				<b>RUSSIAN FEDERATION TOTAL</b>		<b>—</b>	<b>0.00%</b>
AIA Group (Financials)	656,400	7,114,597	2.96%	<b>South Africa: 2.18% (30 June 2021: 1.50%)</b>			
ASM Pacific Technology (Information Technology)	238,529	2,026,044	0.84%	Discovery Holdings (Financials)	324,795	2,557,433	1.07%
Techtronic (Industrials)	419,500	4,375,806	1.82%	Standard Bank (Financials)	280,469	2,675,090	1.11%
<b>HONG KONG TOTAL</b>		<b>13,516,447</b>	<b>5.62%</b>	<b>SOUTH AFRICA TOTAL</b>		<b>5,232,523</b>	<b>2.18%</b>
<b>India: 10.17% (30 June 2021: 7.88%)</b>							
HDFC Bank ADR (Financials)	54,124	2,974,655	1.24%				

## Harding Loevner Funds plc

### Emerging Markets Equity Fund Schedule of Investments (Continued) 30 June 2022

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
<b>Taiwan: 11.95% (30 June 2021: 11.50%)</b>			
Airtac (Industrials)	149,735	4,990,579	2.08%
Eclat (Consumer Discretionary)	256,273	3,581,194	1.49%
Hon Hai Precision (Information Technology)	1,275,568	4,676,103	1.94%
Silergy (Information Technology)	43,000	3,463,602	1.44%
Taiwan Semiconductor (Information Technology)	750,465	12,014,103	5.00%
<b>TAIWAN TOTAL</b>		<b>28,725,581</b>	<b>11.95%</b>
<b>Thailand: 1.19% (30 June 2021: 0.83%)</b>			
SCB X Public Company Limited (Financials)	975,900	2,870,700	1.19%
<b>United Kingdom: 2.57% (30 June 2021: 2.70%)</b>			
Bank of Georgia (Financials)	36,967	587,699	0.24%
Coca-Cola HBC (Consumer Staples)	200,145	4,439,058	1.85%
Network International (Information Technology)	497,519	1,143,429	0.48%
<b>UNITED KINGDOM TOTAL</b>		<b>6,170,186</b>	<b>2.57%</b>
<b>United States: 2.32% (30 June 2021: 3.77%)</b>			
EPAM Systems (Information Technology)	18,926	5,579,006	2.32%
<b>Total transferable securities (30 June 2021: 99.57%)</b>		<b>229,325,953</b>	<b>95.40%</b>
<b>(Cost: USD 234,336,273) (30 June 2021: Cost: USD 264,222,268)</b>			
<b>Cash and cash equivalents (30 June 2021: 0.69%)</b>		<b>11,218,376</b>	<b>4.67%</b>
<b>Other assets and liabilities (30 June 2021: ((0.26)%)</b>		<b>(170,260)</b>	<b>(0.07%)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>240,374,069</b>	<b>100.00%</b>
<b>Analysis of total gross assets</b>		<b>% of total gross assets</b>	
Transferable securities admitted to an official stock exchange listing		94.59%	
Cash and cash equivalents		4.63%	
Other assets		0.78%	
		<b>100.00%</b>	

\*Investment categorised as level 3 security that is effectively valued at zero.

# Harding Loevner Funds plc

## Global Small Companies Equity Fund Schedule of Investments 30 June 2022

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
<b>Argentina: 0.63% (30 June 2021: 0.61%)</b>				<b>Japan: 11.96% (30 June 2021: 14.46%)</b>			
Globant (Information Technology)	46	8,004	0.63%	Ariake Japan (Consumer Staples)	300	12,338	0.97%
<b>Australia: 0.77% (30 June 2021: 1.10%)</b>				Bengo4.com (Communication Services)	70	1,963	0.15%
Domain Holdings (Communication Services)	4,689	9,742	0.77%	BML (Health Care)	300	7,794	0.61%
<b>Bangladesh: 0.75% (30 June 2021: 0.63%)</b>				Cosmos Pharmaceutical (Consumer Staples)	150	14,405	1.13%
Square Pharmaceuticals (Health Care)	4,087	9,475	0.75%	Infomart (Information Technology)	2,900	8,015	0.63%
<b>Canada: 1.15% (30 June 2021: 1.07%)</b>				JCU (Materials)	300	7,485	0.59%
Kinaxis (Information Technology)	135	14,574	1.15%	Kakaku.com (Communication Services)	200	3,299	0.26%
<b>China: 0.91% (30 June 2021: 0.51%)</b>				Misumi Group (Industrials)	910	19,182	1.51%
Haitian International (Industrials)	4,500	11,498	0.91%	MonotaRO (Industrials)	360	5,349	0.42%
<b>Denmark: 1.14% (30 June 2021: 1.81%)</b>				Nihon M&A Center Inc (Industrials)	380	4,041	0.32%
Ambu (Health Care)	226	2,195	0.17%	Pigeon (Consumer Staples)	850	11,659	0.92%
SimCorp (Information Technology)	169	12,267	0.97%	Rakus (Information Technology)	500	5,893	0.47%
<b>DENMARK TOTAL</b>		<b>14,462</b>	<b>1.14%</b>	Rinnai (Consumer Discretionary)	80	5,501	0.43%
<b>Finland: 0.93% (30 June 2021: 1.09%)</b>				Santen Pharmaceutical (Health Care)	1,200	9,410	0.74%
Vaisala (Information Technology)	277	11,873	0.93%	SMS (Industrials)	320	6,307	0.50%
<b>France: 1.60% (30 June 2021: 3.43%)</b>				Stanley Electric (Consumer Discretionary)	600	9,853	0.78%
Alten (Information Technology)	124	13,488	1.06%	Sugi (Consumer Staples)	200	8,770	0.69%
Rubis (Utilities)	294	6,865	0.54%	UT Group (Industrials)	650	10,707	0.84%
<b>FRANCE TOTAL</b>		<b>20,353</b>	<b>1.60%</b>	<b>JAPAN TOTAL</b>		<b>151,971</b>	<b>11.96%</b>
<b>Germany: 4.44% (30 June 2021: 6.95%)</b>				<b>Lithuania: 0.94% (30 June 2021: 0.98%)</b>			
Bechtle (Information Technology)	451	18,437	1.45%	Siauliu Bankas (Financials)	20,515	11,889	0.94%
Fuchs Petrolub (Materials)	408	9,962	0.78%	<b>Malaysia: 1.02% (30 June 2021: 0.64%)</b>			
Nemetschek (Information Technology)	161	9,745	0.77%	Dialog Group (Energy)	7,800	3,769	0.29%
Rational (Industrials)	18	10,460	0.82%	TIME dotCom (Communication Services)	9,300	9,242	0.73%
STRATEC Biomedical (Health Care)	86	7,859	0.62%	<b>MALAYSIA TOTAL</b>		<b>13,011</b>	<b>1.02%</b>
<b>GERMANY TOTAL</b>		<b>56,463</b>	<b>4.44%</b>	<b>Mexico: 0.78% (30 June 2021: 0.45%)</b>			
<b>Hong Kong: 0.00% (30 June 2021: 1.01%)</b>				Megacable Holdings (Communication Services)	4,100	9,964	0.78%
<b>India: 1.62% (30 June 2021: 0.00%)</b>				<b>Norway: 0.36% (30 June 2021: 1.36%)</b>			
Max Financial Services (Financials)	2,082	20,626	1.62%	Tomra Systems (Industrials)	248	4,600	0.36%
<b>Indonesia: 1.62% (30 June 2021: 0.96%)</b>				<b>Philippines: 1.01% (30 June 2021: 0.49%)</b>			
Bank BTPN Syariah (Financials)	65,900	12,474	0.98%	Robinsons Retail (Consumer Staples)	13,990	12,823	1.01%
Sarana Menara Nusantara (Communication Services)	109,900	8,115	0.64%	<b>Republic of South Korea: 0.94% (30 June 2021: 0.35%)</b>			
<b>INDONESIA TOTAL</b>		<b>20,589</b>	<b>1.62%</b>	Cheil Worldwide (Communication Services)	654	11,963	0.94%
<b>Israel: 1.71% (30 June 2021: 1.27%)</b>				<b>South Africa: 0.87% (30 June 2021: 1.27%)</b>			
CyberArk (Information Technology)	170	21,753	1.71%	Discovery Holdings (Financials)	1,406	11,071	0.87%
<b>Italy: 2.33% (30 June 2021: 3.79%)</b>				<b>Spain: 2.29% (30 June 2021: 1.29%)</b>			
DiaSorin (Health Care)	86	11,283	0.89%	Bankinter (Financials)	2,995	18,681	1.47%
Fineco (Financials)	471	5,637	0.44%	Linea Directa (Financials)	7,905	10,421	0.82%
Reply (Information Technology)	105	12,731	1.00%	<b>SPAIN TOTAL</b>		<b>29,102</b>	<b>2.29%</b>
<b>ITALY TOTAL</b>		<b>29,651</b>	<b>2.33%</b>	<b>Sweden: 1.35% (30 June 2021: 2.33%)</b>			
				Alfa Laval (Industrials)	175	4,218	0.33%
				Paradox Interactive (Communication Services)	315	5,495	0.43%
				Thule Group AB (Consumer Discretionary)	304	7,468	0.59%
				<b>SWEDEN TOTAL</b>		<b>17,181</b>	<b>1.35%</b>

## Harding Loevner Funds plc

### Global Small Companies Equity Fund Schedule of Investments (Continued) 30 June 2022

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
<b>Switzerland: 2.94% (30 June 2021: 2.63%)</b>				<b>United States (Continued)</b>			
Bossard (Industrials)	48	9,292	0.73%	Simulations Plus (Health Care)	605	29,845	2.35%
LEM Holding (Information Technology)	7	13,375	1.05%	Stock Yards Bancorp (Financials)	482	28,833	2.27%
Tecan Group (Health Care)	36	10,453	0.83%	<b>UNITED STATES TOTAL</b>		<b>548,354</b>	<b>43.16%</b>
Temenos Group AG (Information Technology)	49	4,189	0.33%				
<b>SWITZERLAND TOTAL</b>		<b>37,309</b>	<b>2.94%</b>	<b>Vietnam: 0.66% (30 June 2021: 0.80%)</b>			
<b>Taiwan: 1.78% (30 June 2021: 2.40%)</b>				Hoa Phat Group (Materials)	8,704	8,343	0.66%
Advantech (Information Technology)	1,099	12,789	1.00%				
Eclat (Consumer Discretionary)	415	5,799	0.46%	<b>Total transferable securities</b>		<b>1,269,918</b>	<b>99.94%</b>
Silergy (Information Technology)	50	4,027	0.32%	<b>(Cost: USD 1,282,202) (30 June 2021: Cost: USD 1,168,989)</b>			<b>(30 June 2021: 99.42%)</b>
<b>TAIWAN TOTAL</b>		<b>22,615</b>	<b>1.78%</b>				
<b>Turkey: 0.00% (30 June 2021: 0.16%)</b>				<b>Cash and cash equivalents (30 June 2021: 0.65%)</b>		<b>36,345</b>	<b>2.86%</b>
<b>Ukraine: 0.00% (30 June 2021: 0.43%)</b>				<b>Other assets and liabilities (30 June 2021: (0.07)%)</b>		<b>(35,620)</b>	<b>(2.80%)</b>
<b>United Arab Emirates: 0.24% (30 June 2021: 0.21%)</b>				<b>Net assets attributable to holders of redeemable participating shares</b>		<b>1,270,643</b>	<b>100.00%</b>
Agthia Group (Consumer Staples)	2,160	3,111	0.24%				
<b>United Kingdom: 10.04% (30 June 2021: 11.88%)</b>				<b>% total gross assets</b>			
Abcam (Health Care)	1,361	19,516	1.53%	<b>Analysis of total gross assets</b>			
Bank of Georgia (Financials)	600	9,539	0.75%	Transferable securities admitted to an official stock exchange listing			96.40%
Clarkson (Industrials)	98	3,591	0.28%	Cash and cash equivalents			2.76%
Dechra Pharmaceuticals (Health Care)	509	21,426	1.69%	Other assets			0.84%
Diploma (Industrials)	624	16,924	1.33%				<u>100.00%</u>
Keywords Studios (Information Technology)	191	5,101	0.40%				
Rathbone Bros (Financials)	351	8,297	0.66%				
Rightmove (Communication Services)	1,209	8,365	0.66%				
Senior (Industrials)	14,183	19,993	1.58%				
Spirax-Sarco Engineering (Industrials)	50	6,012	0.47%				
YouGov (Communication Services)	839	8,784	0.69%				
<b>UNITED KINGDOM TOTAL</b>		<b>127,548</b>	<b>10.04%</b>				
<b>United States: 43.16% (30 June 2021: 33.06%)</b>							
AAON (Industrials)	188	10,295	0.81%				
ABIOMED (Health Care)	63	15,593	1.23%				
Allegion (Industrials)	64	6,266	0.49%				
Altair Engineering (Information Technology)	586	30,765	2.42%				
Appfolio (Information Technology)	138	12,508	0.99%				
BorgWarner (Consumer Discretionary)	694	23,159	1.82%				
Cable One (Communication Services)	10	12,893	1.02%				
Cognex (Information Technology)	219	9,312	0.73%				
Elanco Animal Health (Health Care)	169	3,317	0.26%				
EnerSys (Industrials)	489	28,831	2.27%				
Exponent (Industrials)	284	25,978	2.04%				
Five Below Inc (Consumer Discretionary)	92	10,435	0.82%				
Guidewire Software (Information Technology)	156	11,075	0.87%				
HEICO (Industrials)	129	16,914	1.33%				
Helmerich & Payne (Energy)	445	19,162	1.51%				
Lakeland Financial (Financials)	422	28,029	2.21%				
Lazard (Financials)	211	6,839	0.54%				
LeMaitre Vascular (Health Care)	192	8,746	0.69%				
Malibu Boats (Consumer Discretionary)	422	22,244	1.75%				
MGP Ingredients (Consumer Staples)	326	32,629	2.57%				
Neurocrine Biosciences (Health Care)	365	35,580	2.80%				
Ollie's Bargain Outlet Holding (Consumer Discretionary)	428	25,145	1.98%				
Planet Fitness (Consumer Discretionary)	119	8,093	0.64%				
Reinsurance Group of America (Financials)	241	28,267	2.22%				
Repligen (Health Care)	80	12,992	1.02%				
Reynolds Consumer Products (Consumer Staples)	1,037	28,279	2.22%				
Sensata (Industrials)	122	5,040	0.40%				
Signature Bank (Financials)	63	11,290	0.89%				

# Harding Loevner Funds plc

## Global Paris-Aligned Equity Fund Schedule of Investments 30 June 2022

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
<b>Australia: 0.45%</b>				<b>Switzerland (Continued)</b>			
Xero (Information Technology)	11,166	593,156	0.45%	VAT Group (Industrials)	3,815	909,542	0.69%
<b>Brazil: 0.90%</b>				<b>SWITZERLAND TOTAL</b>			
B3 (Financials)	561,000	1,174,858	0.90%			<b>4,115,554</b>	<b>3.14%</b>
<b>China: 6.22%</b>				<b>Taiwan: 1.04%</b>			
Country Garden Services (Real Estate)	442,000	1,968,688	1.50%	Taiwan Semiconductor Manufacturing ADR (Technology)	16,693	1,364,653	1.04%
Sangfor (Information Technology)	24,200	375,264	0.29%	<b>United Kingdom: 2.19%</b>			
Tencent Holdings (Communications)	31,200	1,409,145	1.08%	Abcam (Health Care)	116,193	1,666,184	1.27%
WuXi AppTec (Health Care)	122,100	1,897,211	1.45%	Spirax-Sarco Engineering (Industrials)	10,052	1,208,702	0.92%
Wuxi Biologics Cayman (Health Care)	273,000	2,498,012	1.90%	<b>UNITED KINGDOM TOTAL</b>			
<b>CHINA TOTAL</b>		<b>8,148,320</b>	<b>6.22%</b>			<b>2,874,886</b>	<b>2.19%</b>
<b>Denmark: 0.94%</b>				<b>United States: 60.90%</b>			
Genmab (Health Care)	3,793	1,227,539	0.94%	Accenture (Information Technology)	8,699	2,415,277	1.84%
<b>France: 6.20%</b>				Adobe Systems (Information Technology)	4,521	1,654,957	1.26%
Kering (Consumer Discretionary)	2,610	1,340,497	1.02%	Align Technology (Health Care)	5,214	1,233,997	0.94%
L'Oreal (Consumer Staples)	8,631	2,978,471	2.27%	Alphabet (Communication Services)	2,268	4,942,562	3.77%
Schneider Electric SE (Industrials)	32,195	3,809,105	2.91%	Amazon.com (Consumer Discretionary)	27,704	2,942,442	2.25%
<b>FRANCE TOTAL</b>		<b>8,128,073</b>	<b>6.20%</b>	AMETEK (Industrials)	27,327	3,002,964	2.29%
<b>Germany: 0.53%</b>				Apple Inc (Information Technology)	13,137	1,796,091	1.37%
HelloFresh (Consumer Staples)	21,400	691,846	0.53%	Applied Materials (Information Technology)	15,790	1,436,574	1.10%
<b>Hong Kong: 1.36%</b>				Broadcom (Information Technology)	2,934	1,425,367	1.09%
AIA Group (Financials)	164,600	1,784,069	1.36%	CME Group (Financials)	9,086	1,859,904	1.42%
<b>India: 1.77%</b>				CoStar Group (Industrials)	21,803	1,317,120	1.01%
HDFC Bank ADR (Financials)	42,341	2,327,061	1.77%	Danaher (Health Care)	7,006	1,776,161	1.36%
<b>Indonesia: 1.57%</b>				Deere (Industrials)	13,577	4,065,904	3.10%
Bank Central Asia (Financials)	4,228,600	2,057,886	1.57%	Edwards Lifesciences (Health Care)	18,108	1,721,890	1.31%
<b>Japan: 2.17%</b>				Etsy (Consumer Discretionary)	9,561	699,961	0.53%
Chugai Pharmaceutical (Health Care)	35,200	900,236	0.69%	First Republic Bank (Financials)	29,720	4,285,624	3.27%
Keyence (Information Technology)	3,400	1,162,235	0.89%	Illumina (Health Care)	9,994	1,842,494	1.41%
Misumi Group (Industrials)	37,100	782,031	0.59%	Intuitive Surgical Inc (Health Care)	5,917	1,187,601	0.91%
<b>JAPAN TOTAL</b>		<b>2,844,502</b>	<b>2.17%</b>	IQVIA (Health Care)	6,850	1,486,381	1.13%
<b>Netherlands: 2.59%</b>				Lululemon Athletica (Consumer Discretionary)	4,762	1,298,169	0.99%
Adyen (Information Technology)	1,208	1,757,102	1.34%	MercadoLibre (Consumer Discretionary)	1,712	1,090,321	0.83%
ASML ADR (Information Technology)	3,431	1,632,744	1.25%	Meta Platforms (Communications)	16,392	2,643,210	2.02%
<b>NETHERLANDS TOTAL</b>		<b>3,389,846</b>	<b>2.59%</b>	Microsoft (Information Technology)	14,213	3,650,325	2.78%
<b>Poland: 0.65%</b>				Netflix (Communication Services)	3,344	584,765	0.45%
CD Projekt (Communication Services)	39,956	853,079	0.65%	Nike (Consumer Discretionary)	23,752	2,427,454	1.85%
<b>Sweden: 3.78%</b>				NVIDIA (Information Technology)	6,036	914,997	0.70%
Atlas Copco AB (Industrials)	122,901	1,148,185	0.88%	PayPal (Information Technology)	10,697	747,079	0.57%
Epiroc (Industrials)	83,353	1,286,992	0.98%	Pinterest (Communication Services)	64,483	1,171,011	0.89%
Hexagon (Information Technology)	242,660	2,520,358	1.92%	Rockwell Automation (Industrials)	8,562	1,706,492	1.30%
<b>SWEDEN TOTAL</b>		<b>4,955,535</b>	<b>3.78%</b>	salesforce.com (Information Technology)	7,351	1,213,209	0.93%
<b>Switzerland: 3.14%</b>				SVB Financial Group (Financials)	8,923	3,524,496	2.69%
Alcon (Health Care)	26,789	1,872,283	1.43%	Synopsys (Information Technology)	8,639	2,623,664	2.00%
Roche Holding (Health Care)	3,997	1,333,729	1.02%	Thermo Fisher Scientific (Health Care)	4,785	2,599,595	1.98%
				Trade Desk (Information Technology)	22,982	962,716	0.73%
				Tradeweb Markets (Financials)	25,183	1,718,740	1.31%
				UnitedHealth Group (Health Care)	7,408	3,804,971	2.90%
				Verisk Analytics (Industrials)	7,422	1,284,674	0.98%
				Vertex Pharmaceuticals (Health Care)	16,952	4,776,904	3.64%
				<b>UNITED STATES TOTAL</b>		<b>79,836,063</b>	<b>60.90%</b>

