



## HARDING · LOEVNER®

*Fundamental. Thinking. Worldwide.*

### Investment Philosophy

Harding Loevner utilizes a bottom up approach for building a diversified portfolio of high-quality growth stocks. It undertakes in-depth fundamental research to identify well-managed, financially strong companies that have sustainable competitive advantages that should allow them to grow profitably for long periods.

Fund Facts	
CUSIP	412295701
Inception Date	10/17/05
Minimum Investment	\$1,000,000
Total Fund Assets	\$265.97 M
Charge	None
Total # of Holdings	76
Net Expense Ratio <sup>^</sup>	1.30%
Gross Expense Ratio	1.55%
Turnover (since inception)	41%
Redemption Fee	2.0% first 90 days
Dividend Policy	Annual
NAV	\$17.38

<sup>^</sup>Harding Loevner has voluntarily agreed to cap the total annual fund operating expenses at 1.30% (on an annualized basis) of the average daily net assets of the Portfolio for an indefinite period.

### Sector Weightings

Sector	HLMEX	Benchmark*
Energy	18.0%	20.7%
Financials	14.1%	20.2%
Materials	13.6%	16.9%
Industrials	11.9%	7.6%
Telecom Services	9.6%	10.9%
Info Technology	8.9%	10.4%
Cons Discretionary	8.7%	4.5%
Cons Staples	7.4%	4.3%
Utilities	2.8%	2.9%
Health Care	2.1%	1.6%
Cash	2.9%	0.0%

### Regional Weightings

Region	HLMEX	Benchmark*
Brazil	19.0%	17.6%
Other	17.9%	12.2%
China/Hong Kong	12.7%	14.1%
Russia	11.8%	11.0%
South Africa	6.9%	6.6%
South Korea	6.9%	12.6%
Taiwan	6.0%	10.5%
Mexico	5.0%	4.9%
India	4.5%	5.7%
Israel	3.3%	2.5%
Malaysia	3.1%	2.3%
Cash	2.9%	0.0%

\*MSCI Emerging Markets Index

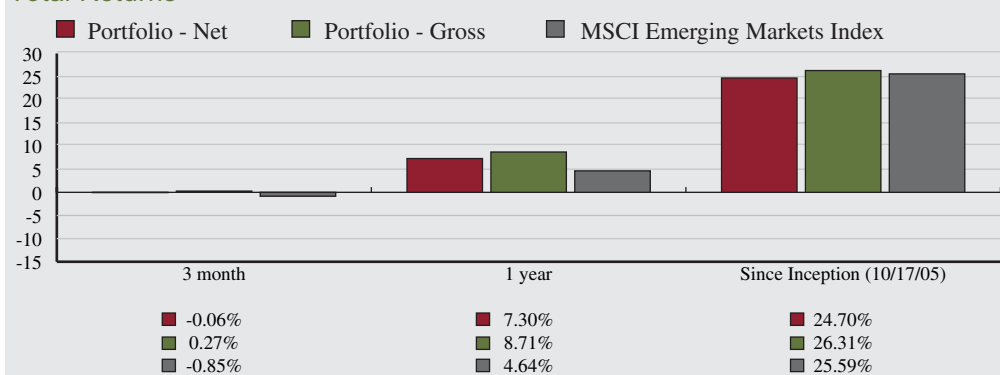
### Investment Objective

The Emerging Markets Portfolio seeks long-term capital appreciation through investment in equity securities of companies based in emerging markets.

### Total Returns

	Inception Date	3 month	1 year	Average Annualized Total Returns as of June 30, 2008	
				3 years	Since Inception
Inst. Emerging Markets Portfolio - Net	10/17/05	-0.06%	7.30%	—	24.70%
Inst. Emerging Markets Portfolio - Gross		0.27%	8.71%	—	26.31%
MSCI Emerging Markets Index		-0.85%	4.64%	—	25.59%

### Total Returns



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.hardingloevner.com](http://www.hardingloevner.com). Performance data shown does not reflect the 2.00% redemption fee imposed on shares held less than 90 days. If it did, total returns would be reduced.

**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.**

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 25 emerging market countries. Net dividends reinvested. You cannot invest directly in this Index.

