

Investment Philosophy

Harding Loevner utilizes a bottom-up approach for building a diversified portfolio of high-quality durable-growth companies that are well-managed, financially-strong and possess clear competitive advantages. We purchase shares at prices where we see value. We seek long-term relative outperformance with lower risk. Our investment process focuses on understanding the competitive structure of industries, since we believe this has a significant influence over the long-term durability of corporate margins and earnings growth.

Fund Facts

CUSIP	412295883
Inception Date	03/26/07
Minimum Investment ¹	\$5,000
Total Fund Assets	\$9.1 M
Sales Charge	None
Total # of Holdings	79
Net Expense Ratio ²	1.75%
Gross Expense Ratio	5.21%
Turnover (3 Yr Average)	23%
Redemption Fee	2.00% first 90 days
Dividend Policy	Annual
NAV	\$8.80

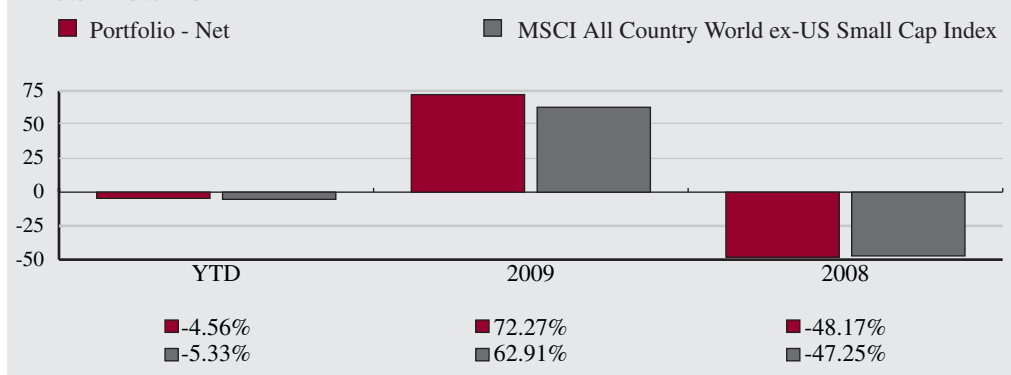
Investment Objective

The International Small Companies Portfolio seeks long-term capital appreciation through investments in equity securities of small companies based outside the United States. Companies considered to be small are those with a market capitalization below \$3 billion.

Total Returns (%)

	Inception Date	Average Annualized Total Returns as of June 30, 2010			
		3 Months	1 Year	3 Year	Since Inception
International Small Companies Inv. Class - Net	03/26/07	-7.76	23.89	-6.78	-3.01
MSCI All Country World ex-US Small Cap Index		-10.12	19.98	-9.69	-6.67
Lipper International Small Cap Fund Index		-9.88	16.84	-12.03	-8.88

Total Returns



Sector Exposure (%)

Sector	HLMSX	Benchmark ³
Cons Discretionary	10.9	16.4
Cons Staples	14.8	6.2
Energy	0.0	5.9
Financials	8.9	17.4
Health Care	12.3	5.8
Industrials	31.9	21.7
Info Technology	8.2	10.1
Materials	9.1	13.0
Telecom Services	1.5	1.0
Utilities	1.3	2.5
Cash	1.1	-

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.hardingloevnerfunds.com. Performance data shown does not reflect the 2.00% redemption fee imposed on shares held 90 days or less; otherwise, 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 portfolio invests in smaller companies which involve additional risks such as limited liquidity and greater volatility.

The MSCI All Country World ex-US Small Cap Index is a free-float market capitalization index that is designed to measure small cap developed and emerging market equity performance. The Index consists of 44 developed and emerging markets countries and targeting companies market capitalization range of USD 170 - 4,200 million in terms of the company's full market capitalization. The Index is net of foreign withholding taxes on dividends. The Lipper International Small Cap Fund Index, an unmanaged index, includes the 10 largest small cap funds tracked by Lipper Analytical Services, Inc., although some funds in the index may have somewhat different investment policies or objectives. You cannot invest directly in these Indices.

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.

¹Lower minimums available through selected fund distributors; ²Harding Loevner has voluntarily agreed to cap the total annual fund operating expenses at 1.75% (on an annualized basis) of the average daily net assets of the Portfolio for an indefinite period; ³MSCI All Country World ex-US Small Cap Index.

Geographical Exposure (%)

Region	HLMSX	Benchmark ³
Canada	2.2	8.5
Emerging Markets	21.3	24.6
Europe EMU	24.2	15.8
Europe ex-EMU	20.5	22.0
Japan	15.1	18.6
Middle East	0.0	0.7
Pacific ex-Japan	15.6	9.8
Cash	1.1	-

International Small Companies Portfolio

June 30, 2010

Ticker: HLMSX

HARDING LOEVNER
FUNDS

Ten Largest Holdings

	Sector	Country	% Assets
Asahi Diamond	Industrials	Japan	2.5
Topsil	Information Technology	Denmark	2.3
Supermax Corporation	Health Care	Malaysia	2.2
Vitasoy Intl Holdings	Consumer Staples	Hong Kong	2.0
Yip's Chemical	Materials	Hong Kong	1.9
Huber & Suhner	Industrials	Switzerland	1.8
Draegerwerk	Health Care	Germany	1.8
Goodpack	Industrials	Singapore	1.7
Chong Hing Bank	Financials	Hong Kong	1.7
Taiwan Paiho	Consumer Discretionary	Taiwan	1.6

Ten Largest Holdings **19.5**

Portfolio Characteristics

	HLMSX	Benchmark ¹		HLMSX	Benchmark ¹
Return on Assets	6.9%	3.0%	Avg Wtd Mkt Cap (mn)	\$560	\$1,166
Return on Equity	12.1%	7.8%	Price/Earnings	14.8	23.4
Debt/Equity Ratio	10.7%	29.3%	Price/Cash Flow	9.1	9.5
Profit Margin	7.4%	4.7%	Price/Book	1.6	1.2
5 Year ROE	14.3%	10.3%	Alpha ³	4.51	-
Std Dev of 5 Year ROE	4.3%	5.9%	Beta ³	0.94	1.00
Sales Growth ²	10.3%	9.8%	R-Squared ³	0.96	1.00
EPS Growth ²	2.5%	0.8%	Sharpe Ratio ³	-0.02	-0.07
CF Growth ²	3.8%	2.6%	Standard Deviation ³	27.94	29.24

¹MSCI All Country World ex-US Small Cap Index; ²Trailing five years, annualized; ³Trailing three years, annualized. Source: Wilshire Atlas (Run Date July 8, 2010) 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 read and 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.hardingloevnerfunds.com.

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.

Investment Adviser

Former global managers for the Rockefeller family formed Harding Loevner LP, the Portfolio's adviser, in 1989. Its investment staff of 23 have an average of 19 years experience, and seven years of tenure. Harding Loevner manages \$7.1 billion for foundations, endowments, pension plans, family offices and individuals.

Portfolio Managers



Josephine Lewis
Tulane University, BSM, 1997
University of Maryland, MBA, 2006
Harding Loevner since 2005

Robert Cresci
Lead Portfolio Manager
Boston College, BA, 1985
Fordham University, MBA, 1992
Harding Loevner since 2006

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