

Investment Philosophy

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

Fund Facts

| | |
|--------------------------------|---------------------|
| CUSIP | 412295701 |
| Inception Date | 10/17/05 |
| Minimum Investment | \$500,000 |
| Total Fund Assets | \$237.4 M |
| Sales Charge | None |
| Total # of Holdings | 77 |
| Net Expense Ratio ¹ | 1.30% |
| Gross Expense Ratio | 1.55% |
| Turnover (3 Yr Average) | 50% |
| Redemption Fee | 2.00% first 90 days |
| Dividend Policy | Annual |
| NAV | \$13.69 |

Sector Exposure (%)

| Sector | HLMEX | Benchmark ² |
|--------------------|-------|------------------------|
| Cons Discretionary | 11.0 | 6.5 |
| Cons Staples | 16.0 | 6.8 |
| Energy | 9.7 | 14.2 |
| Financials | 22.2 | 25.3 |
| Health Care | 3.4 | 0.8 |
| Industrials | 6.0 | 6.8 |
| Info Technology | 14.5 | 13.2 |
| Materials | 7.3 | 14.2 |
| Telecom Services | 6.4 | 8.4 |
| Utilities | 1.0 | 3.8 |
| Cash | 2.5 | - |

Geographical Exposure (%)

| Region | HLMEX | Benchmark ² |
|--------------------|-------|------------------------|
| Brazil | 15.0 | 15.4 |
| China/Hong Kong | 12.8 | 19.1 |
| India | 9.5 | 8.4 |
| Indonesia | 1.5 | 2.4 |
| Malaysia | 1.3 | 2.9 |
| Mexico | 7.2 | 4.4 |
| Russia | 7.1 | 6.3 |
| South Africa | 6.2 | 7.2 |
| South Korea | 7.6 | 13.6 |
| Taiwan | 9.8 | 10.9 |
| Other ³ | 19.5 | 9.4 |
| Cash | 2.5 | - |

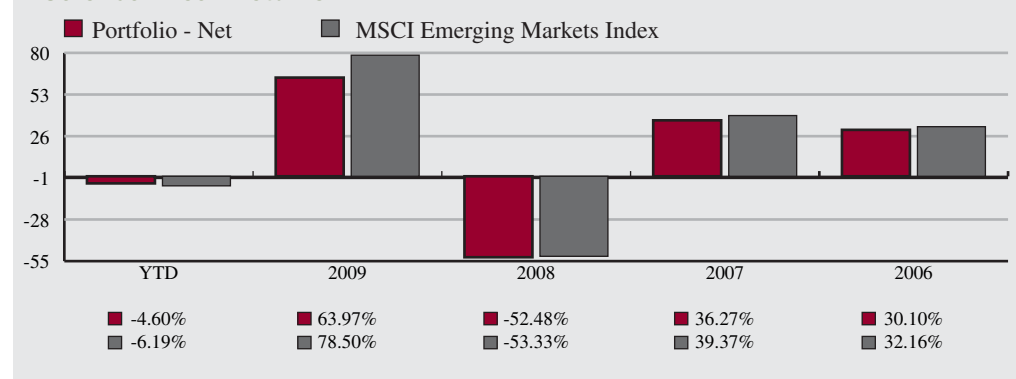
Investment Objective

The Emerging Markets Portfolio seeks long-term capital appreciation through investment in equity securities of companies based in emerging markets.

Total Returns (%)

| | Inception Date | 3 Months | 1 Year | 3 Years | Since Inception |
|--|----------------|----------|--------|---------|-----------------|
| Inst. Emerging Markets Portfolio - Net | 10/17/05 | -7.94 | 22.29 | -3.96 | 9.00 |
| MSCI Emerging Markets Index | | -8.39 | 23.12 | -2.50 | 11.09 |
| Lipper Emerging Markets Fund Index | | -8.75 | 23.82 | -4.74 | 9.19 |

Calendar Year Returns



Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Portfolio may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (877) 435-8105 or visiting www.hardingloevnerfunds.com. Performance data shown does not reflect the 2.00% redemption fee imposed on shares held 90 days or less; otherwise, total returns would be reduced.

The Portfolio invests in foreign securities, which will involve greater volatility and political, economic, and currency risks and differences in accounting methods. It also invests in emerging markets, which involve unique risks, such as exposure to economies less diverse and mature than the U.S. or other more established foreign markets. Economic and political instability may cause larger price changes in emerging markets securities than other foreign securities. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Portfolio in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities.

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 21 emerging market countries. The Index is net of foreign withholding taxes on dividends. The Lipper Emerging Markets Fund Index, an unmanaged index published by Lipper Analytical Services, Inc., includes 30 funds that are generally similar to the Fund, although some funds in the index may have somewhat different investment policies or objectives. You cannot invest directly in these Indices.

All holdings and sector/region allocations are subject to review and adjustment in accordance with the Portfolio's investment strategy and may vary in the future, and should not be considered recommendations to buy or sell any security. The Portfolio is actively managed; therefore holdings may not be current.

