

Semi-Annual Commentary

31 December 2020

Harding, Loevner Funds Plc

- Global Equity Fund
- International Equity Fund
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■ PERFORMANCE SUMMARY

The Global Equity Fund USD Class A shares rose 24.24% (at dealing prices) for the six months ended 31 December 2020, net of fees, in US dollar terms, outperforming its benchmark, the MSCI All Country World Index, which rose 24.01%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

Global stock markets provided strong returns in the six months ended 31 December 2020 as markets began to recover from the damage inflicted by the pandemic and central banks continued to support the recovery. All sectors and regions posted positive returns during the period.

The rebound in global economies gathered strength in the third quarter as high and rising share prices showed investors were looking past the pandemic. Sentiment was buoyed by rising hopes for a successful vaccine—with multiple drug candidates entering the third and final stage of testing—and by the proclivity of global central banks to provide ongoing support for their battered economies. The US Federal Reserve was one of the most aggressive in this area; not only did it reaffirm a commitment to low rates through at least 2023, it also announced a groundbreaking shift in its inflation-targeting policy: instead of simply aiming for its desired inflation rate (currently 2%), going forward it will keep track of any shortfalls and seek to make them up in the future, in order to target an *average* rate of inflation over time. This exuberance carried through to the end of the year, with global stock markets rising dramatically in the fourth quarter despite an escalation in the global pandemic. The announcement of not just

one, but potentially four, effective vaccines and their accelerated approvals gave investors further hope for some return to normal commerce in 2021, even as COVID-19 hospitalizations in the US and Europe soared.

On a sector basis, stocks in Consumer Discretionary, Materials, Information Technology (IT) and Industrials performed well during the six-month period. Conversely, stocks in Energy, Real Estate, and Health Care lagged. For much of the year, companies that benefited from the abrupt shift to remote work and surge in e-commerce, many of them within IT and Consumer Discretionary, far outpaced more cyclical sectors such as Energy, Financials, and Real Estate. However, during the fourth quarter we witnessed an inversion of this pattern, with Financials and cyclicals benefiting disproportionately from a vaccine-fueled boost in growth expectations while non-cyclical sectors such as Health Care, Consumer Staples, and Utilities lagged.

Emerging Markets was the strongest performing region during the period, helped by strong returns in Taiwan, South Korea, Brazil, and India. All other major regions underperformed, including the US and Europe (both inside and outside the eurozone). Like sector reversals, there were several final-quarter flip-flops that occurred along geographical lines. The US, after leading the way thanks to its large IT industry, lagged in the fourth quarter. Conversely Brazil and India, both of which underperformed for much of the year due to bank stocks, witnessed a resurgence as the strength of those same stocks helped offset weakness in other EM countries like China.

Style effects, having favored fast-growing and high-quality companies for prior six months heedless of their high valuations, became more mixed in the most recent period. For the past six months, the most expensive stocks continued to outperform their least expensive peers by nearly 900 basis points. However, shares of companies with less consistent cash flow and profitability outperformed those of the highest-quality companies by over 1,200 basis points. Growth as a factor offered no guide to performance.

■ PERFORMANCE ATTRIBUTION

Strong stocks in Financials contributed the most to relative performance in the period, with India-based **HDFC Bank** and US-based **SVB Financial Group** having the largest effect. HDFC reported solid third-quarter results as the quality of its loan book has held up better than expected; hopes for a cyclical recovery remain on track and loan growth appears to be nearing pre-COVID levels. SVB reported robust loan and deposit growth, along with stable credit costs. Stocks in Health Care were also helpful, particularly US-based orthodontist product maker **Align Technology**. The company reported strong earnings during the fourth quarter and has been expanding its product line.

Conversely, lagging stocks in Consumer Discretionary detracted the most from relative returns. Chinese e-commerce company **Alibaba** was forced to withdraw its planned IPO for its Ant Financial affiliate under pressure from banking regulators and was put on notice about the potentially anti-competitive practices of its core e-commerce business. In Materials, German flavors-and-fragrance maker **Symrise** detracted as it experienced slower organic sales growth in its beverage and sweets segments. The fund's overweight in Health Care also hurt.

Viewed by region, strong stocks in the US (Align and SVB) and Japan contributed the most to relative returns. Japanese hematology testing manufacturer **Sysmex** rose in response to the company's introduction of a new product aimed at testing the presence of the novel coronavirus. Weak stocks in Emerging Markets, particularly China (Alibaba) and Poland, detracted. Shares of Poland's **CD Projekt** fell following the flawed launch of its much-anticipated video game, *Cyberpunk 2077*, which led to the game's removal from Sony's PlayStation Store.

PERSPECTIVE AND OUTLOOK

When we wrote at the end of 2019 about a “world turned upside down,” we had no idea just how upended the world was about to become; no inkling that a novel coronavirus was replicating exponentially and about to upend our lives. Rather, we were focused on the mundane (by comparison) implications of negative interest rates, potential inflation, and the implied discount rates for stocks. We fretted that the prices commanded by stocks of our preferred high-quality and fast-growing companies had reached unsustainable levels. The heightened volatility of long-duration assets—long-dated Treasuries and growth stocks both—made us fret further, since rising volatility often foreshadows a reversal.

As the pandemic erupted with full force in the first quarter, companies prized for their resilient secular growth and financial strength defied our fears and expensive growth stocks became even more highly priced. Some companies, with their business models anchored in the virtual rather than the brick-and-mortar

SECTOR EXPOSURE (%) AT 31 DECEMBER 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	10.6	9.2
CONS DISCRETIONARY	10.5	13.0
CONS STAPLES	4.2	7.4
ENERGY	1.2	3.0
FINANCIALS	18.7	13.5
HEALTH CARE	19.4	11.9
INDUSTRIALS	10.1	9.7
INFO TECHNOLOGY	19.1	21.8
MATERIALS	3.0	4.9
REAL ESTATE	0.0	2.6
UTILITIES	0.1	3.0
CASH	3.1	—

¹MSCI All Country World Index.

world, were instantly transformed into COVID-19 “winners.” Meanwhile, any company with more immediate exposure to either the business cycle (think banks) or specific dislocations arising from the pandemic, such as travel, was shunned by investors. Last quarter, we noted that a startling number of stocks—indeed, higher than at any time in the last fifty years outside of the 1999 tech bubble—were priced to deliver negative returns even just assuming a naïve (and rather unrealistic) extrapolation of current consensus earnings growth estimates. One difference, of course, between 1999 and now is that now bonds are also priced to disappoint their owners, perversely making stocks seem less risky.

Nevertheless, with the end of the pandemic at last in sight, our prior concerns have returned to the fore. One way that prospects could change for long-duration growth stocks, as well as for long-duration bonds, is for long-term interest rates to rise. Ultra-low discount rates, like ultra-low bond yields, imply that cash flows far into the future have more value today; if ultra-low were to give way to merely *low*, those far-away cash flows would not be so compelling. Moreover, what could stimulate animal spirits more than a return to before-COVID-19 commerce, travel, and social interactions with a year of deferred consumption coiled like a spring? On the fire of pent-up demand throw gasoline in the shape of competition for resources from infrastructure spending programs, and suddenly not even “low” may be the right level for inflation or interest rates, let alone for the discount rates applied to stocks.

Interest rates have mirrored falling inflation expectations over the past forty years. Disinflation has been the result of technological innovation, globalization, and, pre-global financial crisis, disciplined monetary policy at the largest central banks. However, the future is clouded by many “ifs”. If policymakers not only in China, but also in Europe and the US, start reducing the freedom historically afforded to the big tech companies like Alibaba, Facebook, Alphabet, and Amazon.com, it may well reduce the disinflationary effects these companies have midwived

GEOGRAPHIC EXPOSURE (%) AT 31 DECEMBER 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	0.0	2.7
EMERGING MARKETS	15.8	13.3
EUROPE EMU	6.1	8.6
EUROPE EX-EMU	10.0	8.0
FRONTIER MARKETS ²	0.0	—
JAPAN	6.7	6.8
MIDDLE EAST	0.0	0.2
PACIFIC EX-JAPAN	2.6	3.1
UNITED STATES	55.7	57.3
CASH	3.1	—

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

into the world. If globalization and free trade continue to face populist protest and political backlash, the price of goods and services, no longer sourced from the most efficient producers, will tend higher instead of lower. If the current escalation of US-China economic disagreements become further militarized, those inflationary effects could be large. If post-COVID-19 normalization demand and low inventories combine with debt financed infrastructure spending, interest rates may well lead, rather than follow, inflation higher. Some of these scenarios would be headwinds for profits; all, except a sustained, rapid economic expansion, are bad for stock valuations.

But there are also portents that endless growth of big tech profits itself could become less of a given. The commanding position of the dominant internet platforms and software companies flows in large part from benign competitive forces driven by powerful network effects and winner-take-all industry dynamics. Yet, in the final quarter of 2020, many of these companies found themselves beset by regulatory scrutiny in almost every jurisdiction. In Europe, the focus has shifted from data privacy toward taxing some of the revenues and profits generated in those countries. Among the recent actions, this strikes us as a modest blow to sustain (if, indeed, it stops there), and one that markets are probably good at discounting. In China, where Alibaba and Tencent dominate the previously largely freewheeling consumer economy, the situation is more treacherous, if only because of the opaque and unconstrained nature of China's regulatory authority. By encroaching onto the turf of the state-supported Chinese banking system via their payments platforms, Alibaba and Tencent were "poking the dragon" of politically powerful, entrenched vested interests, and potentially getting their business models singed in the process.

By encroaching onto the turf of the state-supported Chinese banking system via their payments platforms, Alibaba and Tencent were "poking the dragon" of politically powerful, entrenched vested interests.

Antitrust actions in the US, meanwhile, are being driven by both state governments as well as the federal government, which adds its own unpredictable twist. The common thread in all these efforts is the emergence of a cohesive political opposition to the monopoly-like power of the world's largest internet-based companies. A key difference between this and past periods of regulatory backlash is that more of the monopolies' power today has been directed at squeezing their suppliers and eliminating competitors rather than gouging their customers, who continue to delight in the broader availability of better and cheaper goods, and who may well yet offer a countervailing pull on the regulators' push. Earlier antitrust actions in the US against Microsoft in the 1990s, IBM in the 1980s, or AT&T in the 1970s, were costly and disruptive, but ultimately left the targeted incumbents plenty powerful and profitable until innovation and new competitive challenges unrelated to the regulatory onslaught disrupted their

dominance. We believe such an outcome is possible from the current actions, but the journey is likely to be a rocky one.

However, there is a world of difference between identifying risks and having them come to pass. 2021 may well prove to be an annus horribilis for growth investing, but there is no way of knowing in advance. Moreover, there is far more to the growth investing story than falling discount rates and the monopolistic practices of a handful of mega-cap companies. The last decade may have witnessed previously unimaginably low interest rates, but we've also experienced a resurgence in innovation accompanied by secular and, albeit still narrow, explosive earnings growth fueled by rapid advances in technology. And herein lies the iron law of growth investing—you may overpay but, with careful selection and a long enough horizon, compounding revenues and, ultimately, earnings will eventually bail you out of the high price you paid. Of course, underlying the careful selection part is a paradox that is frequently overlooked and liable to snare the unwary. The iron law only applies to individual growth companies; by definition, it cannot be true for *all* of them. This fallacy of composition is identical to the problem faced by a sports fan trying to get a better view of the field. Individually, they may stand up to get a better view, but it's obviously impossible for everyone to stand up and enjoy the view unimpeded. The best growth companies will ultimately justify even extreme valuations, but investors should have no illusion that all or even most growth companies can hope to join this unique cadre.

The problem faced by growth companies today is akin to that of a sports fan standing up to get a better view of the field. It's obviously impossible for everyone to stand up and enjoy the view unimpeded.

In our investment process we attempt to balance the emphasis among growth, sustained profitability, financial strength, and well-governed, able management. Our conviction lies in the belief that these attributes, elucidated through fundamental research, maximize our odds of picking out the few companies with the long-term ability to sustain their growth. And despite the many looming risks to growth stocks, we take encouragement from the pace of innovation that continues to hum along behind the cacophony.

Our portfolio has weathered the "value" rally in the fourth quarter with some degree of aplomb. That's a result, we suspect, of our steady and incremental reduction or exit from some of our holdings over the past few years that reached into the ranks of the highest priced stocks. It's also the result of owning some of the most innovative companies outside the spotlight of regulatory scrutiny, whose growth has continued untrammelled so far. If the narrowing of valuation spreads and the relative performance rebound of cheaper stocks is mostly—or even halfway—completed, and inflation stays quiescent, our portfolio should do fine. That's what happened after the global financial crisis,

when we feared a sustained “low-quality” rally would hobble our chances of good relative performance for an extended period, but which didn’t persist beyond a few months. We believed then that the damage from the debt crisis cut so deeply across the global economy that a strong rebound was never in the cards, especially with a robust austerity voice constraining most governments (a voice today seemingly lost in the wilderness). Compare that to the experience after the tech bubble of the late 1990s, when the burst affected the IT and Telecom sectors, but left the rest of the economy relatively unscathed and primed to respond dramatically to monetary stimulus. But looking even further back to other periods of equally distended valuations for growth companies, such as the Nifty Fifty of the early 1970s, we’re reminded that markets have a history of being unprepared for tectonic shifts in politico-economic conditions, when the only warning signs are stretched valuations alongside the usual markers of speculative fever. Wariness is warranted.



Portfolio Management Team Update

As previously announced, Jingyi Li, a 10-year Harding Loevner analyst veteran who has been a portfolio manager of the Global Equity Strategy since February 2019, became a co-lead portfolio manager of the strategy on January 1, 2021, replacing Ferrill Roll, CFA. Peter Baughan, CFA continues as the strategy’s other co-lead portfolio manager. Scott Crawshaw, Chris Mack, CFA and Rick Schmidt, CFA remain the other portfolio managers of the strategy. The assignment change was made as part of a long-term succession plan in which Ferrill becomes the firm’s sole Chief Investment Officer, a role he previously shared with Simon Hallett, CFA. In addition to his expanded CIO responsibilities, Ferrill remains co-lead PM of the International Equity Strategy. Simon also continues to advise on strategic matters as vice chairman of the firm’s Executive Committee.

TEN LARGEST HOLDINGS AT 31 DECEMBER 2020

COMPANY	SECTOR	COUNTRY	%
PAYPAL	INFO TECHNOLOGY	US	4.0
APPLE	INFO TECHNOLOGY	US	3.1
ALPHABET	COMM SERVICES	US	2.9
ILLUMINA	HEALTH CARE	US	2.7
FIRST REPUBLIC BANK	FINANCIALS	US	2.6
FACEBOOK	COMM SERVICES	US	2.5
ALIBABA	CONS DISCRETIONARY	CHINA	2.5
VERTEX PHARMACEUTICALS	HEALTH CARE	US	2.4
ITAÚ UNIBANCO	FINANCIALS	BRAZIL	2.3
MASTERCARD	INFO TECHNOLOGY	US	2.1

PERFORMANCE (% TOTAL RETURN)

as of 31 December 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR ¹						21 JUNE 2007
GLOBAL EQUITY FUND USD A ²	24.24	29.77	14.53	16.03	11.37	8.62
MSCI ALL COUNTRY WORLD INDEX ³	24.01	16.26	10.06	12.26	9.13	5.73
EURO						21 JUNE 2007
GLOBAL EQUITY FUND EUR A ²	14.25	19.14	13.86	13.35	12.36	9.42
MSCI ALL COUNTRY WORLD INDEX ³	13.84	6.65	9.37	9.62	10.14	6.44
GBP STERLING						5 MARCH 2008
GLOBAL EQUITY FUND GBP A ²	12.52	25.65	14.03	17.78	12.84	12.71
MSCI ALL COUNTRY WORLD INDEX ³	12.09	12.67	9.68	13.96	10.62	9.88
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR						5 JUNE 2018
GLOBAL EQUITY FUND USD B ²	24.01	29.46	—	—	—	14.45
MSCI ALL COUNTRY WORLD INDEX ³	24.01	16.26	—	—	—	11.18
GBP STERLING						15 AUGUST 2018
GLOBAL EQUITY FUND GBP B ²	12.31	25.35	—	—	—	13.51
MSCI ALL COUNTRY WORLD INDEX ³	12.09	12.67	—	—	—	9.12
CLASS D	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR						4 JANUARY 2018
GLOBAL EQUITY FUND USD D ²	23.68	28.80	—	—	—	12.74
MSCI ALL COUNTRY WORLD INDEX ³	24.01	16.26	—	—	—	9.37
CLASS M	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR ⁴						21 SEPTEMBER 2015
GLOBAL EQUITY FUND USD M ²	24.23	29.85	14.50	16.04	—	15.96
MSCI ALL COUNTRY WORLD INDEX ³	24.01	16.26	10.06	12.26	—	12.02
EURO						31 JANUARY 2018
GLOBAL EQUITY FUND EUR M ²	14.25	19.19	—	—	—	13.19
MSCI ALL COUNTRY WORLD INDEX ³	13.84	6.65	—	—	—	8.98
SINGAPORE DOLLAR						21 SEPTEMBER 2015
GLOBAL EQUITY FUND SGD M ²	17.81	27.55	14.15	14.48	—	14.58
MSCI ALL COUNTRY WORLD INDEX ³	17.48	14.27	9.65	10.68	—	10.65
CLASS S	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
GBP STERLING						26 OCTOBER 2018
GLOBAL EQUITY FUND GBP S ²	12.95	26.62	—	—	—	20.88
MSCI ALL COUNTRY WORLD INDEX ³	12.09	12.67	—	—	—	13.89
US DOLLAR						2 FEBRUARY 2019
GLOBAL EQUITY FUND USD S ²	24.60	30.72	—	—	—	26.90
MSCI ALL COUNTRY WORLD INDEX ³	24.01	16.26	—	—	—	18.12
EURO						6 MARCH 2019
GLOBAL EQUITY FUND EUR S ²	14.60	20.02	—	—	—	20.14
MSCI ALL COUNTRY WORLD INDEX ³	13.84	6.65	—	—	—	12.11
CANADIAN DOLLAR						23 AUGUST 2019
GLOBAL EQUITY FUND CAD S ²	16.86	28.12	—	—	—	30.51
MSCI ALL COUNTRY WORLD INDEX ³	16.00	14.21	—	—	—	18.96
CLASS S1	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEPTION
US DOLLAR						29 AUGUST 2018
GLOBAL EQUITY FUND USD S1 ²	24.29	30.04	—	—	—	15.71
MSCI ALL COUNTRY WORLD INDEX ³	24.01	16.26	—	—	—	11.12

¹USD Class A shares launched on 18 July 2011; returns prior to this are derived from EUR Class A returns; ²Net of fees; ³Net of withholding taxes; ⁴USD Class M shares are not yet launched; returns are derived from SGD Class M returns. Returns are annualized for periods greater than one year.

Please read the separate disclosures page for important information.

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PORTFOLIO MANAGER

■ PERFORMANCE SUMMARY

The International Equity Fund USD Class A shares rose 26.22% (at dealing prices) for the 6 months ended 31 December 2020, net of fees, in US dollar terms, outperforming its benchmark, the MSCI All Country World ex-US Index, which rose 24.33%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

International stock markets provided strong returns in the six months ended 31 December 2020 as markets began to recover from the damage inflicted by the pandemic and central banks continued to support the recovery. All sectors and regions posted positive returns during the period.

The rebound in international economies gathered strength in the third quarter as high and rising share prices showed investors were looking past the pandemic. Sentiment was buoyed by rising hopes for a successful vaccine—with multiple drug candidates entering the third and final stage of testing—and by the proclivity of global central banks to provide ongoing support for their battered economies. The US Federal Reserve was one of the most aggressive in this area; not only did it reaffirm a commitment to low rates through at least 2023, it also announced a groundbreaking shift in its inflation-targeting policy: instead of simply aiming for its desired inflation rate (currently 2%), going forward it will keep track of any shortfalls and seek to make them up in the future, in order to target an *average* rate of inflation over time. This exuberance carried through to the end of the year, with global stock markets rising dramatically in the fourth quarter despite an escalation in the global pandemic. The announcement of not just one, but potentially four, effective vaccines and their accelerated

approvals gave investors further hope for some return to normal commerce in 2021, even as COVID-19 hospitalizations in the US and Europe soared.

On a sector basis, stocks in Information Technology (IT), Consumer Discretionary, and Materials, performed well during the six-month period. Conversely, stocks in Health Care, Energy, and Consumer Staples lagged. For much of the year, companies that benefited from the abrupt shift to remote work and surge in e-commerce, many of them within IT and Consumer Discretionary, far outpaced more cyclical sectors such as Energy, Financials, and Real Estate. However, during the fourth quarter we witnessed an inversion of this pattern, with Financials and cyclicals benefiting disproportionately from a vaccine-fueled boost in growth expectations while non-cyclical sectors such as Health Care, Consumer Staples, and Utilities lagged. IT, however, continued to outperform despite heightened scrutiny from regulators in Europe, China, and the US.

Emerging Markets was the strongest performing region during the period, helped by strong returns in Taiwan, South Korea, Brazil, and India. All other major regions underperformed, including the US and Europe (both inside and outside the eurozone). Like sector reversals, there were several final-quarter flip-flops that occurred along geographical lines. Brazil and India, both of which underperformed for much of the year due to bank stocks, witnessed a resurgence as the strength of those same stocks helped offset weakness in other EM countries.

Style effects, having favored fast-growing and high-quality companies for the prior six months heedless of their high valuations, became more mixed in the most recent period. For the past six months, the fastest growing companies outperformed their slowest growing peers by nearly 1,100 basis points. However, shares of companies with less consistent cash flow and profitability outperformed those of the highest-quality companies by over 800 basis points. Value as a factor offered no guide to performance as both the most expensive and least expensive stocks outperformed.

