



HARDING · LOEVNER®

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

Average Annualized Total Returns as of December 31, 2005

	Inception Date	3 month	1 year	3 years	5 years	10 years	Since Inception
International Equity Investor Class - Net	09/30/05	4.00%	-	-	-	-	4.13%
International Equity Investor Class - Gross	09/30/05	4.32%	-	-	-	-	4.46%
MSCI All Country World ex-US Index		4.35%	-	-	-	-	4.68%

Fund Facts	
CUSIP	41295036
Inception Date	09/30/05
Minimum Investment ¹	\$25,000
Total Fund Assets	\$2.4 MM
Charge	None
Total # of Holdings	50
Expense Ratio	1.25% or below
Turnover (3 Yr Average)	39.9%
Redemption Fee	2% first 90 days
Dividend Policy	Annual
NAV	\$16.19

¹Lower minimums available through selected fund distributors

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.

Sector Weightings

Sector	HLF Intl	Benchmark*
Financials	20.4%	27.8%
Information Technology	14.0%	7.6%
Consumer Staples	12.7%	7.2%
Industrials	12.5%	9.9%
Energy	12.3%	9.9%
Health Care	10.8%	6.7%
Consumer Discretionary	6.7%	11.2%
Materials	6.2%	9.1%
Cash	3.1%	0.0%
Utilities	1.3%	4.4%
Telecom Services	0.0%	6.2%

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 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 48 developed and emerging market countries. Net dividends reinvested. You cannot invest directly in this Index.

Regional Weightings

Region	HLF Intl	Benchmark*
Europe EMU	25.3%	25.6%
Europe ex-EMU	24.2%	28.1%
Japan	17.9%	20.7%
Emerging Markets	15.8%	13.1%
Pacific ex-Japan	6.3%	6.4%
Canada	4.8%	6.1%
Cash	3.1%	0.0%
Bermuda	2.6%	0.0%

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.

*MSCI All Country World ex-US Index



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Ten Largest Holdings

	Industry	Country	% Assets
Mitsubishi Corp.	Industrials	Japan	4.0%
Metro	Cons Staples	Germany	3.1%
Roche Holdings	Health Care	Switzerland	3.0%
Keyence	Info Technology	Japan	3.0%
Sumitomo Realty & Development	Financials	Japan	3.0%
Sanofi-Aventis	Health Care	France	2.8%
Yokogawa Electric	Info Technology	Japan	2.8%
Air Liquide	Materials	France	2.8%
WPP Group	Cons Discretionary	UK	2.6%
Sasol	Energy	S Africa	2.6%

Ten Largest Holdings

29.7%

Portfolio Characteristics

	HLF Intl	Benchmark*		HLF Intl	Benchmark*
Return on Assets	5.4%	4.3%	Avg Wtd Mkt Cap	\$34,450	\$45,040
Return on Equity	16.2%	18.0%	Price/Earnings	22.8	19.0
Std Dev of ROE	3.3%	4.3%	Price/Cash Flow	12.8	9.3
Debt/Equity Ratio	33.7%	49.8%	Price/Book	2.7	2.5
Profit Margin	9.2%	8.7%	Alpha ³	-2.92	0.00
Sales Growth ²	7.1%	5.7%	Beta ³	1.00	1.00
EPS Growth ²	6.4%	4.7%	R-Squared ³	0.93	1.00
CF Growth ²	7.3%	5.7%	Sharpe Ratio ³	0.46	0.55
Dividend Growth ²	4.2%	3.5%	Standard Deviation ³	12.07	11.62

*MSCI All Country World ex-US Index; ² Trailing five years, annualized; ³ Trailing three years.

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. 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. 1/2006

Investment Advisor

Former global managers for the Rockefeller family formed Harding, Loevner Management, the Portfolio's advisor, in 1989. Its investment staff of thirteen have an average 20 years of experience, and seven years of tenure. Independent and employee owned, Harding Loevner manages over \$2 billion for foundations, endowments, pension plans, family offices and individuals

Portfolio Managers

**Peter Baughan, CFA**

Co-Manager
University of North Carolina, BA, 1983
8 Years with firm

Simon Hallett, CFA

Lead Manager & Chief Investment Officer
Oxford University, BA, 1978, MA, 1992
14 Years with firm

Alexander Walsh, CFA

Co-Manager
McGill University, BA, 1978
11 Years with firm

Ferrill Roll, CFA

Co-Manager
Stanford University, BA, 1980
9 Years with firm

For More Information contact:

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