

Harding Loevner Funds intends to convert its Russian ADR/GDR holdings to local Russian shares to preserve the beneficial interests in the Russian companies and the possibility to sell them at some point in the future.

Since Russia's invasion of Ukraine, we have been monitoring closely global developments that may impact Russian holdings in clients' portfolios, including depositary receipts issued by Lukoil (Lukoil ADR), Novatek (Novatek GDR), and Sberbank (Sberbank GDR) (collectively, "Russian DRs"). All three Russian DRs currently are held in the Emerging Markets Portfolio, Institutional Emerging Markets Portfolio, Emerging Markets Research Portfolio, and International Equity Research Portfolios (collectively, "the Portfolios"). The International Equity Portfolio continues to hold Lukoil ADRs.

As we previously noted, trading in Russian DRs was halted by FINRA and the London Stock Exchange on March 3 as a reaction to the imposition of sanctions on various Russian entities, including the Central Bank. Trading in these securities is not expected to resume. Trading in the underlying local shares of the Russian DRs resumed on the Moscow stock exchange (MOEX) when the exchange re-opened on March 24; however, foreign shareholders from countries "unfriendly" to Russia, including the US, are currently prohibited by the Russian government from selling local shares on MOEX. Therefore, there is currently no public trading venue in which Russian DRs or the underlying shares can be sold by Harding Loevner, and it is unclear if or when this situation will change. Accordingly, we continue to mark the value of the Russian DRs holdings at effectively zero, though they continue to exist for the time being.

The Russian Federation recently passed a law that will force the termination of all Russian issuers' depositary receipt arrangements, including that for the Russian DRs. The law, which becomes effective on April 27, will require the ADR/GDR depositary bank to cancel all Russian depositary receipts and to deposit the local shares they represent into local custody accounts at Russian banks in the names of the beneficial owners of the depositary receipts or their nominees. Our understanding is that there will be some time for the depositaries and custodians to work out the mechanics of unwinding depositary receipts. After the local shares have been deposited into local custody accounts, "unfriendly" foreign shareholders will not be able to sell them for the foreseeable future; they will be held in the accounts, together with any dividends that may be paid over time until such time as the Russian government again allows US persons to transact in local shares.

Absent any changes to the current situation, Harding Loevner intends to convert the Portfolios' Russian DRs to local Russian shares (at a cost of up to \$0.05 per DR, representing fees charged by the depositaries) upon official termination of the depositary receipt programs. We believe this is the only available course of action that will preserve the Portfolios' beneficial interests in the local shares and the possibility to sell them at some point in the future. We caution that there is no guarantee that having a local Russian account opened will ensure ownership rights in the local shares are honored or preserved, that it will ever be possible to sell the local shares, or that the local shares will realize significant value when they are sold.

Note that this situation does not impact the other Russian holding in in the Harding, Loevner Funds Portfolios, Yandex, as it is not a depositary receipt but rather an ordinary share of (legally) a Dutch company, whose primary listing is on the NASDAQ exchange. Yandex remains suspended from trading by NASDAQ and no information regarding if or when trading will resume is available.

We continue to monitor developments that may impact Russian holdings in Harding, Loevner Funds Portfolios and will provide updates as and when appropriate.

All holdings and country allocations are subject to review and adjustment in accordance with the Portfolio's investment strategy and may vary in the future, and should not be considered recommendations to buy or sell any security. The Portfolio is actively managed therefore holdings may not be current. Current and future portfolio holdings are subject to risk. Please click [here](#) for our Russian mutual fund holdings.

The Portfolio's investment objectives, risks, charges and expenses must be read and considered carefully before investing. The Prospectus contains this and other important information about the investment company. It may be obtained by visiting www.hardingloevnerfunds.com or a free hard-copy version is available by calling (toll free) (877) 435-8105. Read the prospectus carefully before investing.

Mutual Fund investing involves risk. Principal loss is possible.

The Harding Loevner Funds are distributed by Quasar Distributors, LLC.

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