All holdings and sector/region 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.

Investment performance reflects fee waivers and in the absence of these waivers investment performance would be reduced.



## HARDING · LOEVNER®

### Ten Largest Holdings

	Industry	Country	% Assets
Petrobras	Energy	Brazil	5.1%
Gazprom	Energy	Russia	3.9%
VALE	Materials	Brazil	3.9%
Samsung Electronics	Info Technology	S Korea	2.8%
Central European Distribution	Cons Discretionary	Poland	2.6%
Lukoil	Energy	Russia	2.4%
China Mobile	Telecom Services	China	2.3%
Sasol	Energy	S Africa	2.2%
Israel Chemicals	Materials	Israel	2.2%
Impala Platinum	Materials	S Africa	2.1%
<b>Ten Largest Holdings</b>			<b>29.5%</b>

### Portfolio Characteristics

	HLMEX	Benchmark*		HLMEX	Benchmark*
Return on Assets	8.9%	8.9%	Avg Wtd Mkt Cap (mn)	\$51,560	\$50,790
Return on Equity <sup>2</sup>	19.4%	19.9%	Price/Earnings	20.4	16.0
Debt/Equity Ratio	28.1%	26.2%	Price/Cash Flow	12.3	8.7
Profit Margin	16.6%	16.6%	Price/Book	2.6	2.5
5 Year ROE	21.0%	19.0%	Alpha <sup>4</sup>	3.78	0.00
Std Dev of 5 Year ROE	4.5%	4.5%	Beta <sup>4</sup>	0.90	1.00
Sales Growth <sup>3</sup>	24.9%	21.4%	R-Squared <sup>4</sup>	0.98	1.00
EPS Growth <sup>3</sup>	22.6%	21.3%	Sharpe Ratio <sup>4</sup>	0.32	0.26
CF Growth <sup>3</sup>	20.6%	19.7%	Standard Deviation <sup>4</sup>	18.64	20.53

MSCI Emerging Markets Index; <sup>2</sup>Trailing one year; <sup>3</sup>Trailing five years, annualized; <sup>4</sup>Trailing two years, annualized; Source: Wilshire Atlas (Run Date July 8, 2008) Based on the Portfolio's underlying holdings.

Average Weighted Market Capitalization: the product of a security's price & the number of shares outstanding. 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. Return on Equity: the net income divided by total common equity outstanding, expressed as a percent. Alpha: a measure of risk-adjusted return. Beta: a measure of the portfolio's sensitivity to the market. R-Squared: a measure of how well a portfolio tracks the market. Sharpe Ratio: the return over the risk free rate per unit of risk. Standard Deviation: the statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. Return on Assets: net income for past 12 months divided by total assets. Earnings Per Share: portion of a company's profit allocated to each outstanding share of common stock. Debt/Equity Ratio: total long-term debt divided by total shareholder's equity. Profit Margin: relationship of gross profits to net sales.

*The Portfolio's investment objectives, risks, charges and expenses must be considered carefully before investing. The Prospectus contains this and other important information about the investment company. It may be obtained by calling toll free (877) 435-8105, or visiting [www.hardingloevner.com](http://www.hardingloevner.com). Please read it carefully before investing.*

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. 7/2008

### Investment Adviser

Former global managers for the Rockefeller family formed Harding Loevner LLC, the Portfolio's adviser, in 1989. Its investment staff of 21 have an average of 18 years experience, and six years of tenure. Independent and employee owned, Harding Loevner manages over \$6 billion for foundations, endowments, pension plans, family office and individuals.

### Portfolio Managers



**Simon Hallett, CFA**  
Portfolio Manager  
Oxford University, BA, 1978, MA, 1992  
16 Years with firm  
28 Years total investment experience

**Rusty Johnson, CFA**  
Lead Portfolio Manager  
Washington & Lee University, BA, 1986  
13 Years with firm  
22 Years total investment experience

**Craig Shaw, CFA**  
Portfolio Manager  
Concordia College, BA, 1986  
American Graduate School of Management (Thunderbird), MIM, 1989  
6 Years with firm  
17 Years total investment experience

For More Information contact:

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