

HARDING LOEVNER  
FUNDS, INC.GLOBAL EQUITY  
PORTFOLIO

TICKER: HLMGX

NAV: \$18.86

Expense Ratio: 1.25%

Minimum Investment: \$100,000

## Returns (for the Periods Ending June 30, 2005)

	Last Quarter	Last 12 Months	Three Years <sup>1</sup>	Five Years <sup>1</sup>	Since Inception <sup>1</sup> (12/1/1996)	Volatility <sup>2</sup>
<b>HLF Global Eq Portfolio<sup>3,5</sup> (net)</b>	<b>0.64%</b>	<b>9.66%</b>	<b>8.50%</b>	<b>(1.46%)</b>	<b>4.86%</b>	<b>15.91%</b>
HLF Global Eq Portfolio <sup>4,5</sup> (gross)	0.95%	11.03%	9.86%	(0.22%)	6.17%	15.86%
MSCI AC World Index <sup>6</sup>	0.62%	11.17%	10.65%	(1.65%)	5.40%	15.50%
Lipper Global Fund Index <sup>7</sup>	0.49%	10.39%	9.55%	(1.23%)	5.99%	15.19%

<sup>1</sup>Annualized Returns; <sup>2</sup>Variations of monthly returns from the average, since inception, annualized, <sup>3</sup>Performance results reflect the effects of all investment advisory fees, <sup>4</sup>Performance results do not reflect the effects of investment advisory fees.

<sup>5</sup>The Global Equity Portfolio commenced operations on December 1, 1996, following a tax-free merger with the HLM Global Equity Limited Partnership ("GELP").

<sup>6</sup>The MSCI All Country World Index, the primary benchmark, is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The Index consists of 49 developed and emerging market countries. Net dividends reinvested. You cannot invest directly in this Index.

<sup>7</sup>The Lipper Global Fund Index, an unmanaged index published by Lipper Analytical Services, Inc., includes 30 funds that are generally similar to the Portfolio, although some funds in the index may have somewhat different investment policies or objectives. This fund invests in at least 25% of its total assets in securities outside the US and may own US securities. You cannot invest directly in this Index.

**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 1-877-435-8105 or visiting [www.hardingloevner.com](http://www.hardingloevner.com).**

Currently, the investment advisor of the Portfolio is waiving a portion of its fee. Absent such waiver, the expense ratio of the Portfolio would be higher and the Portfolio's performance lower.

**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.**

## Contributors to Returns (as of June 30, 2005)

Largest Holdings	Sector	Region	Return	Portfolio Wt.	Contribution
EnCana	Energy	Canada	12.66%	4.5%	0.44%
Oracle	Info Technology	United States	5.77%	3.8%	0.20%
American Intl Group	Financials	United States	5.09%	3.3%	0.26%
Caterpillar	Industrials	United States	4.71%	3.0%	0.11%
Kinder Morgan	Energy	United States	10.93%	3.0%	0.28%

Positive Contributors	Sector	Region	Return	Portfolio Wt.	Contribution
EnCana	Energy	Canada	12.66%	4.5%	0.44%
Li & Fung	Cons Discretionary	Pacific x-Japan	18.37%	2.5%	0.39%
Orascom Telecom	Telecom Svcs	Emerging Markets	30.56%	1.4%	0.32%
Kinder Morgan	Energy	United States	10.93%	3.0%	0.28%
American Intl Group	Financials	United States	5.09%	3.3%	0.26%

Negative Contributors	Sector	Region	Return	Portfolio Wt.	Contribution
3M Company	Industrials	United States	(15.17%)	1.7%	(0.30%)
Swiss Re	Financials	Europe ex-EMU	(12.59%)	1.2%	(0.28%)
L'Oreal	Cons Staples	Europe EMU	(9.17%)	2.1%	(0.21%)
Qualcomm	Info Technology	United States	(9.71%)	1.6%	(0.17%)
Estee Lauder	Cons Staples	United States	(13.01%)	1.0%	(0.15%)

All holdings and sector 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.

## Transfer Agent:

## Investors Bank &amp; Trust

Attn: Pam Davis  
P.O. Box 642, OPS 22  
Boston, MA 02117-0642  
Tel: 877-435-8105  
Fax: 617-937-3051

## Investment Advisor:

**Harding, Loevner  
Management, L.P.**  
50 Division Street,  
Suite 401  
Somerville, NJ 08876  
Tel: 908-218-7900  
Fax: 908-218-1915

