

**INVESTMENT OBJECTIVE**

The International Equity Research Portfolio seeks long-term capital appreciation through investments in equity securities of companies based outside the United States.

**INVESTMENT PHILOSOPHY & PROCESS**

We believe a diversified portfolio of high-quality, durable-growth companies purchased at reasonable prices will provide superior investment returns with below-average risk over the long term. Our analysts conduct careful bottom-up research of individual companies and analyze the competitive dynamics of their industries to identify what we believe are the best growth companies and to assess the value of their shares. To qualify for investment, companies must be well managed, financially strong, and possess clear competitive advantages relative to their peers.

FUND FACTS	
CUSIP	412295826
INCEPTION DATE	12/17/2015
MIN. INVESTMENT	\$100,000
TOTAL FUND ASSETS	\$7.5M
SALES CHARGE	None
TOTAL # OF HOLDINGS	180
NET EXPENSE RATIO <sup>1</sup>	0.90%
GROSS EXPENSE RATIO	2.10%
TURNOVER (5 YR. AVG.)	-
REDEMPTION FEE	2% 1st 90 days
DIVIDEND POLICY	Annual
NAV	\$10.48

**CONTACT**

Harding, Loevner Funds, Inc.  
c/o Northern Trust  
Attn: Funds Center C5S  
801 South Canal Street  
Chicago, IL 60607

Phone: (877)435-8105  
Email:hardingloevnerfunds@ntrs.com  
hardingloevnerfunds.com

**PERFORMANCE (% TOTAL RETURN)**

as of December 31, 2016

	INCEPTION DATE	3 MONTHS	1 YEAR	SINCE INCEPTION
Intl Equity Research Inst. Class - Net	12/17/2015	-4.08	7.95	8.16
MSCI All Country World ex-US Index		-1.25	4.50	5.01

Returns are annualized for periods greater than one year.

*Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Portfolio may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (877)435-8105 or visiting [www.hardingloevnerfunds.com](http://www.hardingloevnerfunds.com). Performance data shown does not reflect the 2.00% redemption fee imposed on shares held 90 days or less; otherwise, total returns would be reduced.*

*Short term performance, in particular, is not a good indication of the fund's future performance and an investment should not be made solely on returns.*

**Diversification does not assure a profit or protect against a loss in a declining market.**

**SECTOR EXPOSURE (%)**

SECTOR	HLIRX	BENCHMARK <sup>2</sup>
CONS DISCRETIONARY	15.5	11.5
CONS STAPLES	11.5	9.8
ENERGY	3.5	7.2
FINANCIALS	19.9	23.4
HEALTH CARE	11.9	8.1
INDUSTRIALS	11.5	11.6
INFO TECHNOLOGY	13.6	9.3
MATERIALS	6.2	8.0
REAL ESTATE	2.1	3.3
TELECOM SERVICES	2.0	4.6
UTILITIES	0.2	3.2
CASH	2.1	-

**GEOGRAPHIC EXPOSURE (%)**

REGION	HLIRX	BENCHMARK <sup>2</sup>
CANADA	1.8	7.0
EMERGING MARKETS	25.8	22.7
EUROPE EMU	18.5	21.8
EUROPE EX-EMU	24.2	22.6
FRONTIER MARKETS*	0.7	-
JAPAN	20.8	16.9
MIDDLE EAST	1.0	0.5
PACIFIC EX-JAPAN	5.1	8.5
CASH	2.1	-

All holdings and sector/geographic 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.

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 45 developed and emerging market countries. The Index is net of foreign withholding taxes on dividends. You cannot invest directly in this Index.

## ■ INVESTMENT ADVISER

Harding Loevner manages global equity portfolios. Our distinct strategies are available to institutions and individuals around the world. Investing in quality-growth companies for the long term has been our exclusive focus since 1989.

## ■ PORTFOLIO MANAGERS

### ANDREW WEST, CFA PORTFOLIO MANAGER

University of Central Florida, BS, 1991  
New York University, Leonard N. Stern School of Business, MBA, 2003  
Harding Loevner since 2006

### MOON SURANA, CFA ASSOCIATE PORTFOLIO MANAGER

Manipal Institute of Technology, BE, Electronics and Communications, 2005  
University of Michigan, MS, Financial Engineering, 2008  
Harding Loevner since 2009