## Harding Loevner Funds plc

### Global Paris-Aligned Equity Fund Schedule of Investments (Continued) 30 June 2022

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Total transferable securities (Cost: USD 123,247,205)		126,366,926	96.40%
Cash and cash equivalents		4,877,232	3.72%
Other assets and liabilities		(156,831)	(0.12%)
Net assets attributable to holders of redeemable participating shares		131,087,327	100.00%
Analysis of total gross assets			% of total gross assets
Transferable securities admitted to an official stock exchange listing			95.98%
Cash and cash equivalents			3.70%
Other assets			0.32%
			100.00%

No comparative information is available as Global Paris-Aligned Equity Fund launched on 17 June 2022.

## Harding Loevner Funds plc

### Global Equity Fund Significant Purchases & Sales 30 June 2022 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Baidu	140,597	22,398,134	eBay	348,246	23,147,549
Hexagon	1,617,603	21,374,761	Deere	54,084	21,074,239
WuXi AppTec	897,029	20,768,191	EPAM Systems	43,716	21,036,081
Applied Materials	130,315	18,286,892	NetEase	1,083,600	20,105,040
Schneider Electric SE	114,673	18,163,922	Baidu	137,363	19,543,370
HelloFresh	162,279	15,907,063	Alphabet	6,678	17,216,599
MercadoLibre	13,526	15,518,543	Keyence	29,200	16,962,643
Rockwell Automation	54,969	15,227,952	NVIDIA	45,685	16,927,824
Netflix	27,075	14,857,715	Workday	55,456	16,590,546
CoStar Group	168,080	14,671,629	Estee Lauder	49,745	16,487,066
Sangfor	413,500	13,854,762	First Republic Bank	85,299	15,358,330
Broadcom	23,188	13,000,152	Schlumberger	385,764	14,521,238
Pinterest	343,508	12,335,563	SVB Financial Group	25,397	13,765,388
Keyence	26,200	12,131,397	DBS Group	577,586	13,035,824
Lululemon Athletica	37,282	11,948,015	Roper	27,336	12,953,919
UnitedHealth Group	24,273	10,798,392	PayPal	63,953	12,714,826
Deere	25,741	9,560,794	Amazon.com	4,271	11,962,534
Country Garden Services	1,211,000	9,502,297	Illumina	29,348	11,040,640
L'Oreal	25,553	8,849,217	MasterCard	31,168	10,799,572
NetEase	460,700	8,819,289	VF	140,273	10,647,201
Taiwan Semiconductor ADR	83,465	8,630,194	Trip.com	359,818	10,574,708
Wuxi Biologics Cayman	562,500	8,357,901	Samsung Electronics (Voting)	8,063	10,515,305
Meta Platforms	35,193	8,142,911	Alibaba	487,404	10,515,120
Kering	14,999	7,964,194	Sysmex	155,623	10,315,534
AMETEK	51,962	7,125,862	Disney	74,921	10,073,699
Xero	69,856	6,954,163	Meta Platforms	38,471	9,581,495
HDFC Bank ADR	82,291	4,634,830	Taiwan Semiconductor	464,000	9,348,398
Accenture	13,145	4,385,529	Adobe Systems	20,861	9,293,648
Adyen NV	2,568	4,333,849	Roche Holding	23,074	9,290,417
			Thermo Fisher Scientific	15,232	8,694,632
			Neste	214,097	8,521,947
			CME Group	38,130	8,008,264
			Danaher	27,199	7,537,018
			Vertex Pharmaceuticals	29,909	7,535,314
			Microsoft	25,186	7,226,826
			UnitedHealth Group	14,309	7,120,032

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 2022 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Samsung Electronics (Voting)	4,094	6,140,907	Samsung Electronics (Pref)	2,650	3,844,319
Haier Smart Home	923,900	4,156,505	Taiwan Semiconductor	30,217	3,250,171
Tencent Holdings	67,700	3,923,881	Check Point	22,922	3,197,712
Zhejiang Sanhua Intelligent Controls	748,500	2,778,606	Infineon Technologies	84,100	3,103,423
SEB Group (Skandinaviska Enskilda Banken)	219,812	2,402,021	Diageo	59,984	2,713,794
Manulife Financial	122,700	2,234,662	Keyence	4,500	2,629,228
XP	73,866	2,149,446	Adyen NV	1,013	2,510,346
Shiseido	42,500	2,109,287	Nestle	19,981	2,432,805
Kering	4,011	2,079,429	Unilever PLC	48,562	2,250,922
Daifuku	31,500	1,990,300	Itau Unibanco (Pref)	557,265	2,241,367
ENN Energy	100,900	1,811,120	Alibaba Group Holding	14,621	1,979,079
L'Oreal	21,303	1,655,885	UNICHARM	43,600	1,593,974
L'Oreal	4,132	1,631,270	Sonova Holding	4,128	1,587,864
CSPC Pharmaceutical Group	1,268,000	1,569,416	SGS	652	1,562,885
Nitori Holdings	8,800	1,495,070	L'Oreal	3,733	1,513,249
Atlas Copco AB	27,287	1,483,988	Atlas Copco AB	25,796	1,389,285
Roche Holding	3,835	1,432,988	Samsung Electronics (Voting)	900	1,339,258
Taiwan Semiconductor	13,098	1,354,769	Roche Holding	3,479	1,301,433
AIA Group	128,600	1,354,414	AIA Group	115,000	1,274,086
Schneider Electric SE	8,839	1,353,855	DBS Group	49,400	1,265,447
DBS Group	54,200	1,300,192	Tencent Holdings	21,800	1,264,221
BHP Group Limited	19,551	1,263,670	Schneider Electric SE	7,665	1,216,669
Standard Chartered PLC	172,768	1,261,402	BHP Group Limited	17,648	1,203,617
Infineon Technologies	36,242	1,220,185	Allianz	4,628	1,088,035
Allianz	5,076	1,139,235	Lonza Group	1,485	988,772
Lonza Group	1,624	1,054,052	Rio Tinto	12,903	974,697
Nestle	7,834	1,006,262	Epiroc	43,641	924,286
Rio Tinto	14,162	1,001,175	ICICI Bank	37,910	731,944
Adyen NV	485	976,819	Alcon	9,087	697,823
ICICI Bank	44,333	844,433			
Alcon	10,485	775,205			
Keyence	1,500	742,210			

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

## Harding Loevner Funds plc

### Emerging Markets Equity Fund Significant Purchases & Sales 30 June 2022 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Naver	14,364	3,273,043	EPAM Systems	10,306	6,481,769
ZTO Express Cayman	98,488	2,937,836	Taiwan Semiconductor	237,000	5,304,672
Contemporary Amperex Technology	35,800	2,901,485	Ambev	1,246,402	3,503,959
XP	84,269	2,742,468	Banco Bradesco	702,558	2,684,000
Silergy	21,000	2,511,434	Tencent Holdings	49,500	2,551,325
Zhejiang Sanhua Intelligent Controls	751,678	2,443,216	Sands China	1,213,300	2,503,671
Magazine Luiza	2,078,400	2,424,068	NovaTek	10,358	2,399,209
WuXi AppTec	185,800	2,378,529	Largan Precision	32,000	1,992,906
Li Ning	271,500	2,295,255	Tata Consultancy Services	37,857	1,832,469
Tencent Holdings	27,400	1,662,755	AIA Group	158,400	1,780,320
Ping An Insurance	154,500	1,125,020	51job	34,331	1,719,957
Hefei Meiya Optoelectronic Technology	168,557	1,118,158	GF Banorte	239,600	1,618,069
WuXi Biologics Cayman	129,500	1,070,314	Bank Central Asia	2,730,600	1,500,078
Sunny Optical	56,600	1,035,952	Samsung Electronics (Voting)	959	1,475,869
LG Household & Health Care	1,260	1,020,651	SF Holding	177,400	1,362,238
Lojas Renner	151,600	791,162	CSPC Pharmaceutical Group	930,000	1,107,463
Taiwan Semiconductor	42,000	761,355	Ultrapar Participacoes	379,725	1,029,763
B3	197,500	471,604	Amorepacific	7,893	1,017,876
Network International	146,858	459,522	Sunny Optical	36,100	1,011,323
Airtac	13,000	450,149	New Oriental Education	146,210	971,268
Astra International	935,800	426,688	Hon Hai Precision	253,000	954,500
ASM Pacific Technology	29,800	416,408	Banco Santander Chile	46,992	927,791
			Itau Unibanco (Pref)	170,893	913,973
			Sangfor	54,100	888,063
			B3	263,400	824,134
			Housing Development Finance	23,852	777,251
			Techtronic	43,500	751,381
			Lukoil	8,805	735,004
			Jiangsu Hengrui Medicine	142,920	724,508

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

## Harding Loevner Funds plc

### Global Small Companies Equity Fund Significant Purchases & Sales 30 June 2022 (unaudited)

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Lakeland Financial	422	31,496	Signature Bank	95	30,032
Malibu Boats	422	30,640	EMIS Group	1,082	24,695
Reynolds Consumer Products	1,037	30,565	Tomra Systems	284	19,534
Max Financial Services	2,082	28,836	Healthcare Services Group	1,137	19,417
Simulations Plus	605	28,094	Stock Yards Bancorp	305	18,778
MGP Ingredients	326	27,778	Alten	102	17,644
Neurocrine Biosciences	248	20,965	Proto Labs	321	16,736
Appfolio	138	16,825	Reply	80	16,025
AAON	188	15,080	Planet Fitness	187	16,010
Tecan Group	36	15,035	Thule Group AB	276	15,343
Reinsurance Group of America	125	12,695	Carl Zeiss Meditec	66	14,510
Pigeon	600	12,287	ABC-Mart	300	14,477
Cable One	7	10,779	Nomura Research Institute	400	13,840
Stanley Electric	400	9,457	Symrise	85	12,396
Linea Directa	4,910	8,768	IPG Photonics	107	12,130
Misumi Group	400	7,888	YouGov	566	11,371
BML	300	7,803	LISI	434	10,852
Cheil Worldwide	397	7,583	Silergy	70	10,832
Helmerich & Payne	218	7,330	Vitasoy International	4,500	10,771
Robinsons Retail	6,590	6,612	Vaisala	162	9,607
Bank BTPN Syariah	33,700	6,555	JCU	200	9,060
Megacable Holdings	2,000	6,267	Discovery Holdings	972	8,403
Exponent	54	6,218	Fineco	441	7,649
EnerSys	83	6,208	LEM Holding	3	7,527
Keywords Studios	191	5,263	STRATEC Biomedical	48	7,038
Dialog Group	7,800	4,981	Kernel	491	6,913
Haitian International	2,000	4,953	LeMaitre Vascular	125	5,416
Infomart	1,900	4,916			
Bechtel	106	4,202			
Five Below Inc	23	4,187			

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

## Harding Loevner Funds plc

### Global Paris-Aligned Equity Fund\* Significant Purchases & Sales 30 June 2022 (unaudited)

All Purchases			All Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Deere	2,962	949,161	Sangfor	26,800	409,684
AMETEK	8,313	910,242	Xero	6,486	357,979
Adyen ADR	460	682,393			

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.

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

# Harding Loevner Funds plc

## Statement of Financial Position

As at 30 June 2022

		Global Equity Fund As at 30 June 2022 USD	International Equity Fund As at 30 June 2022 USD	Emerging Markets Equity Fund As at 30 June 2022 USD	Global Small Companies Equity Fund As at 30 June 2022 USD	Global Paris-Aligned Equity Fund* As at 30 June 2022 USD	Total As at 30 June 2022 USD
	Notes						
<b>Current assets</b>							
Financial assets at fair value through profit or loss	2,4,13	601,182,455	164,045,306	229,325,953	1,269,918	126,366,926	1,122,190,558
Cash and cash equivalents	2,5	24,712,278	4,208,286	11,218,376	36,345	4,877,232	45,052,517
Receivables	6	1,060,173	5,466,230	1,896,206	11,022	148,244	8,581,875
<b>Total current assets</b>		<b>626,954,906</b>	<b>173,719,822</b>	<b>242,440,535</b>	<b>1,317,285</b>	<b>131,392,402</b>	<b>1,175,824,950</b>
<b>Financial liabilities not at fair value through profit or loss</b>							
Creditors (amounts falling due within one year)	3,8	1,692,763	3,700,734	2,066,466	46,642	305,075	7,811,680
<b>Total liabilities excluding net assets attributable to holders of redeemable participating shares</b>		<b>1,692,763</b>	<b>3,700,734</b>	<b>2,066,466</b>	<b>46,642</b>	<b>305,075</b>	<b>7,811,680</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	15	<b>625,262,143</b>	<b>170,019,088</b>	<b>240,374,069</b>	<b>1,270,643</b>	<b>131,087,327</b>	<b>1,168,013,270</b>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

The notes on pages 41 to 78 are an integral part of these financial statements.

# Harding Loevner Funds plc

## Statement of Financial Position (Continued)

As at 30 June 2022

		Global Equity Fund As at 30 June 2022 USD	International Equity Fund As at 30 June 2022 USD	Emerging Markets Equity Fund As at 30 June 2022 USD	Global Small Companies Equity Fund As at 30 June 2022 USD	Global Paris-Aligned Equity Fund* As at 30 June 2022 USD
<b>Redeemable participating shares in issue at financial year end</b>	<b>Notes</b>					
Euro Class A	10	20,582,485.044	—	—	—	—
Sterling Class A	10	15,818,481.090	1,301,053.810	—	—	—
US Dollar Class A	10	45,823,406.956	62,962,773.547	6,781,363.075	1,000,000.000	—
US Dollar Class X1	10	—	—	—	—	127,928,875.990
Canadian Dollar Class B	10	—	—	500,000.000	—	—
Sterling Class B	10	99,000.000	—	—	—	—
US Dollar Class B	10	5,318,677.247	5,214,335.577	1,843,364.312	—	—
US Dollar Class D	10	194,824.171	—	—	—	—
US Dollar Class M	10	—	—	58,366,719.120	—	—
Euro Class M	10	30,938,896.021	—	—	—	—
Singapore Dollar Class M	10	81,265,943.162	—	—	—	—
Canadian Dollar Class S	10	92,330,092.106	—	291,255,604.389	—	—
Euro Class S	10	12,842,779.404	—	—	—	—
Sterling Class S	10	106,598,282.954	—	—	—	—
US Dollar Class S	10	—	56,413,494.523	—	—	—
<b>Net Asset Value per redeemable participating share</b>						
Euro Class A	14	EUR 2.322	—	—	—	—
Euro Class A USD equivalent	14	USD 2.433	—	—	—	—
Sterling Class A	14	GBP 1.993	GBP 1.823	—	—	—
Sterling Class A USD equivalent	14	USD 2.427	USD 2.219	—	—	—
US Dollar Class A	14	USD 2.436	USD 1.439	USD 1.181	USD 1.271	—
US Dollar Class X1	14	—	—	—	—	USD 1.025
Canadian Dollar Class B	14	—	—	CAD 0.844	—	—
Canadian Dollar Class B USD equivalent	14	—	—	USD 0.656	—	—
Sterling Class B	14	GBP 1.203	—	—	—	—
Sterling Class B USD equivalent	14	USD 1.464	—	—	—	—
US Dollar Class B	14	USD 1.122	USD 1.424	USD 1.033	—	—
US Dollar Class D	14	USD 1.126	—	—	—	—

The notes on pages 41 to 78 are an integral part of these financial statements.

