



HARDING · LOEVNER®

Mutual Funds for Institutional Investors

- Institutional Emerging Markets Portfolio
- International Equity Portfolio
- Global Equity Portfolio
- Frontier Emerging Markets Portfolio

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Harding, Loevner Funds, Inc.

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For use only when preceded or accompanied by a prospectus. Read the prospectus carefully before you invest or send money.

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Harding, Loevner Funds, Inc.

Expense Example

October 31, 2008 (unaudited)

As a shareholder of a Harding Loevner Portfolio, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of fund shares; and (2) ongoing costs, including management fees and other fund expenses. The following example is intended to help you understand your ongoing costs (in dollars and cents) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested on May 1, 2008 and held for the entire six month period from May 1, 2008 to October 31, 2008 for the International Equity Portfolio, Institutional Class, Institutional Emerging Markets Portfolio, Global Equity Portfolio, Institutional Class, and Frontier Emerging Markets Portfolio, Institutional Class.

Actual Expenses

The first line under the Portfolio in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line for the Portfolio under the heading entitled "Expenses Paid during Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line under each Portfolio in the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of fund shares. Therefore, the second line under the Portfolio in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value May 1, 2008	Ending Account Value October 31, 2008	Annualized Expense Ratio	Expenses Paid During Period* (May 1, 2008 to October 31, 2008)
Institutional Emerging Markets Portfolio				
Actual	\$1,000.00	\$ 495.20	1.30%	\$ 4.89
Hypothetical (5% annual return before expenses)	1,000.00	1,018.60	1.30%	6.60
International Equity Portfolio, Institutional Class				
Actual	1,000.00	597.40	0.99%	3.98
Hypothetical (5% annual return before expenses)	1,000.00	1,020.15	0.99%	5.04
Global Equity Portfolio, Institutional Class				
Actual	1,000.00	651.90	1.25%	5.19
Hypothetical (5% annual return before expenses)	1,000.00	1,018.85	1.25%	6.34
Frontier Emerging Markets Portfolio				
Actual	1,000.00	1,000.00	2.00%	8.63
Hypothetical (5% annual return before expenses)	1,000.00	1,012.95	2.00%	8.69

* Expenses are calculated using each Portfolio's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by number of days in the period (184 days), and divided by the number of days in the year (366 days).

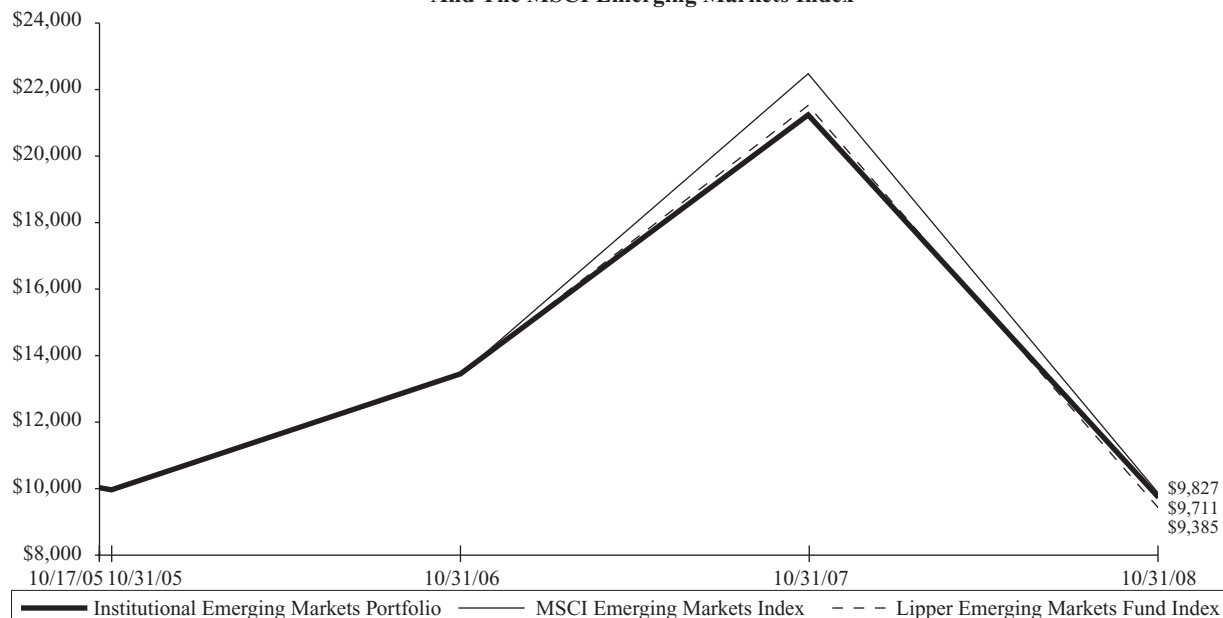
Harding, Loevner Funds, Inc.

Institutional Emerging Markets Portfolio — Overview

(unaudited)

October 31, 2008

Hypothetical Comparison Of Changes In Value Of \$10,000 Investment In Harding, Loevner Funds, Inc. - Institutional Emerging Markets Portfolio And The Lipper Emerging Markets Fund Index And The MSCI Emerging Markets Index



FUND NAME	Returns for the Year Ended October 31, 2008				
	Cumulative Total Returns			Average Annualized Total Return	
	Last 12 Months	5 YR	Inception	5 YR	Inception
Institutional Emerging Markets Portfolio (Inception date 10/17/05)	(54.33)%	N/A	(2.89)%	N/A	(0.96)%
MSCI Emerging Markets (Net dividend)	(56.35)%	N/A	(1.73)%	N/A	(0.57)%
Lipper Emerging Markets Funds Index	(56.43)%	N/A	(6.15)%	N/A	(2.06)%

Performance data quoted represents past performance and 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. Performance current to the most recent month end may be lower or higher than the performance quoted and may be obtained by visiting the website at www.hardingloevnerfunds.com.

Investment return reflects voluntary fee waivers in effect. Absence such waivers, total return would be reduced. The performance provided does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions.

Harding, Loevner Funds, Inc.

Institutional Emerging Markets Portfolio — Overview

October 31, 2008

The Institutional Emerging Markets Portfolio suffered a loss of (54.33)% for the fiscal year ending October 31, 2008, as compared to a loss of (56.35)% for its benchmark, the MSCI Emerging Markets Index.

Consistent with its investment objectives and policies, the Portfolio was invested primarily in the securities of emerging markets companies that exhibited the fundamental characteristics of growth, financial strength, management quality, and durable competitive advantage.

The Portfolio benefited from favorable sector allocations this year. Our cautious economic outlook and focus on companies with strong pricing power led us to overweight the economically-defensive Consumer Staples and Health Care sectors compared to the benchmark and to remain significantly underweight in the economically-sensitive Energy and Materials sectors.

To a lesser degree, stock selection also enhanced our performance relative to the benchmark. Our holdings in Financials, Industrials, Information Technology, and Materials outperformed overall. Strong stocks in these sectors included **Banco Santander Chile, China Insurance International, Orascom Construction, Jiangsu Expressway, Delta Electronics, and Israel Chemicals.**

The Portfolio's performance was hurt by weaker stock selection in the Consumer Discretionary, Consumer Staples, and Telecom Services sectors, where the disappointments included **Central European Media, China Mengniu, and VimpelCom.**

From a geographic perspective, while some of the Portfolio's regional tilts differ substantially from the benchmark, this had little impact on relative performance overall. The key exception was China, where our underweight due to concerns about its market valuation and economic outlook boosted returns.

Bold indicates companies held in the Portfolio during the fiscal year. The Portfolio is actively managed; therefore holdings may not be current. Portfolio holdings and sector allocations are subjects to change at any time and are not recommendations to buy or sell any security. *Current and future holdings are subject to risk.* Please refer to the Schedule of Investments in this report for complete fund holdings.

Past performance does not guarantee future results.

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 Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Index consists of 25 emerging market countries. Net dividends are reinvested.

It is not possible to invest directly in an index.

Harding, Loevner Funds, Inc.

Institutional Emerging Markets Portfolio

Portfolio of Investments

October 31, 2008

Industry	Percentage of Net Assets
Airlines	0.9%
Automotive	1.0
Banks	15.2
Beverages, Food & Tobacco	3.8
Building Materials	1.4
Chemicals	3.5
Coal	0.2
Commercial Services & Supplies	4.1
Communications	11.5
Electric Utilities	3.0
Electrical Equipment	5.1
Electronics	1.6
Engineering & Construction	2.2
Financial Services	4.0
Food Retailers	0.9
Health Care Providers & Services	1.8
Holding Companies-Diversified	2.7
Home Construction, Furnishings & Appliances	0.8
Household Products	1.2
Insurance	3.4
Metals & Mining	4.3
Oil & Gas	10.3
Pharmaceuticals	3.5
Real Estate	0.7
Retailers	2.9
Semiconductors	5.0
Transportation	0.7
Total Investments	95.7
Other Assets Less Liabilities	4.3*
Net Assets	<u>100.0%</u>

* Breakout of other assets and liabilities may be found on page 9.

Harding, Loevner Funds, Inc.

Institutional Emerging Markets Portfolio

Portfolio of Investments

October 31, 2008 (continued)

	Shares	Value (1)
Common Stocks - 95.4%		
Brazil - 10.1%		
All America Latina Logistica SA (Transportation)	211,800	\$ 987,390
Anhanguera Educacional Participacoes SA (Commercial Services & Supplies)	87,856	648,427
Banco Itau Holding Financeira SA - ADR (Banks)	176,060	1,947,224
Companhia Vale do Rio Doce - ADR (Metals & Mining)	238,040	3,123,085
Cyrela Brazil Realty SA (Real Estate)	200,798	982,441
JBS SA (Beverages, Food & Tobacco)	577,900	1,053,637
Petroleo Brasileiro SA - ADR (Oil & Gas)	155,946	4,193,388
Wilson Sons Ltd. - ADR (Commercial Services & Supplies)	99,548	445,703
		<u>13,381,295</u>
Chile - 3.8%		
Banco Santander - ADR (Banks)	41,836	1,497,729
Lan Airlines SA - Sponsored ADR (Airlines)	111,700	1,127,053
Sociedad Quimica y Minera de Chile SA - Sponsored ADR (Chemicals)	103,600	2,372,440
		<u>4,997,222</u>
China - 12.0%		
Anhui Conch Cement Co., Ltd. (Building Materials)	322,000	1,036,578
ASM Pacific Technology Ltd. (Electrical Equipment)	356,500	1,184,910
China Communications Construction Co., Ltd. - Class H (Engineering & Construction)	1,862,000	1,300,720
China Insurance International Holdings Co., Ltd. (Insurance)#	1,120,000	1,749,929
China Mobile Ltd. - Sponsored ADR (Communications)	83,489	3,664,332
China Resources Enterprise (Financial Services)	1,208,000	2,370,911
Hengan International Group Co., Ltd. (Health Care Providers & Services)	847,000	2,388,761
Jiangsu Expressway Co., Ltd. - Class H (Commercial Services & Supplies)	3,068,000	2,150,811
		<u>15,846,952</u>
Colombia - 0.8%		
BanColombia SA - Sponsored ADR (Banks)	55,670	1,087,235
		<u>1,087,235</u>
Czech Republic - 1.9%		
CEZ (Electric Utilities)	56,850	2,467,751
		<u>2,467,751</u>
Egypt - 1.3%		
Orascom Construction Industries - GDR, Reg S (Commercial Services & Supplies)	25,760	1,746,334
		<u>1,746,334</u>
Greece - 0.7%		
Coca Cola Hellenic Bottling Co. SA (Beverages, Food & Tobacco)*	68,330	958,659
		<u>958,659</u>
Hungary - 0.6%		
Richter Gedeon Nyrt (Pharmaceuticals)	5,200	714,353
		<u>714,353</u>
India - 9.4%		
Axis Bank Ltd. (Banks)	126,200	1,493,495
Bharti Airtel-Ventures Ltd. (Communications)*	273,450	3,663,506
HDFC Bank Ltd. - ADR (Banks)	38,003	2,492,997
Hindustan Unilever Ltd. (Household Products)	346,200	1,563,441
Larsen & Toubro Ltd. (Engineering & Construction)	99,400	1,646,782
NTPC Ltd. (Electric Utilities)	518,700	1,496,748
		<u>12,356,969</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Institutional Emerging Markets Portfolio

Portfolio of Investments

October 31, 2008 (continued)

	Shares	Value (1)
Indonesia - 2.5%		
PT Astra International Tbk (Retailers)	659,500	\$ 573,154
PT Bank Rakyat Indonesia (Banks)	3,095,000	1,000,407
PT Bumi Resources Tbk (Coal)#	1,600,000	233,208
PT Telekomunikasi Indonesia - Sponsored ADR (Communications)	74,130	1,485,565
		<u>3,292,334</u>
Israel - 3.7%		
Israel Chemicals Ltd. (Chemicals)	229,130	2,281,301
Teva Pharmaceutical Industries Ltd. - Sponsored ADR (Pharmaceuticals)	61,900	2,654,272
		<u>4,935,573</u>
Luxembourg - 1.0%		
Millicom International Cellular SA (Communications)	33,900	1,356,000
		<u>1,356,000</u>
Malaysia - 2.9%		
Public Bank berhad (Banks)	740,000	1,751,486
Sime Darby Berhad (Holding Companies-Diversified)	1,175,977	2,068,077
		<u>3,819,563</u>
Mexico - 4.8%		
America Movil SA de CV, Series L - ADR (Communications)	64,050	1,981,707
Grupo Financiero Banorte SA de CV, Class O (Financial Services)	737,380	1,409,718
Urbi Desarrollos Urbanos SA de CV (Home Construction, Furnishings & Appliances)*	801,000	1,120,498
Wal-Mart de Mexico SA de CV - Sponsored ADR (Retailers)	68,515	1,822,499
		<u>6,334,422</u>
Peru - 1.0%		
Credicorp Ltd. (Banks)	31,600	1,240,932
		<u>1,240,932</u>
Philippines - 0.5%		
Philippine Long Distance Telephone Co. - Sponsored ADR (Communications)	16,255	664,829
		<u>664,829</u>
Poland - 2.0%		
Bank Pekao SA (Banks)#	26,110	1,187,338
Central European Distribution Corp. (Beverages, Food & Tobacco)*	50,250	1,446,698
		<u>2,634,036</u>
Russia - 5.8%		
Lukoil - Sponsored ADR (Oil & Gas)	30,978	1,183,359
OAQ Gazprom - Sponsored ADR (Oil & Gas)	197,800	3,991,602
Sberbank of Russia (Banks)	1,192,600	1,272,217
Wimm-Bill-Dann Foods - ADR (Food Retailers)*	15,863	697,020
X 5 Retail Group NV - GDR, Reg S (Food Retailers)*	46,456	478,872
		<u>7,623,070</u>
South Africa - 7.4%		
Impala Platinum Holdings Ltd. (Metals & Mining)	129,524	1,359,399
MTN Group Ltd. (Communications)	203,850	2,300,464
Murray & Roberts Holdings Ltd. (Building Materials)	118,000	805,372
SABMiller plc (Beverages, Food & Tobacco)	93,400	1,497,441
Sasol Ltd. (Oil & Gas)	93,137	2,789,840
Standard Bank Group Ltd. (Banks)	129,500	1,035,036
		<u>9,787,552</u>
South Korea - 10.7%		
Hankook Tire Co., Ltd. (Automotive)	143,900	1,382,600
KB Financial Group Inc. - ADR (Banks)*	33,823	832,384

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Institutional Emerging Markets Portfolio

Portfolio of Investments

October 31, 2008 (continued)

	Shares	Value (1)
South Korea (continued)		
LG Corp. (Holding Companies-Diversified)	36,400	\$ 1,444,372
MegaStudy Co., Ltd. (Commercial Services & Supplies)	3,880	433,519
Samsung Electronics Co., Ltd., GDR, Reg S - GDR (Semiconductors)	6,191	783,438
Samsung Electronics Co., Ltd., GDR, Reg S - GDR (Semiconductors)	18,920	3,939,679
Samsung Fire & Marine Insurance Co., Ltd. (Insurance)	20,710	2,742,959
Shinsegae Co., Ltd. (Retailers)	4,030	1,421,871
Taewoong Co., Ltd. (Metals & Mining)	24,100	1,171,067
		<u>14,151,889</u>
Taiwan - 7.2%		
Delta Electronics (Electrical Equipment)	1,374,205	3,171,154
MediaTek Inc. (Semiconductors)	212,270	1,894,344
Synnex Technology International Corp. (Electronics)	1,556,300	2,048,685
Taiwan Semiconductor Manufacturing Co. (Electrical Equipment)	1,628,854	2,410,153
		<u>9,524,336</u>
Thailand - 2.2%		
PTT Exploration & Production plc (Oil & Gas)	411,600	1,004,046
Siam Commercial Bank-Alien (Banks)	1,296,570	1,942,080
		<u>2,946,126</u>
Turkey - 2.2%		
Haci Omer Sabanci Holding AS (Financial Services)	632,000	1,537,316
Turkiye Is Bankasi (Banks)	464,171	1,310,084
		<u>2,847,400</u>
United Kingdom - 0.9%		
Hikma Pharmaceuticals plc (Pharmaceuticals)	234,820	1,224,554
		<u>1,224,554</u>
Total Common Stocks (Cost \$186,135,290)		<u>125,939,386</u>
Preferred Stocks - 0.3%		
Russia - 0.3%		
Transneft (Oil & Gas)	1,429	479,578
		<u>479,578</u>
Total Preferred Stocks (Cost \$2,431,146)		<u>479,578</u>
Rights - 0.0%		
Brazil - 0.0%		
Anhanguera Educacional Participacoes SA (Commercial Services & Supplies)#,*	2,923	—
Total Investments - 95.7% (Cost \$188,566,436)		<u>126,418,964</u>
Other Assets, Less Liabilities - 4.3%		<u>5,618,198</u>
Net Assets - 100.0%		<u>\$132,037,162</u>

Summary of Abbreviations

ADR	American Depository Receipt
GDR	Global Depository Receipt
Reg S	Security sold outside United States without registration under the Securities Act of 1933.
(1)	See Note 2 to Financial Statements.
#	Security valued at fair value as determined in good faith by or under the direction of the Board of Directors.
*	Non-income producing security.