■ PERFORMANCE ATTRIBUTION

Information Technology contributed the most to relative performance in the period, thanks both to the Fund's outsized holdings, as well as from good performance from those holdings. Taiwan Semiconductor Manufacturing (**TSMC**) and South Korean **Samsung Electronics** made the largest impact. TSMC has enjoyed increased demand for its high-performance chips, both from Apple (who unveiled new iPad models which utilize TSMC manufactured A14 processors) and Intel (which has considered outsourcing some of its chip production to TSMC after its own production delays). In addition to growth in demand for the company's 5nm manufacturing process, TSMC has also made

progress toward the development of its 3nm process. Samsung benefited from US sanctions placed on rival Huawei and from improved pricing for its DRAM memory chips. The company also expects to announce a new capital returns policy in January and forecasted a rosy outlook for memory demand into 2021. Strong stocks in Financials were also helpful, particularly India-based **ICICI Bank** and **HDFC Bank**. ICICI's retail growth continued and is projected to return to pre-COVID levels in a few quarters. Shares have also benefited from the bank's loan restructuring and its development of corporate ecosystems. HDFC reported solid third-quarter results as the quality of its loan book has held up better than expected; hopes for a cyclical recovery remain on track and loan growth appears to be nearing pre-COVID levels.

Conversely, lagging stocks in Materials detracted the most from relative returns. Danish industrial enzyme producer **Novozymes** fell as the company reported an overall decline in organic growth for the third quarter. Weak stocks as well as the Fund's underweight in Consumer Discretionary also dragged down performance. Chinese e-commerce company **Alibaba** was forced to withdraw its planned IPO for its Ant Financial affiliate under pressure from banking regulators and was put on notice about the potentially anti-competitive practices of its core e-commerce business.

Viewed by region, strong stocks in the Emerging Markets (TSMC and Samsung) and the eurozone contributed the most to relative returns. In the eurozone, relative returns were boosted by **Infineon Technologies**, a German manufacturer of power-management semiconductors chiefly used in cars, and Dutch payments software developer **Adyen**. Infineon rose following the fourth quarter recovery in the auto industry. Infineon's growth has been bolstered by rising demand for electric vehicles in China, Europe, and the US. Adyen continued to outperform as a beneficiary of the accelerating shift in retail commerce from brick-and-mortar to online caused by the pandemic.

The Fund's underweight in Emerging Markets and overweight in Europe outside the eurozone detracted.

GEOGRAPHIC EXPOSURE (%) AT 31 DECEMBER 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	2.0	6.3
EMERGING MARKETS	22.6	31.1
EUROPE EMU	24.0	20.2
EUROPE EX-EMU	23.8	18.9
FRONTIER MARKETS ²	0.0	—
JAPAN	14.5	15.8
MIDDLE EAST	1.4	0.4
PACIFIC EX-JAPAN	6.3	7.3
OTHER ³	1.0	—
CASH	4.4	—

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

SECTOR EXPOSURE (%) AT 31 DECEMBER 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	3.3	7.1
CONS DISCRETIONARY	2.8	13.8
CONS STAPLES	13.2	8.9
ENERGY	2.1	4.3
FINANCIALS	15.8	18.0
HEALTH CARE	12.6	9.6
INDUSTRIALS	14.0	11.6
INFO TECHNOLOGY	23.6	12.7
MATERIALS	8.0	8.1
REAL ESTATE	0.0	2.6
UTILITIES	0.2	3.3
CASH	4.4	—

¹MSCI All Country World ex-US Index.

PERSPECTIVE AND OUTLOOK

When we wrote at the end of 2019 about a “world turned upside down,” we had no idea just how upended the world was about to become; no inkling that a novel coronavirus was replicating exponentially and about to upend our lives. Rather, we were focused on the mundane (by comparison) implications of negative interest rates, potential inflation, and the implied discount rates for stocks. We fretted that the prices commanded by stocks of our preferred high-quality and fast-growing companies had reached unsustainable levels. The heightened volatility of long-duration assets—long-dated Treasuries and growth stocks both—made us fret further, since rising volatility often foreshadows a reversal.

As the pandemic erupted with full force in the first quarter, companies prized for their resilient secular growth and financial strength defied our fears and expensive growth stocks became even more highly priced. Some companies, with their business models anchored in the virtual rather than the brick-and-mortar world, were instantly transformed into COVID-19 “winners.” Meanwhile, any company with more immediate exposure to either the business cycle (think banks) or specific dislocations arising from the pandemic, such as travel, was shunned by investors. Last quarter, we noted that a startling number of stocks—indeed, higher than at any time in the last fifty years outside of the 1999 tech bubble—were priced to deliver negative returns even just assuming a naïve (and rather unrealistic) extrapolation of current consensus earnings growth estimates. One difference, of course, between 1999 and now is that now bonds are also priced to disappoint their owners, perversely making stocks seem less risky.

Nevertheless, with the end of the pandemic at last in sight, our prior concerns have returned to the fore. One way that prospects could change for long-duration growth stocks, as well as for long-duration bonds, is for long-term interest rates to rise. Ultra-low discount rates, like ultra-low bond yields, imply that cash flows far into the future have more value today; if ultra-low were to

TEN LARGEST HOLDINGS AT 31 DECEMBER 2020

COMPANY	SECTOR	COUNTRY	%
TSMC	INFO TECHNOLOGY	TAIWAN	4.7
SAMSUNG ELECTRONICS	INFO TECHNOLOGY	SOUTH KOREA	4.1
INFINEON TECHNOLOGIES	INFO TECHNOLOGY	GERMANY	4.0
AIA GROUP	FINANCIALS	HONG KONG	3.2
L'OREAL	CONS STAPLES	FRANCE	3.1
ATLAS COPCO	INDUSTRIALS	SWEDEN	3.1
ADYEN	INFO TECHNOLOGY	NETHERLANDS	3.0
ROCHE	HEALTH CARE	SWITZERLAND	2.7
LONZA	HEALTH CARE	SWITZERLAND	2.6
TENCENT	COMM SERVICES	CHINA	2.5

give way to merely *low*, those far-away cash flows would not be so compelling. Moreover, what could stimulate animal spirits more than a return to before-COVID-19 commerce, travel, and social interactions with a year of deferred consumption coiled like a spring? On the fire of pent-up demand throw gasoline in the shape of competition for resources from infrastructure spending programs, and suddenly not even “low” may be the right level for inflation or interest rates, let alone for the discount rates applied to stocks.

Interest rates have mirrored falling inflation expectations over the past forty years. Disinflation has been the result of technological innovation, globalization, and, pre-global financial crisis, disciplined monetary policy at the largest central banks. However, the future is clouded by many “ifs”. If policymakers not only in China, but also in Europe and the US, start reducing the freedom historically afforded to the big tech companies like Alibaba, Facebook, Alphabet, and Amazon.com, it may well reduce the disinflationary effects these companies have midwived into the world. If globalization and free trade continue to face populist protest and political backlash, the price of goods and services, no longer sourced from the most efficient producers, will tend higher instead of lower. If the current escalation of US-China economic disagreements become further militarized, those inflationary effects could be large. If post-COVID-19 normalization demand and low inventories combine with debt financed infrastructure spending, interest rates may well lead, rather than follow, inflation higher. Some of these scenarios would be headwinds for profits; all, except a sustained, rapid economic expansion, are bad for stock valuations.

But there are also portents that endless growth of big tech profits itself could become less of a given. The commanding position of the dominant internet platforms and software companies flows in large part from benign competitive forces driven by powerful network effects and winner-take-all industry dynamics. Yet, in the final quarter of 2020, many of these companies found themselves beset by regulatory scrutiny in almost every jurisdiction. In Europe, the focus has shifted from data privacy toward taxing some of the revenues and profits generated in those countries. Among the recent actions, this strikes us as a modest blow to sustain (if, indeed, it stops there), and one that markets are probably good at discounting. In China, where Alibaba and

Tencent dominate the previously largely freewheeling consumer economy, the situation is more treacherous, if only because of the opaque and unconstrained nature of China’s regulatory authority. By encroaching onto the turf of the state-supported Chinese banking system via their payments platforms, Alibaba and Tencent were “poking the dragon” of politically powerful, entrenched vested interests, and potentially getting their business models singed in the process.

Antitrust actions in the US, meanwhile, are being driven by both state governments as well as the federal government, which adds its own unpredictable twist. The common thread in all these efforts is the emergence of a cohesive political opposition to the monopoly-like power of the world’s largest internet-based companies. A key difference between this and past periods of regulatory backlash is that more of the monopolies’ power today has been directed at squeezing their suppliers and eliminating competitors rather than gouging their customers, who continue to delight in the broader availability of better and cheaper goods, and who may well yet offer a countervailing pull on the regulators’ push. Earlier antitrust actions in the US against Microsoft in the 1990s, IBM in the 1980s, or AT&T in the 1970s, were costly and disruptive, but ultimately left the targeted incumbents plenty powerful and profitable until innovation and new competitive challenges unrelated to the regulatory onslaught disrupted their dominance. We believe such an outcome is possible from the current actions, but the journey is likely to be a rocky one.

However, there is a world of difference between identifying risks and having them come to pass. 2021 may well prove to be an *annus horribilis* for growth investing, but there is no way of knowing in advance. Moreover, there is far more to the growth investing story than falling discount rates and the monopolistic practices of a handful of mega-cap companies. The last decade may have witnessed previously unimaginably low interest rates, but we’ve also experienced a resurgence in innovation accompanied by secular and, albeit still narrow, explosive earnings growth fueled by rapid advances in technology. And herein lies the iron law of growth investing—you may overpay but, with careful selection and a long enough horizon, compounding revenues and, ultimately, earnings will eventually bail you out of the high price you paid. Of course, underlying the careful selection part is a paradox that is frequently overlooked and liable to snare the unwary. The iron law only applies to individual growth companies; by definition, it cannot be true for *all* of them. This fallacy of composition is identical to the problem faced by a sports fan trying to get a better view of the field. Individually, they may stand up to get a better view, but it’s obviously impossible for everyone to stand up and enjoy the view unimpeded. The best growth companies will ultimately justify even extreme valuations, but investors should have no illusion that all or even most growth companies can hope to join this unique cadre.

In our investment process we attempt to balance the emphasis among growth, sustained profitability, financial strength, and well-governed, able management. Our conviction lies in the belief that these attributes, elucidated through fundamental research, maximize our odds of picking out the few companies with

the long-term ability to sustain their growth. And despite the many looming risks to growth stocks, we take encouragement from the pace of innovation that continues to hum along behind the cacophony.

Our portfolio has weathered the “value” rally in the fourth quarter with some degree of aplomb. That’s a result, we suspect, of our steady and incremental reduction or exit from some of our holdings over the past few years that reached into the ranks of the highest priced stocks. It’s also the result of owning some of the most innovative companies outside the spotlight of regulatory scrutiny, whose growth has continued untrammelled so far. If the narrowing of valuation spreads and the relative performance rebound of cheaper stocks is mostly—or even halfway—completed, and inflation stays quiescent, our portfolio should do fine. That’s what happened after the global financial crisis, when we feared a sustained “low-quality” rally would hobble our chances of good relative performance for an extended period, but which didn’t persist beyond a few months. We believed then that the damage from the debt crisis cut so deeply across the global economy that a strong rebound was never in the cards, especially with a robust austerity voice constraining most governments (a voice today seemingly lost in the wilderness). Compare that to the experience after the tech bubble of the late 1990s, when the burst affected the IT and Telecom sectors, but left the rest of the economy relatively unscathed and primed to

respond dramatically to monetary stimulus. But looking even further back to other periods of equally distended valuations for growth companies, such as the Nifty Fifty of the early 1970s, we’re reminded that markets have a history of being unprepared for tectonic shifts in politico-economic conditions, when the only warning signs are stretched valuations alongside the usual markers of speculative fever. Wariness is warranted.



Portfolio Management Team Update

Babatunde Ojo, CFA has joined our International Equity strategy portfolio management team. He now manages a “paper” portfolio that expresses his investment views but is not employed directly in managing client capital for the strategy. A member of the firm since 2012, he also continues to serve as a research analyst and co-lead PM of the Frontier Emerging Markets Strategy. International Equity co-lead PM assignments are not changing. The addition of portfolio managers to the strategy’s team reflects our ongoing commitment to preparing our rising generation of investment leaders.

PERFORMANCE (% TOTAL RETURN)

as of 31 December 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR¹					7 JUNE 2013
INTERNATIONAL EQUITY FUND USD A ²	26.22	20.42	8.91	11.98	8.82
MSCI ALL COUNTRY WORLD EX-US INDEX ³	24.33	10.65	4.88	8.93	6.02
GBP STERLING					7 JUNE 2013
INTERNATIONAL EQUITY FUND GBP A ²	14.38	16.68	8.47	13.68	10.69
MSCI ALL COUNTRY WORLD EX-US INDEX ³	12.38	7.23	4.52	10.58	7.84
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					27 SEPTEMBER 2013
INTERNATIONAL EQUITY FUND USD B ²	26.07	20.17	8.66	11.70	7.98
MSCI ALL COUNTRY WORLD EX-US INDEX ³	24.33	10.65	4.88	8.93	5.18
CLASS S	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					26 OCTOBER 2018
INTERNATIONAL EQUITY FUND USD S ²	26.65	21.45	—	—	19.62
MSCI ALL COUNTRY WORLD EX-US INDEX ³	24.33	10.65	—	—	13.62

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

Please read the separate disclosures page for important information.

PORTFOLIO MANAGEMENT TEAM



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■ PERFORMANCE SUMMARY

The Emerging Markets Equity Fund USD Class A shares rose 33.98% (at dealing prices) for the six months ended 31 December 2020, net of fees in US dollar terms, outperforming its benchmark, the MSCI Emerging Markets Index, which rose 31.14%. Please refer to the chart immediately following this commentary for returns related to the fund's other share classes.

■ MARKET REVIEW

In the first half of the fiscal year, stocks in Emerging Markets (EMs) continued their astonishing rally from the depths of the March 2020 free-fall, posting the strongest six-month return of the MSCI EM Index since 2009. EMs outpaced Developed Markets in this period.

News late in 2020 that not one, but four, vaccines had demonstrated good to exceptional levels of efficacy in final trials, and that universal immunization programs were ready to launch, provided a catalyst for upgrading of global growth expectations and renewal of interest in those markets and industries worst hit by the COVID-19 pandemic. The prospect of a stronger, broader-based recovery combined with China's continued economic health also propelled commodity prices higher. This, in turn, boosted EM currencies, with the majority making significant gains versus a persistently weak dollar.

Companies that benefit from consumer habits shaped by lockdowns and social distancing, such as e-commerce and online services businesses, generally saw continued acceleration of demand. Information Technology (IT) stocks were also strong, led by semiconductor and other hardware manufacturers, while the appetite for stocks in more speculative areas like electronic vehicles (EVs) showed no sign of wavering. Moreover, stocks that had been most battered by the virus, including EM banks, also enjoyed a sharp recovery from their declines in the first half of

2020. In short, in the first half of the fiscal year EM stocks were firing on all cylinders.

Asia and Latin America led the market surge; among large EMS in both regions, South Korea and Taiwan posted the strongest performance. Mexico was a notable outperformer as well, led by its Materials producers and its banks, which demonstrated remarkable resilience in the second half of 2020. Eastern European markets lagged the broad market, though all (except Turkey) still posted double-digit returns in US dollar terms. Russia's market was dampened by Joe Biden's US presidential victory, which led to speculation around further sanctions.

China lagged the Index, largely due to the steep drop in shares of Index-heavyweight **Alibaba**. Euphoria building for the planned IPO of the company's Ant Financial Group turned into anguish overnight when Chinese regulators raised concerns about the lack of oversight of Ant's rapidly growing online loan brokerage business, ultimately causing Alibaba to pull the projected US\$37 billion offering. Adding salt to the wound, in late December the Chinese government announced a full regulatory review of alleged monopolistic practices at Alibaba's core e-commerce business. What, if any, real impact that will have on Alibaba's operations will take time to play out. The company has previously demonstrated an ability to dance with regulatory change and adapt its model without diluting its competitive supremacy—but policy risk is starting to be priced into Alibaba's shares.

By sector, returns for the six-month period were dominated by IT stocks, followed by Materials. In Consumer Discretionary, many automobile shares also rocketed. A select cohort of smaller stocks in hot areas such as electric vehicles (EVs), e-commerce, and biologics enjoyed extreme stock returns reaching triple-digits in select cases. By contrast, Real Estate and Utilities lagged well behind the Index.

■ PERFORMANCE ATTRIBUTION

The Emerging Markets Equity Fund outperformed the MSCI EM Index in the six-month period primarily due to strong stocks in Financials and Industrials. Our banks generally reported better-than-expected results in third-quarter 2020, lowering concerns about their asset quality. The portfolio's bank stocks in India, Mexico, Brazil, and Russia were particularly strong. India's **Kotak Mahindra** experienced solid profit growth in the third quarter as the company's cost management and expansion of its digital banking services offset the headwinds to loan growth. Mexico's **GF Banorte** also posted strong results, reporting resilient corporate loan growth and a resumption of normal repayments by 90% of its borrowers following the lapse of an official moratorium.

In Industrials, strong contributors to relative returns included Brazilian rental car business **Localiza**, Taiwanese pneumatic equipment manufacturer **AirTAC**, Hong Kong-based power-tool manufacturer **Techtronic Industries**, and Chinese express delivery company **SF Express**.

While our overweight to IT was helpful, our stock selection in the sector detracted. In Taiwan, shares of camera lens manufacturer **Largan Precision** fell due to lower orders from clients, including smartphone makers, since the start of the pandemic. Additionally, investors reacted negatively to disappointing second-quarter results and third-quarter guidance. The Fund's zero exposure to the strong Materials sector also hurt this period.

By region, we had especially good holdings in China, with positive contributions from stocks in a broad range of industries, including appliance manufacturer **Midea Group**, auto-glass manufacturer **Fuyao Glass Industry**, surveillance camera manufacturer **Hangzhou Hikvision**, white liquor producer **Jiangsu Yanghe Brewery**, and express delivery business **SF Express**. Also helpful was our underweight versus the benchmark in newly embattled Alibaba.

INVESTMENT PERSPECTIVES

No region of the world has escaped the terrible human cost of COVID-19 this year, but the North Asian countries of China, South Korea, and Taiwan managed to control its spread relatively rapidly and to suffer less economic damage than most as a result. This success is due to many factors, some unique to each country, others, like their citizens' equanimity about wearing masks, shared. But we'd argue that one important factor that

SECTOR EXPOSURE (%) AT 31 DECEMBER 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	9.2	11.6
CONS DISCRETIONARY	17.0	18.3
CONS STAPLES	9.4	5.9
ENERGY	4.6	5.0
FINANCIALS	24.4	18.0
HEALTH CARE	2.0	4.7
INDUSTRIALS	7.8	4.3
INFO TECHNOLOGY	21.8	20.5
MATERIALS	0.0	7.6
REAL ESTATE	0.0	2.1
UTILITIES	1.4	2.0
CASH	2.4	—

¹MSCI Emerging Markets Index.

helped North Asia manage the pandemic was its relatively deep level of digitization compared to the less-developed EM countries, or indeed even most developed ones.

As the invisible threat of the virus made physical spaces suddenly fraught with risk and led to nationwide lockdowns, societies globally relied intensely (to the extent they could) on digital infrastructure to sustain economic and social life and to implement pandemic-control measures. Demand accelerated for online services such as e-commerce, media, and social engagement. In such an environment, China, South Korea, and Taiwan had clear advantages. In China, for example, e-commerce penetration was 27% in 2019, compared to 15% for the US and mid-single digits in places such as Russia and India.

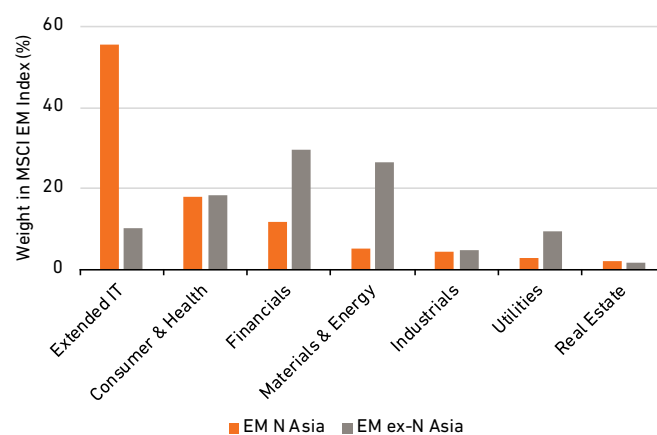
The higher degree of digitization in China, Taiwan, and South Korea also contributed to one of 2020's most notable investing phenomena: the vivid polarity in equity market returns between EMs in North Asia and EMs everywhere else. The pandemic has

GEOGRAPHIC EXPOSURE (%) AT 31 DECEMBER 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
BRAZIL	7.6	5.1
CHINA + HONG KONG ²	31.8	39.1
INDIA	8.2	9.2
MEXICO	4.9	1.7
RUSSIA	7.3	2.9
SOUTH AFRICA	1.7	3.5
SOUTH KOREA	9.9	13.5
TAIWAN	10.9	12.8
SMALL EMERGING MARKETS ³	7.3	12.2
FRONTIER MARKETS ⁴	1.7	—
DEVELOPED MARKET LISTED ⁵	6.3	—
CASH	2.4	—

¹MSCI Emerging Markets Index; ²The Emerging Markets Equity Fund's end weight in China is 25.3% and Hong Kong is 6.5%. The Benchmark does not include Hong Kong; ³Includes the remaining emerging markets which, individually, comprise less than 5% of the Index; ⁴Includes countries with less-developed markets outside the Index; ⁵Includes emerging markets or frontier markets companies listed in developed markets.

SECTOR COMPARISON BETWEEN EM NORTH ASIA AND EM EX-NORTH ASIA



Source: FactSet; Data as of December 31, 2020.

been a boon to what can be called Extended Information Technology (EIT) industries: IT, internet retail, and online media and entertainment. Shares of EIT companies represent over half of the market capitalization of North Asian EMs, compared to just 10% in the rest of EMs.