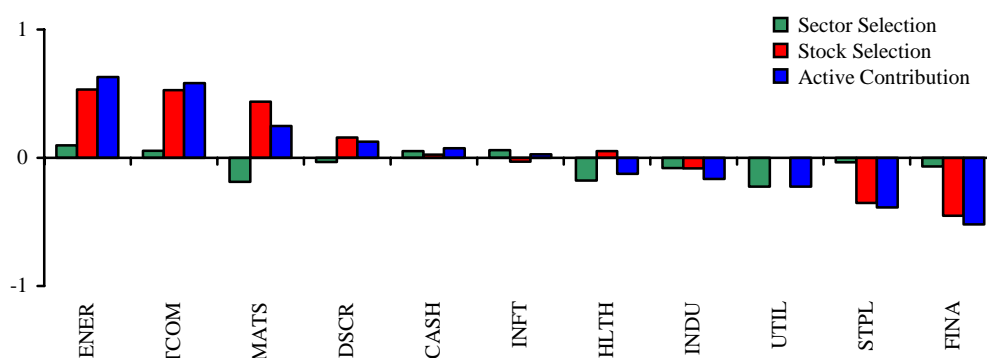
Stock selection in Energy and Telecom Services were the best contributors to relative performance; while Financials and Consumer Staples detracted.

## Sector Performance and Allocation

SECTOR	TOTAL RETURNS (USD)			AVERAGE WEIGHTS		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
Telecom Services	21.92%	6.45%	15.47%	2.3%	5.0%	(2.7%)
Energy	9.96%	4.64%	5.31%	11.5%	9.2%	2.3%
Cons Discretionary	(0.32%)	(1.53%)	1.21%	12.6%	11.8%	0.8%
Health Care	5.32%	4.21%	1.11%	6.3%	10.4%	(4.1%)
Cash	0.72%	---	0.72%	3.3%	---	3.3%
Info Technology	1.41%	1.64%	(0.22%)	16.9%	11.4%	5.5%
Materials	(0.41%)	0.03%	(0.43%)	8.7%	5.6%	3.1%
Industrials	(2.72%)	(2.27%)	(0.45%)	12.9%	10.2%	2.7%
Cons Staples	(3.55%)	(0.75%)	(2.80%)	11.8%	8.6%	3.2%
Financials	(1.66%)	1.48%	(3.15%)	13.7%	23.7%	(10.0%)
Utilities	---	6.45%	(6.45%)	---	4.1%	(4.1%)

Source: Wilshire Atlas: MSCI

## Sector Value-Added Relative to the Benchmark



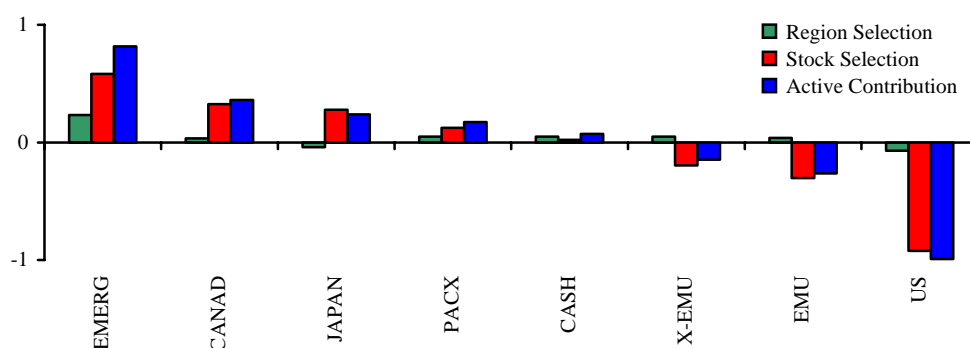
Source: Wilshire Atlas

## Region Performance and Allocation

REGION	TOTAL RETURNS			AVERAGE WEIGHTS		
	Portfolio	Benchmark	Difference	Portfolio	Benchmark	Difference
Canada	12.66%	2.62%	10.03%	3.7%	2.9%	0.8%
Emerging Markets	9.32%	4.21%	5.11%	12.6%	5.5%	7.1%
Pacific ex-Japan	7.48%	4.82%	2.66%	4.7%	3.4%	1.3%
Japan	(0.93%)	(3.58%)	2.65%	10.4%	8.9%	1.5%
Cash	0.72%	---	0.72%	3.3%	---	3.3%
United States	(0.52%)	1.66%	(2.17%)	43.0%	50.1%	(7.1%)
Europe ex-EMU	(2.43%)	(0.02%)	(2.23%)	9.7%	15.0%	(5.3%)
Europe EMU	(3.28%)	(0.98%)	(2.30%)	12.6%	14.2%	(1.6%)

Source: Wilshire Atlas. MSCI

## Region Value-Added Relative to the Benchmark



Source: Wilshire Atlas

Stock selection in Emerging Markets was the main contributor to relative performance; United States the biggest detractor.

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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, and it may be obtained by calling 1-877-435-8105, or visiting [www.hardingloevner.com](http://www.hardingloevner.com). Please read carefully before investing.

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