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Institutional Emerging Markets Portfolio

Statement of Assets and Liabilities

October 31, 2008 (continued)

	<u>Value (1)</u>
Assets	
Investment in securities, at value (cost \$188,566,436)	\$126,418,964
Cash	6,955,440
Receivable for securities sold	21,590,333
Dividends and interest receivable	247,088
Foreign currency (cost \$1,397,592)	1,397,016
Tax reclaim receivable	<u>14,275</u>
Total assets	<u>156,623,116</u>
Liabilities	
Payable to Investment Advisor	(110,740)
Payable for securities purchased	(5,041,345)
Payable for Fund shares redeemed	(19,263,795)
Other liabilities	<u>(170,074)</u>
Total liabilities	<u>(24,585,954)</u>
Net assets	<u>\$132,037,162</u>
Components of Net Assets as of October 31, 2008 were as follows:	
Paid-in capital	\$217,126,853
Accumulated undistributed net investment income	5,094,625
Accumulated net realized gain (loss) from investment transactions	(28,013,013)
Net unrealized appreciation (depreciation) on assets and liabilities denominated in foreign currencies (Note 4)	<u>(62,171,303)</u>
	<u>\$132,037,162</u>
Net Assets	
Applicable to 14,214,409 outstanding \$.001 par value shares (authorized 500,000,000 shares)	<u>\$132,037,162</u>
Net Asset Value, Offering Price and Redemption Price Per Share	<u>\$ 9.29</u>

See Notes to Financial Statements

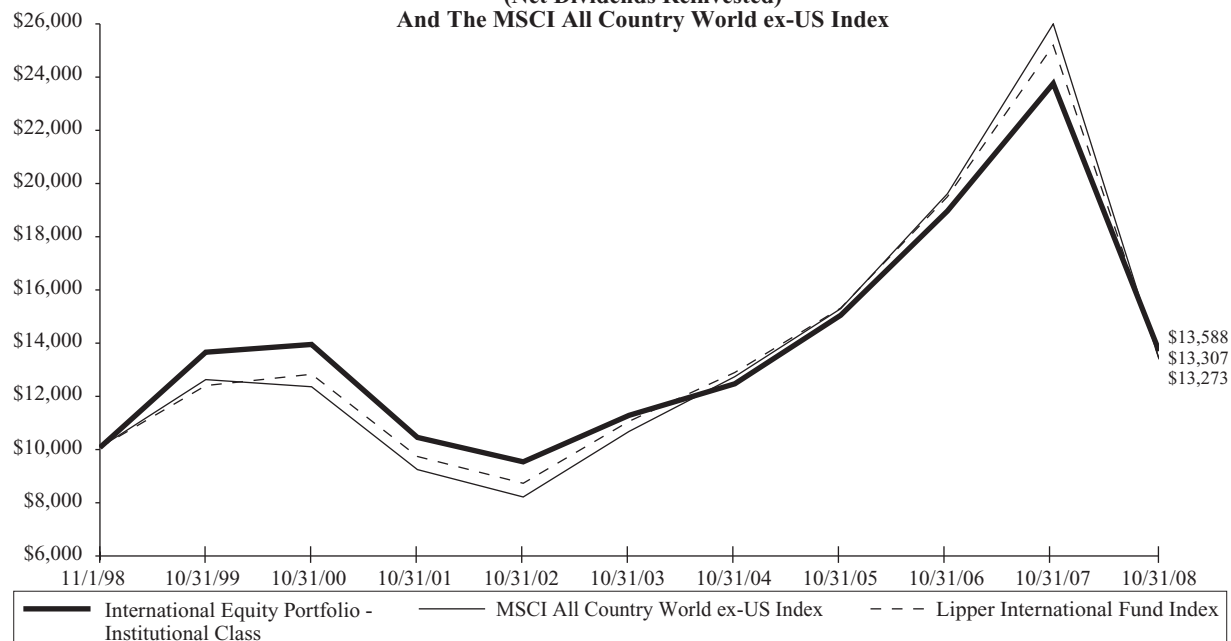
Harding, Loevner Funds, Inc.

International Equity Portfolio — Overview

(unaudited)

October 31, 2008

Hypothetical Comparison Of Changes In Value Of \$10,000 Investment In Harding, Loevner Funds, Inc. - International Equity Portfolio - Institutional Class And The Lipper International Equity Fund Index (Net Dividends Reinvested) And The MSCI All Country World ex-US Index



FUND NAME	Returns for the Year Ended October 31, 2008				
	Cumulative Total Returns			Average Annualized Total Return	
	Last 12 Months	5 YR	10 YR	5 YR	10 YR
International Equity Institutional Class (Inception date 11/1/94)	(42.33)%	21.27%	35.88%	3.93%	3.11%
MSCI All Country World ex-US (Net dividend)	(48.53)%	25.32%	32.72%	4.62%	2.87%
Lipper International Fund Index	(46.77)%	21.29%	33.07%	3.94%	2.90%

Performance data quoted represents past performance and 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. Performance current to the most recent month end may be lower or higher than the performance quoted and may be obtained by visiting the website at www.hardingloevnerfunds.com.

Investment return reflects voluntary fee waivers in effect. Absence such waivers, total return would be reduced. The performance provided does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions.

Harding, Loevner Funds, Inc.

International Equity Portfolio — Overview

October 31, 2008

The International Equity Portfolio lost (42.33)% for the fiscal year ending October 31, 2008. In comparison, the benchmark MSCI All Country World ex-US Index fell (48.53)%.

Consistent with its investment objectives and policies, the Portfolio was invested primarily in the securities of non-US companies that exhibited the fundamental characteristics of growth, financial strength, management quality, and durable competitive advantage.

The Portfolio benefited from having nearly three times the benchmark weight in Health Care companies and nearly twice the benchmark weight in Consumer Staples (two of the best-performing sectors in the benchmark this year). Our longstanding underweight in Financials helped performance as well. Our holdings in the health care equipment (**Alcon, Synthes**), capital goods (**Fanuc, Kubota**), semiconductor (**Taiwan Semiconductor**), tech hardware (**Keyence**), energy (**BG Group, EnCana**), and materials (**Air Liquide**) groups all performed better than their peers.

Results within the Consumer Staples sector were hurt by our holdings in food-ingredient producers (i.e., agricultural commodity processors **Bunge** and **Olam International**). We also suffered from our holdings in banks with significant Eastern European businesses, including Poland's **Bank Pekao** and Austria's **Erste Bank**.

Bold indicates companies held in the Portfolio during the fiscal year. The Portfolio is actively managed; therefore holdings may not be current. Portfolio holdings and sector allocations are subjects to change at any time and are not recommendations to buy or sell any security. *Current and future holdings are subject to risk.* Please refer to the Schedule of Investments in this report for complete fund holdings.

Past performance does not guarantee future results.

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 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 are reinvested.

It is not possible to invest directly in an index.

Harding, Loevner Funds, Inc.

International Equity Portfolio

Statement of Net Assets

October 31, 2008

<u>Industry</u>	<u>Percentage of Net Assets</u>
Banks	7.4%
Beverages, Food & Tobacco	13.4
Chemicals	5.3
Commercial Services & Supplies	6.9
Communications	5.1
Computer Software & Processing	3.0
Computers & Information	0.6
Cosmetics & Personal Care	2.2
Electrical Equipment	8.5
Electronics	2.1
Financial Services	1.4
Health Care Providers & Services	1.6
Heavy Machinery	1.9
Holding Companies-Diversified	2.0
Insurance	2.5
Machinery - Diversified	2.5
Media	1.8
Medical Supplies	7.6
Oil & Gas	13.0
Pharmaceuticals	3.8
Real Estate	1.4
Retailers	2.1
Semiconductors	1.8
Total Investments	<u>97.9</u>
Other Assets Less Liabilities	<u>2.1*</u>
Net Assets	<u>100.0%</u>

* Breakout of other assets and liabilities may be found on page 17.

Harding, Loevner Funds, Inc.

International Equity Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	Shares	Value (1)
Common Stocks - 96.8%		
Australia - 2.4%		
Cochlear Ltd. (Medical Supplies)	129,810	\$ 4,940,267
Austria - 1.8%		
Erste Bank der Oesterreichischen Sparkassen AG (Banks)	136,020	3,681,727
Bermuda - 2.1%		
Bunge Ltd. (Beverages, Food & Tobacco)	113,280	4,351,085
Canada - 3.9%		
EnCana Corp. (Oil & Gas)	72,782	3,705,332
Imperial Oil Ltd. (Oil & Gas)	120,290	4,263,077
		7,968,409
Finland - 1.8%		
Nokia Oyj - Sponsored ADR (Communications)	240,700	3,653,826
France - 14.4%		
Air Liquide (Chemicals)	86,102	7,421,212
Dassault Systemes SA (Computer Software & Processing)	149,300	6,163,643
L'Oreal SA (Cosmetics & Personal Care)	59,470	4,495,664
LVMH Moet Hennessy Louis Vuitton SA (Beverages, Food & Tobacco)	56,830	3,791,698
Schlumberger Ltd. (Oil & Gas)	76,000	3,925,400
Schneider Electric SA (Electrical Equipment)	58,050	3,491,936
		29,289,553
Germany - 5.7%		
Allianz SE (Insurance)	35,680	2,672,041
Fresenius AG (Health Care Providers & Services)	54,370	3,193,198
Qiagen NV (Commercial Services & Supplies)*	398,220	5,814,606
		11,679,845
Hong Kong - 2.6%		
Hutchison Whampoa Ltd. (Commercial Services & Supplies)	459,000	2,512,461
Li & Fung Ltd. (Commercial Services & Supplies)	1,408,200	2,831,534
		5,343,995
Indonesia - 1.4%		
PT Telekomunikasi Indonesia - Sponsored ADR (Communications)	141,940	2,844,478
Japan - 15.8%		
Fanuc Ltd. (Electrical Equipment)	59,400	4,031,574
Hoya Corp. (Electronics)	233,400	4,326,384
JSR Corp. (Chemicals)	284,200	3,296,645
Keyence Corp. (Electrical Equipment)	28,765	5,554,884
Kubota Corp. (Machinery - Diversified)	978,300	5,027,111
Monex Beans Holdings Inc. (Computers & Information)	3,410	1,116,007
Nomura Holdings Inc. (Financial Services)	305,500	2,840,547
So-net M3 Inc. (Commercial Services & Supplies)	881	2,960,985
Sumitomo Realty & Development Co., Ltd. (Real Estate)	182,000	2,920,094
		32,074,231

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

International Equity Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	Shares	Value (1)
Malaysia - 2.0%		
Sime Darby Berhad (Holding Companies-Diversified)	2,339,810	\$ 4,114,798
Mexico - 4.0%		
America Movil SA de CV, Series L - ADR (Communications)	126,600	3,917,004
Wal-Mart de Mexico SA de CV - Sponsored ADR (Retailers)	162,120	4,312,392
		<u>8,229,396</u>
Poland - 1.1%		
Bank Pekao SA - GDR, Reg S (Banks)#	47,560	<u>2,150,488</u>
Russia - 2.6%		
OAQ Gazprom - Sponsored ADR (Oil & Gas)	257,570	<u>5,197,760</u>
Singapore - 1.9%		
DBS Group Holdings Ltd. (Banks)	266,083	2,037,017
Olam International Ltd. (Beverages, Food & Tobacco)	2,033,900	1,766,963
		<u>3,803,980</u>
South Africa - 2.3%		
Sasol Ltd. (Oil & Gas)	153,520	<u>4,598,561</u>
South Korea - 1.8%		
Samsung Electronics Co., Ltd., GDR, Reg S - GDR (Semiconductors)	17,920	<u>3,731,450</u>
Sweden - 2.9%		
Atlas Copco AB - Class A (Heavy Machinery)	464,600	3,883,533
Skandinaviska Enskilda Banken AB, Class A (Banks)	209,200	2,110,604
		<u>5,994,137</u>
Switzerland - 12.7%		
Alcon Inc. (Medical Supplies)	19,120	1,684,854
Nestle SA - Sponsored ADR (Beverages, Food & Tobacco)	192,650	7,407,393
Nobel Biocare Holding AG (Medical Supplies)	102,600	1,765,634
Roche Holding AG - Genusschein (Pharmaceuticals)	50,150	7,676,249
Swiss Re - Registered (Insurance)	58,650	2,443,504
Synthes Inc. (Medical Supplies)	36,920	4,766,948
		<u>25,744,582</u>
Taiwan - 2.1%		
Taiwan Semiconductor Manufacturing Co. (Electrical Equipment)	2,834,713	<u>4,194,417</u>
United Kingdom - 11.5%		
BG Group plc (Oil & Gas)	325,980	4,795,538
Standard Chartered plc (Banks)	299,810	4,977,580
Tesco plc (Beverages, Food & Tobacco)	1,187,480	6,490,991
Unilever plc (Beverages, Food & Tobacco)	152,425	3,436,479
WPP Group plc (Media)	607,220	3,668,501
		<u>23,369,089</u>
Total Common Stocks (Cost \$213,725,598)		<u>196,956,074</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.**International Equity Portfolio****Statement of Net Assets****October 31, 2008 (continued)**

	Shares	Value (1)
<u>Preferred Stocks - 1.1%</u>		
<u>Germany - 1.1%</u>		
Fresenius AG (Medical Supplies)	35,080	\$ 2,244,951
Total Preferred Stocks (Cost \$2,528,985)		<u>2,244,951</u>
Total Investments - 97.9% (Cost \$216,254,583)		<u>\$199,201,025</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

International Equity Portfolio

Statement of Net Assets

October 31, 2008 (continued)

Value (1)

Liabilities, Net of Other Assets - 2.1%

Cash	\$ 3,938,339
Dividends and interest receivable	474,880
Foreign currency (cost \$22,409)	22,037
Receivable for Fund shares sold	32,530
Tax reclaim receivable	200,742
Prepaid expenses	2,530
Payable to Investment Advisor	(132,490)
Payable for Fund shares redeemed	(15,542)
Payable for distribution fees	(9,107)
Other liabilities	(142,800)
	<u>4,371,119</u>

Net Assets - 100%

Investor Class	
Applicable to 1,062,034 outstanding \$.001 par value shares (authorized 250,000,000 shares)	<u>\$ 12,121,997</u>
Net Asset Value, Offering Price and Redemption Price Per Share	<u>\$ 11.41</u>

Institutional Class	
Applicable to 16,730,051 outstanding \$.001 par value shares (authorized 250,000,000 shares)	<u>\$191,450,147</u>
Net Asset Value, Offering Price and Redemption Price Per Share	<u>\$ 11.44</u>

Components of Net Assets as of October 31, 2008 were as follows:

Paid-in capital	\$179,651,305
Accumulated undistributed net investment income	2,842,758
Accumulated undistributed net realized gain on investments and foreign currency-related transactions	38,124,657
Net unrealized appreciation (depreciation) on assets and liabilities denominated in foreign currencies (Note 4)	(17,046,576)
	<u>\$203,572,144</u>

Summary of Abbreviations

ADR	American Depository Receipt
GDR	Global Depository Receipt
Reg S	Security sold outside United States without registration under the Securities Act of 1933.
(1)	See Note 2 to Financial Statements.
*	Non-income producing security.
#	Security valued at fair value as determined in good faith by or under the direction of the Board of Directors.