With the relative advantage of specific countries and business models so clear, and with uncertainties elsewhere so elevated, North Asian EIT stocks exerted a strong attraction; investors could be excused for concluding they were the only rational game in town. At the height of the market collapse in other EMs that occurred early in 2020, portfolio flows to China remained relatively robust, including into high-flying smaller companies with little to no track record of profitability.

We, too, are attracted to growth, but we equally demand fundamental quality, and we are unwilling to abandon our valuation discipline just to participate in a momentum rally. Further, we are committed to diversification, not only for its risk benefits, but because we seek to take full advantage of the variety of long-term growth opportunities available across the EM universe, including investing in other regions' own progression up the socioeconomic digitization ladder. In many of these countries, like Brazil and Mexico, the foundation is there, and the fact that their digitization is on a lower level may herald even stronger growth in the future compared to North Asia.

We are committed to diversification, not only for its risk benefits, but because we seek to take full advantage of the variety of long-term growth opportunities available across the EM universe.

High business quality—including a strong competitive position and the financial resources to sustain it—is important for businesses in less-developed markets, especially in times of economic dislocation. Quality reflects resilience and an ability to adapt. When uncertainty spikes, customers are likely to migrate to such companies, and suppliers will jostle to work with them. For disciplined investors, a focus on quality businesses allows for an opportunistic response to volatility rather than a panicked reaction. In our opinion, the intense polarity in stock returns in 2020 reflected an overly optimistic profit outlook for many EIT businesses and, just as importantly, an underappreciation of the ability of high-quality non-EIT businesses to harness technology and surmount the unanticipated challenges. Our portfolio turnover this year (16%) was our normal low level, our relative inaction a reflection of our trust in the resilience and adaptability of our portfolio companies as the world confronted and eventually recovered from the pandemic.

Brazilian brewer **Ambev**, as an example, used its financial strength and digitization, as well as savvy marketing, to respond to the pandemic and lockdowns in ways that improved its long-term competitive advantage. Beer is a product that is traditionally marketed at large public events: from soccer games to concerts to Brazil's celebration of Carnival. What can a beer

maker do when the economy is in a state of paralysis, the bars are shut, and large events are forbidden? Part of what Ambev did was strengthen its brand value, including making donations of water and masks as well as building a new hospital wing to treat COVID-19 patients in São Paulo. The company also shifted its marketing to hosting its own online concerts, gaining hundreds of millions of views.

A more long-lasting positive impact on the business should occur from Ambev's efforts to change its distribution strategy, both to end-consumers and to the traditional "mom-and-pop" retailers that are its main direct customers. Partnering with these small shops, Ambev created a website where consumers can order Ambev beer delivered to their homes ice-cold in 30 minutes. In addition, Ambev rolled out to retailers an app that allows them to re-order Ambev products 24/7, freeing up its salespeople to act more as marketers than order takers. While it will take time to see the impact of these changes, the early indications are positive. Ambev reported a sharp rise year-over-year in third-quarter sales and appears to be gaining market share in many of its markets inside and outside of Brazil.

High-quality EM banks have been other notable examples of resilience. Despite the dislocation in developing economies caused by lockdown policies, the asset quality of our bank holdings has been robust. It is now more certain that their strong capital buffers we highlighted during the early stages of the crisis will be sufficient to cover their credit losses. Also, the pandemic has accelerated migration to digital banking services. Digitization provides immediate cost savings as well as new platforms to service customers and grow relationships, helping offset the margin pressure associated with lower interest rates. In most cases, our banks should remain healthily profitable in 2020.

Mexico has offered a particularly challenging environment for banks. It was among the countries hardest hit by COVID-19 in terms of number of cases, fatalities, and economic cost, while its government has been among the stingiest in providing fiscal support. Yet our one Mexican bank holding, GF Banorte, has fared surprisingly well. Loan issuance has been strong, with corporate loans growing by double-digits in the third quarter year-on-year as companies tapped lines of credit, while Banorte's general banking-operation cost management has been effective. As a result, the company's return on equity in the first nine months of 2020 was above 17%, which is commendable in this environment. Non-performing loans are expected to increase in coming quarters, likely peaking in the middle of 2021, but Banorte's management believes it is sufficiently provisioned, a view supported by the high proportion of its borrowers previously covered by the loan moratorium that have resumed timely repayments.

Over the past five years, Banorte has been energetically replacing its legacy IT systems and now boasts state-of-the-art data warehousing and analytics. On the foundation of its new systems, Banorte is building from scratch a standalone digital bank that it expects to launch in early 2021. (**Banco Bradesco** in Brazil has a similar initiative with its Next Bank.) Banorte's new digital bank will be twice as cost efficient as its legacy bank and

provide new, more personalized ways to engage with customers as well as to entice younger customers. Banorte is also taking a page from China's digitization—the bank just signed a new joint venture with Rappi, a Latin American online delivery company, to offer a “Super App.” Ubiquitous in China, Super Apps are tightly integrated, closed platforms for smartphones that customers can deploy to access multiple disparate services, such as ordering groceries, hailing a taxi, watching videos, and making cash transfers. Banorte will provide banking processes on Rappi's Mexican platform and thereby gain an introduction to Rappi's nearly 10 million users.

Ambev and Banorte are just two among many examples of portfolio companies outside the realm of North Asian ET industries where expectations early in the pandemic for significant and sustained profit contractions have proven overly pessimistic. Over the course of the year, if you averted your eyes from the volatility of share prices (never easy to do!) and focused on business fundamentals, the large majority of our portfolio companies were proving to be resilient and highly adaptive to the challenged environment. For those companies most hobbled by the pandemic, the low level of earnings registered in 2020 provides an easy baseline against which to post a significant earnings recovery in 2021, and in some sectors, particularly EM Financials, expectations are still relatively conservative.

The North Asian ET companies present a different sort of opportunity. We don't doubt the secular growth of the region's digital economy will continue to progress. But EIT businesses' faster growth outlook is matched by lofty expectations, and the acceleration in earnings gifted to them by the virus during 2020 has set the “beat” bar higher still. Moreover, their growth is increasingly attracting competition and the critical eye of regulators, portending pressure on their valuations. While current share weakness may offer opportunities to add to or establish positions, we will have to pick our spots.

TEN LARGEST HOLDINGS AT 31 DECEMBER 2020

COMPANY	SECTOR	COUNTRY	%
SAMSUNG ELECTRONICS	INFO TECHNOLOGY	SOUTH KOREA	5.7
TSMC	INFO TECHNOLOGY	TAIWAN	5.6
ALIBABA	CONS DISCRETIONARY	CHINA	4.9
TENCENT	COMM SERVICES	CHINA	4.5
EPAM	INFO TECHNOLOGY	US	3.2
AIA GROUP	FINANCIALS	HONG KONG	2.7
LG HOUSEHOLD & HEALTH CARE	CONS STAPLES	SOUTH KOREA	2.7
HDFC CORP	FINANCIALS	INDIA	2.4
MIDEA GROUP	CONS DISCRETIONARY	CHINA	2.2
TATA CONSULTANCY SERVICES	INFO TECHNOLOGY	INDIA	2.1

PERFORMANCE (% TOTAL RETURN)

as of 31 December 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					25 SEPTEMBER 2012
EMERGING MARKETS EQUITY FUND USD A ¹	33.98	13.24	4.97	12.13	6.39
MSCI EMERGING MARKETS INDEX ²	31.14	18.31	6.17	12.81	5.57
CLASS B	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					25 OCTOBER 2013
EMERGING MARKETS EQUITY FUND USD B ¹	33.70	12.92	4.67	11.81	5.49
MSCI EMERGING MARKETS INDEX ²	31.14	18.31	6.17	12.81	5.68
CANADIAN DOLLAR					28 FEBRUARY 2020
EMERGING MARKETS EQUITY FUND CAD B ¹	25.37	—	—	—	18.60
MSCI EMERGING MARKETS INDEX ²	22.66	—	—	—	24.33
CLASS I	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
US DOLLAR					9 JANUARY 2017
EMERGING MARKETS EQUITY FUND USD I ¹	34.17	13.59	5.27	—	11.75
MSCI EMERGING MARKETS INDEX ²	31.14	18.31	6.17	—	12.78
CLASS S	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
CANADIAN DOLLAR					7 OCTOBER 2020
EMERGING MARKETS EQUITY FUND CAD S ¹	—	—	—	—	15.20
MSCI EMERGING MARKETS INDEX ²	—	—	—	—	12.05

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

Please read the separate disclosures page for important information.

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■ PERFORMANCE SUMMARY

The Global Small Companies Equity Fund USD Class A shares rose 28.65% (at dealing price) for the six months ended 31 December 2020, net of fees, in US dollar terms, underperforming its benchmark, the MSCI All Country World Small Cap Index, which rose 33.47%.

■ MARKET REVIEW

Shares of global small companies rose dramatically in the six-month period ended 31 December 2020, despite an escalation in the global pandemic. Markets surged especially at the end of the period, a reaction to Pfizer's announcement of better-than-expected results for its COVID-19 vaccine trials, followed in rapid succession by positive reports from Moderna, Astra Zeneca, and China's Sinopharm. Accelerated approvals gave investors further hope for some return to normal commerce in 2021 even as COVID-19 hospitalizations in the US and Europe soared. Stimulative economic policies supporting prices of riskier assets also bolstered markets. The market rally was broad, with all sectors and regions finishing in positive territory.

US small caps performed the best during this period as investors anticipated the country would be among the most immediate beneficiaries of the vaccine rollout. In fact, November was the best month for US small cap returns on record. The Consumer Discretionary, Information Technology (IT), and cyclical Industrials sectors performed best, and Real Estate and Consumer Staples, while ending in positive territory, performed more modestly. By region, Emerging Markets (EM) led the way, with South Korea among the leaders in EMs. Ever since it emerged as an early coronavirus hotspot, the country has set the standard for containment, contact tracing, and testing programs. Returns in the UK, the largest weight in Europe ex-EMU, were helped by the last-minute Brexit trade deal. The EMU also experienced strong returns, as some of the countries hardest hit by the virus such as Italy and Spain were buoyed most by the vaccine developments.

■ PERFORMANCE ATTRIBUTION

In the trailing six months ended December 31, 2020, the Global Small Companies Fund underperformed its benchmark, the MSCI All Country World Small Cap Index. By sector, key detractors were weak stocks in Information Technology (IT) and Consumer Discretionary. Poor stock selection in Industrials also dragged. Strong stocks in Financials contributed to relative returns during this period. Viewed geographically, the largest source of underperformance was our poor stock selection in the US. Holdings in Canada, Europe inside the eurozone, and Pacific ex-Japan also strongly detracted. Conversely, good stock selection in Japan contributed to returns, although our overweight in this region detracted.

In IT, **Kinaxis**, a Canadian supplier of software that enables real-time monitoring and analytics on supply chain logistics, was a significant detractor. Shares had surged in the prior sixth-month period as the supply-chain disruptions caused by the pandemic increased demand for Kinaxis' software. By the start of the last six months, the stock had become quite expensive and it languished for the rest of the period. Another notable detractor in IT was **Temenos Group**, a Switzerland-based provider of specialized software for banks and other financial institutions. Investors appear to have been concerned about the short-term impact of Temenos' shift toward a subscription model (rather than the traditional perpetual-license-agreement approach) for supplying its software. This shift causes a short-term decline in profitability as the revenue from each customer is deferred and recognized over time while the up-front costs to deliver software remain unchanged.

In Consumer Discretionary, **ABC-Mart**, a Japanese shoe retailer, saw sales plunge. ABC Mart is heavily concentrated in the normally crowded metro Tokyo area, and the pandemic forced the company at one point to close over half its physical locations. On the bright side, the company grew its e-commerce sales and will maintain its dividend at the same level as last year. In Financials, South African insurance company **Discovery Holdings** benefitted from the accelerated take-up of the company's membership plan in response to a pandemic-induced increased interest in healthcare protection. US-based bank holding company **SVB Financial Group** saw continued growth in the affluent banking and wealth management niche.

In the US, a notable detractor was **Neurocrine Biosciences**, a bio-pharmaceutical company focused on treating neurological and endocrine-related diseases and disorders. Neurocrine's earnings, suppressed by the reduction of in-person psychiatry visits, proved to be more vulnerable to COVID than initially suspected. Many "telemedicine visits" to psychiatrists are conducted over the phone, without video, which makes diagnosing tardive dyskinesia, the disorder treated by Neurocrine's leading product Ingrezza, impossible, as it is a movement disorder. In Japan, **Nihon M&A Center Inc.**, an advisor to other small companies on mergers and acquisitions, performed well,

beefing up its consultanting staff to keep up (and further help drive) accelerating growth.

PERSPECTIVE AND OUTLOOK

Many have described the past nine months as “COVID time,” referring to an alternation of the monotony of social distancing with the fear of infection and death, and how each day seemed simultaneously to crawl and to fly. A similar phenomenon presented in our asset class. Rarely, if ever, has there been a period when an entire multi-year market cycle seemed packed into twelve months. In fact, when looking back and trying to make sense of our own portfolio’s experience, it feels more appropriate to talk of the three distinct phases of the cycle since March.

The first started the week beginning March 9, when the index coughed up the first 16% of its value in a week. The selling was especially fierce in some of the lower-quality reaches of the benchmark, where investors fled from financially weak companies as they sought safety and quality above all else. Our portfolio’s permanent aversion to such companies helped limit the damage during this period, much like in past periods of market distress.

The second phase started in early May, as massive liquidity injections by the world’s central banks were initiated to help limit the economic damage. As people began to look beyond the present business distress, fear receded and expectations of a V-shaped recovery took hold. Investors’ attention turned from strong balance sheets to sustainable growth prospects, providing a further tailwind to a portfolio that is also highly tilted toward the fastest growers.

This phase lasted until early November, when a flurry of vaccine breakthroughs encouraged the thought of a return to normalcy in 2021. Global small caps jumped by nearly 1,400 bps during the month, led predominantly by lower-quality companies that were, during the first phase, thought to be at greatest financial risk. In this “junk” rally, our portfolio lagged, ultimately giving up nearly 425 bps of relative performance in November alone. Hyper-compressed as it was, our relative performance in this phase, too, fol-

GEOGRAPHIC EXPOSURE (%) AT 31 DECEMBER 2020

COUNTRY/REGION	FUND	BENCHMARK ¹
CANADA	1.2	3.1
EMERGING MARKETS	9.4	11.4
EUROPE EMU	18.9	7.2
EUROPE EX-EMU	19.8	11.8
FRONTIER MARKETS ²	2.4	—
JAPAN	15.7	9.8
MIDDLE EAST	1.6	0.8
PACIFIC EX-JAPAN	1.1	4.7
UNITED STATES	28.7	51.2
CASH	1.2	—

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

SECTOR EXPOSURE (%) AT 31 DECEMBER 2020

SECTOR	FUND	BENCHMARK ¹
COMM SERVICES	5.9	3.2
CONS DISCRETIONARY	9.9	13.1
CONS STAPLES	7.9	4.5
ENERGY	0.3	2.6
FINANCIALS	9.5	12.5
HEALTH CARE	13.4	12.0
INDUSTRIALS	22.8	17.9
INFO TECHNOLOGY	24.6	14.3
MATERIALS	3.7	7.7
REAL ESTATE	0.0	9.5
UTILITIES	0.8	2.7
CASH	1.2	—

¹MSCI All Country World Small Cap Index.

lowed an accustomed pattern. Our process affords us flexibility to pursue a number of avenues for seeking returns, but stooping to pick up cigar butts isn’t one of them.

Our process affords us flexibility to pursue a number of avenues for seeking returns, but stooping to pick up cigar butts isn’t one of them.

There is value in pausing here to reflect on how global small caps have performed through other market cycles. With the ever-valid caveat that the past is not a guarantee of future returns, history does provide an empirical basis for thinking about the returns from small caps. While global small caps are indisputably more volatile than global large caps, their returns have been demonstrably higher, by an average of 290 bps a year over the past twenty years, enough to outperform large caps on a risk-adjusted basis over that period (Sharpe ratio of 0.40 vs. 0.33). As active managers, though, we are attracted by the potential afforded by this vast opportunity set of over 10,000 listed businesses to generate alpha. Lax listing requirements across many markets allow many sub-par companies to sneak into the ACW Small Cap Index. Given the sheer number of listings and the dearth of sell-side research on all but the largest companies, investment approaches that discriminate between companies that score highly on objective measures of quality and those that score the opposite tend to do well. Indeed, academic studies have shown that one of the easiest ways to outperform in small caps is simply to tilt factor exposures to emphasize the higher-quality companies and avoid the “junk.”

Our approach goes further. We emphasize quality (financial strength, distinguished track records, and able management) but also growth. Through our bottom-up process we identify durable competitive advantages that enable companies to grow earnings reliably. A portfolio that scores high on quality and growth will shine in market envi-

ronments such as those of 2020's first two phases. But a feature of such a portfolio is that it will often appear expensive on metrics such as price-to-earnings and price-to-book ratios. This has increasingly been the case during the last half-decade, when high-quality growth stocks were rising in popularity (and price) because a slow-growing economy and low interest rates encouraged investors to seek growth at almost any cost. Our response to this growing challenge has been incremental; we have reacted to perceived overvaluations, selling for something more reasonably priced, one stock at a time. Unfortunately, an incremental approach is ineffective ("too little too late") once a junk rally begins. Regardless, factor rotation is not driving our decisions. We have no particular skill in identifying when style factors will be in or out of favor. Factors can rotate a few times even within a year, as they did in 2020. Our focus remains on identifying high-quality companies that can grow throughout market cycles. And we pay attention to valuations.

■ PORTFOLIO HIGHLIGHTS

During such an eventful year, it is notable that our one-year turnover was just 17%, low compared to the typical small cap manager, and a few points lower even than in 2019, our first full year for the strategy. Our long investment horizon helps keep us from harvesting gains too early. We subscribe to Charlie Munger's maxim that successful investing is a matter of finding "a few great companies, then you can sit on your ass." Of course, like Munger, once we make an investment, we do more than just sit. We spent the year intensively monitoring our portfolio companies' business results to gauge their progress against the mileposts we set out in advance, and distinguishing what is important—the "signal"—from the noise.

One thing we tried to discern was which new habits formed during the pandemic will persist, and which will be fleeting. Some outcomes seem obvious: increased working from home is likely to be permanent, whereas reduced travel is likely to be temporary, at least with regards to leisure (non-business) travel. But in other areas the jury is still out. For instance, though video gaming has been in a long-term growth trend, it seems unlikely that the torrid recent pace of growth will be sustained once the pandemic subsides and real-life entertainment activities resume. We have started to see the market adjust its expectations, Paradox being one example. Throughout the year, we tried methodically to rebalance the portfolio between "stay at home" and "return to normal" whenever the market appeared too pessimistic or optimistic about the sustainability of recent, pandemic-driven trends. As the year went on, we found ourselves tilting more towards "return to normal." We established a new position in US retailer **Five Below**, a discount chain built around a rather simple concept: fill nondescript big-box locations with as many as possible items priced under US\$5 that can tickle the imagination of an American teen or tween. As "pre-2020" as that may sound, we were impressed by the company's quick resumption of strong same-store sales growth after the lockdowns early in the year. Clearly, Five Below offers a value and entertainment proposition that e-commerce is not able to satisfy and which we can see ourselves "sitting" on potentially for years to come.

TEN LARGEST HOLDINGS AT 31 DECEMBER 2020

COMPANY	SECTOR	COUNTRY	%
THULE GROUP	CONS DISCRETIONARY	SWEDEN	2.4
ENERSYS	INDUSTRIALS	US	2.2
ALTEN	INFO TECHNOLOGY	FRANCE	2.1
ALTAIR ENGINEERING	INFO TECHNOLOGY	US	2.0
NIHON M&A CENTER INC.	INDUSTRIALS	JAPAN	1.9
PROTO LABS	INDUSTRIALS	US	1.9
ABCAM	HEALTH CARE	UK	1.8
BORGWARNER	CONS DISCRETIONARY	US	1.7
SIGNATURE BANK	FINANCIALS	US	1.7
CYBERARK SOFTWARE	INFO TECHNOLOGY	ISRAEL	1.7

We also purchased the Spanish bank **Bankinter**, a well-managed bank with a strong franchise in the high-end segment. Spain's heavy reliance on tourism has placed it in the crosshairs of the pandemic. But, to the extent that there is pent-up demand for leisure travel, as vaccines become broadly available, Spain's economy—and companies especially geared to it, like its banks—will benefit. When we saw Bankinter's shares hovering well below our estimate of their fair value, we roused ourselves and booked the trade.

TeamViewer, a German provider of business software for facilitating remote work, was our one new purchase in the "stay-at-home" category. In addition to providing software for traditional remote access (monitoring and controlling laptops, phones, tablets, etc.), the company draws on augmented reality (AR) and the Internet of Things (IoT) to enable remote access to industrial devices. Think of a factory supervisor sitting at home using the company's AR functions for a view inside an electrical control system to guide a colleague through a repair, or an IoT-enabled engineer monitoring and controlling a squad of robots from the comfort of his beach house. This distinctive product set has powered an annual revenue growth rate of 48% over the trailing four years and (combined with the labor cost savings from a largely self-service sales portal) industry-leading operating margins of over 50%.

PERFORMANCE (% TOTAL RETURN)

as of 31 December 2020

CLASS A	6 MONTHS	1 YEAR	3 YEARS	SINCE INCEPTION
US DOLLAR				13 DECEMBER 2018
GLOBAL SMALL COS EQUITY FUND USD A ¹	28.65	27.50	—	24.51
MSCI ALL COUNTRY WORLD SMALL CAP INDEX ²	33.47	16.33	—	17.42

¹Net of fees; ²Net of withholding taxes.

Please read the separate disclosures page for important information.

■ DISCLOSURES

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

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

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SOURCES

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

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

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

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

INDEX DEFINITIONS

The MSCI All Country World Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Index consists of 50 developed and emerging market countries. The Index is net of foreign withholding taxes on dividends.

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

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Index consists of 27 emerging market countries. The Index is net of foreign withholding taxes on dividends.