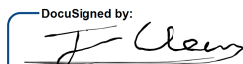
**Harding Loevner Funds plc****Statement of Financial Position (Continued)****As at 30 June 2022**

		<b>Global Equity Fund As at 30 June 2022 USD</b>	<b>International Equity Fund As at 30 June 2022 USD</b>	<b>Emerging Markets Equity Fund As at 30 June 2022 USD</b>	<b>Global Small Companies Equity Fund As at 30 June 2022 USD</b>	<b>Global Paris-Aligned Equity Fund* As at 30 June 2022 USD</b>
<b>Net Asset Value per redeemable participating share</b>	<b>Notes</b>					
US Dollar Class M	14	—	—	USD 0.697	—	—
Euro Class M	14	EUR 1.333	—	—	—	—
Euro Class M USD equivalent	14	USD 1.397	—	—	—	—
Singapore Dollar Class M	14	SGD 1.718	—	—	—	—
Singapore Dollar Class M USD equivalent	14	USD 1.236	—	—	—	—
Canadian Dollar Class S	14	CAD 1.168	—	CAD 0.837	—	—
Canadian Dollar Class S USD equivalent	14	USD 0.907	—	USD 0.651	—	—
Euro Class S	14	EUR 1.310	—	—	—	—
Euro Class S USD equivalent	14	USD 1.373	—	—	—	—
Sterling Class S	14	GBP 1.339	—	—	—	—
Sterling Class S USD equivalent	14	USD 1.629	—	—	—	—
US Dollar Class S	14	—	USD 1.225	—	—	—

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

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J. Cleary

28 September 2022

Director

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M. Kirby

The notes on pages 41 to 78 are an integral part of these financial statements.

## Harding Loevner Funds plc

### Statement of Financial Position (Continued)

As at 30 June 2021

		Global Equity Fund As at 30 June 2021 USD	International Equity Fund As at 30 June 2021 USD	Emerging Markets Equity Fund As at 30 June 2021 USD	Global Small Companies Equity Fund As at 30 June 2021 USD	Total As at 30 June 2021 USD
	Notes					
<b>Current assets</b>						
Financial assets at fair value through profit or loss	2,4,13	1,323,123,709	209,667,923	394,518,864	1,642,238	1,928,952,734
Cash and cash equivalents	2,5	23,800,170	5,188,033	2,741,811	10,720	31,740,734
Receivables	6	4,643,614	448,765	877,369	30,072	5,999,820
<b>Total current assets</b>		<b>1,351,567,493</b>	<b>215,304,721</b>	<b>398,138,044</b>	<b>1,683,030</b>	<b>1,966,693,288</b>
<b>Financial liabilities not at fair value through profit or loss</b>						
Creditors (amounts falling due within one year)	3,8	1,030,665	238,003	1,903,761	31,171	3,203,600
<b>Total liabilities excluding net assets attributable to holders of redeemable participating shares</b>		<b>1,030,665</b>	<b>238,003</b>	<b>1,903,761</b>	<b>31,171</b>	<b>3,203,600</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	15	<b>1,350,536,828</b>	<b>215,066,718</b>	<b>396,234,283</b>	<b>1,651,859</b>	<b>1,963,489,688</b>

The notes on pages 41 to 78 are an integral part of these financial statements.

# Harding Loevner Funds plc

## Statement of Financial Position (Continued)

As at 30 June 2021

		Global Equity Fund As at 30 June 2021 USD	International Equity Fund As at 30 June 2021 USD	Emerging Markets Equity Fund As at 30 June 2021 USD	Global Small Companies Equity Fund As at 30 June 2021 USD
<b>Redeemable participating shares in issue at financial year end</b>	<b>Notes</b>				
Euro Class A	10	69,717,084.302	—	—	—
Sterling Class A	10	30,085,853.745	1,790,469.575	—	—
US Dollar Class A	10	50,975,107.177	43,710,789.940	6,436,502.294	1,000,000.000
Canadian Dollar Class B	10	—	—	500,000.000	—
Sterling Class B	10	99,000.000	—	—	—
US Dollar Class B	10	4,381,744.754	5,865,599.797	2,084,144.724	—
US Dollar Class D	10	375,318.483	—	—	—
US Dollar Class I	10	—	—	36,894,259.876	—
Euro Class M	10	30,938,896.021	—	—	—
Singapore Dollar Class M	10	74,230,336.126	—	—	—
Canadian Dollar Class S	10	35,500,000.000	—	328,617,200.376	—
Euro Class S	10	19,393,309.642	—	—	—
Sterling Class S	10	163,070,766.560	—	—	—
US Dollar Class S	10	—	74,439,994.939	—	—
US Dollar Class S1	10	116,723,426.995	—	—	—
<b>Net Asset Value per redeemable participating share</b>					
Euro Class A	14	EUR 2.882	—	—	—
Euro Class A USD equivalent	14	USD 3.417	—	—	—
Sterling Class A	14	GBP 2.464	GBP 2.104	—	—
Sterling Class A USD equivalent	14	USD 3.408	USD 2.911	—	—
US Dollar Class A	14	USD 3.421	USD 1.867	USD 1.783	USD 1.652
Canadian Dollar Class B	14	—	—	CAD 1.232	—
Canadian Dollar Class B USD equivalent	14	—	—	USD 0.994	—
Sterling Class B	14	GBP 1.490	—	—	—
Sterling Class B USD equivalent	14	USD 2.062	—	—	—
US Dollar Class B	14	USD 1.580	USD 1.853	USD 1.566	—
US Dollar Class D	14	USD 1.594	—	—	—
US Dollar Class I	14	—	—	USD 1.664	—

The notes on pages 41 to 78 are an integral part of these financial statements.

## Harding Loevner Funds plc

### Statement of Financial Position (Continued)

As at 30 June 2021

		Global Equity Fund As at 30 June 2021 USD	International Equity Fund As at 30 June 2021 USD	Emerging Markets Equity Fund As at 30 June 2021 USD	Global Small Companies Equity Fund As at 30 June 2021 USD
	Notes				
<b>Net Asset Value per redeemable participating share</b>					
Euro Class M	14	EUR 1.653	—	—	—
Euro Class M USD equivalent	14	USD 1.960	—	—	—
Singapore Dollar Class M	14	SGD 2.334	—	—	—
Singapore Dollar Class M USD equivalent	14	USD 1.735	—	—	—
Canadian Dollar Class S	14	CAD 1.568	—	CAD 1.206	—
Canadian Dollar Class S USD equivalent	14	USD 1.265	—	USD 0.973	—
Euro Class S	14	EUR 1.615	—	—	—
Euro Class S USD equivalent	14	USD 1.915	—	—	—
Sterling Class S	14	GBP 1.650	—	—	—
Sterling Class S USD equivalent	14	USD 2.283	—	—	—
US Dollar Class S	14	—	USD 1.577	—	—
US Dollar Class S1	14	USD 1.574	—	—	—

The notes on pages 41 to 78 are an integral part of these financial statements.

# Harding Loevner Funds plc

## Statement of Comprehensive Income

For the Financial Year Ended 30 June 2022

		Global Equity Fund Financial year ended 30 June 2022 USD	International Equity Fund Financial year ended 30 June 2022 USD	Emerging Markets Equity Fund Financial year ended 30 June 2022 USD	Global Small Companies Equity Fund Financial year ended 30 June 2022 USD	Global Paris-Aligned Equity Fund* Financial year ended 30 June 2022 USD	Total Financial year ended 30 June 2022 USD
	Notes						
<b>Income</b>							
Dividend income	2	7,787,260	4,634,410	6,561,700	21,483	53,045	19,057,898
Interest income	2	24,809	10,271	16,477	54	370	53,981
Other income		24,492	3,666	5,958	30	–	34,146
Management fee rebate	3	351,703	76,951	139,736	153,163	46,215	767,768
Net realised gain on financial assets at fair value through profit or loss	2	102,495,324	13,697,979	5,908,180	88,295	23,384	122,213,162
Net realised loss on foreign currency	2	(459,266)	(39,619)	(124,621)	(400)	(237)	(624,143)
Net movement in unrealised (loss)/gain on financial assets at fair value through profit or loss	2	(463,103,608)	(64,322,962)	(135,306,916)	(485,533)	3,119,721	(660,099,298)
Net movement in unrealised (loss)/gain on foreign currency	2	(1,055)	(2,229)	475	6	(160)	(2,963)
<b>Total investment (loss)/gain</b>		<b>(352,880,341)</b>	<b>(45,941,533)</b>	<b>(122,799,011)</b>	<b>(222,902)</b>	<b>3,242,338</b>	<b>(518,599,449)</b>
<b>Expenses</b>							
Operating expenses	3	(7,075,589)	(1,049,729)	(234,715)	(154,943)	(72,694)	(8,587,670)
<b>Total investment (loss)/gain before finance costs</b>		<b>(359,953,930)</b>	<b>(46,991,262)</b>	<b>(123,033,726)</b>	<b>(377,845)</b>	<b>3,169,644</b>	<b>(527,187,119)</b>
<b>Finance costs</b>							
Distributions paid during the financial year	9	(1,529,197)	(56,265)	–	–	–	(1,585,462)
Bank interest expense		–	(21)	(21)	(1)	–	(43)
Withholding tax		(1,343,475)	(375,918)	(820,671)	(3,370)	(11,193)	(2,554,627)
<b>(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(362,826,602)</b>	<b>(47,423,466)</b>	<b>(123,854,418)</b>	<b>(381,216)</b>	<b>3,158,451</b>	<b>(531,327,251)</b>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

The notes on pages 41 to 78 are an integral part of these financial statements.

# Harding Loevner Funds plc

## Statement of Comprehensive Income (Continued)

For the Financial Year Ended 30 June 2021

		Global Equity Fund Financial year ended 30 June 2021 USD	International Equity Fund Financial year ended 30 June 2021 USD	Emerging Markets Equity Fund Financial year ended 30 June 2021 USD	Global Small Companies Equity Fund Financial year ended 30 June 2021 USD	Total Financial year ended 30 June 2021 USD
	Notes					
<b>Income</b>						
Dividend income	2	8,448,939	4,133,912	7,815,018	17,003	20,414,872
Interest income	2	6,744	4,636	11,097	14	22,491
Other income		23,765	4,595	10,609	578	175,044
Management fee rebate	3	232,500	48,598	139,479	135,497	420,577
Net realised gain on financial assets at fair value through profit or loss	2	260,573,137	20,860,664	54,930,333	128,220	336,492,354
Net realised loss on foreign currency	2	(212,789)	(16,350)	(69,936)	(3)	(299,078)
Net movement in unrealised gain on financial assets at fair value through profit or loss	2	132,023,152	37,429,273	98,869,933	319,829	268,642,187
Net movement in unrealised gain/(loss) on foreign currency	2	646	(542)	(778)	(5)	(679)
<b>Total investment gain</b>		<b>401,096,094</b>	<b>62,464,786</b>	<b>161,705,755</b>	<b>601,133</b>	<b>625,867,768</b>
<b>Expenses</b>						
Operating expenses	3	(6,306,642)	(914,503)	(3,524,587)	(146,444)	(10,892,176)
<b>Total investment gain before finance costs</b>		<b>394,789,452</b>	<b>61,550,283</b>	<b>158,181,168</b>	<b>454,689</b>	<b>614,975,592</b>
<b>Finance costs</b>						
Distributions paid during the financial year	9	(1,575,948)	(21,220)	—	—	(1,597,168)
Bank interest expense		(8,765)	(1)	(57)	(1)	(8,824)
Withholding tax		(1,404,800)	(454,205)	(1,010,807)	(2,645)	(2,872,457)
<b>Increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>391,799,939</b>	<b>61,074,857</b>	<b>157,170,304</b>	<b>452,043</b>	<b>610,497,143</b>

The notes on pages 41 to 78 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 2022

	Global Equity Fund Financial year ended 30 June 2022 USD	International Equity Fund Financial year ended 30 June 2022 USD	Emerging Markets Equity Fund Financial year ended 30 June 2022 USD	Global Small Companies Equity Fund Financial year ended 30 June 2022 USD	Global Paris-Aligned Equity Fund Financial year ended* 30 June 2022 USD	Total Financial year ended 30 June 2022 USD
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>	1,350,536,828	215,066,718	396,234,283	1,651,859	–	1,963,489,688
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations	(362,826,602)	(47,423,466)	(123,854,418)	(381,216)	3,158,451	(531,327,251)
Issue of redeemable participating shares during the financial year	222,022,447	51,630,638	1,416,532	–	127,928,876	402,998,493
Payments for shares redeemed during the financial year	(584,470,530)	(49,254,802)	(33,422,328)	–	–	(667,147,660)
Net (decrease)/increase from redeemable participating shares issued/redeemed during the financial year	(362,448,083)	2,375,836	(32,005,796)	–	127,928,876	(264,149,167)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>	<b>625,262,143</b>	<b>170,019,088</b>	<b>240,374,069</b>	<b>1,270,643</b>	<b>131,087,327</b>	<b>1,168,013,270</b>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

The subscriptions and redemptions do not include share class switches.

The notes on pages 41 to 78 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 (Continued)

For the Financial Year Ended 30 June 2021

		Global Equity Fund Financial year ended 30 June 2021 USD	International Equity Fund Financial year ended 30 June 2021 USD	Emerging Markets Equity Fund Financial year ended 30 June 2021 USD	Global Small Companies Equity Fund Financial year ended 30 June 2021 USD	Total Financial year ended 30 June 2021 USD
	Notes					
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		998,697,959	188,932,115	368,830,131	1,199,816	1,557,660,021
Increase in net assets attributable to holders of redeemable participating shares from operations		391,799,939	61,074,857	157,170,304	452,043	610,497,143
Issue of redeemable participating shares during the financial year		162,274,015	32,162,637	681,708	–	195,118,143
Payments for shares redeemed during the financial year		(202,235,085)	(67,102,891)	(130,577,860)	–	(399,915,836)
Anti-dilution levy	2	–	–	130,000	–	130,000
Net decrease from redeemable participating shares issued/redeemed during the financial year		(39,961,070)	(34,940,254)	(129,766,152)	–	(204,667,476)
Net assets attributable to holders of redeemable participating shares at the end of the financial year	15	1,350,536,828	215,066,718	396,234,283	1,651,859	1,963,489,688

The subscriptions and redemptions do not include share class switches.

The notes on pages 41 to 78 are an integral part of these financial statements.

# Harding Loevner Funds plc

## Statement of Cash Flows

### For the Financial Year Ended 30 June 2022

	Global Equity Fund Financial year ended 30 June 2022 USD	International Equity Fund Financial year ended 30 June 2022 USD	Emerging Markets Equity Fund Financial year ended 30 June 2022 USD	Global Small Companies Equity Fund Financial year ended 30 June 2022 USD	Global Paris-Aligned Equity Fund* Financial year ended 30 June 2022 USD	Total Financial year ended 30 June 2022 USD
<b>Cash flows from operating activities</b>						
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations	(362,826,602)	(47,423,466)	(123,854,418)	(381,216)	3,158,451	(531,327,251)
Adjustment for:						
Net realised gain on financial assets at fair value through profit or loss	(102,495,324)	(13,697,979)	(5,908,180)	(88,295)	(23,384)	(122,213,162)
Net movement in unrealised loss/(gain) on financial assets at fair value through profit or loss	463,103,608	64,322,962	135,306,916	485,533	(3,119,721)	660,099,298
Purchase of financial assets	(498,794,998)	(80,362,915)	(103,497,195)	(397,994)	(123,991,484)	(807,044,586)
Sale of financial assets	860,127,968	75,360,549	139,291,370	373,076	767,663	1,075,920,626
Dividends paid	1,529,197	56,265	–	–	–	1,585,462
Decrease/(increase) in receivables and other assets	1,608,766	(142,465)	(1,018,837)	19,050	(148,244)	318,270
Increase in creditors	666,888	3,529,627	162,481	15,471	305,075	4,679,542
<b>Net cash flows provided by/(used in) operating activities</b>	<b>362,919,503</b>	<b>1,642,578</b>	<b>40,482,137</b>	<b>25,625</b>	<b>(123,051,644)</b>	<b>282,018,199</b>
<b>Cash flows from financing activities</b>						
Proceeds from redeemable participating shares issued during the financial year	223,997,122	46,755,638	1,416,532	–	127,928,876	400,098,168
Payments for redeemable participating shares redeemed during the financial year	(584,475,320)	(49,321,698)	(33,422,104)	–	–	(667,219,122)
Dividends paid	(1,529,197)	(56,265)	–	–	–	(1,585,462)
<b>Net cash flows (used in)/provided by financing activities</b>	<b>(362,007,395)</b>	<b>(2,622,325)</b>	<b>(32,005,572)</b>	<b>–</b>	<b>127,928,876</b>	<b>(268,706,416)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>912,108</b>	<b>(979,747)</b>	<b>8,476,565</b>	<b>25,625</b>	<b>4,877,232</b>	<b>13,311,783</b>
<b>Reconciliation of cash movement during the financial year</b>						
Net cash and cash equivalents at the beginning of the financial year	23,800,170	5,188,033	2,741,811	10,720	–	31,740,734
Net cash and cash equivalents at the end of the financial year	<b>24,712,278</b>	<b>4,208,286</b>	<b>11,218,376</b>	<b>36,345</b>	<b>4,877,232</b>	<b>45,052,517</b>
Supplementary information						
Dividends received	8,159,987	4,644,332	6,582,542	21,344	19,660	19,427,865
Interest received	4,279	5,725	8,308	21	–	18,333
Interest paid	(408)	–	(22)	(1)	–	(431)

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

The notes on pages 41 to 78 are an integral part of these financial statements.