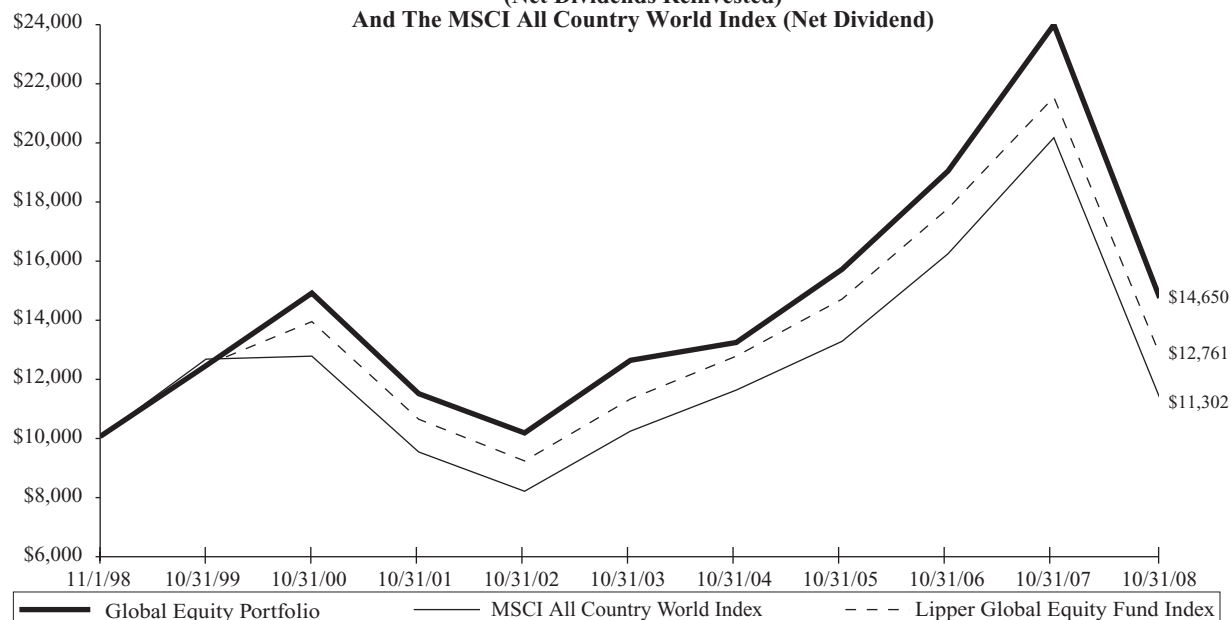
Harding, Loevner Funds, Inc.

Global Equity Portfolio — Overview

(unaudited)

October 31, 2008

Hypothetical Comparison Of Changes In Value Of \$10,000 Investment In Harding, Loevner Funds, Inc. - Global Equity Portfolio And The Lipper Global Equity Fund Index (Net Dividends Reinvested) And The MSCI All Country World Index (Net Dividend)



FUND NAME	Returns for the Year Ended October 31, 2008				
	Cumulative Total Returns			Average Annualized Total Return	
	Last 12 Months	5 YR	10 YR	5 YR	10 YR
Global Equity Portfolio (Inception date 12/1/96)	(38.54)%	16.65%	46.50%	3.13%	3.89%
MSCI All Country World Index (Net dividend)	(43.58)%	11.11%	13.02%	2.13%	1.23%
Lipper Global Equity Fund Index	(40.35)%	13.38%	27.61%	2.54%	2.47%

Performance data quoted represents past performance and 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. Performance current to the most recent month end may be lower or higher than the performance quoted and may be obtained by visiting the website at www.hardingloevnerfunds.com.

Investment return reflects voluntary fee waivers in effect. Absence such waivers, total return would be reduced. The performance provided does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions.

Harding, Loevner Funds, Inc.

Global Equity Portfolio — Overview

October 31, 2008

The Global Equity Portfolio lost (38.54)% for the fiscal year ending October 31, 2008. In comparison, our benchmark, the MSCI All Country World Index, fell (43.58)%.

Consistent with its investment objectives and policies, the Portfolio was invested primarily in the securities of global companies that exhibited the fundamental characteristics of growth, financial strength, management quality, and durable competitive advantage.

The Portfolio benefited from having more than twice the benchmark weight in Health Care, the best-performing sector in the Index this year. Our longstanding small weight (relative to the benchmark) in Financials helped performance as well. Our holdings in the pharmaceuticals & biotech (**Abbott Labs, Genentech**), health care equipment (**Alcon, Synthes**), capital goods (**Emerson, 3M Company**), tech hardware (**Keyence, Qualcomm**), and materials (**Air Liquide**) groups all performed better than their peers.

Results within the Consumer Staples sector were hurt by our holdings in food-ingredient producers (i.e., agricultural commodity processors **Bunge** and **Olam International**) as well as by traditional stalwart **L'Oreal**. In Financials, we suffered from our holding in **AIG** (now sold), which had to be rescued by the US government due to the company's guarantees of mortgage-related securities.

Bold indicates companies held in the Portfolio during the fiscal year. The Portfolio is actively managed; therefore holdings may not be current. Portfolio holdings and sector allocations are subjects to change at any time and are not recommendations to buy or sell any security. *Current and future holdings are subject to risk.* Please refer to the Schedule of Investments in this report for complete fund holdings.

Past performance does not guarantee future results.

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 Index 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 47 developed and emerging market countries. Net dividends are reinvested.

It is not possible to invest directly in an index.

Harding, Loevner Funds, Inc.

Global Equity Portfolio

Statement of Net Assets

October 31, 2008

Industry	Percentage of Net Assets
Banks	4.5%
Beverages, Food & Tobacco	7.4
Chemicals	4.3
Commercial Services & Supplies	5.4
Communications	7.2
Computer Software & Processing	5.9
Cosmetics & Personal Care	4.0
Electrical Equipment	6.6
Financial Services	2.2
Health Care Providers & Services	1.1
Holding Companies-Diversified	1.1
Industrial - Diversified	2.6
Insurance	0.8
Internet	5.3
Leisure Time	0.9
Medical Supplies	6.7
Metals & Mining	1.1
Oil & Gas	10.0
Pharmaceuticals	12.7
Real Estate	1.3
Retailers	2.7
Semiconductors	1.4
Textiles & Apparel	1.8
Transportation	1.8
Total Investments	<u>98.8</u>
Other Assets Less Liabilities	<u>1.2*</u>
Net Assets	<u><u>100.0%</u></u>

* Breakout of other assets and liabilities may be found on page 23.

Harding, Loevner Funds, Inc.

Global Equity Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	Shares	Value (1)
Common Stocks - 98.8%		
Australia - 3.2%		
Cochlear Ltd. (Medical Supplies)	14,530	\$ 552,978
Rio Tinto Ltd. (Metals & Mining)	5,750	<u>297,524</u>
		<u>850,502</u>
Austria - 0.6%		
Erste Bank der Oesterreichischen Sparkassen AG (Banks)	5,800	<u>156,992</u>
Bermuda - 2.1%		
Bunge Ltd. (Beverages, Food & Tobacco)	14,620	<u>561,554</u>
Canada - 2.3%		
EnCana Corp. (Oil & Gas)	11,890	<u>605,320</u>
China - 1.8%		
China Merchants Holdings International Co., Ltd. (Transportation)	196,000	<u>463,450</u>
Denmark - 1.1%		
Novo Nordisk A/S, Series B (Pharmaceuticals)	5,300	<u>283,712</u>
France - 8.1%		
Air Liquide (Chemicals)	4,779	411,906
Dassault Systemes SA (Computer Software & Processing)	11,650	480,954
L'Oreal SA (Cosmetics & Personal Care)	7,760	586,621
LVMH Moet Hennessy Louis Vuitton SA (Beverages, Food & Tobacco)	3,384	225,780
Schlumberger Ltd. (Oil & Gas)	7,890	<u>407,519</u>
		<u>2,112,780</u>
Germany - 3.2%		
Fresenius AG (Health Care Providers & Services)	4,770	280,146
Qiagen NV (Commercial Services & Supplies)	20,578	300,470
SAP AG - Sponsored ADR (Computer Software & Processing)	6,980	<u>246,603</u>
		<u>827,219</u>
Hong Kong - 1.7%		
Li & Fung Ltd. (Commercial Services & Supplies)	225,800	<u>454,027</u>
Indonesia - 1.0%		
PT Telekomunikasi Indonesia - Sponsored ADR (Communications)	12,980	<u>260,119</u>
Japan - 10.5%		
Fanuc Ltd. (Electrical Equipment)	3,400	230,764
JSR Corp. (Chemicals)	21,200	245,914
Keyence Corp. (Electrical Equipment)	4,560	880,594
Nomura Holdings Inc. (Financial Services)	62,300	579,267
So-net M3 Inc. (Commercial Services & Supplies)	140	470,531
Sumitomo Realty & Development Co., Ltd. (Real Estate)	22,000	<u>352,978</u>
		<u>2,760,048</u>
Malaysia - 1.1%		
Sime Darby Berhad (Holding Companies-Diversified)	160,157	<u>281,653</u>
Mexico - 1.2%		
America Movil SA de CV, Series L - ADR (Communications)	10,600	<u>327,964</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Global Equity Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	Shares	Value (1)
Russia - 2.6%		
OA0 Gazprom - Sponsored ADR (Oil & Gas)	33,400	\$ 674,012
Singapore - 2.2%		
Olam International Ltd. (Beverages, Food & Tobacco)	664,100	576,941
South Africa - 1.5%		
Sasol Ltd. (Oil & Gas)	13,430	402,284
Switzerland - 9.1%		
Nestle SA - Sponsored ADR (Beverages, Food & Tobacco)	15,225	585,401
Novartis AG - Registered (Pharmaceuticals)	7,620	385,485
Roche Holding AG - Genusschein (Pharmaceuticals)	2,350	359,705
Sonova Holding AG (Medical Supplies)	4,880	205,115
Swiss Re - Registered (Insurance)	5,100	212,479
Synthes Inc. (Medical Supplies)	4,890	631,375
		<u>2,379,560</u>
Taiwan - 1.4%		
MediaTek Inc. (Semiconductors)	41,410	369,552
United Kingdom - 3.5%		
Carnival plc - ADR (Leisure Time)	10,500	238,350
RPS Group plc (Commercial Services & Supplies)	75,300	179,978
Standard Chartered plc (Banks)	30,400	504,714
		<u>923,042</u>
United States - 40.6%		
3M Co. (Industrial - Diversified)	10,570	679,651
Abbott Laboratories (Pharmaceuticals)	14,350	791,402
Cisco Systems Inc. (Communications)*	45,515	808,802
Coach Inc. (Textiles & Apparel)*	23,200	477,920
Colgate-Palmolive Co. (Cosmetics & Personal Care)	7,150	448,734
Electronic Arts Inc. (Computer Software & Processing)*	14,260	324,843
Emerson Electric Co. (Electrical Equipment)	19,070	624,161
Exxon Mobil Corp. (Oil & Gas)	7,190	532,923
Genentech Inc. (Pharmaceuticals)*	6,890	571,457
Genzyme Corp. (Pharmaceuticals)*	7,400	539,312
Google Inc. - Class A (Internet)*	2,357	847,011
Medco Health Solutions Inc. (Pharmaceuticals)*	10,568	401,056
Medtronic Inc. (Medical Supplies)	9,100	367,003
Oracle Corp. (Computer Software & Processing)*	27,110	495,842
Praxair Inc. (Chemicals)	7,220	470,383
Qualcomm Inc. (Communications)	13,150	503,119
Walgreen Co. (Retailers)	27,350	696,331
Wells Fargo & Co. (Banks)	15,350	522,667
Yahoo! Inc. (Internet)*	41,400	530,748
		<u>10,633,365</u>
Total Common Stocks (Cost \$27,518,582)		<u>25,904,096</u>
Total Investments - 98.8% (Cost \$27,518,582)		<u>\$25,904,096</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Global Equity Portfolio

Statement of Net Assets

October 31, 2008 (continued)

Value (1)

Liabilities, Net of Other Assets - 1.2%

Cash	\$ 306,420
Dividends and interest receivable	39,893
Foreign currency (cost \$1,825)	1,812
Receivable for Fund shares sold	4,712
Tax reclaim receivable	14,866
Prepaid expenses	223
Payable to Investment Advisor	(10,935)
Other liabilities	(53,267)
	<u>303,724</u>

Net Assets - 100%

Institutional Class	
Applicable to 1,646,320 outstanding \$.001 par value shares (authorized 500,000,000 shares)	<u>\$26,207,820</u>

Net Asset Value, Offering Price and Redemption Price Per Share \$ 15.92

Components of Net Assets as of October 31, 2008 were as follows:

Paid-in capital	\$27,742,069
Accumulated undistributed net investment income	140,612
Accumulated net realized gain (loss) from investment transactions	(60,866)
Net unrealized appreciation (depreciation) on assets and liabilities denominated in foreign currencies (Note 4)	(1,613,995)
	<u>\$26,207,820</u>

Summary of Abbreviations

ADR	American Depository Receipt
(1)	See Note 2 to Financial Statements.
*	Non-income producing security.

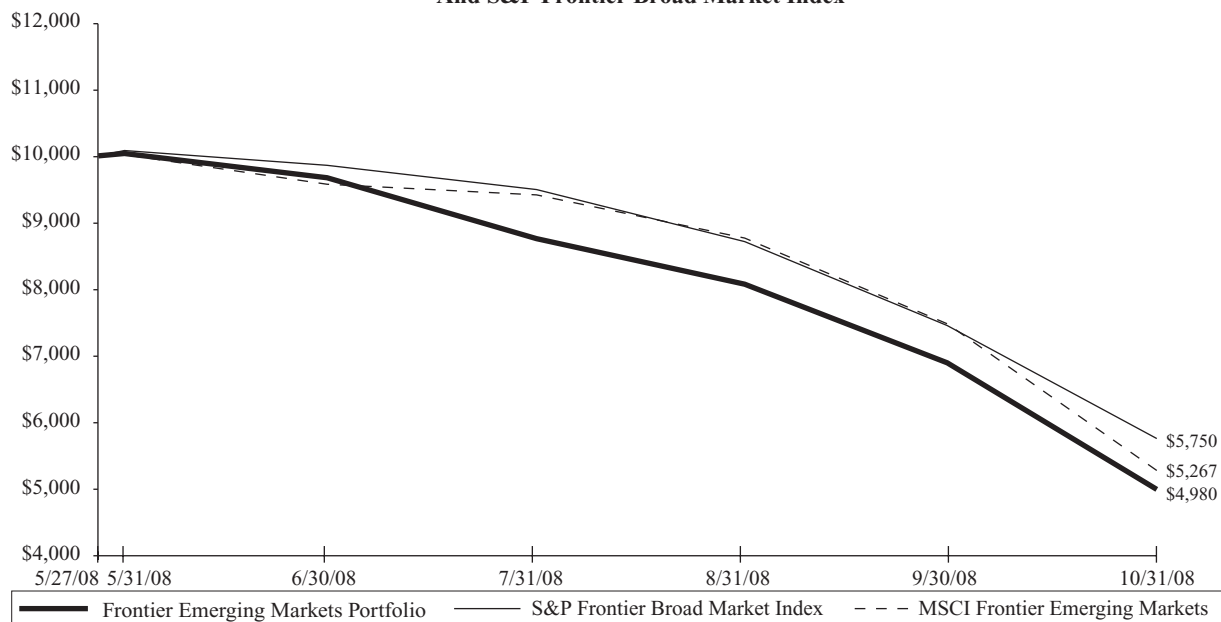
Harding, Loevner Funds, Inc.