The MSCI All Country World Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 49 developed and emerging market countries, and is comprised of companies that fall within a market capitalization range of USD 91-25,798 million (as of December 31, 2020).

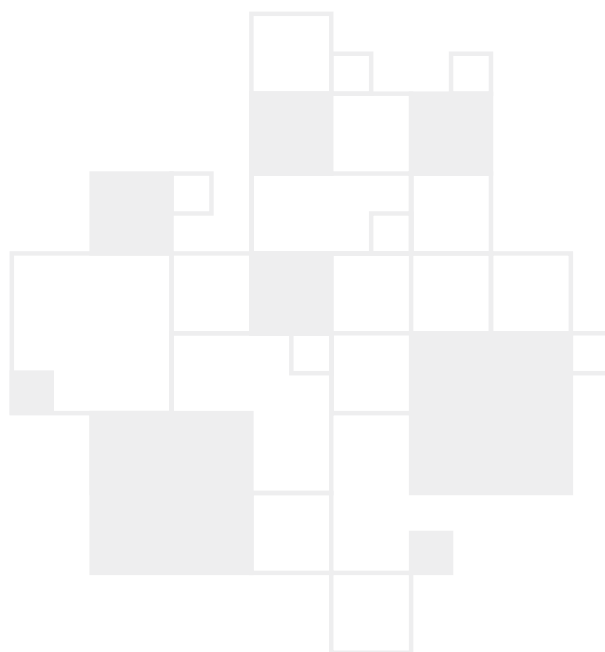
You cannot invest directly in these Indexes.

Unaudited Interim Financial Statements

31 December 2020

Harding, Loevner Funds Plc

- Global Equity Fund
- International Equity Fund
- Emerging Markets Equity Fund
- Global Small Companies Equity Fund



Harding Loevner Funds plc

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Harding Loevner Funds plc

Directors and Other Information

For the Financial Period Ended 31 December 2020

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

Harding Loevner Funds plc

Background to the Company

For the Financial Period Ended 31 December 2020

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

Date of Incorporation

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

Background to the Company

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

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

The Harding Loevner Global Equity Fund

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

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

As at 31 December 2020 the following classes of shares were authorised to be issued in the Global Equity Fund:

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

As at 31 December 2020 the following share classes were in issue in the Global Equity Fund:

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

The Harding Loevner International Equity Fund

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

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

Harding Loevner Funds plc

Background to the Company (Continued)

For the Financial Period Ended 31 December 2020

The Harding Loevner International Equity Fund (Continued)

As at 31 December 2020 the following classes of shares were authorised to be issued in the International Equity Fund:

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

As at 31 December 2020 the following share classes were in issue in the International Equity Fund:

US Dollar	Sterling
Class A Class B Class S	Class A

The Harding Loevner Emerging Markets Equity Fund

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

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

As at 31 December 2020 the following classes of shares were authorised to be issued in the Emerging Markets Equity Fund:

US Dollar	Euro	Sterling	Australian Dollar	Canadian Dollar
Class A Class B Class I Class M Class 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 31 December 2020 the following share classes were in issue in the Emerging Markets Equity Fund:

US Dollar	Canadian Dollar
Class A Class B Class I	Class B Class S

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 31 December 2020 the following classes of shares were authorised to be issued in the Frontier Emerging Markets Equity Fund:

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

As at 31 December 2020 there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

Harding Loevner Funds plc

Background to the Company (Continued)

For the Financial Period Ended 31 December 2020

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 31 December 2020 the following class of shares were authorised to be issued in the Global Small Companies Equity Fund:

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

As at 31 December 2020, US Dollar Share Class A was in issue in the Global Small Companies Equity Fund.

Connected Persons

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

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

Significant Events During the Financial Period

During the financial period ended 31 December 2020, the Global Equity Fund distributed the following net income:

A distribution of 0.005009537 per share on the Sterling Class S shares, with a total value of GBP 814,103, for the financial period ended 31 December 2020. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

During the financial period ended 31 December 2020, the International Equity Fund distributed the following net income:

A distribution of 0.012711116 per share on the Sterling Class A shares, with a total value of GBP 13,170, for the financial period ended 31 December 2020. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

Effective 1 July 2020 on the Global Equity Fund the expense caps were reduced to 0.75% for the 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 ("Management fee") for the USD Class S1 and 0.10% and for Class S shares.

On 7 October 2020, the Canadian Dollar Class S shares for Emerging Market Equity Fund were first issued.

On 7 October 2020, the Canadian Dollar Class I shares for Emerging Markets Equity Fund liquidated.

On 9 November 2020, the Canadian Dollar Class M shares for Emerging Markets Equity Fund liquidated.

Effective 30 September 2020 on the Emerging Markets Fund the Management fees for Class A shares were reduced from 1.10% to 1.00%.

On 30 September 2020, the Prospectus and Supplement in respect of the Fund of the Company were updated. This update also allowed for electronic dealing.

Harding Loevner Funds plc

Background to the Company (Continued)

For the Financial Period Ended 31 December 2020

Significant Events During the Financial Period (Continued)

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

There have been no other significant events to report during the financial period ended 31 December 2020.

Significant Events After the Reporting Date

During the financial period ended 31 December 2020, the Global Equity Fund distributed the following net income:

A distribution of 0.0024287497 per share on the Sterling Class S shares, with a total value of GBP 395,651, for the financial period ended 31 December 2020. This distribution was declared on 19 January 2021 with a record date of 15 January 2021, an ex-date of 19 January 2021 and a pay date of 22 January 2021.

During the financial period ended 31 December 2020, the International Equity Fund distributed the following net income:

A distribution of 0.001825455 per share on the Sterling Class A shares, with a total value of GBP 3,266, for the financial period ended 31 December 2020. This distribution was declared on 19 January 2021 with a record date of 15 January 2021, an ex-date of 19 January 2021 and a pay date of 22 January 2021.

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 period-end.

There have been no other material events to report subsequent to the financial period ended 31 December 2020.

Harding Loevner Funds plc

Global Equity Fund Schedule of Investments 31 December 2020

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Brazil: 3.32% (30 June 2020: 2.22%)				Russian Federation: 0.00% (30 June 2020: 1.63%)			
B3 (Financials)	1,056,400	12,605,535	1.00%	Singapore: 1.04% (30 June 2020: 0.00%)			
Itau Unibanco (Pref) ADR (Financials)	4,763,912	29,012,224	2.32%	DBS Group (Financials)	684,586	12,970,667	1.04%
BRAZIL TOTAL		41,617,759	3.32%	Spain: 0.50% (30 June 2020: 0.43%)			
China: 5.88% (30 June 2020: 6.64%)				BBVA (Financials)	1,273,615	6,278,104	0.50%
Alibaba (Consumer Discretionary)	1,026,704	30,804,630	2.46%	Switzerland: 6.26% (30 June 2020: 6.51%)			
ENN Energy (Utilities)	73,000	1,071,584	0.09%	Alcon (Health Care)	210,538	13,891,297	1.11%
NetEase Inc ADR (Communication Services)	700,500	13,336,919	1.06%	Lonza Group (Health Care)	33,937	21,804,321	1.74%
Tencent Holdings (Communication Services)	220,400	16,034,363	1.28%	Nestle ADR (Consumer Staples)	118,571	13,967,664	1.12%
Trip.com ADR (Consumer Discretionary)	367,184	12,385,116	0.99%	Roche Holding (Health Care)	47,769	16,673,016	1.33%
CHINA TOTAL		73,632,612	5.88%	Sonova Holding (Health Care)	46,179	11,997,255	0.96%
Denmark: 0.96% (30 June 2020: 0.78%)				SWITZERLAND TOTAL		78,333,553	6.26%
Genmab (Health Care)	29,615	11,972,580	0.96%	United Kingdom: 2.83% (30 June 2020: 2.88%)			
Finland: 0.95% (30 June 2020: 1.00%)				Abcam (Health Care)	776,008	16,448,460	1.31%
Kone (Industrials)	146,122	11,863,771	0.95%	Network International (Information Technology)	1,148,966	5,131,575	0.41%
France: 3.06% (30 June 2020: 3.11%)				Standard Chartered PLC (Financials)	2,173,174	13,845,689	1.11%
Air Liquide (Materials)	72,336	11,863,576	0.95%	UNITED KINGDOM TOTAL		35,425,724	2.83%
L'Oreal (Consumer Staples)	34,272	13,012,696	1.04%	United States: 55.68% (30 June 2020: 57.02%)			
Schneider Electric SE (Industrials)	93,139	13,460,561	1.07%	Align Technology (Health Care)	40,741	21,771,177	1.74%
FRANCE TOTAL		38,336,833	3.06%	Alphabet (Communication Services)	20,524	35,971,184	2.87%
Germany: 1.56% (30 June 2020: 2.35%)				Amazon.com (Consumer Discretionary)	6,033	19,649,058	1.57%
Symrise (Materials)	118,125	15,642,924	1.25%	Apple Inc (Information Technology)	290,348	38,526,276	3.08%
TeamViewer (Information Technology)	72,183	3,865,033	0.31%	CME Group (Financials)	96,457	17,559,997	1.40%
GERMANY TOTAL		19,507,957	1.56%	Cognizant Technology (Information Technology)	115,699	9,481,533	0.76%
Hong Kong: 1.58% (30 June 2020: 2.29%)				Deere (Industrials)	69,659	18,741,754	1.50%
AIA Group (Financials)	1,619,000	19,839,535	1.58%	Disney (Communication Services)	78,235	14,174,617	1.13%
India: 3.51% (30 June 2020: 2.74%)				eBay (Consumer Discretionary)	213,104	10,708,476	0.86%
HDFC Bank ADR (Financials)	354,374	25,607,065	2.05%	Edwards Lifesciences (Health Care)	145,757	13,297,411	1.06%
ICICI Bank ADR (Financials)	1,232,305	18,312,053	1.46%	EPAM Systems (Information Technology)	45,203	16,198,495	1.29%
INDIA TOTAL		43,919,118	3.51%	Estee Lauder (Consumer Staples)	51,700	13,762,023	1.10%
Indonesia: 1.27% (30 June 2020: 1.31%)				Etsy (Consumer Discretionary)	111,125	19,770,249	1.58%
Bank Central Asia (Financials)	6,601,676	15,905,106	1.27%	ExxonMobil (Energy)	352,477	14,529,102	1.16%
Japan: 6.72% (30 June 2020: 7.52%)				Facebook (Communication Services)	113,377	30,970,061	2.48%
Fanuc (Industrials)	33,300	8,178,665	0.65%	First Republic Bank (Financials)	224,453	32,978,879	2.64%
Keyence (Information Technology)	24,000	13,481,187	1.08%	Illumina (Health Care)	92,497	34,223,890	2.73%
Kubota (Industrials)	595,900	12,990,857	1.04%	Intuitive Surgical Inc (Health Care)	15,867	12,980,793	1.04%
Makita (Industrials)	241,647	12,099,317	0.97%	Linde (Materials)	39,737	10,340,023	0.83%
Misumi Group (Industrials)	174,700	5,727,175	0.46%	MasterCard (Information Technology)	74,176	26,476,381	2.12%
Shiseido (Consumer Staples)	182,000	12,578,103	1.00%	Microsoft (Information Technology)	82,542	18,358,992	1.47%
Sysmex (Health Care)	158,656	19,053,163	1.52%	Nike (Consumer Discretionary)	178,768	25,290,309	2.02%
JAPAN TOTAL		84,108,467	6.72%	NVIDIA (Information Technology)	28,248	14,751,106	1.18%
Poland: 0.87% (30 June 2020: 0.00%)				PayPal (Information Technology)	212,440	49,753,448	3.97%
CD Projekt (Communication Services)	147,539	10,849,095	0.87%	Proto Labs (Industrials)	89,887	13,788,666	1.10%
Russia Federation: 0.94% (30 June 2020: 0.00%)				Roper (Industrials)	26,018	11,216,099	0.89%
Yandex (Communication Services)	169,323	11,781,494	0.94%	salesforce.com (Information Technology)	58,923	13,112,135	1.05%
				SVB Financial Group (Financials)	42,972	16,665,831	1.33%
				Synopsys (Information Technology)	66,815	17,321,121	1.38%
				Thermo Fisher Scientific (Health Care)	38,566	17,963,271	1.44%
				Tradeweb Markets (Financials)	195,368	12,200,732	0.97%
				Verisk Analytics (Industrials)	89,235	18,524,294	1.48%
				Vertex Pharmaceuticals (Health Care)	128,303	30,323,131	2.42%
				VF (Consumer Discretionary)	145,378	12,416,735	0.99%

Harding Loevner Funds plc

Global Equity Fund Schedule of Investments (Continued) 31 December 2020

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
United States (Continued)			
Workday (Information Technology)	54,796	13,129,669	1.05%
UNITED STATES TOTAL		696,926,918	55.68%
Total transferable securities (30 June 2020: 98.43%)		1,213,269,293	96.93%
(Cost: USD 784,743,572) (30 June 2020: Cost: USD 706,633,237)			
Cash and cash equivalents (30 June 2020: 1.81%)		37,455,064	2.99%
Other assets and liabilities (30 June 2020: (0.24)%)		935,868	0.08%
Net assets attributable to holders of redeemable participating shares		1,251,660,225	100.00%
Analysis of total gross assets		% of total gross assets	
Transferable securities admitted to an official stock exchange listing		96.86%	
Cash and cash equivalents		2.99%	
Other assets		0.15%	
		<u>100.00%</u>	

Harding Loevner Funds plc

International Equity Fund Schedule of Investments 31 December 2020

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Australia: 1.10% (30 June 2020: 0.00%)				Japan (Continued)			
BHP Group Limited ADR (Materials)	37,249	2,433,850	1.10%	Shionogi (Health Care)	30,900	1,686,325	0.76%
Brazil: 2.79% (30 June 2020: 2.84%)				Sysmex (Health Care)	31,898	3,830,664	1.73%
Ambev ADR (Consumer Staples)	846,594	2,590,578	1.17%	UNICHARM (Consumer Staples)	105,800	5,012,577	2.26%
Itau Unibanco (Pref) ADR (Financials)	587,162	3,575,816	1.62%	JAPAN TOTAL		32,074,913	14.48%
BRAZIL TOTAL		6,166,394	2.79%	Mexico: 1.05% (30 June 2020: 1.09%)			
Canada: 1.99% (30 June 2020: 2.15%)				FEMSA ADR (Consumer Staples)	30,709	2,326,821	1.05%
Alimentation Couche-Tard (Consumer Staples)	63,400	2,160,651	0.98%	Netherlands: 3.03% (30 June 2020: 2.40%)			
Canadian National Railway (Industrials)	20,384	2,239,182	1.01%	Adyen (Information Technology)	2,883	6,709,443	3.03%
CANADA TOTAL		4,399,833	1.99%	Republic of South Korea: 4.11% (30 June 2020: 3.06%)			
China: 5.42% (30 June 2020: 7.09%)				Samsung Electronics (Pref) GDR Reg S GDR			
Alibaba Group Holding ADR (Consumer Discretionary)	11,181	2,602,154	1.17%	Reg S (Information Technology)	2,912	4,863,040	2.20%
ENN Energy (Utilities)	32,600	478,543	0.22%	Samsung Electronics (Voting) GDR Reg GDR			
Ping An Insurance (Financials)	283,500	3,474,063	1.57%	Reg S (Information Technology)	2,322	4,237,650	1.91%
Tencent Holdings (Communication Services)	74,900	5,449,065	2.46%	REPUBLIC OF SOUTH KOREA TOTAL		9,100,690	4.11%
CHINA TOTAL		12,003,825	5.42%	Russian Federation: 1.90% (30 June 2020: 2.85%)			
Denmark: 0.82% (30 June 2020: 1.09%)				Lukoil ADR (Energy)	32,480	2,220,333	1.00%
Novozymes (Materials)	31,644	1,815,307	0.82%	Yandex (Communication Services)	28,505	1,983,378	0.90%
France: 8.00% (30 June 2020: 8.37%)				RUSSIAN FEDERATION TOTAL		4,203,711	1.90%
Air Liquide (Materials)	12,754	2,091,739	0.94%	Singapore: 2.09% (30 June 2020: 2.17%)			
Dassault Systemes (Information Technology)	16,831	3,416,309	1.54%	DBS Group (Financials)	244,394	4,630,467	2.09%
L'Oreal (Consumer Staples)	18,074	6,862,496	3.10%	Spain: 1.55% (30 June 2020: 1.37%)			
Schneider Electric SE (Industrials)	37,039	5,352,921	2.42%	BBVA (Financials)	695,833	3,430,010	1.55%
FRANCE TOTAL		17,723,465	8.00%	Sweden: 5.60% (30 June 2020: 5.60%)			
Germany: 11.49% (30 June 2020: 12.60%)				Alfa Laval (Industrials)	100,262	2,757,705	1.24%
ADIDAS (Consumer Discretionary)	3,621	1,317,789	0.60%	Atlas Copco AB (Industrials)	133,619	6,838,806	3.09%
Allianz (Financials)	22,157	5,432,568	2.45%	Epiroc (Industrials)	154,651	2,812,913	1.27%
Fuchs Petrolub (Pref) (Materials)	21,070	1,195,373	0.54%	SWEDEN TOTAL		12,409,424	5.60%
Infineon Technologies (Information Technology)	231,338	8,871,256	4.01%	Switzerland: 10.76% (30 June 2020: 12.04%)			
SAP ADR (Information Technology)	40,677	5,303,874	2.39%	Alcon (Health Care)	44,292	2,922,386	1.32%
Symrise (Materials)	25,070	3,319,942	1.50%	Lonza Group (Health Care)	8,973	5,765,100	2.60%
GERMANY TOTAL		25,440,802	11.49%	Nestle ADR (Consumer Staples)	36,273	4,272,959	1.93%
Hong Kong: 3.17% (30 June 2020: 3.21%)				Roche Holding (Health Care)	17,415	6,078,431	2.75%
AIA Group (Financials)	572,900	7,020,426	3.17%	SGS (Industrials)	665	2,005,591	0.91%
India: 2.67% (30 June 2020: 2.12%)				Sonova Holding (Health Care)	10,687	2,776,471	1.25%
HDFC Bank ADR (Financials)	40,133	2,900,010	1.31%	SWITZERLAND TOTAL		23,820,938	10.76%
ICICI Bank ADR (Financials)	202,545	3,009,819	1.36%	Taiwan: 4.67% (30 June 2020: 4.15%)			
INDIA TOTAL		5,909,829	2.67%	Taiwan Semiconductor ADR (Information Technology)	94,745	10,330,995	4.67%
Israel: 1.42% (30 June 2020: 1.45%)				United Kingdom: 6.59% (30 June 2020: 6.95%)			
Check Point (Information Technology)	23,692	3,148,904	1.42%	Diageo (Consumer Staples)	79,097	3,112,993	1.41%
Japan: 14.48% (30 June 2020: 15.78%)				Rio Tinto (Materials)	61,713	4,616,271	2.08%
Chugai Pharmaceutical (Health Care)	89,800	4,785,912	2.16%	Royal Dutch Shell (Energy)	142,069	2,446,754	1.11%
Fanuc (Industrials)	9,100	2,235,010	1.01%	Standard Chartered PLC (Financials)	239,889	1,528,377	0.69%
Keyence (Information Technology)	9,500	5,336,303	2.41%	Unilever (Consumer Staples)	48,125	2,890,417	1.30%
Komatsu (Industrials)	110,200	3,007,007	1.36%	UNITED KINGDOM TOTAL		14,594,812	6.59%
Kubota (Industrials)	175,000	3,815,070	1.72%				
Nitori Holdings (Consumer Discretionary)	11,300	2,366,045	1.07%				

Harding Loevner Funds plc

International Equity Fund Schedule of Investments (Continued) 31 December 2020

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
United States: 0.97% (30 June 2020: 1.53%)			
Linde (Materials)	8,281	2,154,811	0.97%
Total transferable securities (30 June 2020: 99.91%)			
		211,849,670	95.67%
(Cost: USD 146,565,911) (30 June 2020: Cost: USD 164,034,819)			
Cash and cash equivalents (30 June 2020: 1.54%)			
		9,632,151	4.35%
Other assets and liabilities (30 June 2020: (1.45)%)			
		(32,708)	(0.02%)
Net assets attributable to holders of redeemable participating shares			
		221,449,113	100.00%
Analysis of total gross assets			
			% of total gross assets
Transferable securities admitted to an official stock exchange listing			95.56%
Cash and cash equivalents			4.34%
Other assets			0.10%
			<u>100.00%</u>