## Harding Loevner Funds plc

### Statement of Cash Flows (Continued)

For the Financial Year Ended 30 June 2021

	Global Equity Fund Financial year ended 30 June 2021 USD	International Equity Fund Financial year ended 30 June 2021 USD	Emerging Markets Equity Fund Financial year ended 30 June 2021 USD	Global Small Companies Equity Fund Financial year ended 30 June 2021 USD	Total Financial year ended 30 June 2021 USD
<b>Cash flows from operating activities</b>					
Increase in net assets attributable to holders of redeemable participating shares from operations	391,799,939	61,074,857	157,170,304	452,043	610,497,143
Adjustment for:					
Net realised gain on financial assets at fair value through profit or loss	(260,573,137)	(20,860,664)	(54,930,333)	(128,220)	(336,492,354)
Net movement in unrealised gain on financial assets at fair value through profit or loss	(132,023,152)	(37,429,273)	(98,869,933)	(319,829)	(268,642,187)
Purchase of financial assets	(660,233,254)	(40,320,816)	(71,682,262)	(300,385)	(772,536,717)
Sale of financial assets	712,708,449	77,698,457	183,280,927	299,029	973,986,862
Dividends paid	1,575,948	21,220	–	–	1,597,168
Decrease/(increase) in receivables and other assets	770,176	12,115,354	3,328,645	(23,738)	16,190,437
(Decrease)/increase in creditors	(4,634,452)	(14,993,854)	656,467	(2,864)	(18,974,703)
<b>Net cash flows provided by/(used in) operating activities</b>	<b>49,390,517</b>	<b>37,305,281</b>	<b>118,953,815</b>	<b>(23,964)</b>	<b>205,625,649</b>
<b>Cash flows from financing activities</b>					
Proceeds from redeemable participating shares issued during the financial year	160,188,806	32,027,637	681,708	–	192,898,151
Payments for redeemable participating shares redeemed during the financial year	(202,230,295)	(67,027,564)	(130,447,515)	–	(399,705,374)
Dividends paid	(1,575,948)	(21,220)	–	–	(1,597,168)
<b>Net cash flows used in financing activities</b>	<b>(43,617,437)</b>	<b>(35,021,147)</b>	<b>(129,765,807)</b>	<b>–</b>	<b>(208,404,391)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,773,080</b>	<b>2,284,134</b>	<b>(10,811,992)</b>	<b>(23,964)</b>	<b>(2,778,742)</b>
<b>Reconciliation of cash movement during the financial year</b>					
Net cash and cash equivalents at the beginning of the financial year	18,027,090	2,903,899	13,553,803	34,684	34,519,476
Net cash and cash equivalents at the end of the financial year	<b>23,800,170</b>	<b>5,188,033</b>	<b>2,741,811</b>	<b>10,720</b>	<b>31,740,734</b>
<b>Supplementary information</b>					
Dividends received	7,835,153	4,111,042	7,979,870	16,909	19,942,974
Interest received	16,168	5,637	15,829	23	37,657
Interest paid	(8,339)	(7)	(56)	(1)	(8,403)

The notes on pages 41 to 78 are an integral part of these financial statements.

# Harding Loevner Funds plc

## Notes to Financial Statements

### For the Financial Year Ended 30 June 2022

#### 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 each a “Fund”, 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 Company 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’Île, CH-1204 Geneva. The basic documents of the Company 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 UCITS Regulations and 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*

There were a number of standards and amendments which became effective during the financial year, however these did not have an impact on the sub-funds in the current year and are not expected to have an impact in future.

###### *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 2022. 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”).

###### (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.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 2. Significant Accounting Policies (Continued)

##### 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 Harding Loevner LP (the "Investment Manager"), KBA Consulting Management Limited (the "Management Company") 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.

###### (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 (if any) is calculated as the difference between the contract rate and the forward price, and is recognised in the Statement of Comprehensive Income.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 2. Significant Accounting Policies (Continued)

##### 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.

##### 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.

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.

##### 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.

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.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 2. Significant Accounting Policies (Continued)

##### 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 recognised 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 2022 the Company incurred transaction costs totaling USD 1,022,364 (financial year ended 30 June 2021: USD 1,234,972). The transaction costs include USD 589,988 (financial year ended 30 June 2021: USD 450,294) of commissions and USD 432,376 (financial year ended 30 June 2021: USD 784,678) of brokerage charges.

#### 3. Operating Expenses

	Global Equity Fund 30 June 2022 USD	International Equity Fund 30 June 2022 USD	Emerging Markets Equity Fund 30 June 2022 USD
Administration fee	321,883	72,986	103,293
Directors' fees	46,592	7,512	12,387
Audit fee	12,636	12,636	12,636
Transfer agent fee	48,053	41,635	19,883
Sub-custodian fee	135,085	37,953	99,608
Depository fee	174,640	36,894	59,735
Investment Manager fee	5,927,781	761,956	609,261
Capital gains tax provision	–	–	(816,838)
Legal fees	164,796	32,890	49,091
Professional fee	70,954	15,349	14,789
Registration and filing fee	52,915	4,649	18,514
Management Company fee	53,587	9,212	13,896
Other fees	66,889	16,057	38,460
<b>Total</b>	<b>7,075,589</b>	<b>1,049,729</b>	<b>234,715</b>

	Global Small Companies Equity Fund 30 June 2022 USD	Global Paris-Aligned Equity Fund* 30 June 2022 USD	Total 30 June 2022 USD
Administration fee	66,049	2,137	566,348
Directors' fees	62	–	66,553
Audit fee	6,430	2,771	47,109
Transfer agent fee	15,143	300	125,014
Sub-custodian fee	4,008	600	277,254
Depository fee	9,000	705	280,974
Investment Manager fee	14,269	26,479	7,339,746
Capital gains tax provision	6	–	(816,832)
Legal fees	368	31,333	278,478
Professional fee	3,939	1,935	106,966
Registration and filing fee	16,093	190	92,361
Management Company fee	75	–	76,770
Other fees	19,501	6,244	146,929
<b>Total</b>	<b>154,943</b>	<b>72,694</b>	<b>8,587,670</b>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

#### 3. Operating Expenses (Continued)

	Global Equity Fund 30 June 2021 USD	International Equity Fund 30 June 2021 USD	Emerging Markets Equity Fund 30 June 2021 USD	Global Small Companies Equity Fund 30 June 2021 USD	Total 30 June 2021 USD
Administration fee	374,753	102,000	148,144	84,000	708,897
Directors' fees	42,633	9,313	18,545	53	70,544
Audit fee	12,691	12,691	12,691	5,689	43,762
Transfer agent fee	53,514	27,316	22,080	15,182	118,092
Sub-custodian fee	145,293	40,982	119,542	1,476	307,293
Depository fee	208,882	57,119	108,164	9,000	383,165
Investment Manager fee	5,181,213	619,392	1,756,918	13,402	7,570,925
Capital gains tax provision	12,054	—	1,191,790	20	1,203,864
Legal fees	111,169	19,709	42,175	138	173,191
Professional fee	74,331	6,191	13,841	2,792	97,155
Registration and filing fee	37,791	5,180	60,558	11,243	114,772
Other fees	52,318	14,610	30,139	3,449	100,516
<b>Total</b>	<b>6,306,642</b>	<b>914,503</b>	<b>3,524,587</b>	<b>146,444</b>	<b>10,892,176</b>

#### 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 2022 were USD 66,553 (financial year ended 30 June 2021: USD 70,544). There were no Directors fees payable as at 30 June 2022.

#### Auditors' Remunerations

Fees and expenses payable to the statutory auditors, Deloitte Ireland LLP, amounting to USD 38,300 (excluding VAT) (30 June 2021: USD 35,579), were earned in respect of the financial year, of which USD 36,141 (excluding VAT) (30 June 2021: USD 35,579) 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 2022 (30 June 2021: USD Nil).

#### 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 5,000 per sub-fund (up to 2 classes of shares).

Effective up to 30 September 2021, 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.

From 1 October 2021, the Administrator shall be entitled to receive administration fee 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 0.03% of USD 0 to USD 500,000,000, 0.0225% of USD 500,000,000 to USD 1,000,000,000, and 0.015% in excess of USD 1,000,000,000 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 5,000. 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, an Investor Transaction Fee of USD 40 for manual trades and USD 10 automated trades subject to a limit of 5 per registered investor per day, and an account maintenance / registration fee for each account of USD 150 per annum. For the provision of services in respect of German tax, UK tax and Swiss 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 USD 15,000, USD 2,000 and USD 2,000, respectively. 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 2022 was USD 566,348 (financial year ended 30 June 2021: USD 708,897). The amount payable at 30 June 2022 was USD 34,819 (30 June 2021: USD 65,879).

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 3. Operating Expenses (Continued)

##### Administration Fee (Continued)

The Northern Trust Company, London Branch ("TNTC") provides KIID services to the Company. Fees of USD 17,140 (30 June 2021: USD 17,635) were paid to TNTC during the financial year and USD 65,632 (30 June 2021: USD 7,790) was payable at 30 June 2022.

##### 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.

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 (including the sub-custodian fee) for the financial year ended 30 June 2022 was USD 558,228 (financial year ended 30 June 2021: USD 690,458). The amount payable at 30 June 2022 was USD 42,923 (30 June 2021: USD 68,248).

##### 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:

- 0.70% for the Global Equity Fund 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 USD 750 million.
- 0.75% for the International Equity Fund Class A shares, and 1.00% for the Class B shares.
- 0.90% for the Emerging Markets Equity Fund Class A shares, 1.35% for the Class B shares 0.80% for Class I shares and 0.95% for the Class M shares;
- 0.90% for the Global Small Companies Equity Fund Class A shares; and
- The following for the Global Paris-Aligned Equity Fund USD Class X1 Shares:
  - 0.65% on the first USD 50 million of assets attributable to the US Dollar Class X1 shares; plus
  - 0.55% on the next USD 50 million of assets attributable to the US Dollar Class X1 shares; plus
  - 0.45% on the next USD 150 million of assets attributable to the US Dollar Class X1 shares; plus
  - 0.40% on the next USD 250 million of assets attributable to the US Dollar Class X1 shares; plus
  - 0.35% on the next USD 250 million of assets attributable to the US Dollar Class X1 shares; plus
  - 0.30% on assets attributable to the US Dollar Class X1 shares in excess of 750 million.

The Investment Manager shall not receive a fee for the Class S shares of the Global Equity Fund, Emerging Market Equity Fund and the International 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 may, at its absolute discretion, waive any portion of the investment management fee or pay any portion of the such investment management fee to any third party in any manner whatsoever, whether by rebate or otherwise. Details of the rebates and the amounts received are disclosed separately in the Statement of Comprehensive Income.

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 2022 for the Company was USD 7,339,746 (financial year ended 30 June 2021: USD 7,570,925). The amount payable as at 30 June 2022 was USD 392,907 (30 June 2021: USD 883,673).

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 3. Operating Expenses (Continued)

##### Investment Manager Fees and Expenses (Continued)

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 M shares, 0.80% for the Class A shares, 1.10% for the Class B shares, 10 bps of operating expenses excluding Investment Management Fees ("Investment Manager fee") for the USD Class S1 shares, 1.60% for Class D shares and 0.10% for Class S shares;
- 0.90% for the International Equity Fund Class A shares, 1.15% for the Class B shares and 0.10% for the Class S share;
- 1.05% for the Emerging Markets Equity Fund Class M shares, 1.00% for the Class A shares, 1.50% for the Class B shares, 0.90% for Class I shares and 0.10% for the Class S shares;
- 1.05% for the Global Small Companies Equity Fund Class A shares; and
- 0.80% for the Global Paris-Aligned Equity Fund Class I shares, 0.10% for the Class X shares, and all operating expenses for the Class X1 shares.

##### Management Company Fee

On 1 October 2021, KBA Consulting Management Limited were appointed as the Company's Management Company ("Management Company"). The Management Company shall be entitled to an annual management company fee of up to 0.0125% of the Net Asset Value (the "Management Company fee") of the Company. The Management Company fee is based on a sliding scale applied to the aggregate assets across all sub-funds, as follows:

Net Asset Value	Management Company fee as a % of Net Asset Value of the Company
€0 - €500 Million	0.0125%
€500 Million – €1 Billion	0.0100%
Above €1 Billion	0.0075%

The Management Company fee set out above is subject to an annual minimum fee of €50,000 based on a single sub-fund and an annual minimum fee of €15,000 for each additional sub-fund.

The Management Company fee shall be subject to the imposition of VAT, if required. The Management Company fee will be calculated and accrued daily and is payable monthly in arrears.

The Management Company shall be entitled to be reimbursed by the Company out of the assets of the Fund for reasonable out of pocket expenses properly incurred and any VAT on all fees and expenses payable to or by it.

The Management Company fee for the financial year ended 30 June 2022 for the Company was USD 76,770. The amount payable as at 30 June 2022 was USD 21,811. The Management Company fee was not chargeable to the Company in the previous financial year 30 June 2021.

#### 4. Financial Assets at Fair Value Through Profit or Loss

	Global Equity Fund 30 June 2022 USD	International Equity Fund 30 June 2022 USD	Emerging Markets Equity Fund 30 June 2022 USD
<b>Equity and equity related instruments</b>			
At cost	655,893,533	166,218,188	234,336,273
Unrealised (loss) on financial assets at fair value through profit or loss	(54,711,078)	(2,172,882)	(5,010,320)
	<u>601,182,455</u>	<u>164,045,306</u>	<u>229,325,953</u>
	Global Small Companies Equity Fund 30 June 2022 USD	Global Paris- Aligned Equity Fund* 30 June 2022 USD	Harding Loevner Funds plc Total 30 June 2022 USD
<b>Equity and equity related instruments</b>			
At cost	1,282,202	123,247,205	1,180,977,401
Unrealised (loss)/gain on financial assets at fair value through profit or loss	(12,284)	3,119,721	(58,786,843)
	<u>1,269,918</u>	<u>126,366,926</u>	<u>1,122,190,558</u>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2022

### 4. Financial Assets at Fair Value Through Profit or Loss (Continued)

	Global Equity Fund 30 June 2021 USD	International Equity Fund 30 June 2021 USD	Emerging Markets Equity Fund 30 June 2021 USD	Global Small Companies Equity Fund 30 June 2021 USD	Total 30 June 2021 USD
<b>Equity and equity related instruments</b>					
At cost	914,731,178	147,517,843	264,222,268	1,168,989	1,327,640,278
Unrealised gain on financial assets at fair value through profit or loss	408,392,531	62,150,080	130,296,596	473,249	601,312,456
	1,323,123,709	209,667,923	394,518,864	1,642,238	1,928,952,734

### 5. Cash and Cash Equivalents

	Global Equity Fund 30 June 2022 USD	International Equity Fund 30 June 2022 USD	Emerging Markets Equity Fund 30 June 2022 USD
Cash held at custodian bank	24,712,278	4,208,286	11,218,376
	24,712,278	4,208,286	11,218,376

	Global Small Companies Equity Fund 30 June 2022 USD	Global Paris-Aligned Equity Fund* 30 June 2022 USD	Total 30 June 2022 USD
Cash held at custodian bank	36,345	4,877,232	45,052,517
	36,345	4,877,232	45,052,517

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

	Global Equity Fund 30 June 2021 USD	International Equity Fund 30 June 2021 USD	Emerging Markets Equity Fund 30 June 2021 USD	Global Small Companies Equity Fund 30 June 2021 USD	Total 30 June 2021 USD
Cash held at custodian bank	23,800,170	5,188,033	2,741,811	10,720	31,740,734
	23,800,170	5,188,033	2,741,811	10,720	31,740,734

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

### 6. Receivables

	Global Equity Fund 30 June 2022 USD	International Equity Fund 30 June 2022 USD	Emerging Markets Equity Fund 30 June 2022 USD
Dividends receivable	473,770	295,946	503,086
Interest receivable	22,530	4,547	8,170
Amounts receivable on securities sold	322,689	119,512	1,346,841
Amounts receivable on shares issued	110,534	5,010,000	—
Other assets	130,650	36,225	38,109
	1,060,173	5,466,230	1,896,206

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

##### 6. Receivables (Continued)

	Global Small Companies Equity Fund 30 June 2022 USD	Global Paris-Aligned Equity Fund* 30 June 2022 USD	Total 30 June 2022 USD
Dividends receivable	1,106	33,385	1,307,293
Interest receivable	33	370	35,650
Amounts receivable on securities sold	—	67,860	1,856,902
Amounts receivable on shares issued	—	—	5,120,534
Other assets	9,883	46,629	261,496
	<u>11,022</u>	<u>148,244</u>	<u>8,581,875</u>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

	Global Equity Fund 30 June 2021 USD	International Equity Fund 30 June 2021 USD	Emerging Markets Equity Fund 30 June 2021 USD	Global Small Companies Equity Fund 30 June 2021 USD	Total 30 June 2021 USD
Dividends receivable	846,497	305,868	523,928	967	1,677,260
Interest receivable	—	1	1	—	2
Amounts receivable on securities sold	1,667,280	—	337,673	7,703	2,012,656
Amounts receivable on shares issued	2,085,209	135,000	—	—	2,220,209
Other assets	44,628	7,896	15,767	21,402	89,693
	<u>4,643,614</u>	<u>448,765</u>	<u>877,369</u>	<u>30,072</u>	<u>5,999,820</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 2022 and 30 June 2021 the Company had no open forward foreign currency exchange contracts for the purpose of trade settlement.

