GLOBAL EQUITY PORTFOLIO

Ticker: HLMGX *NAV (3/31/98): $18.84*

Net Assets: *$67.3 million* *Expense Ratio:* *1.25%* *Minimum Investment:* *$100,000*

Investment Program

The *Global Equity Portfolio* is a program for investors seeking long-term capital appreciation through investments in equity securities of companies based both in- and outside of the US. Harding, Loevner Management, L.P. ("HLM") is the *Portfolio's* investment adviser. The *Global Equity Portfolio* is managed by Daniel Harding, Chief Investment Officer of HLM and a director of HLM's general partner. Mr. Harding has managed global portfolios since 1978.

Performance (for the Periods Ended March 31, 1998)

	Total Return (1)(3)					Volatility(2)(3)
	Last Quarter	Year to Date	12 Months	Last 5 Years (annualized)	Since Inception (annualized)	Since Inception
HLF Global Equity Portfolio	**10.82%**	**10.82%**	**20.69%**	**13.79%**	**13.55%**	**9.75%**
MSCI All Country World Index(4)	*13.87%*	*13.87%*	*29.17%*	*16.22%*	*13.66%*	*10.89%*
MSCI World Index(5)	*14.32%*	*14.32%*	*31.97%*	*16.54%*	*13.67%*	*10.93%*
Lipper Global Fund Index	*13.38%*	*13.38%*	*27.19%*	*15.97%*	*13.99%*	*10.57%*

(1) Time-weighted returns after fees.

(2) Variations of monthly returns from the average, annualized.

(3) The Portfolio commenced operations on December 1, 1996, following a tax-free merger with HLM Global Equity LP ("GELP"). Returns shown for prior periods include GELP, which commenced operations on September 27, 1991. GELP's returns included herein are *unaudited* and have been restated to reflect the Portfolio's current expense ratio of 1.25%. GELP, a limited partnership, was not subject to the diversification requirements, specific tax restrictions and investment limitations found in the Investment Company Act of 1940, or Subchapter M of the Internal Revenue Code. Had GELP been managed as a registered investment company pursuant to these restrictions, its results could have been different.

(4) Gross dividends reinvested

(5) Net dividends reinvested

Performance data quoted represents past performance, which is not a guarantee of future performance. Investment return and principal value of an investment will fluctuate with market conditions. An investor's shares may be worth more or less than their original cost. Currently, the investment adviser of the Portfolio is waiving a portion of its fees. Absent such waiver, the expense ratio of the Portfolio would be higher and the Portfolio's performance lower.

Portfolio Holdings as of March 31, 1998

Geographic Distribution

Europe	**% of Portfolio**
France	3.1
Germany	4.2
Netherlands	5.5
Sweden	2.8
Switzerland	7.1
United Kingdom	7.9
	30.6
Southeast Asia	
Hong Kong	6.9
Malaysia	0.5
Thailand	2.0
	9.4
Japan	**4.8**
Latin America	**1.9**
North America	**2.8**
Africa	**1.2**
United States	**47.2**
TOTAL EQUITIES	**97.9**
CASH	**2.1**
	100.0

Ten Largest Positions

Company	**% of Portfolio**
Allied Capital Corp. *United States*	4.9
Fannie Mae *United States*	4.7
Financiere et Industrielle Gaz et Eau *France*	3.8
Royal Dutch Petroleum Co. - ADR *Netherlands*	3.1
Hutchison Whampoa Ltd. *Hong Kong*	3.1
Pfizer, Inc. *United States*	3.0
Baxter International, Inc. *United States*	2.9
Nestlé SA - ADR *Switzerland*	2.8
Dover Corp. *United States*	2.8
Schlumberger, Ltd. *United States*	2.8

Risks: Securities issued by foreign governments, foreign corporations, international agencies, and obligations of foreign banks involve risks not associated with securities issued by US entities. With respect to certain foreign countries, there is the possibility of expropriation of assets, confiscatory taxation, and political or social instability or diplomatic developments that could affect investment in those countries. In addition, there may be less publicly available information about such securities, and foreign accounting, auditing and financial standards may not be comparable with those of the US. Changes in foreign currency exchange rates may affect the value and performance of the Portfolio.