Harding Loevner Funds plc

Emerging Markets Equity Fund Schedule of Investments 31 December 2020

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Brazil: 7.62% (30 June 2020: 6.97%)				India: 8.30% (30 June 2020: 7.09%)			
Ambev ADR (Consumer Staples)	1,630,557	4,989,504	1.02%	HDFC Bank ADR (Financials)	79,385	5,736,360	1.18%
B3 (Financials)	388,600	4,636,985	0.95%	Housing Development Finance (Financials)	333,062	11,663,039	2.39%
Banco Bradesco ADR (Financials)	1,201,032	6,317,428	1.29%	Kotak Mahindra Bank (Financials)	272,182	7,433,762	1.52%
Cia Brasileira de Distribuicao ADR (Consumer Staples)	98,878	1,415,933	0.29%	Maruti Suzuki India (Consumer Discretionary)	48,799	5,108,876	1.05%
Itau Unibanco (Pref) ADR (Financials)	974,276	5,933,341	1.22%	Tata Consultancy Services (Information Technology)	268,375	10,514,805	2.16%
Localiza Rent a Car (Industrials)	419,655	5,570,678	1.14%	INDIA TOTAL		40,456,842	8.30%
Lojas Renner (Consumer Discretionary)	288,000	2,414,139	0.50%	Indonesia: 2.70% (30 June 2020: 2.78%)			
Ultrapar Participacoes (Energy)	502,925	2,298,610	0.47%	Astra International (Consumer Discretionary)	6,188,600	2,653,830	0.55%
WEG (Industrials)	245,690	3,582,565	0.74%	Bank Central Asia (Financials)	1,945,774	4,687,861	0.96%
BRAZIL TOTAL		37,159,183	7.62%	Bank Rakyat (Financials)	19,539,225	5,799,187	1.19%
Chile: 0.24% (30 June 2020: 0.28%)				INDONESIA TOTAL		13,140,878	2.70%
Banco Santander Chile ADR (Financials)	62,468	1,186,267	0.24%	Italy: 0.59% (30 June 2020: 0.64%)			
China: 25.39% (30 June 2020: 26.77%)				Tenaris ADR (Energy)	181,732	2,898,625	0.59%
51job ADR (Industrials)	45,053	3,153,710	0.65%	Kenya: 1.09% (30 June 2020: 1.29%)			
Alibaba (Consumer Discretionary)	526,588	15,799,440	3.24%	East African Breweries (Consumer Staples)	474,059	669,630	0.14%
Alibaba Group Holding ADR (Consumer Discretionary)	34,454	8,018,479	1.65%	Safaricom (Communication Services)	14,751,790	4,626,821	0.95%
Autohome ADR (Communication Services)	19,224	1,915,095	0.39%	KENYA TOTAL		5,296,451	1.09%
Baidu ADR (Communication Services)	25,388	5,489,901	1.13%	Mexico: 4.89% (30 June 2020: 3.99%)			
China Tourism Group Duty Free (Consumer Discretionary)	111,353	4,836,596	0.99%	FEMSA ADR (Consumer Staples)	78,195	5,924,835	1.21%
CSPC Pharmaceutical Group (Health Care)	5,209,760	5,329,076	1.09%	GF Banorte (Financials)	1,293,870	7,147,674	1.47%
ENN Energy (Utilities)	455,265	6,682,940	1.37%	Grupo Aeroportuario del Sureste ADR (Industrials)	26,212	4,323,145	0.89%
Fuyao Glass Industry Group (Consumer Discretionary)	874,400	4,804,860	0.99%	Wal-Mart de Mexico (Consumer Staples)	2,286,400	6,431,954	1.32%
Jiangsu Hengrui Medicine (Health Care)	158,100	2,709,862	0.56%	MEXICO TOTAL		23,827,608	4.89%
Midea Group (China A) (Consumer Discretionary)	706,887	10,700,840	2.20%	Panama: 0.62% (30 June 2020: 0.81%)			
New Oriental Education ADR (Consumer Discretionary)	31,862	5,920,278	1.21%	Copa Holdings (Industrials)	39,412	3,043,789	0.62%
Ping An Insurance (Financials)	648,000	7,940,715	1.63%	Peru: 0.89% (30 June 2020: 0.96%)			
SF Holding (Industrials)	232,600	3,155,893	0.65%	Credicorp (Financials)	26,596	4,362,276	0.89%
Shenzhou (Consumer Discretionary)	289,550	5,677,122	1.16%	Poland: 0.66% (30 June 2020: 0.00%)			
Sino Biopharmaceutical (Health Care)	1,835,160	1,775,400	0.36%	CD Projekt (Communication Services)	43,750	3,217,101	0.66%
Sunny Optical (Information Technology)	253,000	5,538,133	1.14%	Republic Of South Korea: 9.96% (30 June 2020: 9.73%)			
Tencent Holdings (Communication Services)	304,050	22,120,001	4.54%	Amorepacific (Consumer Staples)	21,156	4,011,908	0.82%
Trip.com ADR (Consumer Discretionary)	36,489	1,230,774	0.25%	Coway (Consumer Discretionary)	51,981	3,478,798	0.72%
ZTO Express Cayman ADR (Industrials)	32,196	938,835	0.19%	LG Household & Health Care (Consumer Staples)	8,757	13,059,321	2.68%
CHINA TOTAL		123,737,950	25.39%	Samsung Electronics (Pref) GDR Reg S (Information Technology)	2,018	3,370,060	0.69%
Colombia: 0.80% (30 June 2020: 0.69%)				Samsung Electronics (Voting) GDR Reg S (Information Technology)	13,486	24,611,950	5.05%
Bancolombia (Pref) ADR (Financials)	97,303	3,909,635	0.80%	REPUBLIC OF SOUTH KOREA TOTAL		48,532,037	9.96%
Czech Republic: 0.61% (30 June 2020: 0.62%)				Russia Federation: 7.32% (30 June 2020: 0.00%)			
Komerční Banka (Financials)	98,070	2,999,976	0.61%	Lukoil ADR (Energy)	123,323	8,430,360	1.73%
Egypt: 0.54% (30 June 2020: 0.73%)				NovaTek GDR Reg S (Energy)	55,777	9,113,962	1.87%
Commercial International Bank GDR (Financials)	699,036	2,621,385	0.54%	Sberbank ADR (Financials)	702,637	10,202,289	2.09%
Hong Kong: 6.55% (30 June 2020: 6.79%)				Yandex (Communication Services)	113,911	7,925,928	1.63%
AIA Group (Financials)	1,066,800	13,072,771	2.68%	RUSSIA FEDERATION TOTAL		35,672,539	7.32%
ASM Pacific Technology (Information Technology)	247,029	3,259,752	0.67%				
Sands China (Consumer Discretionary)	1,587,300	6,971,675	1.43%				
Techtronic (Industrials)	604,000	8,616,941	1.77%				
HONG KONG TOTAL		31,921,139	6.55%				

Harding Loevner Funds plc

Emerging Markets Equity Fund Schedule of Investments (Continued) 31 December 2020

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Russian Federation: 0.00% (30 June 2020: 8.67%)			
South Africa: 1.75% (30 June 2020: 1.34%)			
Discovery Holdings (Financials)	474,648	4,959,337	1.02%
Standard Bank (Financials)	411,371	3,557,470	0.73%
SOUTH AFRICA TOTAL		8,516,807	1.75%
Taiwan: 10.92% (30 June 2020: 9.28%)			
Airtac (Industrials)	188,000	6,021,781	1.24%
Eclat (Consumer Discretionary)	376,273	5,657,888	1.16%
Hon Hai Precision (Information Technology)	2,009,568	6,579,837	1.35%
Largan Precision (Information Technology)	42,000	4,775,785	0.98%
Silergy (Information Technology)	32,000	2,744,679	0.56%
Taiwan Semiconductor (Information Technology)	1,454,465	27,434,922	5.63%
TAIWAN TOTAL		53,214,892	10.92%
Thailand: 0.86% (30 June 2020: 0.91%)			
Siam Commercial Bank (Financials)	1,431,300	4,180,199	0.86%
United Kingdom: 2.58% (30 June 2020: 2.19%)			
Bank of Georgia (Financials)	54,221	904,596	0.19%
Coca-Cola HBC (Consumer Staples)	289,187	9,400,161	1.93%
Network International (Information Technology)	507,773	2,267,844	0.46%
UNITED KINGDOM TOTAL		12,572,601	2.58%
United States: 3.17% (30 June 2020: 2.99%)			
EPAM Systems (Information Technology)	43,145	15,461,011	3.17%
Total transferable securities (30 June 2020: 95.52%)		477,929,191	98.05%
(Cost: USD 336,811,424) (30 June 2020: Cost: USD 320,890,600)			
Cash and cash equivalents (30 June 2020: 3.67%)		13,722,543	2.82%
Other assets and liabilities (30 June 2020: 0.81%)		(4,239,961)	(0.87%)
Net assets attributable to holders of redeemable participating shares		487,411,773	100.00%
Analysis of total gross assets			
Transferable securities admitted to an official stock exchange listing			96.81%
Cash and cash equivalents			2.78%
Other assets			0.41%
			100.00%

Harding Loevner Funds plc

Global Small Companies Equity Fund Schedule of Investments 31 December 2020

Transferable Securities Security Description - Equities	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Argentina: 0.65% (30 June 2020: 0.58%)				Japan: 15.81% (30 June 2020: 18.26%)			
Globant (Information Technology)	46	10,010	0.65%	ABC-Mart (Consumer Discretionary)	300	16,677	1.07%
Bangladesh: 0.68% (30 June 2020: 0.26%)				Ariake Japan (Consumer Staples)	300	21,558	1.39%
Square Pharmaceuticals (Health Care)	4,088	10,587	0.68%	Cosmos Pharmaceutical (Consumer Staples)	150	24,231	1.56%
Canada: 1.23% (30 June 2020: 2.03%)				Infomart (Information Technology)	1,400	13,342	0.86%
Kinaxis (Information Technology)	135	19,126	1.23%	JCU (Materials)	500	19,248	1.24%
China: 1.06% (30 June 2020: 1.09%)				Kakaku.com (Communication Services)	200	5,482	0.35%
51job ADR (Industrials)	112	7,840	0.50%	Misumi Group (Industrials)	750	24,587	1.58%
Haitian (Industrials)	2,500	8,642	0.56%	MonotaRO (Industrials)	350	17,796	1.15%
CHINA TOTAL		16,482	1.06%	Nihon M&A Center Inc (Industrials)	450	30,071	1.94%
Denmark: 2.25% (30 June 2020: 2.11%)				Nomura Research Institute (Information Technology)	400	14,314	0.92%
Ambu (Health Care)	226	9,764	0.63%	Pigeon (Consumer Staples)	350	14,423	0.93%
SimCorp (Information Technology)	169	25,118	1.62%	Rinnai (Consumer Discretionary)	100	11,602	0.75%
DENMARK TOTAL		34,882	2.25%	SMS (Industrials)	320	12,242	0.79%
Finland: 1.54% (30 June 2020: 1.37%)				Stanley Electric (Consumer Discretionary)	200	6,441	0.42%
Nokian Renkaat Oyj (Consumer Discretionary)	360	12,675	0.81%	Sugi (Consumer Staples)	200	13,365	0.86%
Vaisala (Information Technology)	229	11,288	0.73%	JAPAN TOTAL		245,379	15.81%
FINLAND TOTAL		23,963	1.54%	Lithuania: 0.80% (30 June 2020: 0.78%)			
France: 3.81% (30 June 2020: 3.86%)				Siaulių Bankas (Financials)	20,515	12,481	0.80%
Alten (Information Technology)	283	32,032	2.06%	Malaysia: 0.66% (30 June 2020: 0.66%)			
IPSOS (Communication Services)	99	3,338	0.22%	TIME dotCom (Communication Services)	3,100	10,219	0.66%
LSI (Industrials)	434	10,683	0.69%	Mexico: 1.56% (30 June 2020: 1.29%)			
Rubis (Utilities)	281	13,038	0.84%	Grupo Herdez (Consumer Staples)	6,300	16,532	1.07%
FRANCE TOTAL		59,091	3.81%	Megacable Holdings (Communication Services)	2,100	7,670	0.49%
Germany: 8.34% (30 June 2020: 7.59%)				MEXICO TOTAL		24,202	1.56%
Bechtle (Information Technology)	115	25,064	1.61%	Netherlands: 0.86% (30 June 2020: 0.79%)			
Carl Zeiss Meditec (Health Care)	131	17,428	1.12%	ASM International (Information Technology)	61	13,410	0.86%
Fuchs Petrolub (Materials)	408	18,866	1.22%	Norway: 1.30% (30 June 2020: 1.25%)			
Nemetschek (Information Technology)	161	11,880	0.77%	Tomra Systems (Industrials)	408	20,109	1.30%
Rational (Industrials)	18	16,745	1.08%	Peru: 0.24% (30 June 2020: 0.36%)			
STRATEC Biomedical (Health Care)	134	20,102	1.30%	Alicorp (Consumer Staples)	1,914	3,780	0.24%
Symrise (Materials)	85	11,256	0.72%	Republic Of South Korea: 0.31% (30 June 2020: 0.29%)			
TeamViewer (Information Technology)	151	8,085	0.52%	Cheil Worldwide (Communication Services)	257	4,874	0.31%
GERMANY TOTAL		129,426	8.34%	South Africa: 1.60% (30 June 2020: 1.19%)			
Hong Kong: 1.13% (30 June 2020: 1.44%)				Discovery Holdings (Financials)	2,378	24,846	1.60%
Vitasoy International (Consumer Staples)	4,500	17,530	1.13%	Spain: 1.04% (30 June 2020: 0.00%)			
Indonesia: 0.48% (30 June 2020: 0.65%)				Bankinter (Financials)	2,995	16,187	1.04%
Sarana Menara Nusantara (Communication Services)	109,900	7,509	0.48%	Sweden: 3.39% (30 June 2020: 3.03%)			
Israel: 1.68% (30 June 2020: 1.33%)				Alfa Laval (Industrials)	175	4,814	0.31%
CyberArk (Information Technology)	161	26,016	1.68%	Paradox Interactive (Communication Services)	315	9,801	0.63%
Italy: 3.50% (30 June 2020: 3.13%)				Thule Group AB (Consumer Discretionary)	1,017	38,022	2.45%
DiaSorin (Health Care)	86	17,871	1.15%	SWEDEN TOTAL		52,637	3.39%
Fineco (Financials)	912	14,930	0.96%	Switzerland: 2.32% (30 June 2020: 2.35%)			
Reply (Information Technology)	185	21,538	1.39%	Bossard (Industrials)	48	9,672	0.62%
ITALY TOTAL		54,339	3.50%	LEM Holding (Information Technology)	10	19,519	1.26%

Harding Loevner Funds plc

Global Small Companies Equity Fund Schedule of Investments (Continued) 31 December 2020

Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets	Transferable Securities Security Description - Equities (Cont'd)	Shares	Market Value USD	% Net Assets
Switzerland (Continued)				United States (Continued)			
Temenos Group AG (Information Technology)	49	6,844	0.44%	SVB Financial Group (Financials)	45	17,452	1.12%
SWITZERLAND TOTAL		36,035	2.32%	UNITED STATES TOTAL		448,509	28.90%
Taiwan: 2.51% (30 June 2020: 2.67%)				Vietnam: 0.51% (30 June 2020: 0.35%)			
Advantech (Information Technology)	1,099	13,690	0.88%	Hoa Phat Group (Materials)	4,368	7,844	0.51%
Eclat (Consumer Discretionary)	1,000	15,037	0.97%				
Silergy (Information Technology)	120	10,292	0.66%				
TAIWAN TOTAL		39,019	2.51%	Total transferable securities		1,546,540	99.64%
Turkey: 0.22% (30 June 2020: 0.32%)				(Cost: USD 1,064,548) (30 June 2020: Cost: USD 1,039,413)			
Ulker Biskuvi Sanayi (Consumer Staples)	1,076	3,350	0.22%	(30 June 2020: 99.42%)			
Ukraine: 0.42% (30 June 2020: 0.43%)				Cash and cash equivalents (30 June 2020: 2.89%)			
Kernel (Consumer Staples)	491	6,480	0.42%			17,543	1.13%
United Arab Emirates: 0.16% (30 June 2020: 0.14%)				Other assets and liabilities (30 June 2020: (2.31)%)			
Agthia Group (Consumer Staples)	2,160	2,499	0.16%			(12,004)	(0.77%)
United Kingdom: 10.68% (30 June 2020: 9.48%)				Net assets attributable to holders of redeemable participating shares			
Abcam (Health Care)	1,361	28,848	1.86%			1,552,079	100.00%
Bank of Georgia (Financials)	600	10,010	0.64%	Analysis of total gross assets			
Clarkson (Industrials)	98	3,618	0.23%	% total gross assets			
Dechra Pharmaceuticals (Health Care)	509	24,014	1.55%	Transferable securities admitted to an official stock exchange listing			98.12%
EMIS Group (Health Care)	1,082	16,010	1.03%	Cash and cash equivalents			1.11%
Rathbone Bros (Financials)	351	7,392	0.48%	Other assets			0.77%
Rightmove (Communication Services)	1,824	16,233	1.05%				<u>100.00%</u>
Senior (Industrials)	14,183	17,310	1.12%				
Signature Aviation (Industrials)	2,182	11,548	0.74%				
Spirax-Sarco Engineering (Industrials)	69	10,658	0.69%				
YouGov (Communication Services)	1,405	20,078	1.29%				
UNITED KINGDOM TOTAL		165,719	10.68%				
United States: 28.90% (30 June 2020: 30.34%)							
ABIOMED (Health Care)	63	20,425	1.32%				
Allegion (Industrials)	64	7,448	0.48%				
Altair Engineering (Information Technology)	539	31,359	2.02%				
BorgWarner (Consumer Discretionary)	694	26,816	1.73%				
Cable One (Communication Services)	3	6,683	0.43%				
Cognex (Information Technology)	219	17,582	1.13%				
Elanco Animal Health (Health Care)	169	5,183	0.33%				
EnerSys (Industrials)	406	33,723	2.17%				
EPAM Systems (Information Technology)	30	10,750	0.69%				
Exponent (Industrials)	175	15,755	1.02%				
Five Below (Consumer Discretionary)	44	7,699	0.50%				
Guidewire Software (Information Technology)	156	20,082	1.30%				
Healthcare Services Group (Industrials)	682	19,164	1.23%				
HEICO (Industrials)	129	17,080	1.10%				
Helmerich & Payne (Energy)	227	5,257	0.34%				
IPG Photonics (Information Technology)	107	23,946	1.54%				
Kansas City Southern (Industrials)	39	7,961	0.51%				
Lazard (Financials)	211	8,925	0.58%				
LeMaitre Vascular (Health Care)	317	12,839	0.83%				
Neurocrine Biosciences (Health Care)	117	11,214	0.72%				
Planet Fitness (Consumer Discretionary)	266	20,650	1.33%				
Proto Labs (Industrials)	192	29,453	1.90%				
Reinsurance Group of America (Financials)	85	9,852	0.63%				
Repligen (Health Care)	80	15,330	0.99%				
Rollins (Industrials)	324	12,659	0.82%				
Sensata (Industrials)	122	6,434	0.41%				
Signature Bank (Financials)	198	26,788	1.73%				

Harding Loevner Funds plc

Global Equity Fund Significant Purchases & Sales 31 December 2020

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Roche Holding	48,334	16,692,703	Roper	46,793	18,055,839
CME Group	97,504	16,332,901	Trade Desk	38,519	17,581,747
CD Projekt	148,770	16,077,386	Lonza Group	25,513	15,665,881
Alibaba Group Holding ADR	422,000	14,796,564	Abbott Labs	140,943	15,204,698
Etsy	112,670	14,371,470	Tencent Holdings	172,600	12,959,514
DBS Group	684,586	12,362,694	Keyence	23,700	11,963,406
Edwards Lifesciences	145,757	12,312,752	PayPal	50,559	11,710,943
Intuitive Surgical	16,074	11,870,576	Symrise	87,595	11,056,933
B3	1,056,400	11,737,171	Yandex	161,087	10,049,246
Genmab	29,936	10,857,198	UnitedHealth	29,489	9,407,187
Tradeweb Markets	197,489	10,663,991	Linde	36,682	9,134,589
VF	147,398	10,007,136	Colgate-Palmolive	120,143	9,104,270
Illumina	20,346	6,097,704	Nidec	130,600	8,836,863
Misumi Group	174,700	5,412,915	CHR. Hansen	75,508	8,499,004
TeamViewer	72,183	3,758,622	Verisk Analytics	44,238	8,274,871
Standard Chartered PLC	555,435	3,033,287	AIA Group	866,600	8,251,226
NetEase Inc	159,500	2,802,086	3M Company	35,715	5,991,119
ENN Energy	73,000	1,020,382	NetEase Inc	10,499	5,071,023
PayPal	4,627	854,728	Waters	14,622	2,691,550
Schneider Electric SE	6,400	718,871	Alibaba Group Holding ADR	10,168	2,656,383

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period 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 period the largest 20 purchases/sales are disclosed.