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

	Global Equity Fund 30 June 2022 USD	International Equity Fund 30 June 2022 USD	Emerging Markets Equity Fund 30 June 2022 USD
Amounts payable on securities purchased	1,170,884	3,520,738	1,276,324
Amounts payable on capital shares redeemed	—	8,431	569
Investment Manager fee payable	267,527	58,285	39,661
Administration fee payable	16,761	4,932	6,058
Management Company fee payable	14,913	2,768	4,108
Depository fee payable	20,758	5,332	13,290
Withholding tax payable	—	45,369	78,579
Audit fee payable	11,316	11,316	11,316
Capital gains tax provision	—	—	558,217
Other accrued expenses	190,604	43,563	78,344
	<u>1,692,763</u>	<u>3,700,734</u>	<u>2,066,466</u>

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

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

	Global Small Companies Equity Fund 30 June 2022 USD	Global Paris-Aligned Equity Fund* 30 June 2022 USD	Total 30 June 2022 USD
Amounts payable on securities purchased	–	232,122	6,200,068
Amounts payable on capital shares purchased	–	–	9,000
Investment Manager fee payable	955	26,479	392,907
Administration fee payable	4,931	2,137	34,819
Management Company fee payable	22	–	21,811
Depository fee payable	2,239	1,304	42,923
Withholding tax payable	100	–	124,048
Audit fee payable	7,201	2,572	43,721
Capital gains tax provision	26	–	558,243
Other accrued expenses	31,168	40,461	384,140
	46,642	305,075	7,811,680

	Global Equity Fund 30 June 2021 USD	International Equity Fund 30 June 2021 USD	Emerging Markets Equity Fund 30 June 2021 USD	Global Small Companies Equity Fund 30 June 2021 USD	Total 30 June 2021 USD
Amounts payable on securities purchased	–	–	153,986	–	153,986
Amounts payable on capital shares redeemed	4,790	75,327	345	–	80,462
Investment Manager fee payable	755,575	66,727	60,020	1,351	883,673
Administration fee payable	36,484	9,222	12,578	7,595	65,879
Depository fee payable	34,170	10,226	22,000	1,852	68,248
Withholding tax payable	100,637	47,122	61,537	248	209,544
Audit fee payable	10,318	10,318	10,318	6,345	43,759
Capital gains tax provision	–	–	1,530,810	20	1,530,830
Other accrued expenses	88,691	19,061	52,167	13,760	167,219
	1,030,665	238,003	1,903,761	31,171	3,203,600

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

#### 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, Global Small Companies Equity Fund or the Global Paris-Aligned Equity Fund.

During the financial year ended 30 June 2022 the Directors declared dividends totaling USD 1,585,462 (30 June 2021: USD 1,597,168).

#### 10. Redeemable Participating Shares

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

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

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

#### 10. Redeemable Participating Shares (Continued)

##### 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
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 A	USD 1.000	USD 1,000,000	USD 100
Sterling Class B	GBP 1.000	USD 100 or currency equivalent	GBP 100
US Dollar Class B	USD 1.000	USD 100	USD 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
Singapore Dollar Class M	SGD 1.000	USD 50,000,000 or currency equivalent	SGD 100
Canadian Dollar Class S	CAD 1.000	USD 20,000,000 or currency equivalent	EUR 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
US Dollar Class S1	USD 1.000	USD 20,000,000	USD 100

##### 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
Sterling Class A	GBP 1.000	USD 1,000,000 or currency equivalent	GBP 100
US Dollar Class A	USD 1.000	USD 1,000,000	USD 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

##### 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
Canadian Dollar Class B	CAD 1.000	USD 100 or currency equivalent	CAD 100
US Dollar Class B	USD 1.000	USD 100	USD 100
US Dollar Class M*	USD 1.000	USD 1,000,000	USD 100
Canadian Dollar Class S	CAD 1.000	USD 35,000,000 or currency equivalent	CAD 100

\*On 15 September 2021 Class I shareholdings transferred to Class M by way of an in-specie transfer.

##### Frontier Emerging Markets Equity Fund

As at 30 June 2022, there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

##### 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

##### Global Paris-Aligned Equity Fund\*

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

Share class	Initial offer price	Minimum initial investment	Minimum additional investment
Euro Class I	EUR 1.000	USD 1,000,000 or currency equivalent	EUR 100
US Dollar Class I	USD 1.000	USD 1,000,000	USD 100
Sterling Class I	GBP 1.000	USD 1,000,000 or currency equivalent	GBP 100
US Dollar Class X	USD 1.000	USD 20,000,000	USD 100
US Dollar Class X1	USD 1.000	USD 20,000,000	USD 100

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 10. Redeemable Participating Shares (Continued)

The following table details the movement in the redeemable participating shares during the financial year ended 30 June 2022 and 30 June 2021:

##### Global Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
<b>30 June 2022</b>				
Euro Class A	69,717,084	14,060,576	(63,195,175)	20,582,485
Sterling Class A	30,085,854	3,033,447	(17,300,820)	15,818,481
US Dollar Class A	50,975,107	21,849,040	(27,000,740)	45,823,407
Sterling Class B	99,000	–	–	99,000
US Dollar Class B	4,381,745	1,608,522	(671,590)	5,318,677
US Dollar Class D	375,318	48,572	(229,066)	194,824
Euro Class M	30,938,896	–	–	30,938,896
Singapore Dollar Class M	74,230,336	7,035,607	–	81,265,943
Canadian Dollar Class S	35,500,000	57,879,777	(1,049,685)	92,330,092
Euro Class S	19,393,310	–	(6,550,531)	12,842,779
Sterling Class S	163,070,767	515,285	(56,987,769)	106,598,283
US Dollar Class S1	116,723,427	–	(116,723,427)	–
<b>30 June 2021</b>				
Euro Class A	58,379,746	19,967,840	(8,630,502)	69,717,084
Sterling Class A	21,384,373	9,869,054	(1,167,573)	30,085,854
US Dollar Class A	35,066,442	20,024,904	(4,116,239)	50,975,107
Sterling Class B	99,000	–	–	99,000
US Dollar Class B	2,357,989	2,758,906	(735,150)	4,381,745
US Dollar Class D	375,318	54,475	(54,475)	375,318
Euro Class M	37,605,563	–	(6,666,667)	30,938,896
Singapore Dollar Class M	69,491,830	4,738,506	–	74,230,336
Canadian Dollar Class S	35,500,000	–	–	35,500,000
Euro Class S	41,476,629	–	(22,083,319)	19,393,310
Sterling Class S	162,510,630	560,137	–	163,070,767
US Dollar Class S	44,034,323	–	(44,034,323)	–
US Dollar Class S1	143,126,067	–	(26,402,640)	116,723,427

##### International Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
<b>30 June 2022</b>				
Sterling Class A	1,790,470	19,490	(508,906)	1,301,054
US Dollar Class A	43,710,790	33,303,169	(14,051,185)	62,962,774
US Dollar Class B	5,865,600	1,059,163	(1,710,427)	5,214,336
US Dollar Class S	74,439,995	8,445,618	(26,472,118)	56,413,495
<b>30 June 2021</b>				
Sterling Class A	1,036,062	867,020	(112,612)	1,790,470
US Dollar Class A	44,421,112	12,938,528	(13,648,850)	43,710,790
US Dollar Class B	6,647,384	1,602,937	(2,384,721)	5,865,600
US Dollar Class S	99,094,946	2,628,121	(27,283,072)	74,439,995

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 10. Redeemable Participating Shares (Continued)

##### Emerging Markets Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
<b>30 June 2022</b>				
US Dollar Class A	6,436,502	932,550	(587,689)	6,781,363
Canadian Dollar Class B	500,000	—	—	500,000
US Dollar Class B	2,084,145	52,498	(293,279)	1,843,364
US Dollar Class M	—	58,366,719	—	58,366,719
US Dollar Class I	36,894,260	—	(36,894,260)	—
Canadian Dollar Class S	328,617,200	—	(37,361,596)	291,255,604
<b>30 June 2021</b>				
US Dollar Class A	10,601,892	198,019	(4,363,409)	6,436,502
Canadian Dollar Class B	500,000	—	—	500,000
US Dollar Class B	4,669,640	221,281	(2,806,776)	2,084,145
Canadian Dollar Class I	145,824,614	—	(145,824,614)	—
US Dollar Class I	98,817,575	—	(61,923,315)	36,894,260
Canadian Dollar Class M	72,215,000	—	(72,215,000)	—
Canadian Dollar Class S	—	349,575,881	(20,958,681)	328,617,200

##### Global Small Companies Equity Fund

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
<b>30 June 2022</b>				
US Dollar Class A	1,000,000	—	—	1,000,000
<b>30 June 2021</b>				
US Dollar Class A	1,000,000	—	—	1,000,000

##### Global Paris-Aligned Equity Fund\*

	Opening shares	Shares issued during the financial year	Shares redeemed during the financial year	Closing shares
<b>30 June 2022</b>				
US Dollar Class X1	—	127,928,876	—	127,928,876

\*As a result of a capital transfer from from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

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, canceling and re-denominating the currency of any Class of shares.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 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 or the prior financial year.

#### 12. Related Party Transactions

IAS 24 – Related Party Disclosures ("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 the Investment Manager to perform investment management and advisory services, in accordance with the investment objectives and policies of the Company.

Ryan Bowles and entities owned by David Loevner are limited partners of the Investment Manager. David Loevner's and Ryan Bowles' Directors' fees have been waived. They each hold one Subscriber Share.

KB Associates provided consulting services to the Company until 1 October 2021. From this date KBA Consulting Management Limited acted as Manager for the Company. Mike Kirby is the Managing Principal of KB Associates and a Director of KBA Consulting Management Limited. Fees of USD 76,770 (30 June 2021: USD 58,651) were paid to the Manager during the financial year and USD 21,811 (30 June 2021: USD 17,322) was payable at 30 June 2022.

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 44 to 47. The amount owing to the Directors and the Investment Manager are disclosed in Note 3 on pages 44 to 47.

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.

The Investment Manager holds 100% of the shares in Global Small Companies Equity Fund US Dollar Class A (2021: same).

#### 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 each sub-fund and divergence from the model portfolio for a given investment strategy is monitored by the Investment Manager. In instances where the portfolio has diverged from the established portfolio guidelines for a given investment strategy, the Investment Manager will make adjustments to the portfolio to ensure it remains within the portfolio guidelines for the relevant strategy. 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.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Market Risk (Continued)

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.

##### 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 sub-fund investing in equities could incur significant losses.

##### Hong Kong – Shanghai and Shenzhen Stock Connect Risk

A sub-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 sub-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 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 2022.

The Company's price risk is one of the three main components of market risk. If the price of equities at 30 June 2022 had increased by 10% for the 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 60,118,246 (30 June 2021: USD 132,312,371). 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 60,118,246 (30 June 2021: USD 132,312,371).

If the price of equities at 30 June 2022 had increased by 10% for the International Equity Fund with all other variables held constant, this would have increased net assets attributable to holders of redeeming participating shares by approximately USD 16,404,531 (30 June 2021: USD 20,966,792). 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 16,404,531 (30 June 2021: USD 20,966,792).

**13. Financial Instruments and Associated Risks (Continued)****Price Risk Sensitivity Analysis (Continued)**

If the price of equities at 30 June 2022 had increased by 10% for the 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 22,932,595 (30 June 2021: USD 39,451,886). 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 22,932,595 (30 June 2021: USD 39,451,886).

The Frontier Emerging Markets Equity Fund is a dormant sub-fund and 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 2022 had increased by 10% for the 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 126,992 (30 June 2021: USD 164,224). 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 126,992 (30 June 2021: USD 164,224).

If the price of equities at 30 June 2022 had increased by 10% for the Global Paris-Aligned Equity Fund with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating shares by approximately USD 12,636,693. 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 12,636,693.

**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.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk (Continued)

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.

##### Global Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2022</b>				
Australian Dollar	2,495,786	322,688	2,818,474	0.45
Brazilian Real	5,346,546	59,339	5,405,885	0.86
British Sterling Pound	13,655,248	2	13,655,250	2.18
Chinese Yuan	10,637,374	—	10,637,374	1.70
Danish Krone	5,746,424	—	5,746,424	0.92
Euro	50,406,275	(1,170,934)	49,235,341	7.88
Hong Kong Dollar	36,175,598	113,346	36,288,944	5.80
Indonesian Rupiah	9,631,115	—	9,631,115	1.54
Japanese Yen	13,335,274	39,136	13,374,410	2.14
Polish Zloty	3,759,476	—	3,759,476	0.60
Swedish Krona	23,048,857	—	23,048,857	3.69
Swiss Franc	10,499,950	—	10,499,950	1.68
Foreign currency exposure	184,737,923	(636,423)	184,101,500	29.44
US Dollar	441,157,397	3,246	441,160,643	70.56
	<u>625,895,320</u>	<u>(633,177)</u>	<u>625,262,143</u>	<u>100.00</u>

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2021</b>				
Australian Dollar	6,469,421	—	6,469,421	0.48
Brazilian Real	13,337,843	164,728	13,502,571	1.00
British Sterling Pound	20,569,777	(27)	20,569,750	1.52
Danish Krone	11,223,910	—	11,223,910	0.83
Euro	67,189,236	(37)	67,189,199	4.97
Hong Kong Dollar	132,224,723	194,391	132,419,114	9.80
Indonesian Rupiah	12,704,390	—	12,704,390	0.94
Japanese Yen	45,158,895	58,323	45,217,218	3.35
Polish Zloty	11,699,979	(4)	11,699,975	0.87
Singapore Dollar	12,804,223	—	12,804,223	0.95
Swedish Krona	23,312,330	—	23,312,330	1.73
Swiss Franc	26,056,966	—	26,056,966	1.93
Taiwan Dollar	8,926,335	29,629	8,955,964	0.66
Foreign currency exposure	391,678,028	447,003	392,125,031	29.03
US Dollar	956,269,477	2,142,320	958,411,797	70.97
	<u>1,347,947,505</u>	<u>2,589,323</u>	<u>1,350,536,828</u>	<u>100.00</u>

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk (Continued)

##### International Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2022</b>				
British Sterling Pound	9,590,649	(315,030)	9,275,619	5.46
Canadian Dollar	4,432,936	–	4,432,936	2.61
Chinese Yuan	5,788,891	–	5,788,891	3.41
Danish Krone	1,786,510	(61,086)	1,725,424	1.01
Euro	34,027,908	(985,097)	33,042,811	19.43
Hong Kong Dollar	18,819,440	(454,874)	18,364,566	10.80
Japanese Yen	21,818,832	(362,526)	21,456,306	12.62
Singapore Dollar	4,873,135	(172,812)	4,700,323	2.76
Swedish Krona	12,812,873	(461,129)	12,351,744	7.26
Swiss Franc	11,590,779	(274,091)	11,316,688	6.66
Foreign currency exposure	<u>125,541,953</u>	<u>(3,086,645)</u>	<u>122,455,308</u>	<u>72.02</u>
US Dollar	42,709,241	4,854,539	47,563,780	27.98
	<u>168,251,194</u>	<u>1,767,894</u>	<u>170,019,088</u>	<u>100.00</u>

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2021</b>				
British Sterling Pound	13,450,543	–	13,450,543	6.25
Canadian Dollar	2,090,832	–	2,090,832	0.97
Danish Krone	2,140,294	–	2,140,294	1.00
Euro	46,783,885	–	46,783,885	21.76
Hong Kong Dollar	18,743,522	40,207	18,783,729	8.73
Japanese Yen	26,874,176	52,830	26,927,006	12.53
Singapore Dollar	4,950,096	–	4,950,096	2.30
Swedish Krona	16,611,514	–	16,611,514	7.72
Swiss Franc	<u>16,177,502</u>	<u>(1)</u>	<u>16,177,501</u>	<u>7.52</u>
Foreign currency exposure	<u>147,822,364</u>	<u>93,036</u>	<u>147,915,400</u>	<u>68.78</u>
US Dollar	67,033,593	117,725	67,151,318	31.22
	<u>214,855,957</u>	<u>210,761</u>	<u>215,066,718</u>	<u>100.00</u>

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk (Continued)

##### Emerging Markets Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2022</b>				
Brazilian Real	9,194,958	(452,640)	8,742,318	3.64
British Sterling Pound	6,170,186	29,489	6,199,675	2.58
Chinese Yuan	17,022,259	—	17,022,259	7.08
Czech Republic Koruna	1,876,344	—	1,876,344	0.78
Euro	120,728	(121,051)	(323)	—
Hong Kong Dollar	60,189,988	1,443,857	61,633,845	25.64
Indian Rupee	21,466,937	66,687	21,533,624	8.96
Indonesian Rupiah	8,368,384	—	8,368,384	3.48
Kenyan Shilling	2,287,110	—	2,287,110	0.95
Mexican Nuevo Peso	9,527,430	—	9,527,430	3.96
Polish Zloty	647,389	—	647,389	0.27
South African Rand	5,232,523	—	5,232,523	2.18
South Korean Won	9,589,273	(663,900)	8,925,373	3.71
Taiwan Dollar	28,725,581	54,833	28,780,414	11.97
Thai Baht	2,870,700	—	2,870,700	1.20
Foreign currency exposure	183,289,790	357,275	183,647,065	76.40
US Dollar	57,254,406	(527,402)	56,727,004	23.60
	<u>240,544,196</u>	<u>(170,127)</u>	<u>240,374,069</u>	<u>100.00</u>

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2021</b>				
Brazilian Real	12,983,036	51,065	13,034,101	3.29
British Sterling Pound	10,700,783	—	10,700,783	2.70
Chinese Yuan	21,499,303	1	21,499,304	5.43
Czech Republic Koruna	2,596,763	—	2,596,763	0.66
Hong Kong Dollar	104,217,555	284,396	104,501,951	26.36
Indian Rupee	26,866,116	59,935	26,926,051	6.80
Indonesian Rupiah	8,748,822	—	8,748,822	2.21
Kenyan Shilling	4,929,103	—	4,929,103	1.24
Mexican Nuevo Peso	11,964,853	—	11,964,853	3.02
Polish Zloty	1,623,450	(1)	1,623,449	0.41
South African Rand	5,934,275	—	5,934,275	1.50
South Korean Won	17,978,359	—	17,978,359	4.54
Taiwan Dollar	45,559,565	114,152	45,673,717	11.52
Thai Baht	3,292,555	—	3,292,555	0.83
Foreign currency exposure	278,894,538	509,548	279,404,086	70.51
US Dollar	118,366,146	(1,535,949)	116,830,197	29.49
	<u>397,260,684</u>	<u>(1,026,401)</u>	<u>396,234,283</u>	<u>100.00</u>

##### Frontier Emerging Markets Equity Fund

The Frontier Emerging Markets Equity Fund is a dormant sub-fund and so had no exposure to foreign currency risk as at 30 June 2022 and 30 June 2021.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk (Continued)