Frontier Emerging Markets Portfolio — Overview

(unaudited)

October 31, 2008

Hypothetical Comparison Of Changes In Value Of \$10,000 Investment In Harding, Loevner Funds, Inc. - Frontier Emerging Markets Portfolio And The MSCI Frontier Emerging Markets Index (Net Dividends) And S&P Frontier Broad Market Index



Returns for the Period from May 27, 2008 (inception) through October 31, 2008	
FUND NAME	Cumulative Total Returns (A)
	Inception
Frontier Emerging Markets Portfolio (Inception date 05/27/08)	(50.20)%
MSCI Frontier Emerging Markets Index (Net Dividends)	(47.33)%
S&P Frontier Broad Market Index	(42.51)%

(A) The Institutional Class shares commenced operations on May 27, 2008.

Performance data quoted represents past performance and 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. Performance current to the most recent month end may be lower or higher than the performance quoted and may be obtained by visiting the website at www.hardingloevnerfunds.com.

Investment return reflects voluntary fee waivers in effect. Absence such waivers, total return would be reduced. The performance provided does not reflect the deduction of taxes that a shareholder would pay on Portfolio distributions.

Harding, Loevner Funds, Inc.

Frontier Emerging Markets Portfolio — Overview

October 31, 2008

The Frontier Emerging Markets Portfolio commenced operations on May 27, 2008. From this date to the end of the fiscal year on October 31, 2008, the Portfolio declined (50.20)%. A comparable index, the MSCI Frontier Emerging Markets Index, fell (47.33)% in the same period.

Consistent with its investment objectives and policies, the Portfolio was invested in the securities of companies with strong growth prospects located in frontier and emerging markets countries that we regard as both economically stable and offering attractive long-term investment potential.

Since the Portfolio was launched, investor fears that credit destruction and the resulting economic slowdown were spreading from the US and Europe to the rest of the world hit global markets hard. The Portfolio's performance suffered especially from significant exposure to Egypt and Kenya. Among our Kenyan holdings, **Safaricom**, a leading cellular provider and one of Kenya's most liquid stocks, was the worst performer.

From a sector standpoint, the Portfolio's Consumer Discretionary holdings fell the most on absolute terms. The steepest declines were from our European holdings, including **Olympic Group**, a casino operator in the Baltic region, and **Central European Media**, a Polish television company.

Bold indicates companies held in the Portfolio during the fiscal year. The Portfolio is actively managed; therefore holdings may not be current. Portfolio holdings and sector allocations are subjects to change at any time and are not recommendations to buy or sell any security. *Current and future holdings are subject to risk.* Please refer to the Schedule of Investments in this report for complete fund holdings.

Past performance does not guarantee future results.

Foreign investments involve additional risks, including greater volatility and political, economic, and currency risks and differences in accounting methods. Emerging markets countries involve greater risks, such as immature economic structures, national policies restricting investments by foreigners, and different legal systems. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment in lower-rated and non-rated securities presents a greater risk of loss of principal and interest than higher-rated securities.

The MSCI Frontier Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Index consists of 27 frontier and emerging market countries. You cannot invest directly in this Index.

It is not possible to invest directly in an index.

Harding, Loevner Funds, Inc.

Frontier Emerging Markets Portfolio

Statement of Net Assets

October 31, 2008

Industry	Percentage of Net Assets
Agriculture	1.4%
Airlines	1.2
Automotive	0.9
Banks	14.4
Beverages, Food & Tobacco	5.9
Building Materials	8.1
Chemicals	3.8
Communications	17.0
Electric Utilities	1.0
Electrical Equipment	2.0
Engineering & Construction	4.5
Entertainment	0.6
Financial Services	0.4
Health Care Providers & Services	0.8
Heavy Machinery	0.5
Industrial - Diversified	6.3
Internet	0.9
Iron & Steel	0.1
Leisure Time	0.7
Lodging	0.8
Media	5.1
Metals & Mining	1.4
Oil & Gas	6.5
Pharmaceuticals	6.2
Real Estate	3.0
Transportation	2.4
Total Investments	95.9
Other Assets Less Liabilities	4.1*
Net Assets	<u>100.0%</u>

* Breakout of other assets and liabilities may be found on page 30.

Harding, Loevner Funds, Inc.

Frontier Emerging Markets Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	Shares	Value (1)
Common Stocks - 95.9%		
Argentina - 1.8%		
Molinos Rio De La Plata SA (Beverages, Food & Tobacco)*	32,790	\$ 86,175
Bangladesh - 4.7%		
Lafarge Surma Cement Ltd. (Building Materials)*	10,100	79,690
Square Pharmaceuticals Ltd. (Pharmaceuticals)*	3,388	148,469
		<u>228,159</u>
Chile - 2.1%		
Sociedad Quimica y Minera de Chile SA - Sponsored ADR (Chemicals)	4,500	<u>103,050</u>
Croatia - 10.2%		
Atlanska Plovidba (Transportation)	191	26,810
Atlantic Grupa (Beverages, Food & Tobacco)	580	52,198
Dalekovod (Engineering & Construction)	826	79,253
Ericsson Nikola Tesla (Communications)	361	82,103
Hrvatski Postanska (Communications)	2,820	113,490
Ina Industrija Nafta (Oil & Gas)	405	143,922
		<u>497,776</u>
Czech Republic - 3.2%		
Central European Media Enterprises Ltd. (Media)*	1,400	37,394
CEZ (Electric Utilities)	1,170	50,788
Zentiva N.V. (Pharmaceuticals)	1,245	67,936
		<u>156,118</u>
Democratic Republic of Congo - 0.3%		
Katanga Mining Ltd. (Metals & Mining)*	9,900	<u>12,238</u>
Egypt - 7.0%		
Elswedey Cables Holdings Co. (Electrical Equipment)*	8,393	96,558
Orascom Construction Industries - GDR, Reg S (Engineering & Construction)	2,040	138,297
Orascom Telecom Holding SAE - GDR (Communications)	3,466	108,545
		<u>343,400</u>
Estonia - 1.2%		
Olympic Entertainment Group (Entertainment)	27,770	30,085
Tallink Group Ltd. (Transportation)*	68,740	27,160
		<u>57,245</u>
Ghana - 1.0%		
Ghana Commercial Bank (Banks)*	42,600	<u>46,909</u>
Indonesia - 2.4%		
PT Astra International Tbk (Automotive)	52,000	45,192
PT Telekomunikasi Indonesia - Sponsored ADR (Communications)	3,620	72,545
		<u>117,737</u>
Israel - 1.3%		
Israel Chemicals Ltd. (Chemicals)	6,440	<u>64,119</u>
Kazakhstan - 1.8%		
Halyk Savings Bank of Kazakhstan JSC - GDR, Reg S (Banks)	8,100	34,610
Kazakhstan Kagazy plc- GDR (Industrial - Diversified)*	23,020	9,553

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Frontier Emerging Markets Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	Shares	Value (1)
Kazakhstan (continued)		
KazMunaiGas Exploration Production - GDR (Oil & Gas)	1,650	\$ 23,401
Steppe Cement Ltd. (Building Materials)*	15,250	<u>22,157</u>
		89,721
Kenya - 9.6%		
Accesskenya (Internet)	187,000	44,097
East African Breweries Ltd. (Beverages, Food & Tobacco)	44,000	67,692
Equity Bank Ltd. (Banks)	38,000	82,421
Kenya Airways Ltd. (Airlines)	172,500	58,189
Kenya Oil Co., Ltd. (Oil & Gas)	67,900	50,947
Nation Media Group (Media)	66,400	93,781
Safaricom Ltd. (Communications)*	1,642,100	<u>70,405</u>
		467,532
Lebanon - 2.8%		
Banque Audi sal- Audi Saradar Group - GDR, Reg S (Banks)	900	61,020
SOLIDERE - GDR, Reg S (Real Estate)	3,500	<u>74,375</u>
		135,395
Lithuania - 1.4%		
Teo Lt AB (Communications)	131,040	<u>68,202</u>
Mauritius - 3.4%		
Mauritius Commercial Bank (Banks)	31,400	125,014
Sun Resorts Ltd. - Class A (Lodging)	24,340	<u>40,882</u>
		165,896
Morocco - 7.2%		
Douja Prom Addoha (Real Estate)	4,620	73,622
Managem (Metals & Mining)	1,522	55,688
Maroc Telecom (Communications)	5,870	117,957
Ona SA (Industrial - Diversified)	625	<u>105,709</u>
		352,976
Netherlands - 0.8%		
Cinema City International N.V. (Media)*	8,150	<u>41,145</u>
Nigeria - 10.7%		
Benue Cement Co., plc (Building Materials)#,*	274,690	86,475
Dangote Sugar Refinery plc (Agriculture)#	499,530	67,778
Diamond Bank plc (Banks)#,*	1,062,578	67,840
First Bank of Nigeria plc (Banks)#	670,900	108,843
UAC of Nigeria plc (Industrial - Diversified)#	345,880	109,854
W.a. Portland Co. (Building Materials)#	322,860	<u>79,950</u>
		520,740
Pakistan - 1.3%		
Engro Chemical Ltd. (Chemicals)#	5,400	7,468
MCB Bank Ltd. (Banks)#	11,500	20,947
Pakistan Petroleum Ltd. (Oil & Gas)#	22,550	<u>33,213</u>
		61,628
Peru - 1.5%		
Cementos Lima (Building Materials)	3,212	27,472
Credicorp Ltd. (Financial Services)	500	19,635
Ferreyros SA (Heavy Machinery)	30,429	<u>24,739</u>
		71,846

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Frontier Emerging Markets Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	Shares	Value (1)
Philippines - 1.3%		
International Container Term Services Inc. (Transportation)	222,000	\$ 64,726
Poland - 1.2%		
Ciech SA (Chemicals)	588	8,530
TVN SA (Media)	10,100	50,452
		<u>58,982</u>
Romania - 2.7%		
Albalact SA (Beverages, Food & Tobacco)*	636,200	35,428
Banca Transilvania (Banks)#,*	77,890	67,475
SNP Petrom SA (Oil & Gas)	535,400	29,628
		<u>132,531</u>
Senegal - 1.4%		
Sonatel (Communications)	290	70,435
Thailand - 3.8%		
Bumrungrad Hopital (Health Care Providers & Services)	59,300	37,221
Home Product Center plc (Building Materials)	299,900	29,947
Major Cineplex Group (Media)	144,800	24,788
Minor International plc (Leisure Time)	165,000	35,542
PTT Exploration & Production plc (Oil & Gas)	13,800	33,663
Thai Vegetable Oil plc (Beverages, Food & Tobacco)	85,600	22,469
		<u>183,630</u>
Trinidad And Tobago - 4.8%		
Neal & Massy Holdings Ltd. (Industrial - Diversified)	9,900	79,597
Republic Bank Ltd. (Banks)	6,250	87,984
Trinidad Cement Ltd. (Building Materials)	60,000	68,051
		<u>235,632</u>
Turkey - 2.6%		
Turkcell Iletisim Hizmet AS - ADR (Communications)	10,200	125,154
Ukraine - 0.6%		
Astarta Holding N.V. (Beverages, Food & Tobacco)*	2,510	14,595
Ferrexpo plc (Iron & Steel)	8,320	5,196
Kernel Holding SA (Beverages, Food & Tobacco)*	2,600	11,420
		<u>31,211</u>
United Kingdom - 1.8%		
Hikma Pharmaceuticals plc (Pharmaceuticals)	16,350	85,263
Total Common Stocks (Cost \$8,503,685)		<u>4,675,571</u>
Total Investments - 95.9% (Cost \$8,503,685)		<u>\$4,675,571</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Frontier Emerging Markets Portfolio

Statement of Net Assets

October 31, 2008 (continued)

	<u>Value (1)</u>
<u>Liabilities, Net of Other Assets - 4.1%</u>	
Cash	\$ 204,740
Dividends and interest receivable	15,908
Foreign currency (cost \$1,170)	1,170
Tax reclaim receivable	144
Receivable from Investment Advisor	39,556
Other liabilities	<u>(61,668)</u>
	<u>199,850</u>
<u>Net Assets - 100%</u>	
Applicable to 978,369 outstanding \$.001 par value shares (authorized 400,000,000 shares)	<u>\$ 4,875,421</u>
Net Asset Value, Offering Price and Redemption Price Per Share	<u>\$ 4.98</u>
<u>Components of Net Assets as of October 31, 2008 were as follows:</u>	
Paid-in capital	\$ 8,698,504
Accumulated undistributed net investment income	11,646
Accumulated net realized loss from investment transactions	(5,978)
Net unrealized depreciation on investments and on assets and liabilities denominated in foreign currencies (Note 4)	<u>(3,828,751)</u>
	<u>\$ 4,875,421</u>

Summary of Abbreviations

ADR	American Depository Receipt
GDR	Global Depository Receipt
Reg S	Security sold outside United States without registration under the Securities Act of 1933.
(1)	See Note 2 to Financial Statements.
#	Security valued at fair value as determined in good faith by or under the direction of the Board of Directors.
*	Non-income producing security.

Harding, Loevner Funds, Inc.

Statements of Operations

Year Ended October 31, 2008

	Institutional Emerging Markets Portfolio	International Equity Portfolio
Investment Income		
Interest	\$ 96,246	\$ 119,956
Dividends (net of foreign withholding taxes of \$595,029 and \$716,251, respectively)	9,262,994	6,111,897
Securities lending income, net	89,488	266,143
Total investment income	<u>9,448,728</u>	<u>6,497,996</u>
Expenses		
Investment advisory fees (Note 3)	3,058,942	2,404,716
Administration fees (Note 3)	145,235	186,728
Distribution fees, Investor Class	—	39,842
Custodian and accounting fees (Note 3)	360,951	227,738
Directors' fees and expenses (Note 3)	21,475	26,602
Shareholder record keeping fees	30,661	46,197
Printing and postage fees	10,793	52,040
State registration filing fees	10,351	36,465
Professional fees	64,060	58,352
Sub Transfer Agent Fees	—	61,021
Other fees and expenses	28,306	43,558
Total Expenses	<u>3,730,774</u>	<u>3,183,259</u>
Less Waiver of investment advisory fee (Note 3)	(549,476)	—
Net expenses	<u>3,181,298</u>	<u>3,183,259</u>
Net investment income	<u>6,267,430</u>	<u>3,314,737</u>
Realized and Unrealized Gain (Loss) (Note 4)		
Net realized gain (loss) —		
Investment transactions	(27,613,275)	40,552,678
Foreign currency transactions	(444,576)	(288,424)
Net realized gain (loss)	<u>(28,057,851)</u>	<u>40,264,254</u>
Change in unrealized appreciation (depreciation) —		
Investments	(145,267,865)	(197,931,499)
Translation of assets and liabilities denominated in foreign currencies	(23,865)	(6,778)
Net change in unrealized depreciation	<u>(145,291,730)</u>	<u>(197,938,277)</u>
Net realized and unrealized loss	<u>(173,349,581)</u>	<u>(157,674,023)</u>
Net decrease in net assets resulting from operations	<u><u>\$(167,082,151)</u></u>	<u><u>\$(154,359,286)</u></u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.**Statements of Operations (continued)****Year or Period Ended October 31, 2008**

	Global Equity Portfolio	Frontier Emerging Markets Portfolio (A)
Investment Income		
Interest	\$ 8,480	\$ 1,739
Dividends (net of foreign withholding taxes of \$40,218 and \$4,484, respectively)	626,050	45,756
Securities lending income, net	14,579	—
Total investment income	<u>649,109</u>	<u>47,495</u>
Expenses		
Investment advisory fees (Note 3)	368,570	29,449
Administration fees (Note 3)	23,809	3,328
Custodian and accounting fees (Note 3)	56,015	51,259
Directors' fees and expenses (Note 3)	3,158	283
Shareholder record keeping fees	30,991	17,809
Printing and postage fees	5,191	10,499
State registration filing fees	11,988	6,763
Professional fees	25,861	53,645
Sub Transfer Agent Fees	3,548	—
Other fees and expenses	6,165	2,169
Total Expenses	<u>535,296</u>	<u>175,204</u>
Less Waiver of investment advisory fee (Note 3)	(74,579)	(29,449)
Less Reimbursement of Fund expenses from Investment Advisor (Note 3)	—	(106,490)
Net expenses	<u>460,717</u>	<u>39,265</u>
Net investment income	<u>188,392</u>	<u>8,230</u>
Realized and Unrealized Gain (Loss) (Note 4)		
Net realized gain (loss) —		
Investment transactions	(16,985)	(5,978)
Foreign currency transactions	(32,696)	3,416
Net realized loss	<u>(49,681)</u>	<u>(2,562)</u>
Change in unrealized appreciation (depreciation) —		
Investments	(16,291,645)	(3,828,114)
Translation of assets and liabilities denominated in foreign currencies	163	(637)
Net change in unrealized depreciation	<u>(16,291,482)</u>	<u>(3,828,751)</u>
Net realized and unrealized loss	<u>(16,341,163)</u>	<u>(3,831,313)</u>
Net decrease in net assets resulting from operations	<u><u>\$</u>(16,152,771)</u>	<u><u>\$</u>(3,823,083)</u>

(A) Frontier Emerging commenced operations on May 27, 2008.