Investment performance reflects fee waivers and in the absence of these waivers investment performance would be reduced.

¹Harding Loevner has voluntarily agreed to cap the total annual fund operating expenses at 1.30% (on an annualized basis) of the average daily net assets of the Portfolio for an indefinite period; ²MSCI Emerging Markets Index; ³Other includes the remaining 12 smaller emerging markets countries plus developed countries where some holdings that have operations and/or sales focused on emerging markets are domiciled.

Institutional Emerging Markets Portfolio

June 30, 2010

Ticker: *HLMEX*



Investment Adviser

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

Ten Largest Holdings

| | <i>Sector</i> | <i>Country</i> | <i>% Assets</i> |
|-----------------------------|------------------------|----------------|-----------------|
| Samsung Electronics | Information Technology | South Korea | 3.6 |
| Hengan International | Consumer Staples | China | 3.3 |
| Petrobras | Energy | Brazil | 3.2 |
| América Móvil | Telecom Services | Mexico | 3.0 |
| Vale | Materials | Brazil | 2.8 |
| Delta Electronics | Information Technology | Taiwan | 2.2 |
| HDFC Bank | Financials | India | 2.1 |
| Lukoil | Energy | Russia | 2.0 |
| Wal-Mart de México | Consumer Staples | Mexico | 1.9 |
| Taiwan Semiconductor | Information Technology | Taiwan | 1.9 |
| Ten Largest Holdings | | | 26.0 |

Portfolio Characteristics

| | <i>HLMEX</i> | <i>Benchmark¹</i> | | <i>HLMEX</i> | <i>Benchmark¹</i> |
|---------------------------|--------------|------------------------------|---------------------------------|--------------|------------------------------|
| Return on Assets | 7.5% | 5.8% | Avg Wtd Mkt Cap (mn) | \$21,823 | \$29,320 |
| Return on Equity | 18.0% | 15.3% | Price/Earnings | 17.2 | 14.0 |
| Debt/Equity Ratio | 29.2% | 29.5% | Price/Cash Flow | 9.1 | 7.8 |
| Profit Margin | 14.8% | 11.6% | Price/Book | 1.9 | 1.9 |
| 5 Year ROE | 20.2% | 18.5% | Alpha ³ | -0.56 | - |
| Std Dev of 5 Year ROE | 3.3% | 4.4% | Beta ³ | 0.98 | 1.00 |
| Sales Growth ² | 20.4% | 19.6% | R-Squared ³ | 0.99 | 1.00 |
| EPS Growth ² | 11.4% | 9.6% | Sharpe Ratio ³ | 0.01 | 0.01 |
| CF Growth ² | 15.3% | 11.5% | Standard Deviation ³ | 32.37 | 32.99 |

¹MSCI Emerging Markets Index; ²Trailing five years, annualized; ³ Trailing two years, annualized.

Source: Wilshire Atlas (Run Date July 8, 2010) Based on the Portfolio's underlying holdings.

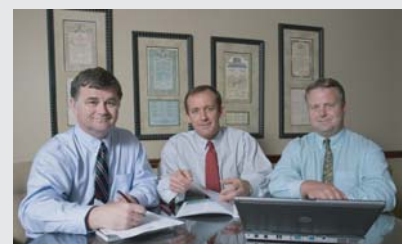
Average Weighted Market Capitalization: the product of a security's price & the number of shares outstanding. Price/Earnings: the ratio of a firm's closing stock price & its trailing 12 months' earnings/share. Price/Cash Flow: the ratio of a firm's closing stock price & its fiscal year end cash flow/share. Price/Book: the ratio of a firm's closing stock price & its fiscal year end book value/share. Return on Equity: the net income divided by total common equity outstanding, expressed as a percent. Alpha: a measure of risk-adjusted return. Beta: a measure of the portfolio's sensitivity to the market. R-Squared: a measure of how well a portfolio tracks the market. Sharpe Ratio: the return over the risk free rate per unit of risk. Standard Deviation: the statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. Return on Assets: net income for past 12 months divided by total assets. Earnings Per Share: portion of a company's profit allocated to each outstanding share of common stock. Debt/Equity Ratio: total long-term debt divided by total shareholder's equity. Profit Margin: relationship of gross profits to net sales.

The Portfolio's investment objectives, risks, charges and expenses must be read and considered carefully before investing. The Prospectus contains this and other important information about the investment company. It may be obtained by calling toll free (877) 435-8105, or visiting www.hardingloevnerfunds.com.

While the Portfolio is "no load", management and other expenses still apply. Please refer to the Prospectus for further details.

The Portfolio is distributed by Quasar Distributors, LLC.

Portfolio Managers



Simon Hallett, CFA
Oxford University, BA, 1978
Harding Loevner since 1991

Rusty Johnson, CFA
Lead Portfolio Manager
Washington & Lee University, BA, 1986
Harding Loevner since 1994

Craig Shaw, CFA
Concordia College, BA, 1986
American Graduate School of Management
(Thunderbird), MIM, 1989
Harding Loevner since 2001

For More Information contact:

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