##### Global Small Companies Equity Fund

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2022</b>				
Australian Dollar	9,742	—	9,742	0.77
Bangladesh Taka	9,475	—	9,475	0.75
British Sterling Pound	127,548	479	128,027	10.08
Canadian Dollar	14,574	—	14,574	1.15
Danish Krone	14,462	—	14,462	1.14
Euro	159,331	—	159,331	12.54
Hong Kong Dollar	11,498	—	11,498	0.90
Indian Rupee	20,626	—	20,626	1.62
Indonesian Rupiah	20,696	—	20,696	1.63
Japanese Yen	151,971	256	152,227	11.98
Malaysian Ringgit	13,011	—	13,011	1.02
Mexican Nuevo Peso	9,964	—	9,964	0.78
Norwegian Krone	4,600	—	4,600	0.36
Philippine Peso	12,823	—	12,823	1.01
South African Rand	11,071	—	11,071	0.87
South Korean Won	11,963	—	11,963	0.94
Swedish Krona	17,181	—	17,181	1.35
Swiss Franc	37,309	—	37,309	2.94
Taiwan Dollar	22,615	—	22,615	1.78
UAE Dirham	3,111	—	3,111	0.24
Vietnamese Dong	8,343	144	8,487	0.67
Foreign currency exposure	691,914	879	692,793	54.52
US Dollar	606,915	(29,065)	577,850	45.48
	<u>1,298,829</u>	<u>(28,186)</u>	<u>1,270,643</u>	<u>100.00</u>

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk (Continued)

##### Global Small Companies Equity Fund (Continued)

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2021</b>				
Australian Dollar	18,145	—	18,145	1.10
Bangladesh Taka	10,392	—	10,392	0.63
British Sterling Pound	192,669	3,591	196,260	11.88
Canadian Dollar	17,759	—	17,759	1.08
Danish Krone	29,902	—	29,902	1.81
Euro	285,447	4,552	289,999	17.55
Hong Kong Dollar	25,109	—	25,109	1.52
Indonesian Rupiah	15,794	—	15,794	0.96
Japanese Yen	238,810	122	238,932	14.46
Malaysian Ringgit	10,499	—	10,499	0.64
Mexican Nuevo Peso	7,431	—	7,431	0.45
Norwegian Krone	22,508	—	22,508	1.36
Peruvian Nuevo Sol	1	—	1	—
Philippine Peso	8,141	—	8,141	0.49
Polish Zloty	7,044	—	7,044	0.43
South African Rand	21,027	—	21,027	1.27
South Korean Won	5,740	—	5,740	0.35
Swedish Krona	38,520	—	38,520	2.33
Swiss Franc	43,492	—	43,492	2.63
Taiwan Dollar	39,702	—	39,702	2.40
Turkish Lira	2,563	—	2,563	0.16
UAE Dirham	3,470	—	3,470	0.21
Vietnamese Dong	13,193	—	13,193	0.80
Foreign currency exposure	<u>1,057,358</u>	<u>8,265</u>	<u>1,065,623</u>	<u>64.51</u>
US Dollar	595,621	(9,385)	586,236	35.49
	<u>1,652,979</u>	<u>(1,120)</u>	<u>1,651,859</u>	<u>100.00</u>

##### Global Paris-Aligned Equity Fund\*

	Monetary assets USD	Other assets/ (liabilities) USD	Net exposure USD	Net exposure %
<b>30 June 2022</b>				
Australian Dollar	525,295	67,861	593,156	0.45
Brazilian Real	1,174,858	13,039	1,187,897	0.91
British Sterling Pound	2,874,886	—	2,874,886	2.19
Chinese Yuan	2,272,475	—	2,272,475	1.73
Danish Krone	1,227,539	—	1,227,539	0.94
Euro	10,811,238	(232,121)	10,579,117	8.07
Hong Kong Dollar	7,659,914	—	7,659,914	5.84
Indonesian Rupiah	2,057,886	—	2,057,886	1.57
Japanese Yen	2,844,502	8,379	2,852,881	2.18
Polish Zloty	853,079	—	853,079	0.65
Swedish Krona	4,955,535	—	4,955,535	3.78
Swiss Franc	2,243,271	—	2,243,271	1.71
Foreign currency exposure	<u>39,500,478</u>	<u>(142,842)</u>	<u>39,357,636</u>	<u>30.02</u>
US Dollar	91,743,835	(14,144)	91,729,691	69.98
	<u>131,244,313</u>	<u>(156,986)</u>	<u>131,087,327</u>	<u>100.00</u>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk Sensitivity Analysis

At 30 June 2022 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for 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 18,410,150 (30 June 2021: USD 39,212,503).

At 30 June 2022 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for 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 12,245,531 (30 June 2021: USD 14,791,540).

At 30 June 2022 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for 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 18,364,707 (30 June 2021: USD 27,940,409).

Frontier Emerging Markets Equity Fund is a dormant sub-fund and had no exposure to foreign currency risk as at 30 June 2022 and 30 June 2021.

At 30 June 2022 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for 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 69,279 (30 June 2021: USD 106,562).

At 30 June 2022 had the exchange rate between the US Dollar and all other currencies increased or decreased by 10% for Global Paris-Aligned 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 3,935,764.

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:

##### Global Equity Fund

	Effect of increase/decrease 30 June 2022 USD +/-	Effect of increase/decrease 30 June 2021 USD +/-
Australian Dollar	281,847	646,942
Brazilian Real	540,589	1,350,257
British Sterling Pound	1,365,525	2,056,975
Chinese yuan	1,063,737	—
Danish Krone	574,642	1,122,391
Euro	4,923,534	6,718,920
Hong Kong Dollar	3,628,894	13,241,911
Indonesian Rupiah	963,112	1,270,439
Japanese Yen	1,337,441	4,521,722
Polish Zloty	375,948	1,169,998
Singapore Dollar	—	1,280,422
Swedish Krona	2,304,886	2,331,233
Swiss Franc	1,049,995	2,605,697
Taiwan Dollar	—	895,596
	<u>18,410,150</u>	<u>39,212,503</u>

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk Sensitivity Analysis (Continued)

###### International Equity Fund

	Effect of increase/decrease 30 June 2022 USD +/-	Effect of increase/decrease 30 June 2021 USD +/-
British Sterling Pound	927,562	1,345,054
Canadian Dollar	443,294	209,083
Chinese yuan	578,889	–
Danish Krone	172,542	214,029
Euro	3,304,281	4,678,389
Hong Kong Dollar	1,836,457	1,878,373
Japanese Yen	2,145,631	2,692,701
Singapore Dollar	470,032	495,010
Swedish Krona	1,235,174	1,661,151
Swiss Franc	1,131,669	1,617,750
	<u>12,245,531</u>	<u>14,791,540</u>

###### Emerging Markets Equity Fund

	Effect of increase/decrease 30 June 2022 USD +/-	Effect of increase/decrease 30 June 2021 USD +/-
Brazilian Real	874,232	1,303,410
British Sterling Pound	619,968	1,070,078
Chinese yuan	1,702,226	2,149,931
Czech Koruna	187,634	259,676
Euro	(32)	–
Hong Kong Dollar	6,163,385	10,450,195
Indian Rupee	2,153,362	2,692,605
Indonesian Rupiah	836,838	874,882
Kenyan Shilling	228,711	492,910
Mexican Peso	952,743	1,196,485
Polish Zloty	64,739	162,345
South African Rand	523,252	593,428
South Korean Won	892,537	1,797,836
Taiwan Dollar	2,878,042	4,567,372
Thai Baht	287,070	329,256
	<u>18,364,707</u>	<u>27,940,409</u>

###### Frontier Emerging Markets Equity Fund

Frontier Emerging Markets Equity Fund is a dormant sub-fund and so had no exposure to foreign currency sensitivity risk analysis as at 30 June 2022 or 30 June 2021.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Foreign Currency Risk Sensitivity Analysis (Continued)

##### Global Small Companies Equity Fund

	Effect of increase/decrease 30 June 2022 USD +/-	Effect of increase/decrease 30 June 2021 USD +/-
Australian Dollar	974	1,815
Bangladesh Taka	947	1,039
British Sterling Pound	12,803	19,626
Canadian Dollar	1,457	1,776
Danish Krone	1,446	2,990
Euro	15,933	29,000
Hong Kong Dollar	1,150	2,511
Indian Rupee	2,063	–
Indonesian Rupiah	2,070	1,580
Japanese Yen	15,223	23,893
Malaysian Ringgit	1,301	1,050
Mexican Peso	996	743
Norwegian Krone	460	2,251
Philippine Peso	1,282	814
Polish Zloty	–	704
South African Rand	1,107	2,103
South Korean Won	1,196	574
Swedish Krona	1,718	3,852
Swiss Franc	3,731	4,349
Taiwan Dollar	2,262	3,970
Turkish Lira	–	256
UAE Dirham	311	347
Vietnamese Dong	849	1,319
	<u>69,279</u>	<u>106,562</u>

##### Global Paris-Aligned Equity Fund\*

	Effect of increase/decrease 30 June 2022 USD +/-
Australian Dollar	59,316
Brazilian Real	118,790
British Sterling Pound	287,489
Chinese yuan	227,247
Danish Krone	122,754
Euro	1,057,912
Hong Kong Dollar	765,991
Indonesian Rupiah	205,789
Japanese Yen	285,288
Polish Zloty	85,308
Swedish Krona	495,553
Swiss Franc	<u>224,327</u>
	<u>3,935,764</u>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 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:

	<b>Global Equity Fund 30 June 2022 USD</b>	<b>International Equity Fund 30 June 2022 USD</b>	<b>Emerging Markets Equity Fund 30 June 2022 USD</b>
Cash and cash equivalents	24,712,278	4,208,286	11,218,376
Amounts receivable on securities sold	322,689	119,512	1,346,841
Amounts receivable on shares issued	110,534	5,010,000	—
Dividend receivable	473,770	295,946	503,086
Interest receivable	22,530	4,547	8,170
Other assets	130,650	36,225	38,109
<b>Total</b>	<b>25,772,451</b>	<b>9,674,516</b>	<b>13,114,582</b>

	<b>Global Small Companies Equity Fund 30 June 2022 USD</b>	<b>Global Paris-Aligned Equity Fund* 30 June 2022 USD</b>	<b>Total 30 June 2022 USD</b>
Cash and cash equivalents	36,345	4,877,232	45,052,517
Amounts receivable on securities sold	—	67,860	1,856,902
Amounts receivable on shares issued	—	—	5,120,534
Dividend receivable	1,106	33,385	1,307,293
Interest receivable	33	370	35,650
Other assets	9,883	46,629	261,496
<b>Total</b>	<b>47,367</b>	<b>5,025,476</b>	<b>53,634,392</b>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Credit Risk (Continued)

	Global Equity Fund 30 June 2021 USD	International Equity Fund 30 June 2021 USD	Emerging Markets Equity Fund 30 June 2021 USD	Global Small Companies Equity Fund 30 June 2021 USD	Total 30 June 2021 USD
Cash and cash equivalents	23,800,170	5,188,033	2,741,811	10,720	31,740,734
Amounts receivable on securities sold	1,667,280	–	337,673	7,703	2,012,656
Amounts receivable on shares issued	2,085,209	135,000	–	–	2,220,209
Dividend receivable	846,497	305,868	523,928	967	1,677,260
Interest receivable	–	1	1	–	2
Other assets	44,628	7,896	15,767	21,402	89,693
<b>Total</b>	<b>28,443,784</b>	<b>5,636,798</b>	<b>3,619,180</b>	<b>40,792</b>	<b>37,740,554</b>

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 2022, NTC had a long term credit rating from Standard & Poor’s of A+ (30 June 2021: A+).

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

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

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

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

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

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

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### 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 2022 and 30 June 2021 were as follows:

##### Global Equity Fund

	2022	2021
Sector	% of NAV	% of NAV
Communication Services	8.83%	11.21%
Consumer Discretionary	7.47%	10.48%
Consumer Staples	2.70%	2.17%
Energy	1.48%	2.22%
Financials	14.18%	14.39%
Health Care	24.07%	21.74%
Industrials	14.15%	11.16%
Information Technology	21.79%	24.06%
Real Estate	1.48%	—
Utilities	—	0.54%
Cash & other assets/(liabilities)	3.85%	2.03%
	<u>100.00%</u>	<u>100.00%</u>

##### International Equity Fund

	2022	2021
Sector	% of NAV	% of NAV
Communication Services	4.60%	4.22%
Consumer Discretionary	3.96%	2.35%
Consumer Staples	11.56%	12.77%
Energy	2.44%	3.00%
Financials	19.94%	16.20%
Health Care	13.55%	13.32%
Industrials	15.32%	14.34%
Information Technology	13.54%	20.35%
Materials	9.79%	2.35%
Utilities	1.79%	9.91%
Cash & other assets/(liabilities)	3.51%	2.51%
	<u>100.00%</u>	<u>100.00%</u>

##### Emerging Markets Equity Fund

	2022	2021
Sector	% of NAV	% of NAV
Communication Services	7.53%	9.24%
Consumer Discretionary	15.46%	15.46%
Consumer Staples	7.20%	9.17%
Energy	1.32%	5.64%
Financials	23.27%	21.64%
Health Care	3.64%	3.64%
Industrials	13.06%	9.86%
Information Technology	21.26%	23.26%
Real Estate	0.52%	—
Utilities	2.14%	1.66%
Cash & other assets/(liabilities)	4.60%	0.43%
	<u>100.00%</u>	<u>100.00%</u>

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

For the Financial Year Ended 30 June 2022

### 13. Financial Instruments and Associated Risks (Continued)

#### Concentration Risk (Continued)

##### Global Small Companies Equity Fund

	2022	2021
Sector	% of NAV	% of NAV
Communication Services	7.07%	6.65%
Consumer Discretionary	9.27%	10.41%
Consumer Staples	9.75%	6.07%
Energy	1.80%	0.45%
Financials	16.68%	12.25%
Health Care	16.18%	13.90%
Industrials	17.74%	22.67%
Information Technology	18.88%	22.81%
Materials	2.03%	3.46%
Utilities	0.54%	0.76%
Cash & other assets/(liabilities)	0.06%	0.58%
	<u>100.00%</u>	<u>100.00%</u>

##### Global Paris-Aligned Equity Fund\*

	2022
Sector	% of NAV
Communication Services	5.76%
Communications	3.10%
Consumer Discretionary	7.47%
Consumer Staples	2.80%
Financials	14.29%
Health Care	24.28%
Industrials	15.65%
Information Technology	20.51%
Real Estate	1.50%
Technology	1.04%
Cash & other assets/(liabilities)	3.60%
	<u>100.00%</u>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

#### 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.

	Global Equity Fund 30 June 2022 USD	International Equity Fund 30 June 2022 USD	Emerging Markets Equity Fund 30 June 2022 USD
<b>Financial liabilities not at fair value through profit or loss</b>			
Payable for securities purchased (due within one month)	(1,170,884)	(3,520,738)	(1,276,324)
Audit fee payable (due within one to three months)	(11,727)	(12,461)	(11,727)
Accrued expenses (due within one year)	(510,152)	(167,535)	(778,415)
Net assets attributable to holders of participating shares	(625,262,143)	(170,019,088)	(240,374,069)
<b>Total</b>	<u>(626,954,906)</u>	<u>(173,719,822)</u>	<u>(242,440,535)</u>

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Liquidity Risk (Continued)

	Global Small Companies Equity Fund 30 June 2022 USD	Global Paris-Aligned Equity Fund* 30 June 2022 USD	Total 30 June 2022 USD
<b>Financial liabilities not at fair value through profit or loss</b>			
Payable for securities purchased (due within one month)	–	(232,122)	(6,200,068)
Audit fee payable (due within one to three months)	(5,967)	(2,572)	(44,454)
Accrued expenses (due within one year)	(40,675)	(70,381)	(1,567,158)
Net assets attributable to holders of participating shares	(1,270,643)	(131,087,327)	(1,168,013,270)
<b>Total</b>	<b>(1,317,285)</b>	<b>(131,392,402)</b>	<b>(1,175,824,950)</b>

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

	Global Equity Fund 30 June 2021 USD	International Equity Fund 30 June 2021 USD	Emerging Markets Equity Fund 30 June 2021 USD	Global Small Companies Equity Fund 30 June 2021 USD	Total 30 June 2021 USD
<b>Financial liabilities not at fair value through profit or loss</b>					
Payable for securities purchased (due within one month)	–	–	(153,986)	–	(153,986)
Audit fee payable (due within one to three months)	(12,471)	(12,471)	(12,472)	(6,345)	(43,759)
Accrued expenses (due within one year)	(1,018,194)	(225,532)	(1,737,303)	(24,826)	(3,005,855)
Net assets attributable to holders of participating shares	(1,350,536,828)	(215,066,718)	(396,234,283)	(1,651,859)	(1,963,489,688)
<b>Total</b>	<b>(1,351,567,493)</b>	<b>(215,304,721)</b>	<b>(398,138,044)</b>	<b>(1,683,030)</b>	<b>(1,966,693,288)</b>

##### 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 2022

#### 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 2022 and 30 June 2021.

##### Global Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2022</b>				
Equities	601,182,455	–	–	601,182,455
	601,182,455	–	–	601,182,455

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2021</b>				
Equities	1,323,123,709	–	–	1,323,123,709
	1,323,123,709	–	–	1,323,123,709

##### International Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2022</b>				
Equities	164,045,306	–	–	164,045,306
	164,045,306	–	–	164,045,306

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2021</b>				
Equities	209,667,923	–	–	209,667,923
	209,667,923	–	–	209,667,923

##### Emerging Markets Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2022</b>				
Equities	229,325,953	–	–	229,325,953
	229,325,953	–	–	229,325,953

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2021</b>				
Equities	394,518,864	–	–	394,518,864
	394,518,864	–	–	394,518,864

##### Global Small Companies Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2022</b>				
Equities	1,269,918	–	–	1,269,918
	1,269,918	–	–	1,269,918

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30 June 2021</b>				
Equities	1,624,238	–	–	1,624,238
	1,624,238	–	–	1,624,238

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### Valuation of Financial Instruments (Continued)

##### Global Paris-Aligned Equity Fund\*

30 June 2022	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Equities	126,366,926	–	–	126,366,926
	126,366,926	–	–	126,366,926

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

As of June 30, 2022, there were Russian investments related to securities held within the Emerging Markets Equity and International Equity sub-funds which were effectively valued at zero due to the inability of the sub-funds to transact in these investments, the lack of visibility on when the sub-funds may do so, and the lack of readily available market prices for such investments. All of these factors are related to the Russian invasion of Ukraine and responses to that event. These securities are outlined in Emerging Markets Equity's and International Equity's respective schedule of investments.