Harding, Loevner Funds, Inc.**Statement of Changes in Net Assets**

	Institutional Emerging Markets Portfolio	
	Year Ended October 31, 2008	Year Ended October 31, 2007
Increase in Net Assets From Operations		
Net investment income	\$ 6,267,430	\$ 1,209,524
Net realized gain (loss) on investments and foreign currency transactions	(28,057,851)	7,905,895
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities denominated in foreign currencies	(145,291,730)	74,297,865
Net increase (decrease) in net assets resulting from operations	<u>(167,082,151)</u>	<u>83,413,284</u>
Distributions to Shareholders from:		
Net investment income	(1,028,938)	(168,859)
Net realized gain from investments and foreign-currency related transactions	<u>(8,286,256)</u>	<u>—</u>
Total distributions to shareholders	<u>(9,315,194)</u>	<u>(168,859)</u>
Transactions in shares of Common Stock		
Proceeds from sale of shares	86,978,082	80,189,884
Net Asset Value of shares issued to shareholders upon reinvestment of dividends	8,746,852	129,641
Cost of shares redeemed	(32,362,942)	(4,433,400)
Redemption fees		
Institutional Class	<u>11,981</u>	<u>—</u>
Net increase in net assets from Fund share transactions	<u>63,373,973</u>	<u>75,886,125</u>
Net increase (decrease) in net assets	(113,023,372)	159,130,550
Net Assets		
At beginning of year	<u>245,060,534</u>	<u>85,929,984</u>
At end of year	<u>\$ 132,037,162</u>	<u>\$245,060,534</u>
Accumulated undistributed net investment income included in net assets	<u>\$ 5,094,625</u>	<u>\$ 927,515</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Statement of Changes in Net Assets (continued)

	<u>International Equity Portfolio</u>	
	<u>Year Ended October 31, 2008</u>	<u>Year Ended October 31, 2007</u>
Increase in Net Assets From Operations		
Net investment income	\$ 3,314,737	\$ 2,631,477
Net realized gain on investments and foreign currency transactions	40,264,254	33,569,544
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities denominated in foreign currencies	<u>(197,938,277)</u>	<u>50,259,776</u>
Net increase (decrease) in net assets resulting from operations	<u>(154,359,286)</u>	<u>86,460,797</u>
Distributions to Shareholders from:		
Net investment income		
Investor Class	(85,868)	(35,003)
Institutional Class	(2,611,777)	(1,773,831)
Net realized gain from investments and foreign-currency related transactions		
Investor Class	(1,359,303)	(740,612)
Institutional Class	<u>(29,187,907)</u>	<u>(24,669,178)</u>
Total distributions to shareholders	<u>(33,244,855)</u>	<u>(27,218,624)</u>
Transactions in shares of Common Stock		
Proceeds from sale of shares		
Investor Class	7,489,395	7,304,858
Institutional Class	13,994,514	21,697,361
Net Asset Value of shares issued to shareholders upon reinvestment of dividends		
Investor Class	1,330,261	723,002
Institutional Class	30,928,420	25,144,499
Cost of shares redeemed		
Investor Class	(3,696,097)	(3,504,036)
Institutional Class	(66,170,127)	(57,161,618)
Redemption fees		
Investor Class	481	482
Institutional Class	<u>3,098</u>	<u>265</u>
Net decrease in net assets from Fund share transactions	<u>(16,120,055)</u>	<u>(5,795,187)</u>
Net increase (decrease) in net assets	(203,724,196)	53,446,986
Net Assets		
At beginning of year	<u>407,296,340</u>	<u>353,849,354</u>
At end of year	<u>\$ 203,572,144</u>	<u>\$407,296,340</u>
Accumulated undistributed net investment income included in net assets	<u>\$ 2,842,758</u>	<u>\$ 2,393,120</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Statement of Changes in Net Assets (continued)

	Global Equity Portfolio	
	Year Ended October 31, 2008	Year Ended October 31, 2007
Increase in Net Assets From Operations		
Net investment income	\$ 188,392	\$ 117,249
Net realized gain (loss) on investments and foreign currency transactions	(49,681)	2,815,402
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities denominated in foreign currencies	(16,291,482)	5,174,049
Net increase (decrease) in net assets resulting from operations	<u>(16,152,771)</u>	<u>8,106,700</u>
Distributions to Shareholders from:		
Net investment income		
Institutional Class	(117,879)	(99,025)
Net realized gain from investments and foreign-currency related transactions		
Institutional Class	<u>(2,820,181)</u>	<u>(2,322,308)</u>
Total distributions to shareholders	<u>(2,938,060)</u>	<u>(2,421,333)</u>
Transactions in shares of Common Stock		
Proceeds from sale of shares		
Institutional Class	6,806,873	929,416
Net Asset Value of shares issued to shareholders upon reinvestment of dividends		
Institutional Class	2,881,495	2,374,390
Cost of shares redeemed		
Institutional Class	(4,193,388)	(292,946)
Redemption fees		
Institutional Class	<u>1,820</u>	<u>—</u>
Net increase in net assets from Fund share transactions	<u>5,496,800</u>	<u>3,010,860</u>
Net increase (decrease) in net assets	(13,594,031)	8,696,227
Net Assets		
At beginning of year	<u>39,801,851</u>	<u>31,105,624</u>
At end of year	<u>\$ 26,207,820</u>	<u>\$39,801,851</u>
Accumulated undistributed net investment income included in net assets	<u>\$ 140,612</u>	<u>\$ 104,971</u>

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Statement of Changes in Net Assets (continued)

	<u>Frontier Emerging Markets Portfolio</u> <u>For the Period from</u> <u>May 27, 2008</u> <u>to</u> <u>October 31, 2008 (A)</u>
Increase in Net Assets From Operations	
Net investment income	\$ 8,230
Net realized loss on investments and foreign currency transactions	(2,562)
Net change in unrealized depreciation on investments and translation of assets and liabilities denominated in foreign currencies	<u>(3,828,751)</u>
Net decrease in net assets resulting from operations	<u>(3,823,083)</u>
Transactions in Shares of Common Stock	
Proceeds from sale of shares	
Institutional Class	<u>8,698,504</u>
Net Increase in net assets from Fund share transactions	<u>8,698,504</u>
Net increase in net assets	4,875,421
Net Assets	
At beginning of year	<u>—</u>
At end of year	<u>\$ 4,875,421</u>
Accumulated undistributed net investment income included in net assets	<u>\$ 11,646</u>

(A) The Investor Class shares commenced operations on May 27, 2008.

Harding, Loevner Funds, Inc.

Financial Highlights

	Institutional Emerging Markets Portfolio			
	For the Year Ended Oct. 31, 2008	For the Year Ended Oct. 31, 2007	For the Year Ended Oct. 31, 2006	For the Period Ended Oct. 31, 2005 (1)
Per Share Data				
Net asset value, beginning of year	\$ 21.20	\$ 13.42	\$ 9.92	\$10.00
Increase (Decrease) in Net Assets from Operations				
Net investment income (loss)	0.44	0.10	0.07	(0.00)*
Net realized and unrealized gain (loss) on investments and foreign currency-related transactions	(11.53)	7.70	3.45	(0.08)
Net increase (decrease) from investment operations	(11.09)	7.80	3.52	(0.08)
Distributions to Shareholders from:				
Net investment income	(0.09)	(0.02)	(0.02)	—
Net realized gain from investments and foreign currency-related transactions	(0.73)	—	—	—
Total distributions	(0.82)	(0.02)	(0.02)	—
Net asset value, end of year	\$ 9.29	\$ 21.20	\$ 13.42	\$ 9.92
Total Return	(54.33)%	58.18%	35.38%	(0.70)%(B)
Ratios/Supplemental Data:				
Net assets, end of year (000's)	\$132,037	\$245,061	\$85,930	\$4,962
Net expenses to average net assets	1.30%	1.30%	1.30%	1.30%(A)
Net investment income to average net assets	2.56%	0.72%	0.88%	(0.19)%(A)
Decrease reflected in above expense ratios due to expense reductions	0.22%	0.25%	0.51%	20.02%(A)
Portfolio turnover rate	51%	32%	38%	1%(B)

(1) For the period from October 17, 2005 (commencement of operations) through October 31, 2005.

* Rounds to less than \$(0.01).

(A) Annualized.

(B) Not Annualized.

Harding, Loevner Funds, Inc.**Financial Highlights (continued)**

	International Equity Portfolio - Institutional Class				
	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	Oct. 31, 2008	Oct. 31, 2007	Oct. 31, 2006	Oct. 31, 2005	Oct. 31, 2004
Per Share Data					
Net asset value, beginning of year	\$ 21.71	\$ 18.68	\$ 14.90	\$ 12.41	\$ 11.30
Increase (Decrease) in Net Assets from Operations					
Net investment income	0.20	0.14	0.12(1)	0.13	0.11
Net realized and unrealized gain (loss) on investments and foreign currency-related transactions	<u>(8.63)</u>	<u>4.33</u>	<u>3.75</u>	<u>2.42</u>	<u>1.07</u>
Net increase (decrease) from investment operations	<u>(8.43)</u>	<u>4.47</u>	<u>3.87</u>	<u>2.55</u>	<u>1.18</u>
Distributions to Shareholders from:					
Net investment income	(0.15)	(0.10)	(0.08)	(0.06)	(0.07)
Net realized gain from investments and foreign currency-related transactions	<u>(1.69)</u>	<u>(1.34)</u>	<u>(0.01)</u>	<u>—</u>	<u>—</u>
Total distributions	<u>(1.84)</u>	<u>(1.44)</u>	<u>(0.09)</u>	<u>(0.06)</u>	<u>(0.07)</u>
Net asset value, end of year	<u>\$ 11.44</u>	<u>\$ 21.71</u>	<u>\$ 18.68</u>	<u>\$ 14.90</u>	<u>\$ 12.41</u>
Total Return	(42.33)%	25.24%	26.06%	20.58%	10.46%
Ratios/Supplemental Data:					
Net assets, end of year (000's)	\$191,450	\$390,659	\$343,965	\$300,227	\$315,420
Net expenses to average net assets	0.98%	0.98%	1.00%	1.00%	1.00%
Net investment income to average net assets	1.05%	0.70%	0.69%	0.77%	0.81%
Decrease reflected in above expense ratios due to expense reductions	—	—	0.01%	0.05%	0.09%
Portfolio turnover rate	18%	19%	35%	38%	37%

(1) Computed using average shares outstanding throughout the year.

Harding, Loevner Funds, Inc.**Financial Highlights (continued)**

	Global Equity Portfolio - Institutional Class				
	For the Year Ended Oct. 31, 2008	For the Year Ended Oct. 31, 2007	For the Year Ended Oct. 31, 2006	For the Year Ended Oct. 31, 2005	For the Year Ended Oct. 31, 2004
Per Share Data					
Net asset value, beginning of year	<u>\$ 28.03</u>	<u>\$ 24.04</u>	<u>\$ 20.36</u>	<u>\$ 17.17</u>	<u>\$ 16.45</u>
Increase (Decrease) in Net Assets from Operations					
Net investment income	0.12	0.09	0.08	0.09	0.05
Net realized and unrealized gain (loss) on investments and foreign currency-related transactions	<u>(10.15)</u>	<u>5.78</u>	<u>4.14</u>	<u>3.12</u>	<u>0.74</u>
Net increase (decrease) from investment operations	<u>(10.03)</u>	<u>5.87</u>	<u>4.22</u>	<u>3.21</u>	<u>0.79</u>
Distributions to Shareholders from:					
Net investment income	(0.08)	(0.08)	(0.06)	(0.02)	(0.07)
Net realized gain from investments and foreign currency-related transactions	<u>(2.00)</u>	<u>(1.80)</u>	<u>(0.48)</u>	<u>—</u>	<u>—</u>
Total distributions	<u>(2.08)</u>	<u>(1.88)</u>	<u>(0.54)</u>	<u>(0.02)</u>	<u>(0.07)</u>
Net asset value, end of year	<u>\$ 15.92</u>	<u>\$ 28.03</u>	<u>\$ 24.04</u>	<u>\$ 20.36</u>	<u>\$ 17.17</u>
Total Return	(38.54)%	26.01%	21.08%	18.72%	4.78%
Ratios/Supplemental Data:					
Net assets, end of year (000's)	\$26,208	\$39,802	\$31,106	\$25,317	\$25,770
Net expenses to average net assets	1.25%	1.25%	1.25%	1.25%	1.25%
Net investment income to average net assets	0.51%	0.34%	0.37%	0.44%	0.27%
Decrease reflected in above expense ratios due to expense reductions	0.20%	0.18%	0.35%	0.36%	0.18%
Portfolio turnover rate	38%	16%	27%	35%	29%

See Notes to Financial Statements

Harding, Loevner Funds, Inc.

Financial Highlights (continued)

	Frontier Emerging Markets Portfolio
	For the Period
	Ended
	Oct. 31, 2008 (1)
Per Share Data	
Net asset value, beginning of year	\$ 10.00
Increase (Decrease) in Net Assets from Operations	
Net investment income	0.01
Net realized and unrealized loss on investments and foreign currency-related transactions	<u>(5.03)</u>
Net decrease from investment operations	<u>(5.02)</u>
Net asset value, end of year	<u>\$ 4.98</u>
Total Return	(50.20)%(B)
Ratios/Supplemental Data:	
Net assets, end of year (000's)	\$ 4,875
Net expenses to average net assets	2.00%(A)
Net investment income to average net assets	0.42%(A)
Decrease reflected in above expense ratios due to expense reductions	6.92%(A)
Portfolio turnover rate	1%(B)

(1) For the period from May 27, 2008 (commencement of operations) through October 31, 2008.

(A) Annualized.

(B) Not Annualized.

Harding, Loevner Funds, Inc.

Notes to Financial Statements

October 31, 2008

1. Organization

Harding, Loevner Funds, Inc. (the “Fund”) was organized as a Maryland corporation on July 31, 1996 and is registered under the Investment Company Act of 1940, as amended (“the 1940 Act”), as an open-end diversified management investment company. The Fund currently has six Portfolios, all of which were active as of October 31, 2008: International Equity Portfolio (“International Equity”); Emerging Markets Portfolio (“Emerging Markets”); Institutional Emerging Markets Portfolio (“Institutional Emerging Markets”); Global Equity Portfolio (“Global Equity”); International Small Companies Portfolio (“International Small Companies”) and Frontier Emerging Markets Portfolio (“Frontier Emerging Markets”). Information presented in these financial statements pertains to Institutional Class shares of International Equity, Institutional Emerging Markets, Institutional Class shares of Global Equity and Institutional Class shares of Frontier Emerging Markets (individually, “Portfolio”; collectively, “Portfolios”). Information pertaining to Investor Class shares of International Equity, Emerging Markets, and Investor Class shares of International Small Companies are presented in a separate report. The investment objective of each Portfolio is as follows: Institutional Emerging Markets—to seek long-term capital appreciation through investments in equity securities of companies based in emerging markets; International Equity—to seek long-term capital appreciation through investments in equity securities of companies based outside the United States; Global Equity—to seek long-term capital appreciation through investments in equity securities of companies based both inside and outside the United States; Frontier Emerging Markets—to seek long-term capital appreciation through investments in securities of companies based in frontier and smaller emerging markets.

