



### 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.

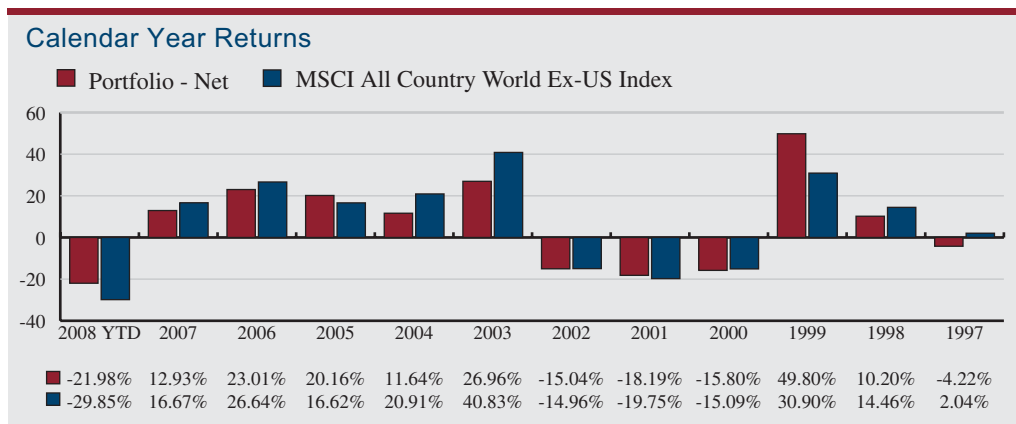
### Investment Objective

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

### Total Returns

	Inception Date	3 month	1 year	Average Annualized Total Returns as of September 30, 2008		
				3 years	5 years	10 years
International Equity Institutional Class - Net	05/11/94	-16.79%	-20.58%	4.06%	10.57%	6.66%
International Equity Institutional Class - Gross		-16.58%	-19.80%	5.09%	11.67%	7.73%
MSCI All Country World Ex-US Index		-21.91%	-30.32%	2.64%	11.34%	6.52%

Fund Facts	
CUSIP	412295107
Inception Date	05/11/94
Minimum Investment <sup>1</sup>	\$100,000
Total Fund Assets	\$264.09 M
Charge	None
Total # of Holdings	50
Expense Ratio	0.98%
Turnover (3 Yr Average)	24%
Redemption Fee	2.00% first 90 days
Dividend Policy	Annual
NAV	\$14.87
<sup>1</sup> Lower minimums available through selected fund distributors	



### Sector Weightings

Sector	HLMIX	Benchmark*
Health Care	17.9%	6.7%
Cons Staples	15.9%	8.0%
Financials	15.4%	26.3%
Energy	13.8%	11.4%
Industrials	10.8%	10.3%
Info Technology	10.8%	6.0%
Cons Discretionary	5.0%	8.6%
Materials	5.0%	10.3%
Telecom Services	3.8%	6.8%
Utilities	0.0%	5.6%
Cash	1.6%	0.0%

### Regional Weightings

Region	HLMIX	Benchmark*
Europe ex-EMU	28.2%	24.8%
Europe EMU	22.4%	25.7%
Emerging Markets	17.8%	18.5%
Japan	14.2%	16.4%
Pacific ex-Japan	7.1%	7.2%
Other <sup>2</sup>	5.0%	0.0%
Canada	3.7%	7.4%
Cash	1.6%	0.0%

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, 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 International Equity Portfolio includes predecessor fund performance (Inception Date: May 11, 1994). On October 31, 1996, the International Equity Portfolio received the net assets of the AMT Capital Fund, Inc. Harding Loevner International Equity Portfolio pursuant to an agreement and plan of reorganization dated October 14, 1996.

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 47 developed and 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.

<sup>2</sup>Other includes countries outside the benchmark where some holdings are incorporated.



## HARDING · LOEVNER®

## Ten Largest Holdings

	Industry	Country	% Assets
Air Liquide	Materials	France	3.6%
Gazprom	Energy	Russia	3.2%
Tesco	Cons Staples	United Kingdom	3.2%
Dassault Systemes	Info Technology	France	3.1%
Nestle	Cons Staples	Switzerland	3.1%
Qiagen	Health Care	Germany	3.1%
Roche Holdings	Health Care	Switzerland	3.0%
Alcon	Health Care	Switzerland	2.9%
Standard Chartered	Financials	United Kingdom	2.8%
Bunge	Cons Staples	Bermuda	2.7%

## Ten Largest Holdings

30.7%

## Portfolio Characteristics

	HLMIX	Benchmark*		HLMIX	Benchmark*
Return on Assets	9.4%	5.6%	Avg Wtd Mkt Cap (mn)	\$38,200	\$43,940
Return on Equity <sup>3</sup>	17.8%	17.5%	Price/Earnings	13.8	10.8
Debt/Equity Ratio	28.4%	39.3%	Price/Cash Flow	10.8	7.0
Profit Margin	14.1%	10.9%	Price/Book	2.2	1.6
5 Year ROE	15.1%	14.6%	Alpha <sup>5</sup>	1.41	0.00
Std Dev of 5 Year ROE	3.7%	3.7%	Beta <sup>5</sup>	0.88	1.00
Sales Growth <sup>4</sup>	12.3%	10.7%	R-Squared <sup>5</sup>	0.96	1.00
EPS Growth <sup>4</sup>	16.8%	15.8%	Sharpe Ratio <sup>5</sup>	0.03	0.00
CF Growth <sup>4</sup>	13.3%	10.2%	Standard Deviation <sup>5</sup>	14.81	16.42

\*MSCI All Country World ex-US Index; <sup>3</sup>Trailing one year; <sup>4</sup>Trailing five years, annualized; <sup>5</sup>Trailing three years, annualized.  
Source: Wilshire Atlas (Run Date October 7, 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. 10/2008

## Investment Adviser

Former global managers for the Rockefeller family formed Harding Loevner LLC, the Portfolio's adviser, in 1989. Its investment staff of 22 have an average of 17 years experience, and six years of tenure. Independent and employee owned, Harding Loevner manages \$5 billion for foundations, endowments, pension plans, family office and individuals.

## Portfolio Managers

**Simon Hallett, CFA**

Lead Portfolio Manager  
Oxford University, BA, 1978, MA, 1992  
16 Years with firm  
28 Years total investment experience

**Alexander Walsh, CFA**

Portfolio Manager  
McGill University, BA, 1978  
13 Years with firm  
28 Years total investment experience

**Ferrill Roll, CFA**

Portfolio Manager  
Stanford University, BA, 1980  
11 Years with firm  
27 Years total investment experience

**Peter Baughan, CFA**

Portfolio Manager  
University of North Carolina, BA, 1983  
10 Years with firm  
24 Years total investment experience

For More Information contact:

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