	International Equity Fund 30 June 2022 Level 3 USD	Emerging Markets Equity Fund 30 June 2022 Level 3 USD
Opening balance	5,783,826	33,937,978
Purchases	415,144	4,175,344
Sales	(627,985)	(6,715,566)
Realised gain	72,501	1,599,360
Unrealised loss	(5,643,486)	(32,997,116)
Closing balance	-	-

There were no other transfers between levels during the financial year ended 30 June 2022 and 30 June 2021 with the exception of the above mentioned securities.

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the Company to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique. Assets and liabilities not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

#### Non-Developed Markets Risk

The Emerging Market Markets Equity Fund will invest in freely transferable equity and equity-related securities of issuers based in emerging markets in Asia, Latin America, Europe, the Middle East and Africa. The Global Equity Fund, International Equity Fund, Global Small Companies Equity Fund and Global Paris-Aligned 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, Global Small Companies Equity Fund and Global Paris-Aligned 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.

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

#### 13. Financial Instruments and Associated Risks (Continued)

##### 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.

#### 14. Net Asset Value per Redeemable Participating Share

##### Global Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2022	30 June 2021	30 June 2020
Euro Class A	EUR 47,794,090	EUR 200,974,357	EUR 127,860,680
Euro Class A USD equivalent	USD 50,085,816	USD 238,305,370	USD 143,651,466
Sterling Class A	GBP 31,532,073	GBP 74,133,960	GBP 42,353,650
Sterling Class A USD equivalent	USD 38,383,997	USD 102,549,491	USD 52,480,331
US Dollar Class A	USD 111,629,924	USD 174,374,158	USD 86,381,348
Sterling Class B	GBP 119,062	GBP 147,547	GBP 118,963
Sterling Class B USD equivalent	USD 144,934	USD 204,102	USD 147,408
US Dollar Class B	USD 5,966,289	USD 6,921,847	USD 2,690,156
US Dollar Class D	USD 219,347	USD 598,148	USD 434,121
Euro Class M	EUR 41,237,179	EUR 51,150,934	EUR 47,232,360
Euro Class M USD equivalent	USD 43,214,502	USD 60,652,226	USD 53,065,560
Singapore Dollar Class M	SGD 139,600,124	SGD 173,221,076	SGD 120,965,939
Singapore Dollar Class M USD equivalent	USD 100,482,347	USD 128,817,637	USD 86,801,047
Canadian Dollar Class S	CAD 107,805,938	CAD 55,648,711	CAD 43,579,382
Canadian Dollar Class S USD equivalent	USD 83,752,282	USD 44,892,474	USD 32,100,311
Euro Class S	EUR 16,830,330	EUR 31,316,427	EUR 50,552,783
Euro Class S USD equivalent	USD 17,637,344	USD 37,133,457	USD 56,796,055
Sterling Class S	GBP 142,692,545	GBP 269,144,654	GBP 215,232,747
Sterling Class S USD equivalent	USD 173,699,653	USD 372,307,844	USD 266,694,918
US Dollar Class S	—	—	USD 55,466,777
US Dollar Class S1	USD 45,707	USD 183,780,073	USD 161,988,461
Net Asset Value per redeemable participating share	30 June 2022	30 June 2021	30 June 2020
Euro Class A	EUR 2.322	EUR 2.882	EUR 2.190
Euro Class A USD equivalent	USD 2.433	USD 3.417	USD 2.462
Sterling Class A	GBP 1.993	GBP 2.464	GBP 1.981
Sterling Class A USD equivalent	USD 2.427	USD 3.408	USD 2.455
US Dollar Class A	USD 2.436	USD 3.421	USD 2.463
Sterling Class B	GBP 1.203	GBP 1.490	GBP 1.202
Sterling Class B USD equivalent	USD 1.464	USD 2.062	USD 1.489
US Dollar Class B	USD 1.122	USD 1.580	USD 1.141
US Dollar Class D	USD 1.126	USD 1.594	USD 1.157
Euro Class M	EUR 1.333	EUR 1.653	EUR 1.256
Euro Class M USD equivalent	USD 1.397	USD 1.960	USD 1.411
Singapore Dollar Class M	SGD 1.718	SGD 2.334	SGD 1.741
Singapore Dollar Class M USD equivalent	USD 1.236	USD 1.735	USD 1.249
Canadian Dollar Class S	CAD 1.168	CAD 1.568	CAD 1.228

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

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

##### Global Equity Fund (Continued)

Net Asset Value per redeemable participating share	30 June 2022	30 June 2021	30 June 2020
Canadian Dollar Class S USD equivalent	USD 0.907	USD 1.265	USD 0.904
Euro Class S	EUR 1.310	EUR 1.615	EUR 1.219
Euro Class S USD equivalent	USD 1.373	USD 1.915	USD 1.369
Sterling Class S	GBP 1.339	GBP 1.650	GBP 1.324
Sterling Class S USD equivalent	USD 1.629	USD 2.283	USD 1.641
US Dollar Class S	–	–	USD 1.260
US Dollar Class S1	–	USD 1.574	USD 1.132

##### International Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2022	30 June 2021	30 June 2020
Sterling Class A	GBP 2,371,528	GBP 3,767,650	GBP 1,829,019
Sterling Class A USD equivalent	USD 2,886,861	USD 5,211,791	USD 2,266,337
US Dollar Class A	USD 90,606,825	USD 81,614,738	USD 61,853,345
US Dollar Class B	USD 7,426,839	USD 10,867,868	USD 9,207,847
US Dollar Class S	USD 69,098,563	USD 117,372,320	USD 115,604,585
Net Asset Value per redeemable participating share	30 June 2022	30 June 2021	30 June 2020
Sterling Class A	GBP 1.823	GBP 2.104	GBP 1.765
Sterling Class A USD equivalent	USD 2.219	USD 2.911	USD 2.188
US Dollar Class A	USD 1.439	USD 1.867	USD 1.392
US Dollar Class B	USD 1.424	USD 1.853	USD 1.385
US Dollar Class S	USD 1.225	USD 1.577	USD 1.167

##### Emerging Markets Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2022	30 June 2021	30 June 2020
US Dollar Class A	USD 8,011,292	USD 11,475,486	USD 13,198,733
Canadian Dollar Class B	CAD 421,971	CAD 616,089	CAD 472,891
Canadian Dollar Class B USD equivalent	USD 327,821	USD 497,006	USD 348,328
US Dollar Class B	USD 1,904,144	USD 3,263,900	USD 5,125,672
Canadian Dollar Class I	–	–	CAD 222,193,885
Canadian Dollar Class I USD equivalent	–	–	USD 163,666,680
US Dollar Class M	USD 40,663,227	–	–
US Dollar Class I	–	USD 61,375,900	USD 114,545,557
Canadian Dollar Class M	–	–	CAD 97,672,750
Canadian Dollar Class M USD equivalent	–	–	USD 71,945,161
Canadian Dollar Class S	CAD 243,882,676	CAD 396,203,420	–
Canadian Dollar Class S USD equivalent	USD 189,467,585	USD 319,621,991	–

# Harding Loevner Funds plc

## Notes to Financial Statements (Continued)

### For the Financial Year Ended 30 June 2022

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

##### Emerging Markets Equity Fund (continued)

Net Asset Value per redeemable participating share	30 June 2022	30 June 2021	30 June 2020
US Dollar Class A	USD 1.181	USD 1.783	USD 1.245
Canadian Dollar Class B	CAD 0.844	CAD 1.232	CAD 0.946
Canadian Dollar Class B USD equivalent	USD 0.656	USD 0.994	USD 0.697
US Dollar Class B	USD 1.033	USD 1.566	USD 1.098
Canadian Dollar Class I	–	–	CAD 1.524
Canadian Dollar Class I USD equivalent	–	–	USD 1.122
US Dollar Class M	USD 0.697	–	–
US Dollar Class I	–	USD 1.664	USD 1.159
Canadian Dollar Class M	–	–	CAD 1.353
Canadian Dollar Class M USD equivalent	–	–	USD 0.996
Canadian Dollar Class S	CAD 0.837	CAD 1.206	–
Canadian Dollar Class S USD equivalent	USD 0.651	USD 0.973	–

No shares were held in the Frontier Emerging Markets Equity Fund as at 30 June 2022, 30 June 2021 and 30 June 2020.

##### Global Small Companies Equity Fund

Net assets attributable to holders of redeemable participating shares	30 June 2022	30 June 2021	30 June 2020
US Dollar Class A	USD 1,270,643	USD 1,651,859	USD 1,217,828
Net Asset Value per redeemable participating share	30 June 2022	30 June 2021	30 June 2020
US Dollar Class A	USD 1.271	USD 1.652	USD 1.218

##### Global Paris-Aligned Equity Fund\*

Net assets attributable to holders of redeemable participating shares	30 June 2022
US Dollar Class X1	USD 131,087,327
Net Asset Value per redeemable participating share	30 June 2022
US Dollar Class X1	USD 1.025

\*As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

#### 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.

At 30 June 2022 and 30 June 2021, adjustments were required with respect to the Financial Statements of Global Equity Fund, International Equity Fund and Emerging Markets Equity Fund to reconcile to transfer agency records. There were no adjustments required for Global Paris-Aligned Equity Fund. 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 2022

#### 15. Reconciliation of Net Asset Value (continued)

##### Global Equity Fund

	30 June 2022 USD	30 June 2021 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	625,262,143	1,350,536,828
Reconciling Net Subscriptions/Redemptions received on 30 June	—	(1,022,691)
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>625,262,143</u>	<u>1,349,514,137</u>
Net Asset Value per redeemable participating share at dealing prices		
Euro Class A	EUR 2.322	EUR 2.882
Sterling Class A	GBP 1.203	GBP 2.464
US Dollar Class A	USD 2.436	USD 3.421
US Dollar Class B	USD 1.122	USD 1.580
US Dollar Class D	USD 1.126	USD 1.594

##### International Equity Fund

	30 June 2022 USD	30 June 2021 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	170,019,088	215,066,718
Reconciling Redemption Payable received on 30 June	<u>8,432</u>	<u>75,327</u>
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>170,027,520</u>	<u>215,142,045</u>
Net Asset Value per redeemable participating share at dealing prices		
Sterling Class A	GBP 1.823	GBP 2.104
US Dollar Class A	USD 1.439	USD 1.867
US Dollar Class B	USD 1.424	USD 1.853
US Dollar Class S	USD 1.225	USD 1.577

##### The Emerging Markets Equity Fund

	30 June 2022 USD	30 June 2021 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	240,374,069	396,234,283
Reconciling Net Subscriptions/Redemptions received on 30 June	<u>570</u>	<u>—</u>
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>240,374,639</u>	<u>396,234,283</u>
Net Asset Value per redeemable participating share at dealing prices		
US Dollar Class B	USD 1.033	USD 1.566

At 30 June 2022 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.

##### The Global Small Companies Equity Fund

	30 June 2022 USD	30 June 2021 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	1,270,643	1,651,859
Preliminary expenses	<u>7,435</u>	<u>12,724</u>
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>1,278,078</u>	<u>1,664,583</u>
Net Asset Value per redeemable participating share at dealing prices		
US Dollar Class A	USD 1.271	USD 1.652

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

##### 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 2022 and 30 June 2021:

		30 June 2022	30 June 2021
AED	UAE Dirham	3.6731	3.6732
AUD	Australian Dollar	1.4542	1.3320
BDT	Bangladesh Taka	93.4750	84.7750
BRL	Brazilian Real	5.2295	5.0179
CAD	Canadian Dollar	1.2900	1.2383
CHF	Swiss Franc	0.9574	0.9244
CLP	Chilean Peso	936.8650	728.1100
CNH	Chinese Renminbi	6.7042	6.4609
CNY	Chinese Yuan	6.6943	6.4615
COP	Colombian Peso	4,161.1000	3,734.0000
CZK	Czech Republic Koruna	23.6602	21.5086
DKK	Danish Krone	7.1134	6.2706
EEK	Estonian Kroon	14.9664	13.1939
EGP	Egyptian Pound	18.8000	15.6950
EUR	Euro	0.9565	0.8432
GBP	British Sterling Pound	0.8234	0.7239
GHS	Ghanian Cedi	8.0200	5.8900
HKD	Hong Kong Dollar	7.8470	7.7659
HRK	Croatian Kuna	7.2040	6.3188
HUF	Hungarian Forint	379.5400	296.0031
IDR	Indonesian Rupiah	14,897.5000	14,500.0000
INR	Indian Rupee	78.9725	74.3300
JOD	Jordanian Dinar	0.7090	0.7090
JPY	Japanese Yen	135.8550	110.9900
KES	Kenyan Shilling	117.9000	107.9000
KRW	South Korean won	1,298.4000	1,126.1500
KZT	Kazakhstan Tenge	470.2500	427.2450
LKR	Sri Lankan Rupee	358.0000	199.5000
MAD	Moroccan Dirham	10.0870	8.9300
MUR	Mauritian Rupee	45.6500	43.0000
MXN	Mexican Nuevo Peso	20.1758	19.9105
MYR	Malaysian Ringgit	4.4075	4.1515
NGN	Nigerian Naira	415.0000	410.0000
PEN	Peruvian Nuevo Sol	3.8008	3.8325
PHP	Philippine Peso	54.9850	48.8150
PKR	Pakistani Rupee	204.6250	157.6000
PLN	Polish Zloty	4.4959	3.8070
QAR	Qatari Rial	3.6418	3.6410
RON	Romanian Leu	4.7315	4.1526
RUB	Russian Rouble	54.7500	73.0538
SAR	Saudi Arabia Riyal	3.7521	3.7504
SEK	Swedish Krona	10.2474	8.5522
SGD	Singapore Dollar	1.3917	1.3442
THB	Thai Baht	35.3550	32.0500
TRY	Turkish Lira	16.6965	8.6875
TTD	Trinidad & Tabago Dollar	6.7603	6.7473
TWD	Taiwan Dollar	29.7335	27.8625
TZS	Tanzanian Shilling	2,332.0000	2,319.0000
VND	Vietnamese Dong	23,265.0000	23,016.0000
XOF	West African CFA Franc	627.4399	553.1302
ZAR	South African Rand	16.3825	14.2788

##### 17. Soft Commissions

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

## Harding Loevner Funds plc

### Notes to Financial Statements (Continued)

#### For the Financial Year Ended 30 June 2022

##### 18. Contingent Liabilities

There were no contingent liabilities as at 30 June 2022 or 30 June 2021.

##### 19. Events During the Year

During the financial year ended 30 June 2022, the Global Equity Fund distributed the following net income:

A distribution of 0.003171817 per share on the Sterling Class S shares, with a total value of GBP 337,420. This distribution was declared on 17 January 2022 with a record date of 14 January 2022, an ex-date of 18 January 2022 and a pay date of 21 January 2022.

A distribution of 0.004754419 per share on the Sterling Class S shares, with a total value of GBP 775,307. This distribution was declared on 20 July 2021 with a record date of 19 July 2021, an ex-date of 20 July 2021 and a pay date of 23 July 2021.

During the financial year ended 30 June 2022, the International Equity Fund distributed the following net income:

A distribution of 0.009346753 per share on the Sterling Class A shares, with a total value of GBP 16,842. This distribution was declared on 17 January 2022 with a record date of 14 January 2022, an ex-date of 18 January 2022 and a pay date of 21 January 2022.

A distribution of 0.013512861 per share on the Sterling Class A shares, with a total value of GBP 24,194. This distribution was declared on 20 July 2021 with a record date of 19 July 2021, an ex-date of 20 July 2021 and a pay date of 23 July 2021.

On 15 September 2021, Emerging Markets Equity Fund Class I shareholdings transferred to Emerging Markets Equity Fund Class M by way of an in-specie transfer.

On 1 October 2021, the Prospectus and Supplements were updated to reflect the following changes:

Reduce Emerging Markets Equity Fund Class A Investment Manager fee from 1.00% to 0.90%. Amend the corresponding total expense ratio ("TER") fee cap (i.e. maximum) to 1.00%.

Increase the Minimum Shareholding and Minimum Initial Investment Amounts for all Class S currency classes from a USD 20M equivalent to a USD 35M equivalent.

Effective on 1 October 2021, the Administration fee paid to the Administrator was amended. Details of this amendment is disclosed on Note 3.

On 1 October 2021, an updated Prospectus and Supplements were filed to reflect the appointment of KBA Consulting Management Limited as the Company's Management Company.

On 9 December 2021, an updated Prospectus was filed to address the requirements of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation") updates.

On 31 May 2022, an updated Prospectus was filed for the purpose of making non-material changes to disclosure regarding the integration of sustainability risks.

As a result of a transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

During the year ended 30 June 2022, the outbreak of the novel coronavirus ("COVID-19") and subsequent global pandemic continued to significantly impact the global economy, individual companies, and financial markets in general and throughout the world has created significant uncertainty. The duration and extent of COVID-19 over the long-term cannot be reasonably estimated at this time. The ultimate impact of COVID-19 and the extent to which COVID-19 impacts the Company's normal course of business, results of operations, investments, and cash flows will depend on future developments, which are highly uncertain and difficult to predict.

Overall the sub-funds have experienced no financial reporting impacts arising from COVID-19.

Russian holdings of the International Equity Fund and Emerging Markets Equity Fund were effectively valued at zero due to the inability of those sub-funds to transact in these investments, the lack of visibility on when the sub-funds may do so, and the lack of readily available market prices for such investments. All of these factors are related to the Russian invasion of Ukraine and responses to that event.

Details of these holdings are outlined on pages 16 and 18.

There have been no other significant events to report during the financial year ended 30 June 2022.

## **Harding Loevner Funds plc**

### **Notes to Financial Statements (Continued)**

#### **For the Financial Year Ended 30 June 2022**

##### **20. Events After the Reporting Date**

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 Period continues post financial year-end.