## TEN LARGEST HOLDINGS

	SECTOR	COUNTRY	% ASSETS
TENARIS	ENERGY	ITALY	1.1
BAYER	HEALTH CARE	GERMANY	1.1
FUCHS PETROLUB	MATERIALS	GERMANY	1.1
ASML HOLDING	INFO TECHNOLOGY	NETHERLANDS	1.1
BMW	CONS DISCRETIONARY	GERMANY	1.1
HENKEL	CONS STAPLES	GERMANY	1.1
HAKUHODO	CONS DISCRETIONARY	JAPAN	1.0
SHIRE	HEALTH CARE	UNITED KINGDOM	1.0
NOVARTIS	HEALTH CARE	SWITZERLAND	1.0
SVENSKA HANDELSBANKEN	FINANCIALS	SWEDEN	1.0
TEN LARGEST HOLDINGS			10.6%

## PORTFOLIO CHARACTERISTICS

QUALITY AND GROWTH	HLIRX	BENCHMARK <sup>2</sup>	SIZE AND VALUATION	HLIRX	BENCHMARK <sup>2</sup>
PROFIT MARGIN <sup>3</sup> (%)	12.2	9.1	WTD AVG MKT CAP (\$B)	32.0	53.3
RETURN ON ASSETS <sup>3</sup> (%)	7.3	4.5	WTD MED MKT CAP (\$B)	13.9	30.1
RETURN ON EQUITY <sup>3</sup> (%)	15.3	12.3	PRICE/EARNINGS <sup>5</sup>	20.7	16.7
DEBT/EQUITY RATIO <sup>3</sup> (%)	38.7	65.8	PRICE/CASH FLOW <sup>5</sup>	14.9	9.7
STD DEV OF 5 YEAR ROE <sup>3</sup>	2.3	3.3	PRICE/BOOK <sup>5</sup>	2.7	1.6
5 YEAR ROE <sup>3</sup> (%)	16.5	12.8			
SALES GROWTH <sup>3,4</sup> (%)	5.1	0.3			
EARNINGS GROWTH <sup>3,4</sup> (%)	11.0	5.9			
CASH FLOW GROWTH <sup>3,4</sup> (%)	9.2	4.9			

Earnings Growth is not a measure of the Portfolio's future performance.

## ■ ENDNOTES

### PAGES 1 AND 2

(1) Shown net of Harding Loevner's contractual agreement, through February 28, 2017, to waive its management fee to the extent necessary to cap the fund's total operating expenses at 0.90% (on an annualized basis); (2) MSCI All Country World ex-US Index; (3) Weighted median; (4) Trailing five years, annualized; (5) Weighted harmonic mean; \*Includes countries with less-developed markets outside the Index.

## PAGES 1 AND 2

Source (Characteristics): FactSet (Run Date: January 6, 2017), based on the Portfolio's underlying holdings.

Profit Margin: relationship of gross profits to net sales. Return on Assets: net income for past 12 months divided by total assets. Return on Equity: the net income divided by total common equity outstanding, expressed as a percent. Debt/Equity Ratio: total long-term debt divided by total shareholder's equity. Earnings Per Share: portion of a company's profit allocated to each outstanding share of common stock. Average Weighted Market Capitalization: the product of a security's price & the number of shares outstanding. Median Market Cap: the point at which half of the market value of a portfolio is invested in stocks with a greater market cap, and consequently the other half is invested in stocks with a lower market cap. Price/Earnings: the ratio of a firm's closing stock price & its trailing 12 months' earnings/ share. Price/ Cash Flow: the ratio of a firm's closing stock price & its fiscal year end cash flow/share. Price/Book: the ratio of a firm's closing stock price & its fiscal year end book value/share.

The Portfolio invests in foreign securities, which will involve greater volatility and political, economic, and currency risks and differences in accounting methods. It also invests in emerging markets, which involve unique risks, such as exposure to economies less diverse and mature than the U.S. or other more established foreign markets. Economic and political instability may cause larger price changes in emerging markets securities than other foreign securities. Such risks may be magnified for securities in frontier emerging markets. Investing in participation notes involve the same risks associated with a direct investment in the underlying security, currency or market. The securities of smaller and medium-sized companies have historically exhibited more volatility with a lower degree of liquidity than larger companies.

The Portfolio's investment objectives, risks, charges and expenses must be read and considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company. They may be obtained by calling toll free (877) 435-8105, or visiting [www.hardingloevnerfunds.com](http://www.hardingloevnerfunds.com).

While the Portfolio is "no load", management and other expenses still apply. Please refer to the Prospectus for further details. The Portfolio is distributed by Quasar Distributors, LLC.