Harding Loevner Funds plc

International Equity Fund Significant Purchases & Sales 31 December 2020

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
BHP Group Limited	37,249	2,404,888	Taiwan Semiconductor ADR	44,886	3,457,314
ENN Energy	32,600	438,369	ADIDAS	7,362	2,521,847
Taiwan Semiconductor ADR	1,512	132,527	China Mobile ADR	64,489	1,908,299
Infineon Technologies	3,693	118,102	Yandex	27,542	1,719,088
Atlas Copco AB	2,133	99,456	Linde	5,672	1,415,133
L'Oreal	289	98,632	AIA Group	87,000	853,203
SAP ADR	651	96,595	Chugai Pharmaceutical	16,400	813,791
Keyence	200	94,209	Tencent Holdings	11,400	787,795
AIA Group	9,200	93,086	Unicharm	16,000	703,581
DBS Group	5,644	92,704	Keyence	1,500	658,995
Roche Holding	278	91,905	Infineon Technologies	21,818	607,468
Lonza Group	143	90,425	SAP ADR	3,970	597,007
Tencent Holdings	1,200	87,768	Atlas Copco AB	12,602	588,522
Adyen	46	86,966	L'Oreal	1,705	583,539
Unicharm	1,700	82,120	Roche Holding	1,642	576,763
Schneider Electric SE	591	74,583	DBS Group	36,000	551,435
Nestle ADR	582	68,565	Lonza Group	846	510,280
Allianz	355	68,198	Adyen	281	490,017
Novozymes	993	61,706	Allianz	2,211	468,690
Chugai Pharmaceutical	1,500	59,973	Ping An Insurance	43,000	452,242
Rio Tinto	985	59,664	Schneider Electric SE	3,493	431,047
Linde	254	59,080	Nestle ADR	3,620	424,458
Alfa Laval	2,634	58,781	Kubota	25,700	405,871
			Symex	4,800	395,687
			Komatsu	17,000	365,797
			Rio Tinto	5,820	353,679
			Nitori Holdings	1,700	351,944
			Symrise	2,364	301,378

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Harding Loevner Funds plc

Emerging Markets Equity Fund Significant Purchases & Sales 31 December 2020

Significant Purchases			Significant Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Alibaba	197,100	6,263,865	Taiwan Semiconductor	425,000	6,328,451
New Oriental Education	31,862	4,785,961	Hangzhou Hikvision Digital Tec (China A)	874,593	6,322,668
CD Projekt	43,750	4,028,307	Fuyao Glass Industry Group	799,693	4,476,744
Fuyao Glass Industry Group	874,400	3,802,060	Tencent Holdings	46,400	3,203,416
China Tourism Group Duty Free (China A)	111,353	3,634,061	Samsung Electronics (Pref) GDR Reg S	2,095	3,159,574
Hon Hai Precision	1,295,000	3,466,363	Jiangsu Yanghe Brewery	98,000	2,799,999
CSPC Pharmaceutical Group	1,450,000	2,146,180	Yandex	32,959	2,057,091
Ultrapar Participacoes SA	501,800	2,084,863	Alibaba Group Holding	6,403	1,956,725
Jiangsu Hengrui Medicine	158,100	2,083,147	CNOOC ADR	18,955	1,824,636
Silergy	32,000	2,074,434	AAC Technologies	293,500	1,788,384
Network International	507,773	1,986,246	Samsung Electronics (Voting) GDR Reg S	962	1,648,671
Tata Consultancy Services	59,916	1,837,556	Copa Holdings	19,778	1,562,164
Airtac	77,000	1,757,701	Trip.com ADR	48,009	1,426,901
Wal-Mart de Mexico	600,400	1,421,394	51job ADR	20,289	1,381,855
Ping An Insurance	125,000	1,330,035	SF Holding Co	116,300	1,198,184
GF Banorte	324,900	1,189,880	WEG	89,700	1,085,285
B3	113,900	1,161,353	ZTO Express Cayman ADR	24,134	883,296
NovaTek GDR Reg S	4,853	697,003	Alibaba	11,800	405,644
Lojas Renner	78,500	580,304	EPAM Systems	608	196,161
Discovery Holdings	67,939	532,425	AIA Group	16,200	169,596
FEMSA ADR	8,778	495,476			

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Harding Loevner Funds plc

Global Small Companies Equity Fund Significant Purchases & Sales 31 December 2020

All Purchases			All Sales		
Security Description	Nominal	Base Cost USD	Security Description	Nominal	Base Proceeds USD
Bankinter	2,995	13,934	Trade Desk	45	19,698
Reply	76	7,914	Nakanishi	800	12,871
Five Below	44	7,304	Penumbra	58	12,072
TeamViewer	151	7,006	Cosmos Pharmaceutical	50	8,343
Reinsurance Group of America	50	6,042	Kinaxis	35	5,326
Square Pharmaceuticals	2,346	5,665	Silergy	40	2,510
EMIS Group	337	4,499			
Signature Aviation	1,077	3,215			
Bank of Georgia	244	3,075			
Alten	28	2,212			
LEM Holding	1	1,417			
Rubis	12	513			

The above represents aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the period 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 period the largest 20 purchases/sales are disclosed.

Harding Loevner Funds plc

Unaudited Statement of Financial Position

As at 31 December 2020

		Global Equity Fund As at 31 December 2020 USD	International Equity Fund As at 31 December 2020 USD	Emerging Markets Equity Fund As at 31 December 2020 USD	Global Small Companies Equity Fund As at 31 December 2020 USD	Total As at 31 December 2020 USD
	Notes					
Current assets						
Financial assets at fair value through profit or loss	2,4,13	1,213,269,293	211,849,670	477,929,191	1,546,540	1,904,594,694
Cash and cash equivalents	5	37,455,064	9,632,151	13,722,543	17,543	60,827,301
Receivables	6	1,820,911	256,352	2,032,045	12,114	4,121,422
Total current assets		1,252,545,268	221,738,173	493,683,779	1,576,197	1,969,543,417
Financial liabilities not at fair value through profit or loss						
Creditors (amounts falling due within one year)	3,8	885,043	289,060	6,272,006	24,118	7,470,227
Total liabilities excluding net assets attributable to holders of redeemable participating shares		885,043	289,060	6,272,006	24,118	7,470,227
Net assets attributable to holders of redeemable participating shares	15	1,251,660,225	221,449,113	487,411,773	1,552,079	1,962,073,190

The notes on pages 30 to 47 are an integral part of these financial statements.

Harding Loevner Funds plc

Unaudited Statement of Financial Position (Continued)

As at 31 December 2020

		Global Equity Fund As at 31 December 2020 USD	International Equity Fund As at 31 December 2020 USD	Emerging Markets Equity Fund As at 31 December 2020 USD	Global Small Companies Equity Fund As at 31 December 2020 USD
Redeemable participating shares in issue at period end	Notes				
Euro Class A	10	63,784,987.936	—	—	—
Sterling Class A	10	26,814,832.894	1,436,258.915	—	—
Sterling Class B	10	99,000.000	—	—	—
US Dollar Class B	10	3,904,284.689	5,128,220.772	2,932,132.772	—
US Dollar Class D	10	429,793.191	—	—	—
US Dollar Class I	10	—	—	98,817,574.656	—
US Dollar Class S1	10	143,126,067.259	—	—	—
Canadian Dollar Class B	10	—	—	500,000.000	—
Canadian Dollar Class I	10	—	—	—	—
Euro Class M	10	37,605,562.688	—	—	—
Euro Class S	10	26,781,019.108	—	—	—
Sterling Class S	10	162,903,073.105	—	—	—
US Dollar Class A	10	34,916,649.129	38,804,318.389	7,536,260.418	1,000,000.000
Canadian Dollar Class M	10	—	—	—	—
US Dollar Class S	10	43,905,909.122	94,955,538.360	—	—
Singapore Dollar Class M	10	69,491,829.620	—	—	—
Canadian Dollar Class S	10	35,500,000.000	—	349,575,881.190	—
Net Asset Value per redeemable participating share					
Euro Class A	14	EUR 2.502	—	—	—
Euro Class A USD equivalent	14	USD 3.056	—	—	—
Sterling Class A	14	GBP 2.229	GBP 2.005	—	—
Sterling Class A USD equivalent	14	USD 3.048	USD 2.742	—	—
Sterling Class B	14	GBP 1.350	—	—	—
Sterling Class B USD equivalent	14	USD 1.847	—	—	—
US Dollar Class B	14	USD 1.415	USD 1.746	USD 1.468	—
US Dollar Class D	14	USD 1.431	—	—	—
US Dollar Class I	14	—	—	USD 1.555	—
US Dollar Class S1	14	USD 1.407	—	—	—

The notes on pages 30 to 47 are an integral part of these financial statements.

Harding Loevner Funds plc

Unaudited Statement of Financial Position (Continued)

As at 31 December 2020

		Global Equity Fund As at 31 December 2020 USD	International Equity Fund As at 31 December 2020 USD	Emerging Markets Equity Fund As at 31 December 2020 USD	Global Small Companies Equity Fund As at 31 December 2020 USD
	Notes				
Net Asset Value per redeemable participating share					
Canadian Dollar Class B	14	—	—	CAD 1.186	—
Canadian Dollar Class B USD equivalent	14	—	—	USD 0.932	—
Canadian Dollar Class I	14	—	—	—	—
Canadian Dollar Class I USD equivalent	14	—	—	—	—
Euro Class M	14	EUR 1.435	—	—	—
Euro Class M USD equivalent	14	USD 1.753	—	—	—
Euro Class S	14	EUR 1.397	—	—	—
Euro Class S USD equivalent	14	USD 1.707	—	—	—
Sterling Class S	14	GBP 1.490	—	—	—
Sterling Class S USD equivalent	14	USD 2.038	—	—	—
Canadian Dollar Class M	14	—	—	—	—
Canadian Dollar Class M USD equivalent	14	—	—	—	—
US Dollar Class S	14	USD 1.570	USD 1.478	—	—
Singapore Dollar Class M	14	SGD 2.051	—	—	—
Singapore Dollar Class M USD equivalent	14	USD 1.552	—	—	—
Canadian Dollar Class S	14	CAD 1.435	—	CAD 1.152	—
Canadian Dollar Class S USD equivalent	14	USD 1.127	—	USD 0.905	—
US Dollar Class A	14	USD 3.060	USD 1.757	USD 1.668	USD 1.522

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

Director

J. Cleary
24 February 2021

M. Kirby

The notes on pages 30 to 47 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position

As at 30 June 2020

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

The notes on pages 30 to 47 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position (Continued)

As at 30 June 2020

		Global Equity Fund As at 30 June 2020 USD	International Equity Fund As at 30 June 2020 USD	Emerging Markets Equity Fund As at 30 June 2020 USD	Global Small Companies Equity Fund As at 30 June 2020 USD
Redeemable participating shares in issue at financial year end	Notes				
Euro Class A	10	58,379,745.983	—	—	—
Sterling Class A	10	21,384,373.318	1,036,062.413	—	—
Sterling Class B	10	99,000.000	—	—	—
US Dollar Class B	10	2,357,989.165	6,647,384.162	4,669,639.937	—
US Dollar Class D	10	375,318.483	—	—	—
US Dollar Class I	10	—	—	98,817,574.656	—
US Dollar Class S1	10	143,126,067.259	—	—	—
Canadian Dollar Class B	10	—	—	500,000.000	—
Canadian Dollar Class I	10	—	—	145,824,614.180	—
Euro Class M	10	37,605,562.688	—	—	—
Euro Class S	10	41,476,628.681	—	—	—
Sterling Class S	10	162,510,630.091	—	—	—
US Dollar Class A	10	35,066,441.702	44,421,112.392	10,601,892.194	1,000,000.000
Canadian Dollar Class M	10	—	—	72,215,000.000	—
US Dollar Class S	10	44,034,323.011	99,094,946.145	—	—
Singapore Dollar Class M	10	69,491,829.620	—	—	—
Canadian Dollar Class S	10	35,500,000.000	—	—	—
Net Asset Value per redeemable participating share					
Euro Class A	14	EUR 2.190	—	—	—
Euro Class A USD equivalent	14	USD 2.462	—	—	—
Sterling Class A	14	GBP 1.981	GBP 1.765	—	—
Sterling Class A USD equivalent	14	USD 2.455	USD 2.188	—	—
Sterling Class B	14	GBP 1.202	—	—	—
Sterling Class B USD equivalent	14	USD 1.489	—	—	—
US Dollar Class B	14	USD 1.141	USD 1.385	USD 1.098	—
US Dollar Class D	14	USD 1.157	—	—	—
US Dollar Class I	14	—	—	USD 1.159	—
US Dollar Class S1	14	USD 1.132	—	—	—

The notes on pages 30 to 47 are an integral part of these financial statements.

Harding Loevner Funds plc

Statement of Financial Position (Continued)

As at 30 June 2020

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

The notes on pages 30 to 47 are an integral part of these financial statements.

Harding Loevner Funds plc

Unaudited Statement of Comprehensive Income

For the Financial Period Ended 31 December 2020

		Global Equity Fund Financial period ended 31 December 2020 USD	International Equity Fund Financial period ended 31 December 2020 USD	Emerging Markets Equity Fund Financial period ended 31 December 2020 USD	Global Small Companies Equity Fund Financial period ended 31 December 2020 USD	Total Financial period ended 31 December 2020 USD
	Notes					
Income						
Dividend income		3,167,900	1,261,328	4,264,133	5,818	8,699,179
Interest income		8,837	3,673	9,261	14	21,785
Other income		8,974	2,027	3,691	64,859	79,551
Management fee rebate		89,218	24,300	55,282	–	168,800
Net realised gain on financial assets at fair value through profit or loss		93,644,991	6,187,376	14,699,797	23,266	114,555,430
Net realised (loss)/gain on foreign currency		(120,365)	(1,606)	(12,197)	24	(134,144)
Net movement in unrealised gain on financial assets at fair value through profit or loss		152,156,342	40,562,952	109,691,105	328,572	302,738,971
Net movement in unrealised (loss)/gain on foreign currency		(4)	(298)	1,311	1	1,010
Total investment gain		248,955,893	48,039,752	128,712,383	422,554	426,130,582
Expenses						
Operating expenses	3	(2,954,317)	(426,992)	(3,070,077)	(69,472)	(6,520,858)
Total investment gain before finance costs		246,001,576	47,612,760	125,642,306	353,082	419,609,724
Finance costs						
Distributions paid during the financial period	9	(1,036,557)	(16,768)	–	–	(1,053,325)
Bank interest expense		(113)	(2)	(7,512)	(1)	(7,628)
Withholding tax		(515,200)	(54,344)	(588,060)	(818)	(1,158,422)
Increase in net assets attributable to holders of redeemable participating shares from operations		244,449,706	47,541,646	125,046,734	352,263	417,390,349

The notes on pages 30 to 46 are an integral part of these financial statements

Harding Loevner Funds plc

Unaudited Statement of Comprehensive Income

For the Financial Period Ended 31 December 2019

		Global Equity Fund Financial period ended 31 December 2019 USD	International Equity Fund Financial period ended 31 December 2019 USD	Emerging Markets Equity Fund Financial period ended 31 December 2019 USD	Global Small Companies Equity Fund Financial period ended 31 December 2019 USD	Total Financial period ended 31 December 2019 USD
	Notes					
Income						
Dividend income		4,285,948	2,107,422	6,648,784	6,930	13,049,084
Interest income		400,112	94,750	177,717	331	672,910
Other income		7,381	2,885	4,821	78,873	93,960
Management fee rebate		–	13,801	73,369	–	87,170
Net realised gain on financial assets at fair value through profit or loss		59,409,362	5,328,271	11,779,677	28,624	76,545,934
Net realised gain/(loss) on foreign currency		78,064	(17,227)	(13,379)	21	47,479
Net movement in unrealised gain on financial assets at fair value through profit or loss		36,304,994	10,835,146	33,655,837	58,194	80,854,171
Net movement in unrealised gain/(loss) on foreign currency		3,613	616	(334)	(6)	3,889
Total investment gain		100,489,474	18,365,664	52,326,492	172,967	171,354,597
Expenses						
Operating expenses	3	(2,514,268)	(436,251)	(3,801,040)	(82,277)	(6,833,836)
Total investment gain before finance costs		97,975,206	17,929,413	48,525,452	90,690	164,520,761
Finance costs						
Distributions paid during the financial period	9	(2,098,072)	(33,042)	–	–	(2,131,114)
Bank interest expense		(2)	–	(168)	(1)	(171)
Withholding tax		(663,177)	(179,687)	(599,767)	(1,069)	(1,443,700)
Increase in net assets attributable to holders of redeemable participating shares from operations		95,213,955	17,716,684	47,925,517	89,620	160,945,776

The notes on pages 30 to 46 are an integral part of these financial statements.

Harding Loevner Funds plc

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

For the Financial Period Ended 31 December 2020

		Global Equity Fund Financial period ended 31 December 2020 USD	International Equity Fund Financial period ended 31 December 2020 USD	Emerging Markets Equity Fund Financial period ended 31 December 2020 USD	Global Small Companies Equity Fund Financial period ended 31 December 2020 USD	Total Financial period ended 31 December 2020 USD
	Notes					
Net assets attributable to holders of redeemable participating shares at the beginning of the financial period		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		244,449,706	47,541,646	125,046,734	352,263	417,390,349
Issue of redeemable participating shares during the financial period		45,446,507	6,102,491	75,612	–	51,624,610
Payments for shares redeemed during the financial period		(36,933,947)	(21,127,139)	(6,540,704)	–	(64,601,790)
Net increase/(decrease) from redeemable participating shares issued/redeemed during the financial period		8,512,560	(15,024,648)	(6,465,092)	–	(12,977,180)
Net assets attributable to holders of redeemable participating shares at the end of the financial period	15	1,251,660,225	221,449,113	487,411,773	1,552,079	1,962,073,190

Subscriptions and Redemptions between share classes on the same Fund are not included in the Statement of Changes in Net Assets.

The notes on pages 30 to 46 are an integral part of these financial statements.

Harding Loevner Funds plc

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

For the Financial Period Ended 31 December 2019

		Global Equity Fund Financial period ended 31 December 2019 USD	International Equity Fund Financial period ended 31 December 2019 USD	Emerging Markets Equity Fund Financial period ended 31 December 2019 USD	Global Small Companies Equity Fund Financial period ended 31 December 2019 USD	Total Financial period ended 31 December 2019 USD
	Notes					
Net assets attributable to holders of redeemable participating shares at the beginning of the financial period		996,748,798	239,275,905	609,649,565	1,118,872	1,846,793,140
Increase in net assets attributable to holders of redeemable participating shares from operations		95,213,955	17,716,684	47,925,517	89,620	160,945,776
Issue of redeemable participating shares during the financial period		53,803,297	42,081,531	18,880,537	–	114,765,365
Payments for shares redeemed during the financial period		(132,859,980)	(41,553,556)	(79,777,937)	–	(254,191,473)
Anti-dilution levy		–	–	(16,303)	–	(16,303)
Net (decrease)/increase from redeemable participating shares issued/redeemed during the financial period		(79,056,683)	527,975	(60,913,703)	–	(139,442,411)
Net assets attributable to holders of redeemable participating shares at the end of the financial period	15	1,012,906,070	257,520,564	596,661,379	1,208,492	1,868,296,505

Subscriptions and Redemptions between share classes on the same Fund are not included in the Statement of Changes in Net Assets.

The notes on pages 30 to 46 are an integral part of these financial statements.

Harding Loevner Funds plc

Unaudited Statement of Cash Flows

For the Financial Period Ended 31 December 2020

	Global Equity Fund Financial period ended 31 December 2020 USD	International Equity Fund Financial period ended 31 December 2020 USD	Emerging Markets Equity Fund Financial period ended 31 December 2020 USD	Global Small Companies Equity Fund Financial period ended 31 December 2020 USD	Total Financial period ended 31 December 2020 USD
Cash flows from operating activities					
Increase in net assets attributable to holders of redeemable participating shares from operations	244,449,706	47,541,646	125,046,734	352,263	417,390,349
Adjustment for:					
Net realised gain on financial assets at fair value through profit or loss	(93,644,991)	(6,187,376)	(14,699,797)	(23,266)	(114,555,430)
Net movement in unrealised gain on financial assets at fair value through profit or loss	(152,156,342)	(40,562,952)	(109,691,105)	(328,572)	(302,738,971)
Purchase of financial assets	(197,546,635)	(5,859,399)	(47,385,360)	(62,796)	(250,854,190)
Sale of financial assets	213,081,290	29,515,684	46,164,334	60,927	288,822,235
Dividends paid	1,036,557	16,768	–	–	1,053,325
Decrease/(increase) in receivables and other assets	2,223,504	12,172,767	2,173,969	(5,780)	16,564,460
(Decrease)/increase in creditors	(4,787,930)	(14,867,470)	5,023,751	(9,917)	(14,641,566)
Net cash flows provided by/(used in) operating activities	12,655,159	21,769,668	6,632,526	(17,141)	41,040,212
Cash flows from financing activities					
Proceeds from redeemable participating shares issued during the financial period	44,730,673	6,102,491	75,612	–	50,908,776
Payments for redeemable participating shares redeemed during the financial period	(36,921,301)	(21,127,139)	(6,539,398)	–	(64,587,838)
Dividends paid	(1,036,557)	(16,768)	–	–	(1,053,325)
Net cash flows provided by/(used in) financing activities	6,772,815	(15,041,416)	(6,463,786)	–	(14,732,387)
Net increase/(decrease) in cash and cash equivalents	19,427,974	6,728,252	168,740	(17,141)	26,307,825
Reconciliation of cash movement during the financial period					
Net cash and cash equivalents at the beginning of the financial period	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 period	37,455,064	9,632,151	13,722,543	17,543	60,827,301
Supplementary information					
Dividends received	3,002,468	1,293,942	4,157,593	6,046	8,460,049
Interest received	18,170	4,286	13,649	23	36,128
Interest paid	37	(8)	(7,512)	(1)	(7,484)

Subscriptions and Redemptions between shareclasses on the same Fund are not included in the Cashflow Statement.

The notes on pages 30 to 46 are an integral part of these financial statements.

Harding Loevner Funds plc

Unaudited Statement of Cash Flows

For the Financial Period Ended 31 December 2019

	Global Equity Fund Financial period ended 31 December 2019 USD	International Equity Fund Financial period ended 31 December 2019 USD	Emerging Markets Equity Fund Financial period ended 31 December 2019 USD	Global Small Companies Equity Fund Financial period ended 31 December 2019 USD	Total Financial period ended 31 December 2019 USD
Cash flows from operating activities					
Increase in net assets attributable to holders of redeemable participating shares from operations	95,213,955	17,716,684	47,925,517	89,620	160,945,776
Adjustment for:					
Net realised gain on financial assets at fair value through profit or loss	(59,409,362)	(5,328,271)	(11,779,677)	(28,624)	(76,545,934)
Net movement in unrealised gain on financial assets at fair value through profit or loss	(36,304,994)	(10,835,146)	(33,655,837)	(58,194)	(80,854,171)
Purchase of financial assets	(149,223,898)	(51,258,538)	(42,149,807)	(130,209)	(242,762,452)
Sale of financial assets	233,167,142	46,801,482	99,248,435	125,444	379,342,503
Dividends paid	2,098,072	33,042	–	–	2,131,114
Decrease/(increase) in receivables and other assets	1,961,814	81,883	1,397,310	(8,475)	3,432,532
(Decrease)/increase in creditors	(1,191,064)	431,850	913,923	36,943	191,652
Net cash flows provided by/(used in) operating activities	86,311,665	(2,357,014)	61,899,864	26,505	145,881,020
Cash flows from financing activities					
Proceeds from redeemable participating shares issued during the financial period	53,803,297	42,081,531	18,880,537	–	114,765,365
Payments for redeemable participating shares redeemed during the financial period	(132,859,980)	(41,553,556)	(79,794,240)	–	(254,207,776)
Dividends paid	(2,098,072)	(33,042)	–	–	(2,131,114)
Net cash flows (used in)/provided by financing activities	(81,154,755)	494,933	(60,913,703)	–	(141,573,525)
Net increase/(decrease) in cash and cash equivalents	5,156,910	(1,862,081)	986,161	26,505	4,307,495
Reconciliation of cash movement during the financial period					
Net cash and cash equivalents at the beginning of the financial period	40,633,643	7,708,263	16,741,085	18,345	65,101,336
Net cash and cash equivalents at the end of the financial period	45,790,553	5,846,182	17,727,246	44,850	69,408,831
Supplementary information					
Dividends received	4,166,248	2,110,197	7,853,098	7,146	14,136,689
Interest received	385,137	99,560	179,573	316	664,586
Interest paid	(103)	–	(160)	(1)	(264)

Subscriptions and Redemptions between shareclasses on the same Fund are not included in the Cashflow Statement.