The Board have noted the developments in Ukraine and the sanctions being imposed on Russia. The Board continues to monitor the developments closely and to take all the necessary actions.

The Global Equity Fund distributed net income of 0.005588746959 per share on the Sterling Class S shares, with a total value of GBP 595,751. This distribution was declared on 19 July 2022 with a record date of 18 July 2022, an ex-date of 19 July 2022 and a pay date of 22 July 2022.

The International Equity Fund distributed net income of 0.017632666260 per share on the Sterling Class A shares, with a total value of GBP 22,941. This distribution was declared on 19 July 2022 with a record date of 18 July 2022, an ex-date of 19 July 2022 and a pay date of 22 July 2022.

There have been no other material events to report subsequent to the financial year ended 30 June 2022.

##### **21. Approval of the Financial Statements**

The financial statements were approved and authorised for issue on 28 September 2022.

## Harding Loevner Funds plc

### Appendix 1 - Remuneration Disclosure (Unaudited)

For the Financial Year Ended 30 June 2022

#### Remuneration

The Management Company has designed and implemented a remuneration policy (the “Policy”) in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFM Regulations”), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “ESMA Guidelines”). The Policy is designed to ensure that the remuneration of key decision makers is aligned with the management of short and long-term risks, including the oversight and where appropriate the management of sustainability risks in line with the Sustainable Finance Disclosure Regulations.

The Management Company’s remuneration policy applies to its Identified Staff<sup>1</sup> whose professional activities might have a material impact on the Company’s risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the Company. The Management Company’s policy is to pay Identified Staff<sup>1</sup> a fixed component with the potential for Identified Staff<sup>1</sup> to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Management Company to operate a fully flexible policy, with the possibility of not paying any variable component. When the Management Company pays a variable component as performance related pay certain criteria, as set out in the Management Company’s remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Management Company’s remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Management Company. The disclosures are made in accordance with the ESMA Guidelines.

Total remuneration (in EUR) paid to the Identified Staff<sup>1</sup> of the Management Company fully or partly involved in the activities of the Company that have a material impact on the Company’s risk profile during the financial year to 30 June 2022:

	EUR
<b>Fixed remuneration</b>	
Senior Management	1,232,664
Other Identified Staff <sup>1</sup>	-
<b>Variable remuneration</b>	
Senior Management	110,724
Other Identified Staff <sup>1</sup>	-
<b>Total remuneration paid</b>	<b>1,343,388</b>

The total number of Identified Staff<sup>1</sup> of the Management Company as at 30 June 2022 was 16.

Neither the Management Company nor the Company pays any fixed or variable remuneration to Identified Staff<sup>1</sup> of the Investment Manager.

The Investment Manager’s pay to Identified Staff<sup>1</sup> relates to all funds which the Identified Staff<sup>1</sup> currently manage.

The assets under management of the Investment Manager, inclusive of those under management of the Identified Staff<sup>1</sup>, as at 30 June 2022 was USD 58.7bn of which the Company represents USD 1.2bn, or 2.0% of total assets.

<sup>1</sup>Identified Staff can be described as categories of 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 management company’s risk profile or the risk profiles of the UCITS that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company, whose professional activities have a material impact on the risk profiles of the UCITS that the management company manages.

## Harding Loevner Funds plc

### Appendix 2 - Financial Information (Unaudited)

#### For the Financial Year Ended 30 June 2022

#### Global Equity Fund

#### For the Financial Year Ended 30 June 2022

Total Expenses Ratio	US Dollar Class A 30 June 2022 USD	US Dollar Class B 30 June 2022 USD	US Dollar Class D 30 June 2022 USD	Euro Class A 30 June 2022 USD	Euro Class M 30 June 2022 USD	Sterling Class A 30 June 2022 USD	Euro Class S 30 June 2022 USD
Expenses	1,556,252	77,730	6,611	1,573,587	424,713	756,901	21,549
Average net assets	194,726,329	7,167,194	417,216	197,057,223	56,666,875	94,753,125	25,402,943
<b>Total Expense Ratio (*,**)</b>	0.80%	1.08%	1.58%	0.80%	0.75%	0.80%	0.08%

	Sterling Class S 30 June 2022 USD	Canadian Dollar Class S 30 June 2022 USD	Singapore Dollar Class M 30 June 2022 USD	US Dollar Class S1 30 June 2022 USD	Sterling Class B 30 June 2022 USD
Expenses	239,641	70,731	961,146	1,032,960	2,065
Average net assets	282,982,692	83,605,299	128,232,056	168,516,694	190,393
<b>Total Expense Ratio (*,**)</b>	0.08%	0.08%	0.75%	0.61%	1.08%

#### 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
1,358,922,967
806,388,085
959,453,626
58%

\* The Total Expense Ratio for Global Equity Fund include operating expense reimbursements of USD 351,703 (30 June 2021: 232,500).

\*\* 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 2022

#### Global Equity Fund

#### For the Financial Year Ended 30 June 2021

Total Expenses Ratio	US Dollar Class A 30 June 2021 USD	US Dollar Class B 30 June 2021 USD	US Dollar Class D 30 June 2021 USD	Euro Class A 30 June 2021 USD	Euro Class M 30 June 2021 USD	Sterling Class A 30 June 2021 USD	Euro Class S 30 June 2021 USD
Expenses	994,172	50,113	9,048	1,511,594	470,242	617,130	42,877
Average net assets	124,276,490	4,587,778	568,691	188,937,592	62,704,090	77,131,382	47,986,886
<b>Total Expense Ratio (*)</b>	0.80%	1.09%	1.59%	0.80%	0.75%	0.80%	0.09%
		<b>Canadian Dollar Class S 30 June 2021 USD</b>	<b>Singapore Dollar Class M 30 June 2021 USD</b>	<b>US Dollar Class S 30 June 2021 USD</b>	<b>Sterling Class S 30 June 2021 USD</b>	<b>US Dollar Class S1 30 June 2021 USD</b>	<b>Sterling Class B 30 June 2021 USD</b>
Expenses		35,448	812,707	28,248	294,071	1,170,731	1,941
Average net assets		38,946,166	108,361,856	62,324,696	323,090,665	188,882,904	177,917
<b>Total Expense Ratio (*)</b>		0.09%	0.75%	0.09%	0.09%	0.62%	1.09%
<b>Portfolio Turnover Ratio</b>							<b>Total</b>
Purchases and sales of securities (i)							1,372,941,703
Subscription and redemption of shares (ii) **							364,671,434
Monthly average of total assets (iii)							1,227,977,112
<b>Portfolio Turnover Ratio</b>							82%

\* 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.

The US Dollar Class S closed on 8 January 2021.

## Harding Loevner Funds plc

### Appendix 2 - Financial Information (Unaudited) (Continued)

#### For the Financial Year Ended 30 June 2022

##### International Equity Fund

##### For the Financial Year Ended 30 June 2022

Total Expenses Ratio	US Dollar Class A 30 June 2022 USD	US Dollar Class B 30 June 2022 USD	Sterling Class A 30 June 2022 USD	US Dollar Class S 30 June 2022 USD
Expenses	720,571	121,348	39,555	91,304
Average net assets	82,740,910	10,761,802	4,504,126	103,981,651
<b>Total Expense Ratio (*,**)</b>	0.87%	1.13%	0.88%	0.09%

##### 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

155,723,464

100,885,440

201,988,488

27%

#### For the Financial Year Ended 30 June 2021

Total Expenses Ratio	US Dollar Class A 30 June 2021 USD	US Dollar Class B 30 June 2021 USD	Sterling Class A 30 June 2021 USD	US Dollar Class S 30 June 2021 USD
Expenses	584,488	110,953	33,694	132,170
Average net assets	65,795,130	9,746,324	3,795,391	132,215,087
<b>Total Expense Ratio (*,**)</b>	0.89%	1.14%	0.89%	0.10%

##### 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

118,019,273

99,265,528

211,551,932

9%

\* The Total Expense Ratios for International Equity Fund include operating expense reimbursements of USD 76,951 (30 June 2021: USD 48,598).

\*\* 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 2022

#### Emerging Markets Equity Fund For the Financial Year Ended 30 June 2022

Total Expenses Ratio	US Dollar Class A 30 June 2022 USD	US Dollar Class B 30 June 2022 USD	US Dollar Class I**** 30 June 2022 USD	US Dollar Class M**** 30 June 2022 USD	Canadian Dollar Class B 30 June 2022 USD	Canadian Dollar Class S 30 June 2022 USD
Expenses	100,461	37,830	-	410,275	6,196	244,942
Average net assets	9,887,242	2,569,820	-	36,240,201	421,122	263,361,821
<b>Total Expense Ratio (*, **)</b>	1.02%	1.47%	-	1.43%	1.47%	0.09%

#### 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

242,776,582

151,572,867

295,743,448

31%

\* The Total Expense Ratios for Emerging Markets Equity Fund include operating expense reimbursements of USD 139,736 (30 June 2021: USD 139,485).

\*\* The Total Expense Ratio is annualised.

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

\*\*\*\* On 15 September 2021, US Dollar Class I shareholdings transferred to US Dollar Class M by way of an in-specie transfer.

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 2022

#### Emerging Markets Equity Fund For the Financial Year Ended 30 June 2021

Total Expenses Ratio	US Dollar Class A 30 June 2021 USD	US Dollar Class B 30 June 2021 USD	US Dollar Class I 30 June 2021 USD	Canadian Dollar Class B 30 June 2021 USD	Canadian Dollar Class I 30 June 2021 USD	Canadian Dollar Class M 30 June 2021 USD	Canadian Dollar Class S 30 June 2021 USD
Expenses	100,836	66,502	1,018,217	6,571	432,843	299,603	216,945
Average net assets	12,256,178	4,486,003	113,133,987	442,244	177,317,276	78,898,581	297,645,760
<b>Total Expense Ratio (*)</b>	1.10%	1.48%	0.90%	1.48%	0.90%	1.05%	0.10%

#### 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**

254,963,189

131,259,568

684,180,029

18%

\* 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 2022

##### Global Small Companies Equity Fund For the Financial Year Ended 30 June 2022

Total Expenses Ratio	US Dollar Class A 30 June 2022 USD
Expenses	7,069
Average net assets	1,585,458
<b>Total Expense Ratio (*, **, ***)</b>	<b>0.44%</b>
<b>Portfolio Turnover Ratio</b>	<b>Total</b>
Purchases and sales of securities (i)	771,070
Subscription and redemption of shares (ii) ****	-
Monthly average of total assets (iii)	1,585,458
<b>Portfolio Turnover Ratio</b>	<b>49%</b>

#### For the Financial Year Ended 30 June 2021

Total Expenses Ratio	US Dollar Class A 30 June 2021 USD
Expenses	15,636
Average net assets	1,489,104
<b>Total Expense Ratio (*, **, ***)</b>	<b>1.05%</b>
<b>Portfolio Turnover Ratio</b>	<b>Total</b>
Purchases and sales of securities (i)	599,414
Subscription and redemption of shares (ii) ****	-
Monthly average of total assets (iii)	1,489,104
<b>Portfolio Turnover Ratio</b>	<b>40%</b>

\* The Total Expense Ratios for Global Small Companies Equity Fund include operating expense reimbursements of USD 153,163 (30 June 2021: USD 135,497).

\*\* The Total Expense Ratios for Global Small Companies Equity Fund include preliminary expenses of USD 5,289 (30 June 2021: USD 5,289). These are amortised for valuation purposes over five years; however, they were expensed in the financial statements during the period they were incurred.

\*\*\* The Total Expense Ratio is annualised.

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

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

## Harding Loevner Funds plc

### Appendix 2 - Financial Information (Unaudited) (Continued)

#### For the Financial Year Ended 30 June 2022

##### Global Paris-Aligned Equity Fund\*

##### For the Financial Year Ended 30 June 2022

Total Expenses Ratio	USD Class X1 30 June 2022 USD
Expenses	26,479
Average net assets	131,878,004
<b>Total Expense Ratio (**,***,****)</b>	<b>0.56%</b>
<b>Portfolio Turnover Ratio</b>	<b>Total</b>
Purchases and sales of securities (i)	3,309,458
Subscription and redemption of shares (ii) *****	127,928,876
Monthly average of total assets (iii)	131,878,004
<b>Portfolio Turnover Ratio</b>	<b>(94%)</b>

\* As a result of a capital transfer from Global Equity Fund, the Company created the Global Paris-Aligned Equity Fund and commenced its operations on 17 June 2022.

\*\* The Total Expense Ratios for Global Paris-Aligned Equity Fund include operating expense reimbursements of USD 46,215.

\*\*\* The establishment costs 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.

#### For the Financial Year Ended 30 June 2022

The Harding Loevner Global Paris-Aligned Equity Fund (the "Global Paris-Aligned Fund") has been categorised as a SFDR Article 8 financial product because, in accordance with the criteria outlined in Article 8 of SFDR, it promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, and all of the companies in which the Global Paris-Aligned Fund invests in follow good governance practices. What follows is a description of the extent to which the relevant environmental and/or social characteristics were met in the Global Paris-Aligned Fund during the period referenced in this Annual Report (the "Reference Period"), as required by SFDR Article 11. As the Global Paris-Aligned Fund launched on 17 June 2022, the applicable Reference Period is from 17 June 2022 to and including 30 June 2022.

Throughout the Reference Period, the Investment Manager evaluated and integrated environmental, social and governance ("ESG") risk factors and opportunities as part of the investment and portfolio construction process of the Global Paris-Aligned Fund. ESG risk factors and opportunities were among the many drivers considered by the Investment Manager when identifying the Global Paris-Aligned Fund's eligible investments. More specifically, the Investment Manager undertook the following:

- When evaluating target companies for investment, the Investment Manager included an explicit consideration of ESG risk factors. To determine a company's suitability for investment, the Investment Manager's analysts focused on four criteria: competitive advantage, quality management, financial strength, and sustainable growth. ESG risks and opportunities are among the factors that may impact a company's ability to meet these criteria. Analysts therefore considered such risks and opportunities at each stage of their analysis.
- Upon commencing research on a company, the analyst reviewed its governance using a 14-point checklist to ensure companies with poor governance are eliminated from consideration. The analyst also completed a 15-point environmental and social red flag checklist to determine if the company faces any severe risks in these areas that require closer analysis.
- The analyst's in-depth company research included evaluating 29 distinct ESG factors, like climate change, treatment of customers, labor practices, community relations, cybersecurity, and management-shareholder alignment. The analyst determined the net impact of each factor by assessing the extent to which it represented a risk that could threaten, or an opportunity that could support, the sustainability of the company's profitable growth. The net impacts of all the ESG factors were aggregated to determine an overall "ESG Score" for each company. This scorecard process provides a consistent framework for comparing companies' ESG risks and opportunities across all industries and geographies. ESG assessments may affect the analyst's long-term forecasts of growth, margins, capital intensity, or competitive position. Further, the Investment Manager used a company's overall ESG Score in its valuation model, where it affects projected cash flows.

Throughout the Reference Period, the Global Paris-Aligned Fund promoted Sustainability Characteristics (as defined in the Prospectus Supplement) by investing in companies that the Investment Manager believes will achieve "net zero" carbon emissions before 2050, consistent with the Paris Agreement<sup>1</sup>. The Global Paris-Aligned Fund promoted Sustainability Characteristics through both the exclusion of fossil fuel companies from the portfolio, and through its screening of companies' carbon reduction practices, which must demonstrate a viable pathway to achieve carbon neutral status by 2050. The Investment Manager assessed this viability by examining the following factors in respect of each company, as applicable:

- Science Based Targets (SBTi) classifications
- Company-disclosed greenhouse gas (GHG) emission reduction targets
- Task Force on Climate-Related Financial Disclosures (TCFD)
- CDP (formerly Carbon Disclosure Project) portal filings (being datasets on climate-related risks and opportunities, emissions, mitigation, adaptation, energy and water in cities, states and regions worldwide), or other relevant company disclosures
- Existing or projected carbon emissions data
- Global Industry Classification Standard (GICS) sub-industry classification and its respective carbon risk-profile

With respect to the Global Paris-Aligned Fund, the Investment Manager also narrowed the security selection universe during the Reference Period by applying the following exclusionary screens:

- **Fossil Fuels:** Prohibition on investing in companies with evidence of owning fossil fuel reserves, as well as companies which derive at least 25% of its revenues (either reported or estimated) from oil-, gas-, or coal-related activities.
- **Tobacco Producers:** Prohibition on investing in companies that manufacture tobacco products.
- **Controversial, Assault-Style, and Nuclear Weapons:** Prohibition on investing in "controversial weapons", being companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments. For the avoidance of doubt, this prohibition is extended to companies which produce nuclear weapons components. The Global Paris-Aligned Fund is further prohibited from investing in companies that manufacture or retail automatic ("assault") firearms.

<sup>1</sup>The 2015 Paris Agreement aims to limit global warming to well below 2 degrees Celsius, preferably limited to 1.5 degrees, compared to preindustrial levels. 'Net zero' is achieved when the amount of greenhouse gas emissions produced are cancelled out by those removed from the atmosphere."

**For the Financial Year Ended 30 June 2022**

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The Investment Manager’s screening of companies’ carbon reduction practices to make a viable pathway assessment, consistent with the Paris Agreement, for each company in the portfolio, as well as its application of exclusionary screens, were both executed successfully during the Reference Period. In addition, the Investment Manager also successfully evaluated and integrated ESG risk factors and opportunities as part of the investment and portfolio construction process for the Global Paris-Aligned Fund during the Reference Period. On this basis, the Investment Manager considers that the Sustainable Characteristics promoted by the Global Paris-Aligned Fund were met during the Reference Period.

During the Reference Period, the Investment Manager had not collected data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the Global Paris-Aligned Fund are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation (“Taxonomy Aligned Investments”). On that basis, the Global Paris-Aligned Fund reports zero exposure to Taxonomy Aligned Investments during the Reference Period.

The “do no significant harm” principle applies only to Taxonomy Aligned Investments. The investments underlying the remaining portion of the Global Paris-Aligned Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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