Institutional Emerging Markets commenced operations on October 17, 2005. International Equity commenced operations on October 31, 1996 after acquiring the net assets of Harding Loevner LLC’s AMT Capital Fund, Inc. Effective August 5, 2005, International Equity converted existing shareholders to the Institutional Class. Global Equity commenced operations on December 1, 1996 following the acquisition of net assets of HLM Global Equity Limited Partnership, a limited partnership, in a tax-free reorganization. Effective August 5, 2005, Global Equity launched the Investor Class shares and converted existing shareholders to the Institutional Class. Frontier Emerging Markets commenced operations on May 27, 2008. The Board of Directors of the Fund approved the termination of Investor Class shares of Global Equity closing on December 31, 2008. Investor Class of Frontier Emerging Markets and Institutional Class of International Small Companies have not yet commenced operations.

The Fund is managed by Harding Loevner LLC (the “Investment Advisor”).

2. Summary of Significant Accounting Policies

The accounting policies of the Fund are in conformity with U.S. generally accepted accounting principles (“GAAP”) for investment companies. The following is a summary of the Fund’s significant accounting policies:

Indemnifications

Under the Fund’s organizational document, its officers and Board are indemnified against certain liability arising out of the performance of their duties to the Portfolios. In the normal course of business, the Fund may enter into contracts that contain a variety of representations or that provide indemnification for certain liabilities. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Valuation

The Board has adopted procedures (“Procedures”) to govern the valuation of the securities held by each Portfolio of the Fund in accordance with the 1940 Act. The Procedures incorporate principles set forth in relevant pronouncements of the Securities and Exchange Commission (“SEC”) and its staff, including guidance on the obligations of the Portfolios and their Directors to determine, in good faith, the fair value of the Portfolios’ securities when market quotations are not readily available.

All investments in the Portfolios are valued daily at their market prices, which results in unrealized gains or losses. Securities traded on an exchange are valued at their last sales price on that exchange. Securities for which no sales are reported are valued at the latest bid price obtained from a quotation reporting system or from established market makers. Repurchase agreements are valued at their amortized cost plus accrued interest. Securities for which market quotations are not readily available are fair valued by the Board or its delegate in accordance with the Procedures, although the actual calculations may be done by others. Factors considered in making this determination

Harding, Loevner Funds, Inc.

Notes to Financial Statements (continued)

October 31, 2008

2. Summary of Significant Accounting Policies (continued)

may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer's financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances. If a significant event occurs after the close of trading but before the calculation of the Portfolio's net asset value and such significant event has a material impact on the Portfolio's net asset value per share (i.e. more than \$0.01 per share), then the security may be fair valued in accordance with the Procedures. As of October 31, 2008, Institutional Emerging Markets had four securities, International Equity had one security, and Frontier Emerging Markets had ten securities in the respective Portfolio which required valuation by the Board or its delegate. The Fund uses fair value pricing to eliminate the opportunity for time zone arbitrage.

Securities

All securities transactions are recorded on a trade date basis. Interest income and expenses are recorded on an accrual basis. Dividend income is recorded on the ex-dividend date (except for certain foreign dividends that may be recorded as soon as the Portfolio is informed of such dividends). The Portfolios accrete discount or amortize premium using the effective interest method on a daily basis as adjustments to interest income and the cost of investments. The Portfolios use the specific identification method for determining realized gains or losses from sales of securities.

Income Tax

It is the policy of each Portfolio of the Fund to qualify as a regulated investment company by complying with the applicable provisions of the Internal Revenue Code, and to make distributions of taxable income sufficient to relieve it from substantially all federal income and excise taxes.

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in accordance with FASB Statement No. 109, "Accounting for Income Taxes." This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Fund determined that the adoption of FIN 48 did not have an impact on the financial statements.

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years and has concluded that as of October 31, 2008, no provision for income tax would be required in the Fund's financial statements. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired (open tax years: October 31, 2005; October 31, 2006; October 31, 2007; October 31, 2008) are subject to examination by the Internal Revenue Service and state departments of revenue.

Expenses

Expenses directly attributed to a specific Portfolio of the Fund are charged to that Portfolio's operations; expenses not directly attributable to a specific Portfolio are allocated among all the Portfolios of the Fund either equitably or based on their average daily net assets.

Dividends to Shareholders

It is the policy of the Portfolios to declare dividends from net investment income annually. Net short-term and long-term capital gains distributions for the Portfolios, if any, normally are distributed on an annual basis.

Dividends from net investment income and distributions from net realized gains from investment transactions have been determined in accordance with income tax regulations and may differ from net investment income and realized gains recorded by the Portfolios for financial reporting purposes. Differences result primarily from foreign currency transactions and timing differences related to recognition of income, and gains and losses from investment transactions. In general, to the extent that any differences which are permanent in nature result in over distributions to shareholders, the amount of the over distribution is reclassified within the capital accounts based on its federal tax basis treatment and may be reported as return of capital. Temporary differences do not require reclassification.

Harding, Loevner Funds, Inc.

Notes to Financial Statements (continued)

October 31, 2008

2. Summary of Significant Accounting Policies (continued)

Currency Translation

Assets and liabilities denominated in foreign currencies and commitments under forward foreign currency exchange contracts are translated into U.S. dollars at the mean of the quoted bid and asked prices of such currencies against the U.S. dollar. Purchases and sales of the Portfolios' securities are translated at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated at exchange rates prevailing when accrued. The Portfolios do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Net realized gains and losses from foreign currency-related transactions arise from sales of foreign currency, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Portfolios' books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized appreciation or depreciation on translation of assets and liabilities denominated in foreign currencies arise from changes in the value of assets and liabilities other than investments in securities at the period end, resulting from changes in the exchange rates.

Securities Lending

Each Portfolio is authorized to lend securities from its investment portfolio to banks, brokers and other financial institutions if it receives collateral in cash, U.S. Government securities or other liquid investments which will be maintained at all times in an amount equal to at least 102% of the current market value of the loaned domestic securities (including ADRs) and 105% of loaned foreign securities. The loans will be terminable at any time by the Fund. During the period of such a loan, the Portfolio receives an agreed upon portion of the income on the loaned securities and/or a loan fee and may thereby increase its total return. A Portfolio continues to receive interest or dividends on the securities loaned and simultaneously earn either interest on the investment of the cash collateral or fee income if the loan is collateralized with securities rather than cash. However, the Portfolio normally pays lending fees and related expenses from the interest or dividends earned on invested collateral. Although the Fund is indemnified by the securities lending agent, should the borrower of the securities fail financially, there is a risk of delay in recovery of the securities or loss of rights in the collateral. However, loans are made only to borrowers deemed to be in good financial standing by the lending agent based on its ongoing review of such borrowers and are recommended to and approved by the Board. The Portfolio may invest cash collateral it receives in connection with a loan of securities in short-term money market instruments, securities of the U.S. Government and its agencies and other high quality short-term debt instruments. For purposes of complying with the Portfolios' investment policies and restrictions, collateral received in connection with securities loans will not be deemed an asset of the Portfolio unless otherwise required by law. Net amounts earned from security lending activities are disclosed on the Statement of Operations. Amounts loaned and held as collateral are disclosed on the Statement of Net Assets or Statement of Assets and Liabilities. UBS was instructed on July 16, 2008 to stop all lending activity for all portfolios and recall all outstanding loans. Subsequently, the Board approved appointment of State Street Bank and Trust as the lending agent ("the Lending Agent") for the Funds. However, the lending activity has not resumed. As of October 31, 2008, there were no securities on loan.

3. Significant Agreements and Transactions with Affiliates

The Board has approved investment advisory agreements (the "Agreements") with the Investment Advisor. The advisory fees are computed daily at an annual rate of 1.25%, 0.75%, 1.00%, and 1.50% of the average daily net assets of Institutional Emerging Markets, International Equity, Global Equity Portfolio, and Frontier Emerging Markets Portfolio, respectively.

For the year ended October 31, 2008, the Investment Advisor voluntarily waived and/or reimbursed expenses to the extent that aggregate expenses exceed an annual rate of 1.30%, 1.00%, 1.25%, and 2.00%, respectively, of the average daily net assets of Institutional Emerging Markets, Institutional Class shares of International Equity, Institutional Class shares of Global Equity portfolios and Frontier Emerging Markets. For the year ended October 31, 2008, the Investment Advisor voluntarily waived and/or reimbursed \$549,476, \$74,579, and \$135,939 respectively, of the Institutional Emerging Markets, Global Equity and Frontier Emerging Markets in investment advisory fees from the Portfolios.

The Fund has contracted with State Street Bank and Trust Company ("State Street Bank and Trust") to provide certain accounting, clerical and bookkeeping services, corporate secretarial services, assistance in the preparation and filing of tax returns and reports to shareholders and the SEC, transfer agent services, chief compliance officer services, anti-money laundering compliance officer services, and the service of some State Street Bank and Trust employees as officers serving the Board of Directors. For the year ended October 31, 2008, Institutional Emerging Markets, International Equity, Global Equity, and Frontier Emerging Markets portfolios incurred \$556,636, \$485,703, \$113,701, and \$72,576, respectively.

Harding, Loevner Funds, Inc.

Notes to Financial Statements (continued)

October 31, 2008

3. Significant Agreements and Transactions with Affiliates (continued)

State Street Bank and Trust serves as transfer agent, dividend disbursing agent and agent in connection with any accumulation, open-account or similar plans provided to the shareholders of the Portfolios.

The Fund, on behalf of the Portfolios, has agreements with various financial intermediaries and “mutual fund supermarkets”, under which customers of these intermediaries may purchase and hold Portfolio shares. These intermediaries assess fees in consideration for providing certain distribution, account maintenance, record keeping and transactional services. In recognition of the savings of expenses to the Portfolio arising from the intermediaries’ assumption of functions that the Portfolio would otherwise perform, such as providing sub-accounting and related shareholder services, each Portfolio is authorized to pay to each intermediary up to 0.15% of its average daily net assets attributable to that intermediary (subject to the voluntary expense cap). The balance of the intermediaries’ fees is paid by the Investment Advisor. Because of voluntary caps on the Portfolios’ fees and expenses, the Investment Advisor paid a portion of the Portfolios’ share of these fees during the year ended October 31, 2008.

4. Investment Transactions

Cost of purchases and proceeds from sales of investment securities, other than short-term investments, for the year ended October 31, 2008, were as follows for each Portfolio:

Portfolio	Purchase Cost of Investment Securities	Proceeds from Sales of Investment Securities
Institutional Emerging Markets	\$177,737,707	\$119,852,367
International Equity	57,401,653	101,185,781
Global Equity	16,873,684	13,777,354
Frontier Emerging Markets	8,552,072	42,410

The Portfolios are permitted to purchase or sell securities from or to certain other Harding Loevner portfolios under specified conditions outlined in procedures adopted by the Board of Directors of the Fund. The procedures have been designed to ensure that any purchase or sale of securities by the Portfolios from or to another portfolio that is or could be considered an affiliate by virtue of having a common investment advisor complies with Rule 17a-7 of the 1940 Act. Further, as defined under the procedures, each transaction is effected at the current market price. Pursuant to these procedures, for the year ended October 31, 2008, the Institutional Emerging Markets Portfolio engaged in securities sales of \$3,601,396, and securities purchases of \$2,934,643.

The cost of investments for federal income tax purposes and the components of net unrealized appreciation on investments at October 31, 2008, for each of the Portfolios were as follows:

Portfolio	Unrealized Appreciation	Unrealized Depreciation	Net	Cost
Institutional Emerging Markets	\$ 818,107	\$77,308,745	\$(76,490,638)	\$202,909,602
International Equity	34,135,324	51,611,722	(17,476,398)	216,677,423
Global Equity	3,328,468	4,982,916	(1,654,448)	27,558,544
Frontier Emerging Markets	—	3,828,114	(3,828,114)	8,503,685

The unrealized appreciation (depreciation) on foreign currency for Institutional Emerging Markets, International Equity, Global Equity and Frontier Emerging Markets was \$(23,831), \$6,982, \$491 and \$(637), respectively, for the year ended October 31, 2008.

5. Distributions to Shareholders

During the year ended October 31, 2008, the tax character of distributions paid from ordinary income was \$4,814,159, \$9,427,753, and \$216,645 for Institutional Emerging Markets, International Equity, and Global Equity, respectively. The tax character of distributions paid from Long Term Capital Gains was \$4,958,355, \$26,554,287, and \$2,754,682 for Institutional Emerging Markets, International Equity, and Global Equity, respectively.

During the year ended October 31, 2007, the tax character of distributions paid from ordinary income was \$168,859, \$3,908,077, \$99,025 for Institutional Emerging Markets, International Equity, and Global Equity, respectively. The tax character of distributions paid from Long Term Capital Gains was \$23,310,547 and \$2,322,308 for International Equity and Global Equity, respectively.

Harding, Loevner Funds, Inc.

Notes to Financial Statements (continued)

October 31, 2008

5. Distributions to Shareholders (continued)

As of the components of accumulated earnings/(deficit) on a tax basis were as follows:

Portfolio	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Accumulated Capital and Other Losses	Unrealized Appreciation (Depreciation)*	Total Accumulated Earnings/(Deficit)
Institutional Emerging Markets	\$5,065,768	\$ —	\$(13,669,847)	\$(76,485,612)	\$(85,089,691)
International Equity	2,842,758	38,547,497	—	(17,469,416)	23,920,839
Global Equity	140,612	—	(20,904)	(1,653,957)	(1,534,249)
Frontier Emerging Markets	11,646	—	(5,978)	(3,828,751)	(3,823,083)

* The difference between book basis and tax basis net unrealized appreciation of investment is attributable primarily to the tax deferral of losses on certain sales of securities.

At October 31, 2008, the Institutional Emerging Markets Portfolio, Global Equity Portfolio and the Frontier Emerging Markets Portfolio had \$13,669,847, \$20,904 and \$5,978 available as capital loss carryforwards which expire in 2016.

Primarily as a result of differing book/tax treatment of foreign currency transactions and foreign capital gain tax expenses, the Fund made reclassifications among certain capital accounts. In addition, Institutional Emerging Markets, International Equity, Global Equity and Frontier Emerging Markets utilized equalization during the period. The reclassifications have no impact on the net assets of the Fund. As of October 31, 2008, the following reclassifications were made to the Statement of Net Assets.

Portfolio	Paid-in Capital	Accumulated Undistributed Net Realized Gain/Loss on Investment & Foreign Currency Related Transactions	Accumulated Undistributed Net Investment Income
Institutional Emerging Markets	\$ —	\$ 1,071,382	\$(1,071,382)
International Equity	2,126,830	(1,959,376)	(167,754)
Global Equity	—	34,872	(34,872)
Frontier Emerging Markets	—	(3,416)	3,416

6. Foreign Exchange Contracts

The Portfolios, on occasion, enter into forward foreign exchange contracts in order to hedge their exposure to changes in foreign currency exchange rates on their foreign portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the cost of the original contracts and the closing of such contracts is included in net realized gains or losses on foreign currency-related transactions. Fluctuations in the value of forward foreign exchange contracts are recorded for book purposes as unrealized appreciation or depreciation on assets and liabilities denominated in foreign currencies by the Portfolios. The Portfolios are also exposed to credit risk associated with counterparty nonperformance on these forward foreign exchange contracts which is typically limited to the unrealized gain on each open contract.

The Portfolios enter into foreign currency transactions on the spot markets in order to pay for foreign investment purchases or to convert to dollars the proceeds from foreign investment sales or coupon interest receipts. The Portfolios held no open forward foreign currency exchange contracts on October 31, 2008.

Harding, Loevner Funds, Inc.