The notes on pages 30 to 46 are an integral part of these financial statements.

Harding Loevner Funds plc

Unaudited Notes to Financial Statements

For the Financial Period Ended 31 December 2020

1. General Information

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

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

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

2. Significant Accounting Policies

Statement of Compliance and Basis of Preparation

The condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting ("IAS 34"), with the UCITS Regulations and the Central Bank UCITS Regulations. The condensed interim financial statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2020 which 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 and UCITS Regulations.

The accounting policies applied are consistent with those of the annual financial statements for the financial year ended 30 June 2020, as described in those financial statements.

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 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 2020. None of these have a material effect on the financial statements of the Company.

Transaction Costs

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

For the financial period ended 31 December 2020 the Company incurred transaction costs totaling USD 463,255 (financial period ended 31 December 2019: USD 558,447). The transaction costs include USD 309,894 (financial period ended 31 December 2019: USD 323,820) of commissions and USD 153,361 (financial period ended 31 December 2019: USD 234,626) of brokerage charges.

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

3. Operating Expenses

	Global Equity Fund 31 December 2020 USD	International Equity Fund 31 December 2020 USD	Emerging Markets Equity Fund 31 December 2020 USD	Global Small Companies Equity Fund 31 December 2020 USD	Total 31 December 2020 USD
Administration fee	179,922	51,419	73,771	42,345	347,457
Directors' fees	22,049	5,025	9,931	28	37,033
Audit fee	6,093	6,093	6,093	3,100	21,379
Transfer agent fee	21,951	10,971	10,573	7,486	50,981
Sub-custodian fee	50,733	18,723	57,338	939	127,733
Depository fee	100,982	27,142	54,124	4,537	186,785
Management fee	2,324,221	286,192	1,289,800	6,198	3,906,411
Capital gains tax provision	132,021	–	1,509,207	49	1,641,277
Legal fees	46,778	9,062	18,977	65	74,882
Professional fee	25,887	4,310	8,897	490	39,584
Registration and filing fee	17,473	1,928	15,765	4,088	39,254
Other fees	26,207	6,127	15,601	147	48,082
Total	2,954,317	426,992	3,070,077	69,472	6,520,858

	Global Equity Fund 31 December 2019 USD	International Equity Fund 31 December 2019 USD	Emerging Markets Equity Fund 31 December 2019 USD	Global Small Companies Equity Fund 31 December 2019 USD	Total 31 December 2019 USD
Administration fee	167,716	51,836	97,165	42,233	358,950
Directors' fees	11,847	3,246	7,016	–	22,109
Audit fee	5,681	5,681	5,681	5,681	22,724
Transfer agent fee	20,896	11,165	12,788	8,673	53,522
Sub-custodian fee	58,985	22,172	108,356	3,717	193,230
Depository fee	95,299	34,903	66,812	4,526	201,540
Management fee	2,063,724	285,123	2,418,001	5,229	4,772,077
Capital gains tax provision	–	–	1,022,852	–	1,022,852
Legal fees	26,669	6,460	14,159	26	47,314
Professional fee	20,791	5,233	11,298	12	37,334
Registration and filing fee	20,264	2,522	20,418	11,674	54,878
Other fees	22,396	7,910	16,494	507	47,307
Total	2,514,268	436,251	3,801,040	82,277	6,833,837

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's fees have been waived. The fees for the financial period ended 31 December 2020 were USD 37,033 (financial period ended 31 December 2019: USD 22,109). The amount payable as at 31 December 2020 was USD 3,016 (30 June 2020: 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 7,000 per sub-fund (up to 2 classes of shares) plus a minimum monthly fee of USD 750 per additional share class.

The Administrator shall be entitled to receive out of the net assets of each sub-fund an annual fee, accrued and calculated at each Valuation Point and payable monthly in arrears at an annual rate which will not exceed 0.05% of the Net Asset Value of the sub-fund, plus value added tax, if any, subject to a monthly minimum fee per sub-fund of USD 7,000. For its Transfer Agency services, the Administrator shall be entitled to receive out of the net assets of each sub-fund an annual base fee of USD 15,000 per sub-fund. For the provision of services in respect of German tax filings, the Administrator shall be entitled to receive out of the net assets of each sub-fund requiring such services an annual fee of EUR 15,000. The Administrator is entitled to be repaid all of its properly vouched out-of-pocket expenses out of the assets of the sub-funds plus value added tax, if any.

The Administration fee for the Company for the financial period ended 31 December 2020 was USD 347,457 (financial period ended 31 December 2019: USD 358,950). The amount payable at 31 December 2020 was USD 62,139 (30 June 2020: USD 104,037).

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

3. Operating Expenses (Continued)

Administration Fee (continued)

The Northern Trust Company, London Branch ("TNTC") provides KIID services to the Company. Fees of USD 4,573 (financial period ended 31 December 2019: USD 7,698) were charged by TNTC during the financial period and USD 4,043 (30 June 2020: USD 6,729) was payable at 31 December 2020.

Depository Fee

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

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

The Depository fee for the financial period ended 31 December 2020 was USD 314,518 (financial period ended 31 December 2019: USD 394,770). The amount payable at 31 December 2020 was USD 57,767 (30 June 2020: USD 106,500).

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 750 million plus vat if any.
- 0.75% for the International Equity Fund Class A shares and 1.00% for the Class B shares
- 0.80% for the Emerging Markets Equity Fund Class I shares, 1.00% for the Class A shares, 1.35% for the Class B shares and 0.95% for the Class M shares; and
- 0.90% for the Global Small Companies Equity Fund Class A shares.

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

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

The Investment Manager is also entitled to be reimbursed out of the assets of the sub-funds for its reasonable out-of-pocket costs and expenses incurred in the performance of its duties. The Management fees for the financial period ended 31 December 2020 for the Company was USD 3,906,411 (financial period ended 31 December 2019: USD 4,772,077). The amount payable as at 31 December 2020 was USD 602,471 (30 June 2020: USD 667,947).

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, 0.62% (as of 31 December 2020; Management fees of 0.53% based on the fee tiers outlined in the section above and 0.09% of operating expenses) for the USD Class S1, 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 Shares;
- 0.90% for the Emerging Markets Equity Fund Class I shares, 1.05% for the Class M shares, 1.10% for the Class A shares, 0.10% for the Class S shares and 1.50% for the Class B shares;
- 1.05% for the Global Small Companies Equity Fund Class A Shares.

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

4. Financial Assets at Fair Value Through Profit or Loss

	Global Equity Fund 31 December 2020 USD	International Equity Fund 31 December 2020 USD	Emerging Markets Equity Fund 31 December 2020 USD	Global Small Companies Equity Fund 31 December 2020 USD	Total 31 December 2020 USD
Equity and equity related instruments					
At cost	784,743,572	146,565,911	336,811,424	1,064,548	1,269,185,455
Unrealised gain on financial assets at fair value through profit or loss	428,525,721	65,283,759	141,117,767	481,992	635,409,239
	1,213,269,293	211,849,670	477,929,191	1,546,540	1,904,594,694

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

5. Cash and Cash Equivalents

	Global Equity Fund 31 December 2020 USD	International Equity Fund 31 December 2020 USD	Emerging Markets Equity Fund 31 December 2020 USD	Global Small Companies Equity Fund 31 December 2020 USD	Total 31 December 2020 USD
Cash held at custodian bank	37,455,064	9,632,151	13,722,543	17,543	60,827,301
	37,455,064	9,632,151	13,722,543	17,543	60,827,301

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

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

6. Receivables

	Global Equity Fund 31 December 2020 USD	International Equity Fund 31 December 2020 USD	Emerging Markets Equity Fund 31 December 2020 USD	Global Small Companies Equity Fund 31 December 2020 USD	Total 31 December 2020 USD
Dividends receivable	398,143	250,384	795,320	645	1,444,492
Interest receivable	91	389	345	–	825
Amounts receivable on securities sold	685,219	–	1,220,441	–	1,905,660
Amounts receivable on shares issued	715,834	–	–	–	715,834
Other assets	21,624	5,579	15,939	11,469	54,611
	1,820,911	256,352	2,032,045	12,114	4,121,422

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

6. Receivables (Continued)

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

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 31 December 2020 and 30 June 2020, 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 31 December 2020 USD	International Equity Fund 31 December 2020 USD	Emerging Markets Equity Fund 31 December 2020 USD	Global Small Companies Equity Fund 31 December 2020 USD	Total 31 December 2020 USD
Amounts payable on securities purchased	185,331	155,813	3,795,812	—	4,136,956
Amounts payable on capital shares redeemed	12,646	—	1,306	—	13,952
Management fee payable	432,810	51,834	116,675	1,152	602,471
Administration fee payable	32,327	8,663	14,015	7,134	62,139
Depositary fee payable	20,931	11,022	23,612	2,202	57,767
Capital gains tax provision	132,021	—	2,155,494	49	2,287,564
Other accrued expenses	68,977	61,728	165,092	13,581	309,378
	885,043	289,060	6,272,006	24,118	7,470,227

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

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

9. Distributions to Redeemable Participating Shareholders

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

During the financial period ended 31 December 2020 the Directors declared dividends totaling USD 1,053,325 (financial period ended 31 December 2019: USD 2,131,114).

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.

Global Equity Fund

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

Share class	Initial offer price	Minimum initial investment	Minimum additional investment
US Dollar Class A	USD 1.000	USD 1,000,000	USD 100
Euro Class A	EUR 1.000	USD 1,000,000 or currency equivalent	EUR 100
Sterling Class A	GBP 1.000	USD 1,000,000 or currency equivalent	GBP 100
US Dollar Class B	USD 1.000	USD 100	USD 100
Sterling Class B	GBP 1.000	USD 100 or currency equivalent	GBP 100
US Dollar Class D	USD 1.000	USD 100	USD 100
Euro Class M	EUR 1.000	USD 50,000,000 or currency equivalent	EUR 100
Sterling Class M	GBP 1.000	USD 50,000,000 or currency equivalent	GBP 100
US Dollar Class S	USD 1.000	USD 20,000,000	USD 100
Euro Class S	EUR 1.000	USD 20,000,000 or currency equivalent	EUR 100
Sterling Class S	GBP 1.000	USD 20,000,000 or currency equivalent	GBP 100
Canadian Dollar Class S	CAD 1.000	USD 20,000,000 or currency equivalent	EUR 100
US Dollar Class S1	USD 1.000	USD 30,000,000	USD 100

International Equity Fund

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

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

Emerging Markets Equity Fund

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

Share class	Initial offer price	Minimum initial investment	Minimum additional investment
US Dollar Class A	USD 1.000	USD 1,000,000	USD 100
US Dollar Class B	USD 1.000	USD 100	USD 100
Canadian Dollar Class B	CAD 1.000	USD 100 or currency equivalent	CAD 100
Canadian Dollar Class I	CAD 1.000	USD 100,000,000 or currency equivalent	CAD 100
Euro Class I	EUR 1.000	USD 100,000,000 or currency equivalent	EUR 100
US Dollar Class I	USD 1.000	USD 100,000,000	USD 100
US Dollar Class M	USD 1.000	USD 50,000,000	USD 100
Canadian Dollar Class M	CAD 1.000	USD 50,000,000 or currency equivalent	CAD 100
Canadian Dollar Class S	CAD 1.000	USD 20,000,000 or currency equivalent	CAD 100

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

10. Redeemable Participating Shares (Continued)

Frontier Markets Equity Fund

As at 31 December 2020 there were no share classes in issue in the Frontier Emerging Markets Equity Fund.

Global Small Companies Equity Fund

The Global Small Companies Equity Fund issued the following redeemable participating shares during the financial period:

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 Equity Fund

	Opening shares	Shares issued during the financial period	Shares redeemed during the financial period	Closing shares
31 December 2020				
US Dollar Class A	35,066,441.702	589,311.893	(739,104.466)	34,916,649.129
Euro Class A	58,379,745.983	9,196,598.624	(3,791,356.671)	63,784,987.936
Sterling Class A	21,384,373.318	5,853,218.030	(422,758.454)	26,814,832.894
Sterling Class B	99,000.000	—	—	99,000.000
US Dollar Class B	2,357,989.165	1,859,766.012	(313,470.488)	3,904,284.689
US Dollar Class D	375,318.483	54,474.708	—	429,793.191
US Dollar Class S1	143,126,067.259	—	—	143,126,067.259
Euro Class M	37,605,562.688	—	—	37,605,562.688
Euro Class S	41,476,628.681	—	(14,695,609.573)	26,781,019.108
Sterling Class S	162,510,630.091	392,443.014	—	162,903,073.105
Singapore Dollar Class M	69,491,829.620	—	—	69,491,829.620
Canadian Dollar Class S	35,500,000.000	—	—	35,500,000.000
US Dollar Class S	44,034,323.011	—	(128,413.889)	43,905,909.122
30 June 2020				
US Dollar Class A	31,288,577.157	4,675,774.177	(897,909.632)	35,066,441.702
Euro Class A	47,720,263.794	16,747,644.724	(6,088,162.535)	58,379,745.983
Sterling Class A	50,439,870.474	7,703,893.592	(36,759,390.748)	21,384,373.318
Sterling Class B	99,000.000	—	—	99,000.000
US Dollar Class B	1,265,065.414	3,520,971.054	(2,428,047.303)	2,357,989.165
US Dollar Class D	470,500.513	172,937.861	(268,119.891)	375,318.483
US Dollar Class S1	156,725,341.964	—	(13,599,274.705)	143,126,067.259
Euro Class M	61,072,803.997	—	(23,467,241.309)	37,605,562.688
Euro Class S	52,523,826.776	3,846,154.000	(14,893,352.095)	41,476,628.681
Sterling Class S	202,788,813.837	1,079,702.700	(41,357,886.446)	162,510,630.091
Singapore Dollar Class M	69,491,829.620	—	—	69,491,829.620
Canadian Dollar Class S	—	35,500,000.000	—	35,500,000.000
US Dollar Class S	49,952,866.483	1,342,682.094	(7,261,225.566)	44,034,323.011

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

10. Redeemable Participating Shares (Continued)

International Equity Fund

	Opening shares	Shares issued during the financial period	Shares redeemed during the financial period	Closing shares
31 December 2020				
US Dollar Class A	44,421,112.392	2,682,697.250	(8,299,491.253)	38,804,318.389
US Dollar Class S	99,094,946.145	–	(4,139,407.785)	94,955,538.360
Sterling Class A	1,036,062.413	512,809.115	(112,612.613)	1,436,258.915
US Dollar Class B	6,647,384.162	397,161.844	(1,916,325.234)	5,128,220.772
30 June 2020				
US Dollar Class A	51,051,340.518	8,609,723.177	(15,239,951.303)	44,421,112.392
US Dollar Class S	137,582,470.500	49,403,240.480	(87,890,764.835)	99,094,946.145
Sterling Class A	1,611,803.998	20,205.972	(595,947.557)	1,036,062.413
US Dollar Class B	8,082,301.077	863,727.109	(2,298,644.024)	6,647,384.162

Emerging Markets Equity Fund

	Opening shares	Shares issued during the financial period	Shares redeemed during the financial period	Closing shares
31 December 2020				
US Dollar Class A	10,601,892.194	–	(3,065,631.776)	7,536,260.418
US Dollar Class B	4,669,639.937	26,577.135	(1,764,084.300)	2,932,132.772
US Dollar Class I	98,817,574.656	–	–	98,817,574.656
Canadian Dollar Class B	500,000.000	–	–	500,000.000
Canadian Dollar Class I	145,824,614.180	–	(145,824,614.180)	–
Canadian Dollar Class M	72,215,000.000	–	(72,215,000.000)	–
Canadian Dollar Class S*	–	349,575,881.190	–	349,575,881.190

*Launched on 7 October 2020

Subscriptions and Redemptions between share classes are included here.

30 June 2020				
US Dollar Class A	39,271,363.180	2,761,741.432	(31,431,212.418)	10,601,892.194
US Dollar Class B	5,150,068.344	475,281.402	(955,709.809)	4,669,639.937
US Dollar Class I	98,817,574.656	–	–	98,817,574.656
Euro Class I	81,140,182.086	–	(81,140,182.086)	–
Canadian Dollar Class B	–	500,000.000	–	500,000.000
Canadian Dollar Class I	132,640,698.557	13,183,915.623	–	145,824,614.180
Sterling Class M	52,485,751.570	–	(52,485,751.570)	–
Canadian Dollar Class M	72,215,000.000	–	–	72,215,000.000

Global Small Companies Equity Fund

	Opening shares	Shares issued during the financial period	Shares redeemed during the financial period	Closing shares
31 December 2020				
US Dollar Class A	1,000,000.000	–	–	1,000,000.000
30 June 2020				
US Dollar Class A	1,000,000.000	–	–	1,000,000.000

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

10. Redeemable Participating Shares (Continued)

Global Small Companies Equity Fund (continued)

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

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 period.

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

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

Mike Kirby is the Managing Principal of KB Associates, who provide consulting services to the Company. Fees of USD 16,373 (31 December 2019: USD 13,565) were paid to KB Associates during the financial period and USD 26,006 (30 June 2020: USD 15,196) was payable at 31 December 2020.

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

The amounts earned by the Directors and the Investment Manager are disclosed in Note 3 on pages 27 to 28. The amount owing to the Directors and the investment manager are disclosed in Note 3 on pages 27 to 28.

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 financial period, 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 financial period, companies related to the Depositary were also selected by the Investment Manager on behalf of the Company to execute foreign currency spot transactions and to accept deposits. All of the above transactions were carried out as if negotiated at arms length.

13. Financial Instruments and Associated Risks

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;

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

13. Financial Instruments and Associated Risks (Continued)

Valuation of Financial Instruments (continued)

- 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.

The following table analyses within the fair value hierarchy each sub-fund's financial assets measured at fair value as at 31 December 2020 and 30 June 2020.

Global Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2020				
Equities	1,213,269,293	–	–	1,213,269,293
	1,213,269,293	–	–	1,213,269,293

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2020				
Equities	983,002,615	–	–	983,002,615
	983,002,615	–	–	983,002,615

International Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2020				
Equities	211,849,670	–	–	211,849,670
	211,849,670	–	–	211,849,670

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2020				
Equities	188,755,627	–	–	188,755,627
	188,755,627	–	–	188,755,627

Emerging Markets Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2020				
Equities	477,929,191	–	–	477,929,191
	477,929,191	–	–	477,929,191

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2020				
Equities	352,317,263	–	–	352,317,263
	352,317,263	–	–	352,317,263

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

13. Financial Instruments and Associated Risks (Continued)

Valuation of Financial Instruments (continued)

Frontier Emerging Markets Equity Fund

There were no investments held as at 31 December 2020 and 30 June 2020 for the Frontier Emerging Markets Equity Fund.

Global Small Companies Equity Fund

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 December 2020				
Equities	1,546,540	–	–	1,546,540
	1,546,540	–	–	1,546,540
30 June 2020				
Equities	1,192,833	–	–	1,192,833
	1,192,833	–	–	1,192,833

There were no transfers between levels during the financial period ended 31 December 2020 and 30 June 2020. At the 31 December 2020 and 30 June 2020, cash and cash equivalents are considered to be classified as Level 1 within the fair value hierarchy. All other financial assets and liabilities, other than investments at fair value whose carrying amounts approximate to fair value have been considered to be classified within Level 2 of the fair value hierarchy.

14. Net Asset Value per Redeemable Participating Share

Global Equity Fund

Net assets attributable to holders of redeemable participating shares	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 106,830,362	USD 86,381,348	USD 67,487,737
Euro Class A	EUR 159,571,262	EUR 127,860,680	EUR 90,419,093
Euro Class A USD equivalent	USD 194,940,866	USD 143,651,466	USD 102,815,554
Sterling Class A	GBP 59,771,162	GBP 42,353,650	GBP 85,617,562
Sterling Class A USD equivalent	USD 81,737,057	USD 52,480,331	USD 108,730,033
Sterling Class B	GBP 133,691	GBP 118,963	GBP 102,025
Sterling Class B USD equivalent	USD 182,822	USD 147,408	USD 129,567
US Dollar Class B	USD 5,524,423	USD 2,690,156	USD 1,266,879
US Dollar Class D	USD 615,048	USD 434,121	USD 480,325
US Dollar Class S1	USD 201,378,965	USD 161,988,461	USD 155,005,715
Euro Class M	EUR 53,964,665	EUR 47,232,360	EUR 66,321,832
Euro Class M USD equivalent	USD 65,925,937	USD 53,065,560	USD 75,414,557
Euro Class S	EUR 37,413,362	EUR 50,552,783	EUR 54,964,458
Euro Class S USD equivalent	USD 45,706,037	USD 56,796,055	USD 62,500,087
Sterling Class S	GBP 242,801,014	GBP 215,232,747	GBP 230,142,137
Sterling Class S USD equivalent	USD 332,030,398	USD 266,694,918	USD 292,269,036
Singapore Dollar Class M	SGD 142,517,617	SGD 120,965,939	SGD 102,782,293
Singapore Dollar Class M USD equivalent	USD 107,837,180	USD 86,801,047	USD 75,966,218
Canadian Dollar Class S	CAD 50,932,789	CAD 43,579,382	–
Canadian Dollar Class S USD equivalent	USD 40,013,189	USD 32,100,311	–

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

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

Global Equity Fund (Continued)

Net assets attributable to holders of redeemable participating shares	31 December 2020	30 June 2020	30 June 2019
US Dollar Class S	USD 68,937,941	USD 55,466,777	USD 54,683,090
Net Asset Value per redeemable participating share	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 3.060	USD 2.463	USD 2.157
Euro Class A	EUR 2.502	EUR 2.190	EUR 1.895
Euro Class A USD equivalent	USD 3.056	USD 2.462	USD 2.155
Sterling Class A	GBP 2.229	GBP 1.981	GBP 1.697
Sterling Class A USD equivalent	USD 3.048	USD 2.455	USD 2.156
Sterling Class B	GBP 1.350	GBP 1.202	GBP 1.031
Sterling Class B USD equivalent	USD 1.847	USD 1.489	USD 1.309
US Dollar Class B	USD 1.415	USD 1.141	USD 1.001
US Dollar Class D	USD 1.431	USD 1.157	USD 1.021
US Dollar Class S1	USD 1.407	USD 1.132	USD 0.989
Euro Class M	EUR 1.435	EUR 1.256	EUR 1.086
Euro Class M USD equivalent	USD 1.753	USD 1.411	USD 1.235
Euro Class S	EUR 1.397	EUR 1.219	EUR 1.046
Euro Class S USD equivalent	USD 1.707	USD 1.369	USD 1.190
Sterling Class S	GBP 1.490	GBP 1.324	GBP 1.135
Sterling Class S USD equivalent	USD 2.038	USD 1.641	USD 1.441
Singapore Dollar Class M	SGD 2.051	SGD 1.741	SGD 1.479
Singapore Dollar Class M USD equivalent	USD 1.552	USD 1.249	USD 1.093
Canadian Dollar Class S	CAD 1.435	CAD 1.228	–
Canadian Dollar Class S USD equivalent	USD 1.127	USD 0.904	–
US Dollar Class S	USD 1.570	USD 1.260	USD 1.095

International Equity Fund

Net assets attributable to holders of redeemable participating shares	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 68,190,441	USD 61,853,345	USD 69,385,905
US Dollar Class S	USD 140,366,273	USD 115,604,585	USD 155,424,540
Sterling Class A	GBP 2,879,930	GBP 1,829,019	GBP 2,763,763
Sterling Class A USD equivalent	USD 3,938,305	USD 2,266,337	USD 3,509,842
US Dollar Class B	USD 8,954,094	USD 9,207,847	USD 10,955,618

Net Asset Value per redeemable participating share	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 1.757	USD 1.392	USD 1.359
US Dollar Class S	USD 1.478	USD 1.167	USD 1.130
Sterling Class A	GBP 2.005	GBP 1.765	GBP 1.715
Sterling Class A USD equivalent	USD 2.742	USD 2.188	USD 2.178
US Dollar Class B	USD 1.746	USD 1.385	USD 1.356

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

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

Emerging Markets Equity Fund

Net assets attributable to holders of redeemable participating shares	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 12,567,863	USD 13,198,733	USD 11,724,616
US Dollar Class B	USD 4,303,904	USD 5,125,672	USD 6,195,701
US Dollar Class I	USD 153,618,495	USD 114,545,557	USD 124,804,012
Euro Class I	–	–	EUR 94,112,972
Euro Class I USD equivalent	–	–	USD 107,015,864
Canadian Dollar Class B	CAD 592,903	CAD 472,891	–
Canadian Dollar Class B USD equivalent	USD 465,789	USD 348,328	–
Canadian Dollar Class I	–	CAD 222,193,885	CAD 212,406,426
Canadian Dollar Class I USD equivalent	–	USD 163,666,680	USD 162,198,027
Sterling Class M	–	–	GBP 61,011,719
Sterling Class M USD equivalent	–	–	USD 77,481,840
Canadian Dollar Class M	–	CAD 97,672,750	CAD 102,808,567
Canadian Dollar Class M USD equivalent	–	USD 71,945,161	USD 78,506,790
Canadian Dollar Class S	CAD 402,816,487	–	–
Canadian Dollar Class S USD equivalent	USD 316,455,721	–	–

Net Asset Value per redeemable participating share	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 1.668	USD 1.245	USD 1.361
US Dollar Class B	USD 1.468	USD 1.098	USD 1.203
US Dollar Class I	USD 1.555	USD 1.159	USD 1.263
Euro Class I	–	–	EUR 1.160
Euro Class I USD equivalent	–	–	USD 1.319
Canadian Dollar Class B	CAD 1.186	CAD 0.946	–
Canadian Dollar Class B USD equivalent	USD 0.932	USD 0.697	–
Canadian Dollar Class I	–	CAD 1.524	CAD 1.601
Canadian Dollar Class I USD equivalent	–	USD 1.122	USD 1.223
Sterling Class M	–	–	GBP 1.162
Sterling Class M USD equivalent	–	–	USD 1.476
Canadian Dollar Class M	–	CAD 1.353	CAD 1.424
Canadian Dollar Class M USD equivalent	–	USD 0.996	USD 1.087
Canadian Dollar Class S	CAD 1.152	–	–
Canadian Dollar Class S USD equivalent	USD 0.905	–	–

No shares were held in the Frontier Emerging Markets Equity Fund as at 31 December 2020, 30 June 2020 and 30 June 2019.

Global Small Companies Equity Fund

Net assets attributable to holders of redeemable participating shares	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 1,552,079	USD 1,217,828	USD 1,118,872
Net Asset Value per redeemable participating share	31 December 2020	30 June 2020	30 June 2019
US Dollar Class A	USD 1.522	USD 1.218	USD 1.119

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

15. Reconciliation of Net Asset Value

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

There was no reconciliation of net asset value as at 31 December 2020 and 30 June 2020 for the Emerging Markets Equity Fund.

Global Equity Fund

	31 December 2020 USD	30 June 2020 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	1,251,660,225	998,697,959
Reconciling Net Subscriptions/Redemptions	(603,188)	(82,926)
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>1,251,057,037</u>	<u>998,615,033</u>
Net Asset Value per redeemable participating share at dealing prices		
Euro Class A	EUR 2.502	EUR 2.462
Sterling Class A	GBP 2.229	GBP 2.455
US Dollar Class B	USD 1.415	–

International Equity Fund

	31 December 2020 USD	30 June 2020 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	221,449,113	188,932,115
Reconciling Redemption Payable received on 30 June	–	10,000,000
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>221,449,113</u>	<u>198,932,115</u>
Net Asset Value per redeemable participating share at dealing prices		
US Dollar Class S	USD 1.478	USD 1.167

At 31 December 2020 and 30 June 2020, an adjustment was required with respect to the Financial Statements of the Global Equity Fund and at 30 June 2020 for the International Equity Fund to reconcile to transfer agency records. This adjustment was made for the purposes of the Financial Statements only.

Global Small Companies Equity Fund

	31 December 2020 USD	30 June 2020 USD
Net Asset Value attributable to redeemable participating shareholders per financial statements	1,552,079	1,199,816
Preliminary expenses	15,346	18,012
Net Asset Value attributable to redeemable participating shareholders per offering memorandum	<u>1,567,425</u>	<u>1,217,828</u>
Net Asset Value per redeemable participating share at dealing prices		
US Dollar Class A	USD 1.522	USD 1.218

At 31 December 2020 and 30 June 2020, an adjustment was required with respect to the Financial Statements of Global Small Companies Equity Fund. The adjustment reflected the difference in accounting treatment of establishment expenses between the Prospectus and IFRS. The Prospectus requires establishment expenses to be amortised over the first 60 months or such other period as the Directors may determine. IFRS requires establishment costs to be expensed as incurred. This adjustment was made for the purposes of the Financial Statements only.

Harding Loevner Funds plc

Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

16. Exchange Rates

The following exchange rates (against the USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD as at 31 December 2020 and 30 June 2020:

		31 December 2020	30 June 2020
AED	UAE Dirham	3.6732	3.6732
AUD	Australian Dollar	1.2959	1.4524
BDT	Bangladesh Taka	84.7500	84.8500
BRL	Brazilian Real	5.1942	5.4908
CAD	Canadian Dollar	1.2740	1.3620
CHF	Swiss Franc	0.8840	0.9476
CLP	Chilean Peso	710.5000	820.6000
CNH	Chinese Renminbi	6.4967	7.0678
CNY	Chinese Yuan	6.5398	7.0741
COP	Colombian Peso	3,420.5000	3,739.2800
CZK	Czech Republic Koruna	21.4638	23.7213
DKK	Danish Krone	6.0835	6.6360
EEK	Estonian Kroon	12.7879	13.9310
EGP	Egyptian Pound	15.7300	16.1400
EUR	Euro	0.8173	0.8904
GBP	British Sterling Pound	0.7316	0.8093
GHS	Ghanian Cedi	5.8650	5.7850
HKD	Hong Kong Dollar	7.7539	7.7505
HRK	Croatian Kuna	6.1689	6.7404
HUF	Hungarian Forint	296.4203	315.5768
IDR	Indonesian Rupiah	14,050.0000	14,285.0000
INR	Indian Rupee	73.0675	75.5038
JOD	Jordanian Dinar	0.7090	0.7090
JPY	Japanese Yen	103.2450	107.8850
KES	Kenyan Shilling	109.2000	106.5500
KRW	South Korean won	1,086.3000	1,202.8500
KZT	Kazakhstan Tenge	421.1400	405.7300
LKR	Sri Lankan Rupee	185.2500	186.2250
MAD	Moroccan Dirham	8.9042	9.7095
MUR	Mauritian Rupee	39.7000	40.2750
MXN	Mexican Nuevo Peso	19.9255	23.1070
MYR	Malaysian Ringgit	4.0225	4.2850
NGN	Nigerian Naira	394.7500	386.5800
PEN	Peruvian Nuevo Sol	3.6173	3.5355
PHP	Philippine Peso	48.0235	49.8250
PKR	Pakistani Rupee	159.8000	167.9000
PLN	Polish Zloty	3.7260	3.9557
QAR	Qatari Rial	3.6410	3.6410
RON	Romanian Leu	3.9782	4.3091
RUB	Russian Rouble	73.9644	71.2544
SAR	Saudi Arabia Riyal	3.7516	3.7510
SEK	Swedish Krona	8.2126	9.3167
SGD	Singapore Dollar	1.3217	1.3951
THB	Thai Baht	29.9600	30.9075
TRY	Turkish Lira	7.4325	6.8548
TTD	Trinidad & Tobago Dollar	6.7458	6.7413
TWD	Taiwan Dollar	28.0980	29.5045
TZS	Tanzanian Shilling	2,319.0000	2,318.0000
VND	Vietnamese Dong	23,082.5000	23,206.0000
XOF	West African CFA Franc	536.1097	584.0333
ZAR	South African Rand	14.6888	17.3750

17. Soft Commissions

The Investment Manager may place trades on behalf of the Company with brokers that will, from time to time, provide or procure research products, specialised software or related services that assist the investment manager in the provision of investment services to its clients, including the Company, provided that each broker has agreed to provide best execution with respect to such trades. The Investment Manager's use of soft commissions falls within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934. Where a product or service provides both eligible and non-eligible assistance, the Investment Manager will make a reasonable allocation of the cost that may be paid for with soft commissions. There were no soft commissions during the period ended 31 December 2020 or 31 December 2019.

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

18. Contingent Liabilities

There were no contingent liabilities as at 31 December 2020 or 30 June 2020.

19. Significant Events During the Financial Period

During the financial period ended 31 December 2020, the Global Equity Fund distributed the following net income:

A distribution of 0.005009537 per share on the Sterling Class S shares, with a total value of GBP 814,103, for the financial period ended 31 December 2020. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

During the financial period ended 31 December 2020, the International Equity Fund distributed the following net income:

A distribution of 0.012711116 per share on the Sterling Class A shares, with a total value of GBP 13,170, for the financial period ended 31 December 2020. This distribution was declared on 21 July 2020 with a record date of 20 July 2020, an ex-date of 21 July 2020 and a pay date of 24 July 2020.

Effective 1 July 2020 on the Global Equity Fund the expense caps were reduced to, 0.70% for Class I shares, 0.75% for the Class M shares, 0.80% for the Class A shares, 1.10% for the Class B shares, 10 bps of operating expenses excluding Management fees for the USD Class S1 and 0.10% and for Class S shares.

On 7 October 2020, the Canadian Dollar Class S shares for Emerging Market Equity Fund were first issued.

On 7 October 2020, the Canadian Dollar Class I shares for Emerging Markets Equity Fund liquidated.

On 9 November 2020, the Canadian Dollar Class M shares for Emerging Markets Equity Fund liquidated.

Effective 30 September 2020 on the Emerging Markets Fund the Management fees for Class A Shares were reduced from 1.10% to 1.00%.

On 30 September 2020 the Prospectus and Supplement in respect of the Fund of the Company were updated. This update also allowed for electronic dealing.

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

There have been no other significant events to report during the financial period ended 31 December 2020.

20. Significant Events After the Reporting Date

During the financial period ended 31 December 2020, the Global Equity Fund distributed the following net income:

A distribution of 0.0024287497 per share on the Sterling Class S shares, with a total value of GBP 395,651, for the financial period ended 31 December 2020. This distribution was declared on 19 January 2021 with a record date of 15 January 2021, an ex-date of 19 January 2021 and a pay date of 22 January 2021.

During the financial period ended 31 December 2020, the International Equity Fund distributed the following net income:

A distribution of 0.001825455 per share on the Sterling Class A shares, with a total value of GBP 3,266, for the financial period ended 31 December 2020. This distribution was declared on 19 January 2021 with a record date of 15 January 2021, an ex-date of 19 January 2021 and a pay date of 22 January 2021.

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 period-end.

There have been no other material events to report subsequent to the financial period ended 31 December 2020.

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Unaudited Notes to Financial Statements (Continued)

For the Financial Period Ended 31 December 2020

21. Approval of the Financial Statements

The financial statements were approved and authorised for issue on 24 February 2021.

Harding Loevner Funds plc

Unaudited Financial Information

For the Financial Period Ended 31 December 2020

Global Equity Fund

For the Financial Period Ended 31 December 2020

Total Expenses Ratio	US Dollar Class A 31 December 2020 USD	US Dollar Class B 31 December 2020 USD	US Dollar Class D 31 December 2020 USD	Euro Class A 31 December 2020 USD	Euro Class M 31 December 2020 USD	Sterling Class A 31 December 2020 USD	Euro Class S 31 December 2020 USD
Expenses	390,626	18,327	4,143	692,550	224,438	264,718	23,857
Average net assets	96,860,387	3,347,005	518,106	171,726,060	59,362,262	65,640,075	55,142,554
Total Expense Ratio (*,**)	0.80%	1.09%	1.59%	0.80%	0.75%	0.80%	0.09%

	Canadian Dollar Class S 31 December 2020 USD	Singapore Dollar Class M 31 December 2020 USD	US Dollar Class S 31 December 2020 USD	Sterling Class S 31 December 2020 USD	US Dollar Class S1 31 December 2020 USD	Sterling Class B 31 December 2020 USD
Expenses	15,609	367,121	26,907	129,465	565,448	902
Average net assets	35,970,480	97,100,766	62,038,500	298,500,127	181,270,690	164,759
Total Expense Ratio (*,**)	0.09%	0.75%	0.09%	0.09%	0.62%	1.09%

Portfolio Turnover Ratio

Purchases and sales of securities (i)

Subscription and redemption of shares (ii) ***

Monthly average of total assets (iii)

Portfolio Turnover Ratio

Total
410,627,925
82,380,454
1,127,641,773
29%

* The Total Expense Ratios for Global Equity Fund include Management fee rebates of USD 89,218 (31 December 2019: USD Nil).

** 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

Unaudited Financial Information (Continued)

For the Financial Period Ended 31 December 2020

Global Equity Fund

For the Financial Period Ended 31 December 2019

Total Expenses Ratio	US Dollar Class A 31 December 2019 USD	US Dollar Class B 31 December 2019 USD	US Dollar Class D 31 December 2019 USD	Euro Class A 31 December 2019 USD	Euro Class M 31 December 2019 USD	Sterling Class A 31 December 2019 USD	Euro Class S 31 December 2019 USD
Expenses	299,918	9,819	3,439	459,648	303,950	435,125	28,447
Average net assets	70,641,999	1,779,674	426,826	108,264,333	76,153,103	102,519,758	65,618,166
Total Expense Ratio (*,**)	0.84%	1.09%	1.59%	0.84%	0.79%	0.84%	0.09%

	Canadian Dollar Class S*** 31 December 2019 USD	Singapore Dollar Class M 31 December 2019 USD	US Dollar Class S 31 December 2019 USD	Sterling Class S 31 December 2019 USD	US Dollar Class S1 31 December 2019 USD	Sterling Class B 31 December 2019 USD
Expenses	8,700	306,173	22,557	126,125	502,266	721
Average net assets	28,465,558	76,710,166	52,006,882	290,882,355	156,584,666	130,662
Total Expense Ratio (*,**)	0.09%	0.79%	0.09%	0.09%	0.63%	1.09%

Portfolio Turnover Ratio

Purchases and sales of securities (i)

Subscription and redemption of shares (ii) **

Monthly average of total assets (iii)

Portfolio Turnover Ratio

Total
382,391,040
186,663,277
1,030,184,147
19%

* The Total Expense Ratio is annualised.

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

***Canadian Dollar Class S launched on 23 August 2019

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

Unaudited Financial Information (Continued)

For the Financial Period Ended 31 December 2020

International Equity Fund

For the Financial Period Ended 31 December 2020

Total Expenses Ratio	US Dollar Class A 31 December 2020 USD	US Dollar Class B 31 December 2020 USD	Sterling Class A 31 December 2020 USD	US Dollar Class S 31 December 2020 USD
Expenses	270,449	54,650	11,599	63,966
Average net assets	60,407,500	9,521,625	2,592,761	126,889,319
Total Expense Ratio (*,**)	0.89%	1.14%	0.89%	0.10%

Portfolio Turnover Ratio

Purchases and sales of securities (i)				Total
Subscription and redemption of shares (ii) ***				35,375,083
Monthly average of total assets (iii)				27,229,630
Portfolio Turnover Ratio				199,411,205
				4%

For the Financial Period Ended 31 December 2019

Total Expenses Ratio	US Dollar Class A 31 December 2019 USD	US Dollar Class B 31 December 2019 USD	Sterling Class A 31 December 2019 USD	US Dollar Class S 31 December 2019 USD
Expenses	255,744	59,436	11,355	93,031
Average net assets	58,229,130	10,492,867	2,586,924	183,061,497
Total Expense Ratio (*,**)	0.86%	1.11%	0.86%	0.10%

Portfolio Turnover Ratio

Purchases and sales of securities (i)				Total
Subscription and redemption of shares (ii) ***				98,060,020
Monthly average of total assets (iii)				83,635,087
Portfolio Turnover Ratio				254,370,418
				6%

* The Total Expense Ratios for International Equity Fund include Management fee rebates of USD 24,300 (31 December 2019: USD 13,801).

** 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

Unaudited Financial Information (Continued)

For the Financial Period Ended 31 December 2020

Emerging Markets Equity Fund

For the Financial Period Ended 31 December 2020

Total Expenses Ratio	US Dollar Class A 31 December 2020 USD	US Dollar Class B 31 December 2020 USD	US Dollar Class I 31 December 2020 USD	Canadian Dollar Class B 31 December 2020 USD	Canadian Dollar Class I**** 31 December 2020 USD	Canadian Dollar Class M**** 31 December 2020 USD	Canadian Dollar Class S**** 31 December 2020 USD
Expenses	33,308	36,403	596,116	2,969	432,848	299,598	59,411
Average net assets	12,013,089	4,890,109	131,390,197	398,952	177,317,276	78,898,581	255,115,878
Total Expense Ratio (*, **)	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

93,549,694

6,616,316

660,024,081

13%

For the Financial Period Ended 31 December 2019

Total Expenses Ratio	US Dollar Class A 31 December 2019 USD	US Dollar Class B 31 December 2019 USD	US Dollar Class I 31 December 2019 USD	Canadian Dollar Class I 31 December 2019 USD	Canadian Dollar Class M 31 December 2019 USD	Sterling Dollar Class M**** 31 December 2019 USD	EUR Class I 31 December 2019 USD
Expenses	337,452	45,783	569,367	789,792	417,688	51,702	488,215
Average net assets	55,334,860	6,101,567	124,485,153	172,678,643	78,276,343	64,363,757	106,742,452
Total Expense Ratio (*, **)	1.20%	1.48%	0.90%	0.90%	1.05%	1.05%	0.90%

Portfolio Turnover Ratio

Purchases and sales of securities (i)

Subscription and redemption of shares (ii) **

Monthly average of total assets (iii)

Portfolio Turnover Ratio

Total

141,398,242

98,658,474

607,982,774

7%

* The Total Expense Ratios for Emerging Markets Equity Fund include Management fee rebates of USD 55,282 (31 December 2019: USD 73,369).

** The Total Expense Ratio is annualised.

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

**** Canadian Dollar Class S launched on 7 October 2020, Canadian Dollar Class I and Class M were fully redeemed on 7 October and 9 November 2020 respectively. Sterling Dollar Class M fully redeemed on 26 July 2019.

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

Unaudited Financial Information (Continued)

For the Financial Period Ended 31 December 2020

Global Small Companies Equity Fund

For the Financial Period Ended 31 December 2020

Total Expenses Ratio	US Dollar Class A 31 December 2020 USD
Expenses	7,231
Average net assets	1,366,029
Total Expense Ratio (*, **, ***)	1.05%
Portfolio Turnover Ratio	Total
Purchases and sales of securities (i)	123,723
Subscription and redemption of shares (ii) ****	-
Monthly average of total assets (iii)	1,366,029
Portfolio Turnover Ratio	9%

For the Financial Period Ended 31 December 2019

Total Expenses Ratio	US Dollar Class A 31 December 2019 USD
Expenses	6,100
Average net assets	1,143,255
Total Expense Ratio (*, **, ***)	1.05%
Portfolio Turnover Ratio	Total
Purchases and sales of securities (i)	255,653
Subscription and redemption of shares (ii) ****	-
Monthly average of total assets (iii)	1,143,255
Portfolio Turnover Ratio	22%

* The Total Expense Ratios for Global Small Companies Equity Fund include Management fee rebates of USD 64,848 (31 December 2019: USD 78,011).

** The Total Expense Ratios for Global Small Companies Equity Fund include preliminary expenses of USD 2,666 (31 December 2019: USD 2,695). 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.