Notes to Financial Statements (continued)

October 31, 2008

7. Capital Share Transactions

Transactions in capital stock for Institutional Emerging Markets were as follows for the periods indicated:

	Year Ended October 31, 2008		Year Ended October 31, 2007	
	Shares	Amount	Shares	Amount
Shares sold	5,039,793	\$ 86,978,082	5,404,809	\$80,189,884
Shares issued upon reinvestment of dividends	448,651	8,746,852	8,965	129,641
	5,488,444	95,724,934	5,413,774	80,319,525
Shares redeemed	(2,833,224)	(32,362,942)	(255,904)	(4,433,400)
Net increase	<u>2,655,220</u>	<u>\$ 63,361,992</u>	<u>5,157,870</u>	<u>\$75,886,125</u>

Transactions in capital stock for International Equity Investor Class were as follows for the periods indicated:

	Year Ended October 31, 2008		Year Ended October 31, 2007	
	Shares	Amount	Shares	Amount
Shares sold	440,350	\$ 7,489,395	377,652	\$ 7,304,858
Shares issued upon reinvestment of dividends	68,854	1,330,261	39,229	723,002
	509,204	8,819,656	416,881	8,027,860
Shares redeemed	(215,285)	(3,696,097)	(178,817)	(3,504,036)
Net increase	<u>293,919</u>	<u>\$ 5,123,559</u>	<u>238,064</u>	<u>\$ 4,523,824</u>

Transactions in capital stock for International Equity Institutional Class were as follows for the periods indicated:

	Year Ended October 31, 2008		Year Ended October 31, 2007	
	Shares	Amount	Shares	Amount
Shares sold	814,257	\$ 13,994,514	1,121,101	\$ 21,697,361
Shares issued upon reinvestment of dividends	1,599,857	30,928,420	1,363,585	25,144,499
	2,414,114	44,922,934	2,484,686	46,841,860
Shares redeemed	(3,678,345)	(66,170,127)	(2,901,139)	(57,161,618)
Net increase	<u>(1,264,231)</u>	<u>\$(21,247,193)</u>	<u>(416,453)</u>	<u>\$(10,319,758)</u>

Transactions in capital stock for Global Equity Institutional Class were as follows for the periods indicated:

	Year Ended October 31, 2008		Year Ended October 31, 2007	
	Shares	Amount	Shares	Amount
Shares sold	301,469	\$ 6,806,873	35,387	\$ 929,416
Shares issued upon reinvestment of dividends	113,938	2,881,495	102,344	2,374,390
	415,407	9,688,368	137,731	3,303,806
Shares redeemed	(189,186)	(4,193,388)	(11,604)	(292,946)
Net increase	<u>226,221</u>	<u>\$ 5,494,980</u>	<u>126,127</u>	<u>\$3,010,860</u>

Harding, Loevner Funds, Inc.

Notes to Financial Statements (continued)

October 31, 2008

7. Capital Share Transactions (continued)

Transactions in capital stock for Frontier Emerging Markets Institutional Class were as follows for the periods indicated:

	Period From May 27, 2008 to October 31, 2008 (A)	
	Shares	Amount
Shares sold	978,369	\$8,698,504
Shares issued upon reinvestment of dividends	—	—
	978,369	8,698,504
Shares redeemed	—	—
Net increase	978,369	\$8,698,504

(A) Institutional Class shares commenced operations on May 27, 2008.

Redemptions made within 90 days of purchase may be subject to a redemption fee equal to 2% of the amount redeemed. For the year ended October 31, 2008, Institutional Emerging Markets, International Equity Institutional Class, and Global Equity received \$11,981, \$3,098, and \$1,820 in redemption fees related to transactions in shares of common stock as disclosed in the Portfolios' Statements of Changes in Net Assets. For the year ended October 31, 2008 Frontier Emerging Markets did not receive any redemption fees.

8. Concentration of Ownership

At October 31, 2008, the percentage of total shares outstanding held by record shareholders each owning 10% or greater of the aggregate total shares outstanding for each Portfolio or for the share classes listed of each Portfolio was as follows:

	No. of Shareholders	% Ownership
Institutional Emerging Markets Portfolio	2	24%
International Equity Portfolio	3	50%*
Global Equity, Institutional Class	3	58%*
Frontier Emerging Markets Portfolio	2	88%*

* Represents omnibus position of broker-dealer representing numerous shareholder accounts.

Investment activities of these shareholders may have a material effect on the Portfolios.

9. Repurchase Agreements

Each Portfolio may enter into repurchase agreements under which a bank or securities firm that is a primary or reporting dealer in U.S. Government securities agrees, upon entering into a contract, to sell such securities to a Portfolio and repurchase such securities from such Portfolio at a mutually agreed upon price and date.

Each Portfolio may engage in repurchase transactions with parties selected on the basis of such party's creditworthiness. Securities purchased subject to repurchase agreements must have an aggregate market value greater than or equal to the repurchase price plus accrued interest at all times. If the value of the underlying securities falls below the value of the repurchase price plus accrued interest, the Portfolio will require the seller to deposit additional collateral by the next business day. If the request for additional collateral is not met, or the seller defaults on its repurchase obligation, the Portfolio maintains the right to sell the underlying securities at market value and may claim any resulting loss against the seller.

10. Concentration of Risk

Investing in securities of foreign issuers and currency transactions may involve certain considerations and risks not typically associated with investments in U.S. issuers. These risks include revaluation of currencies, adverse fluctuations in foreign currency values and possible adverse political, social and economic developments, including those particular to a specific industry, country or region, which could cause the securities and their markets to be less liquid and prices more volatile than those of comparable U.S. companies and U.S. government securities. These risks are greater with respect to securities of issuers located in emerging market countries in which Institutional Emerging Markets, International Equity, Global Equity and Frontier Emerging Markets are authorized to invest.

Harding, Loevner Funds, Inc.

Notes to Financial Statements (continued)

October 31, 2008

11. Line of Credit

The Fund participates in a \$50 million line of credit agreement with State Street Bank and Trust. Borrowings will be made solely to facilitate the handling of redemptions or unusual or unanticipated short-term cash requirements. Because several Portfolios participate there is no assurance that an individual Portfolio will have access to the entire \$50 million at any particular time. Borrowings for International Equity and Global Equity are limited to the lesser of the remaining available credit or 25% of net assets. Borrowings for Institutional Emerging Markets and Frontier Emerging Markets are limited to the lesser of the remaining available credit or 15% of net assets. Interest is charged to each Portfolio based on its borrowings at an amount above the Federal Funds rate. In addition, a commitment fee computed at an annual rate of 0.10% on the line of credit is allocated among the Portfolios. During the year ended October 31, 2008, International Equity Portfolio and Global Equity Portfolio had borrowings on 4 days and 3 days, the maximum balance being \$3,344,647 and \$208,923, at an average weighted interest rate of 4.29% and 2.68%, respectively.

12. Recently Issued Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of October 31, 2008, the Fund does not believe the adoption of SFAS No. 157 will significantly impact the financial statement amounts; however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements on changes in net assets for the period.

In March 2008, FASB issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161"). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Funds' derivative and hedging activities, including how such activities are accounted for, their effect on the Funds' financial position, performance and cash flows and how and why the funds use derivatives. Management is currently evaluating the impact the adoption of SFAS 161 will have on the Funds' financial statements and related disclosures.

13. Other Matter

Harding Loevner LLC, the investment adviser to the Fund ("Harding Loevner"), entered into an agreement with Affiliated Managers Group, Inc. ("AMG") for AMG to acquire a majority ownership interest in Harding Loevner. AMG is an investment holding company with stakes in a diverse group of boutique money management firms. Each of these "affiliated firms" operates autonomously and its managers retain ownership interests in their firm. The transaction, whether or not it is consummated, is not expected to impact Harding Loevner's portfolio management team, other personnel, day-to-day operations, or the services that Harding Loevner provides to its clients, including the Portfolios. The transaction is subject to the satisfaction or waiver of certain conditions and contingencies. There can be no assurance as to when or if the transaction will be consummated.

Harding, Loevner Funds, Inc.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Harding, Loevner Funds, Inc.

We have audited the accompanying statements of net assets of the Frontier Emerging Markets Portfolio, Global Equity Portfolio, and International Equity Portfolio, and the portfolio of investments and statement of assets and liabilities of the Institutional Emerging Markets Portfolio, of Harding, Loevner Funds, Inc. (collectively the "Portfolios") as of October 31, 2008, and the related statements of operations for the year or period then ended, statements of changes in net assets for each of the years or periods in the two-year period then ended, and the financial highlights for each of the years or periods in the three-year period then ended. These financial statements and financial highlights are the responsibility of the Portfolios' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights of the Portfolios for each of the years or periods in the two-year period ended October 31, 2005 were audited by other auditors whose report dated December 6, 2005, expressed an unqualified opinion on those financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2008, by correspondence with the custodian and brokers or other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the aforementioned Portfolios of the Harding, Loevner Funds, Inc. as of October 31, 2008, the results of their operations for the year or period then ended, the changes in their net assets for each of the years or periods in the two-year period then ended, and the financial highlights for each of the years or periods in the three-year period then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Philadelphia, Pennsylvania
December 22, 2008

Harding, Loevner Funds, Inc.

Supplemental Tax Information

(unaudited)

The International Equity Portfolio and the Global Equity Portfolio has designated 0.14% and 100% of distributions from net investment income as qualifying for the dividend received deduction for corporations.

Institutional Emerging Markets, International Equity, Global Equity and Frontier Emerging Markets paid qualifying foreign taxes of \$457,320, \$610,357, \$33,267, and \$4,484, and earned \$9,858,023, \$7,442,750, \$422,526 and \$50,200 foreign source income during the year ended October 31, 2008, respectively. Pursuant to Section 853 of the Internal Revenue Code, Institutional Emerging Markets, International Equity, Global Equity and Frontier Emerging Markets designated \$0.0322, \$0.0343, \$0.0202 and \$0.0046 per share as foreign taxes paid and \$0.6935, \$0.4183, \$0.2566 and \$0.0513 per share as income earned from foreign sources for the year ended October 31, 2008, respectively.

Institutional Emerging Markets, International Equity, Global Equity and Frontier Emerging Markets had qualifying dividend income of \$7,624,488, \$6,711,158, \$561,732 and \$23,880 during the year ended October 31, 2008, respectively.

Pursuant to Section 852 of the Internal Revenue Code, Institutional Emerging Markets, International Equity and Global Equity designated \$4,958,355, \$26,554,287 and \$2,754,682, respectively, as long term capital gain dividends for the year ended October 31, 2008.

Harding, Loevner Funds, Inc.

Approval of Investment Adviser Agreement

October 31, 2008 (*unaudited*)

At a meeting held on July 18, 2008, the board of directors (the “Board”), including each of the Independent Directors, unanimously voted to approve a new investment management agreement between Harding, Loevner Funds, Inc. (the “Fund”) on behalf of each of its series, the International Equity Portfolio, the Global Equity Portfolio, the Emerging Markets Portfolio, the Institutional Emerging Markets Portfolio, the International Small Companies Portfolio and the Frontier Emerging Markets Portfolio (the “Portfolios”) and Harding Loevner LLC (the “Adviser”) (the “New Agreement”). Harding Loevner LLC is the successor entity to the original investment adviser, Harding, Loevner Management, L.P. (“Harding Loevner”), which served as the adviser to the Portfolios pursuant to investment advisory agreements previously approved by the Board (the “Old Agreements”). Because of the reorganization of Harding Loevner and a change of control resulting from the sale of a controlling interest in the Adviser’s general partner to Affiliated Managers Group, Inc. (“AMG”), the Old Agreements terminated pursuant to the requirements of the Investment Company Act of 1940, as amended (the “1940 Act”) and the Board was asked to approve the New Agreement. The New Agreement was approved by shareholders of each Portfolio at a meeting held on November 5, 2008. The Board and counsel to the Independent Directors had an opportunity to review the information provided in advance of the July meeting by the Adviser and counsel to the Fund in response to a detailed series of questions submitted by counsel to the Fund before the meeting.

This information, in part, brought current the detailed information provided to the Board by Harding Loevner with respect to the Board meeting held on September 10, 2007, in connection with the Board’s annual evaluation and approval of the continuance of the Old Agreements. In evaluating the New Agreement, the Board conducted a review that relied upon this information, advice provided by Fund counsel and by counsel to the Independent Directors, including advice provided in written memoranda outlining their legal duties, the due diligence review described above and the Board’s knowledge, resulting from its meetings throughout the year, of the Adviser, its services and the Portfolios.

In approving the New Agreement and determining to submit it to shareholders for approval, the Directors considered several factors discussed below. The Board was advised by legal counsel to the Fund and legal counsel to the Independent Directors with respect to their deliberations regarding the approval of the New Agreement. The discussion below is not intended to be all-inclusive. The Board reviewed a variety of factors and considered a significant amount of information. The approval determinations were made on the basis of each Director’s business judgment after consideration of all the information presented. Individual Directors may have given different weights to certain factors and assigned various degrees of materiality to information received in connection with the approval process.

Beneficial Consequence of the Transaction

The Board considered that the transaction between the Adviser’s general partner and AMG and believed that it would benefit the funds in the following ways: (i) provide for the operational independence of the Adviser by allowing management to continue to run the day-to-day business of the Portfolios, (ii) preserve the Portfolios’ character, (iii) promote the long-term continuity of existing personnel, and (iv) allow for the ability to attract new personnel through substantial permanent management ownership participation. The Board considered that the transaction would provide a framework and financing for generational succession, and it would eliminate the long-term risk of a disruptive “strategic” sale upon major owners’ retirement. Finally, the Board noted that following the transaction, the Portfolios will have access to AMG’s substantial distribution resources for mutual funds, as well as to AMG’s legal and compliance resources.

Nature, Extent and Quality of Services

With respect to this factor, the Board considered information it believed necessary to assess the stability of the Portfolios as a result of the transaction and to assess the ongoing nature and quality of services to be provided to the Portfolios by the Adviser following the closing of the transaction. The Directors reviewed the details of the anticipated equity structure of the Adviser and its managing member as a result of the transaction, including the financial resources of AMG and its ability to assist in growing the Adviser’s business and/or in servicing the Portfolios. In this regard, the Directors considered information about how the Adviser’s management and operations would be structured following the transaction including in particular how the transaction might affect the Adviser’s performance or its delivery of services under the New Agreement. The Board noted that the transaction would result in employees of the Adviser or its managing member owning a substantial interest in the Adviser or its general partner following the closing of the transaction, which was expected to maintain the alignment of their long-term interests with the interests of the Adviser. In addition, the Board observed the continued employee ownership in the Adviser and increasing benefits to management from the growth of assets under management should help the Adviser retain key management and investment personnel.

The Directors considered information addressing the projected benefits to the Adviser expected to result from the transaction. The Directors reviewed the Adviser’s actions to minimize the likelihood that the Adviser would have any departures of key management and/or investment personnel and whether compensation and other benefits expected to be offered by the Adviser following the transaction would be adequate

Harding, Loevner Funds, Inc.

Approval of Investment Adviser Agreement (continued)

October 31, 2008 (unaudited)

to attract and retain high-caliber investment and other relevant professional employees. The Board concluded that the compensation and incentive programs should help to retain key personnel. In addition, the Adviser addressed for the Board its efforts both initially and on an ongoing basis to retain firm clients and to respond to questions from clients and potential clients regarding the transaction.

The Board also considered the general experience, business and operations of the Adviser (as well as the experience of key personnel from AMG) and information as to the Adviser's projected financial condition and resources following the closing of the transaction and in each of the next several years.

Based on these and other factors, the Board concluded that the facts presented to and considered by the Board justified approval of the New Agreement. The Board placed particular significance in this regard on the likelihood that the Adviser would continue to provide the same type and quality of services to the Portfolios following the closing of the transaction as Harding Loevner has historically provided the Portfolios.

Performance of the Adviser

In considering the investment performance of the Portfolios, the Board took note of its comprehensive review of the Portfolios' performance during the Board's September 10, 2007 meeting at which the Board approved the continuance of the Old Agreements with respect to Portfolios existing as of that date pursuant to the requirements of Section 15(c) of the 1940 Act, as such information was brought current in connection with the consideration of the New Agreement for the Portfolios, as applicable (the "Current Information"). In this regard, the Adviser provided the Board investment performance data obtained from Bloomberg, Morningstar and Lipper for funds in the Lipper International Funds Index and a number of other international equity funds; funds in the Lipper Global Funds Index and a number of other global equity funds; funds in the Lipper Emerging Market Funds Index; and funds in the Lipper International Small/Mid-Cap Core Funds Index (collectively, the "Peer Group Data"). The Peer Group Data included fund management fees, total expense ratios, net assets, calendar year-to-date returns, 1-, 3- and 5- year returns as well as median and average data with regard to the foregoing. The Board also received performance data for the Portfolios updated through June 30, 2008. Finally, the Board considered the impact the closing of the transaction may have on the Adviser's capabilities to achieve the same or better performance results for the Portfolios in the future.

Based on these considerations and comparisons, the Board concluded that the investment performance of the Portfolios supported approval of the New Agreement.

Costs of the Services and Profitability of the Adviser

With respect to this factor, the Board took note of its comprehensive review of Harding Loevner's profitability during the Board's September 10, 2007 meeting at which the Board approved the continuance of the Old Agreements with respect to Portfolios existing as of that date pursuant to the requirements of Section 15(c) of the 1940 Act. The Board also considered the Current Information. The Board observed that any projection regarding the Adviser's profitability would depend on many assumptions as to the Adviser's financial condition and operations following the closing of the transaction and would be, therefore, speculative. For these reasons, the Board gave measured consideration to projections regarding the Adviser's future profitability in determining whether to approve the New Agreement and continued to believe that reported levels of profitability were not excessive.

Comparison of Fees and Services Provided by the Adviser

In considering advisory fees applicable to the Portfolios compared to those of comparable funds, the Board took note of its comprehensive review of the Portfolios' fee levels, including comparative fee information for peer funds and fees charged by Harding Loevner to separately managed accounts, during the Board's September 10, 2007 meeting at which the Board approved the continuance of the Old Agreements with respect to Portfolios existing as of that date pursuant to the requirements of Section 15(c) of the 1940 Act. The Board also considered the Current Information. In this regard, the Board considered information comparing each Portfolio's advisory fee and total operating expenses relative to the Peer Group Data. The Board also took into consideration the fact that the Adviser did not propose nor anticipate proposing any changes in the current advisory fees. Based on these facts, the Board concluded that the current advisory fee and total fee levels of each of the Portfolios supported approval of the New Agreement.

Economies of Scale

In considering economies of scale with respect to the Portfolios, the Board took note of its comprehensive review of economies of scale during the Board's September 10, 2007 meeting at which the Board approved the continuance of the Old Agreements with respect to Portfolios existing as of that date pursuant to the requirements of Section 15(c) of the 1940 Act. The Board also applied the underlying

Harding, Loevner Funds, Inc.

Approval of Investment Adviser Agreement (continued)

October 31, 2008 (unaudited)

principles giving effect to the Current Information. In this regard, the Board considered that certain Portfolios may achieve some economies as certain fixed expenses are spread over a larger asset base, noting that there is no precise way to measure such economies, and that certain expenses do not necessarily decrease as assets increase. The Board also considered that expense limitations and fee waivers that reduce Portfolio expenses can have the same effect as fee level breakpoints in sharing economies of scale with shareholders. The Board considered other factors, such as whether a portfolio's strategy is capacity constrained; that is, whether an adviser is limited in the amount of assets that can be managed within a strategy by reason of the universe of issuers, the trading volume of relevant securities or markets or the adviser's selection criteria associated with a particular strategy. The Board noted that, while sharing of economies of scale is a relevant factor, it may appropriately be tempered by market or other practical considerations. Based on these facts, the Board concluded that the Adviser's efforts in this regard supported approving the New Agreement.

Other Benefits

In considering the benefits derived or to be derived by the Adviser from the relationship with the Portfolios, the Board took note of its comprehensive review of Harding Loevner's relationship with the Portfolios during the Board's September 10, 2007 meeting at which the Board approved the continuance of the Old Agreements with respect to Portfolios existing as of that date pursuant to the requirements of Section 15(c) of the 1940 Act. In this regard, the Board considered the Adviser's representation that, beyond the fees earned by the Adviser for providing services to the Portfolios, the Adviser may benefit from its relationship with the Portfolios in the sense that separately managed account clients may view the additional assets under management resulting from managing the Portfolios as a positive attribute. In addition, the Board noted that the Adviser also may obtain increased reputational prestige from managing a nationally recognized mutual fund family that shares the Adviser's name. The Board also considered that the Adviser benefits from the receipt of research services obtained through "soft dollars" in connection with Portfolio brokerage transactions. The Board concluded that these additional benefits should not preclude approval of the New Agreement.

Harding, Loevner Funds, Inc.

Directors and Principal Officers of the Fund

(unaudited)

Disinterested Directors:

Name, Address and Age	Position with the Fund	Term of Office and Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Director	Other Directorships Held by Director
William E. Chapman, II Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 67	Director	Indefinite; Director since 2008	Longboat Retirement Planning Solutions (Consulting Firm), President and Owner, 1998-present; Hewitt Associates, LLC (consulting firm), part-time provider of retirement and investment education seminars, 2000-present; Bowdoin College, Trustee, 2002-present.	6	Trustee, The Managers Funds, (9 portfolios); Trustee, Managers AMG Funds (6 portfolios), Managers Trust I (10 portfolios) and Managers Trust II (6 portfolios); Trustee, Third Avenue Trust (4 portfolios); Trustee, Third Avenue Variable Trust (1 portfolio).
R. Kelly Doherty Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 50	Director	Indefinite; Director since 2004	Cayman Partners (private investment vehicles), Managing Partner, 1999-present.	6	L.P. Thebault & Co. (commercial printing); The Peck School
Charles Freeman Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 44	Director	Indefinite; Director since 2008	Center for Strategic and International Studies, Freeman Chair in China Studies, 2007- present; China Alliance (legal and government relations group), Managing Director, 2005-2007; Assistant U.S. Trade Representative, prior to 2005.	6	National Committee for U.S.-China Relations.
Jane A. Freeman Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 55	Director	Indefinite; Director since 1996; Chairperson of Audit Committee 2005-2008; Lead Non-Interested Director since 2008	Scientific Learning Corporation (Education Software), Executive Vice President and Chief Financial Officer, 2000-present; Finance & Business Development, Treasurer and Vice President, 1999-2000.	6	None
Samuel R. Karetsky Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 63	Director	Indefinite; Director since 1998	The Karetsky Group, LLC (Advisory Firm), Managing Member, 2003-present; Wetherby Asset Management, Principal, 2004-present; European Investors Inc., Managing Director, 1998-2002	6	None

Harding, Loevner Funds, Inc.

Directors and Principal Officers of the Fund (continued)

(unaudited)

Name, Address and Age	Position with the Fund	Term of Office and Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen By Director	Other Directorships Held by Director
Eric Rakowski Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 50	Director	Indefinite; Director since 2008	University of California at Berkeley School of Law, Professor, 1990-present.	6	Trustee, The Managers Funds, (9 portfolios); Trustee, Managers AMG Funds (6 portfolios), Managers Trust I (10 portfolios) and Managers Trust II (6 portfolios); Trustee, Third Avenue Trust (4 portfolios); Trustee, Third Avenue Variable Trust (1 portfolio).
Raymond J. Clark Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 72	Director	Indefinite; Director since 2004	The Woodrow Wilson National Fellowship Foundation, Treasurer, 08/04-present; Wellesley College, Interim Vice President of Finance and Treasurer, 10/03-6/04; Princeton University, Treasurer, 1987-2001.	6	Princeton Healthcare System

Interested Director:

David R. Loevner** Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 54	Director, President and Chairman of the Board	Indefinite; Director, President and Chairman of the Board since 1996	HLM Holdings, Inc., Harding Loevner LLC's managing member, President, 7/89-present; Parks Tennant Corporation (real estate), President, 1/01-present.	6	Harding Loevner Funds, plc
Jennifer M. Borggaard** Affiliated Managers, Group, Inc. 600 Hale Street Prides Crossing, MA 01965 Age, 39	Director	Indefinite; Director since 2008	Affiliated Managers Group, Inc. ("AMG") (Asset Management Firm), Senior Vice President, 2007-present, Vice President, 2004-2007, Director and Senior Counsel, 2001-2004.	6	Director, DFD Fund of Funds, plc (4 portfolios)

* Each director is elected to serve in accordance with the Articles of Incorporation and By-Laws of the Fund until his or her successor is duly elected and qualified.

** David R. Loevner is considered an "interested person" of the Fund as defined in the Investment Company Act of 1940, as amended, because he serves as President of the managing member of HLM Holdings, Inc., Managing Member of Harding Loevner LLC, the Fund's investment advisor. Jennifer M. Borggaard is an interested person of the Fund because she is an officer of AMG.

Harding, Loevner Funds, Inc.

Directors and Principal Officers of the Fund (continued)

(unaudited)

Principal Officers of the Fund

Name, Address and Age	Position with the Fund	Term of Office and Length of Time Served ♦	Principal Occupation (s) During Past Five Years
Richard Reiter Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 42	Vice President	1 year ; Vice President since 2007	HLM Holdings, Inc. (managing member of Harding Loevner LLC), Director 4/96-current.
Puran Dulani Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 50	Chief Financial Officer and Treasurer	1 year; Chief Financial Officer and Treasurer since 2007	HLM Holdings, Inc. (managing member of Harding Loevner LLC), Chief of Operations and Accounting 3/02-present.
Ellen Blanchard State Street Bank & Trust Company 200 Clarendon Street Boston, MA 02116 Age, 34	Anti-Money Laundering Compliance Officer	1 year; Anti-Money Laundering Compliance Officer since 2007	State Street Bank & Trust Company (formerly, Investors Bank & Trust Company), Director and Senior Associate Counsel, 1/06-present; Senior Manager and Associate Counsel, 8/04-12/05; Manager and Associate Counsel 8/02-8/04; Product Manager, 8/99-8/02.
Donna M. Rogers State Street Bank & Trust Company 200 Clarendon Street Boston, MA 02116 Age, 42	Chief Compliance Officer of the Funds	1 year; Chief Compliance Officer since 2007	State Street Bank & Trust Company, (formerly, Investors Bank & Trust Company), Senior Director, 2002-present.
Brendan J. O'Neill State Street Bank & Trust Company 200 Clarendon Street Boston, MA 02116 Age, 40	Assistant Treasurer	1 year; Assistant Treasurer since 2004	State Street Bank & Trust Company (formerly, Investors Bank & Trust Company), Unit Director 11/07-present, Director 1/05-10/07; Senior Manager 11/02-12/04; Manager 7/00-10/02.
Francine S. Hayes State Street Bank & Trust Company 200 Clarendon Street Boston, MA 02116 Age, 40	Secretary	1 year; Secretary since 2008	State Street Bank & Trust Company (formerly, Investors Bank & Trust Company), Vice President and Senior Counsel, from 2004-present; and Assistant Vice President and Counsel, 2001-2004.
Brian C. Poole State Street Bank & Trust Company 200 Clarendon Street Boston, MA 02116 Age, 37	Assistant Secretary	1 year; Secretary since 2008	State Street Bank & Trust Company (formerly, Investors Bank & Trust Company), Vice President and Counsel, 3/08-present and Associate Counsel, 7/04-9/07; Fidelity Investments, Legal Product Manager, 11/00-7/04.
Lori M. Renzulli Harding Loevner LLC 50 Division Street, Suite 401 Somerville, NJ 08876 Age, 42	Assistant Secretary	1 year, Assistant Secretary since 2008	HLM Holdings, Inc. (managing member of Harding Loevner LLC), Chief Counsel and Chief Compliance Officer 6/06- present; MetLife, Director, Corporate Ethics and Compliance, 1/06-5/06; CitiStreet Retirement Services, Vice President and Counsel, 7/89-12/05.

♦ Officers are elected to hold such office until their successor is elected and qualified to carry out the duties and responsibilities of their office, or until he or she resigns or is removed from office.

The Fund's Statement of Additional Information contains additional information about the Directors of the Fund and is available, without charge, upon request, by calling 1-877-435-8105.

Harding, Loevner Funds, Inc.

Results of Special Meeting of Shareholders

(unaudited)

On November 5, 2008, Harding, Loevner Funds, Inc. (the “Fund”) held a Special Meeting of Shareholders to: (i) approve a new investment advisory agreement between Harding Loevner LLC and the Fund, on behalf of each of its series (the “Portfolios”); (ii) elect the Board of Directors of the Fund; and (iii) eliminate a fundamental investment restriction on investments in shares of other investment companies for each of International Equity Portfolio, Global Equity Portfolio and Emerging Markets Portfolio.

Each Portfolio voted as follows regarding the investment advisory agreement between Harding Loevner LLC and the Fund:

International Equity Portfolio	11,009,317 votes in favor 42,219 votes against 2,829,929 votes abstained
Global Equity Portfolio	1,356,903 votes favor 0 votes against 29,811 votes abstained
Emerging Markets Portfolio	17,633,989 votes in favor 568,947 votes against 5,147,818 votes abstained
Institutional Emerging Markets Portfolio	10,901,812 votes in favor 0 votes against 0 votes abstained
International Small Companies Portfolio	413,414 votes in favor 458 votes against 85,320 votes abstained
Frontier Emerging Markets Portfolio	978,368 votes in favor 0 votes against 0 votes abstained

The following Directors were elected to serve or continue to serve as Directors of the Fund:

Jennifer M. Borggaard	46,154,629 votes in favor 4,843,678 votes against 0 votes abstained
William E. Chapman, II	50,289,476 votes in favor 708,831 votes against 0 votes abstained
R. Kelly Doherty	50,307,744 votes in favor 690,563 votes against 0 votes abstained
Charles Freeman	50,280,687 votes in favor 717,620 votes against 0 votes abstained
Jane A. Freeman	50,296,330 votes in favor 701,977 votes against 0 votes abstained
Samuel R. Karetsky	50,305,063 votes in favor 693,244 votes against 0 votes abstained
David R. Loevner	46,163,841 votes in favor 4,834,466 votes against 0 votes abstained
Eric Rakowski	50,271,316.53 votes in favor 726,991.88 votes against 0 votes abstained

Harding, Loevner Funds, Inc.

Results of Special Meeting of Shareholders (continued)

(unaudited)

Each of International Equity Portfolio, Global Equity Portfolio and Emerging Markets Portfolio voted as follows regarding the elimination of a fundamental investment restriction on investments in shares of other investment companies:

International Equity Portfolio	10,764,929 votes in favor 129,428 votes against 2,987,108 votes abstained
Global Equity Portfolio	1,211,035 votes in favor 1,997 votes against 173,682 votes abstained
Emerging Markets Portfolio	16,361,347 votes in favor 1,371,085 votes against 5,618,323 votes abstained

Harding, Loevner Funds, Inc.

Supplemental Information

(unaudited)

Quarterly Form N-Q Portfolio Schedule

Each Portfolio will file its complete schedule of investments with the SEC on Form N-Q at the end of the first and third fiscal quarters within 60 days of the end of the quarter to which it relates. The Portfolios' Form N-Q will be available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room whose telephone number is 1-800-SEC-0330. Additionally, they are available upon request by calling 1-877-435-8105.

Proxy Voting Record

The Fund's proxy voting record relating to the Portfolios' securities during the most recent 12-month period ended June 30 is available on the Fund's website at www.hardingloevnerfunds.com and on the SEC's website at www.sec.gov, on Form N-PX.

Proxy Voting Policies and Procedures

A description of the Fund proxy voting policies and procedures are located in the Statement of Additional Information and is available without charge, upon request, by calling 1-877-435-8105 or on the SEC's website at www.sec.gov.

Harding, Loevner Funds, Inc.

Officers & Directors and Other Pertinent Information

OFFICERS AND DIRECTORS

David R. Loevner
*Director, President and Chairman of the Board
of the Funds*

Jennifer M. Borggaard
Director of the Funds

William E. Chapman II
Director of the Funds

R. Kelly Doherty
Director of the Funds

Charles Freeman
Director of the Funds

Jane A. Freeman
Director of the Funds

Samuel R. Karetsky
Director of the Funds

Eric Rakowski
Director of the Funds

Raymond J. Clark
Director of the Funds

Donna Rogers
Chief Compliance Officer of the Funds

Ellen Blanchard
*Anti-Money Laundering Compliance Officer of
the Funds*

Puran Dulani
*Chief Financial Officer and Treasurer for the
Funds*

Richard Reiter
Vice President of the Funds

Brendan J. O'Neill
Assistant Treasurer of the Funds

Francine S. Hayes
Secretary of the Funds

Brian C. Poole
Assistant Secretary of the Funds

Lori M. Renzulli
Assistant Secretary of the Funds

HARDING, LOEVNER FUNDS, INC.

INVESTMENT ADVISOR

Harding Loevner LLC
50 Division Street, Suite 401
Somerville, NJ 08876-2943

DISTRIBUTOR

Quasar Distributors, LLC
615 East Michigan Street
Milwaukee, WI 53202-5210

ADMINISTRATOR, CUSTODIAN, FUND ACCOUNTANT, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

State Street Bank and Trust Company
P.O. Box 9130
Boston, MA 02117-9130

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

LEGAL COUNSEL

Dechert LLP
1095 Avenue of the Americas
New York, New York 10036-6797

This report is intended for shareholders of Harding, Loevner Funds, Inc. It may not be used as sales literature unless preceded or accompanied by the current Prospectus, which gives details about charges, expenses, investment objectives, risks and policies of the Portfolios.