

# SECURITIES AND EXCHANGE COMMISSION

## FORM DEF 14A

Definitive proxy statements

Filing Date: **2008-08-29** | Period of Report: **2008-11-05**  
SEC Accession No. **0001169232-08-003280**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **HARDING LOEVNER FUNDS INC**

CIK: **1018170** | IRS No.: **000000000** | Fiscal Year End: **1031**  
Type: **DEF 14A** | Act: **34** | File No.: **811-07739** | Film No.: **081049860**

Mailing Address  
*200 CLARENDON STREET  
BOSTON MA 02116*

Business Address  
*50 DIVISION STREET  
SUITE 401  
SOMERVILLE NJ 08876  
8007624848*

---

---

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

HARDING, LOEVNER FUNDS, INC.

\_\_\_\_\_  
(Name of Registrant as Specified In Its Charter)

\_\_\_\_\_  
**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):  
\_\_\_\_\_
- (4) Proposed maximum aggregate value of transaction: \_\_\_\_\_
- (5) Total fee paid: \_\_\_\_\_

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid \_\_\_\_\_
- (2) Form, Schedule or Registration Statement No.: \_\_\_\_\_
- (3) Filing Party: \_\_\_\_\_
- (4) Date Filed: \_\_\_\_\_

---

---

**HARDING, LOEVNER FUNDS, INC.**

**P.O. BOX 642, OPS 22  
BOSTON, MA 02117-0642**

**877-435-8105**

August 29, 2008

Dear Shareholder:

A Special Meeting of Shareholders of the Harding, Loevner Funds, Inc. (the "Fund") will be held at the offices of the Fund, 50 Division Street, Suite 401, Somerville, New Jersey 08876, on November 5, 2008, at 10:00 a.m., Eastern Standard Time to approve a new investment advisory agreement for the Fund, to re-elect directors and elect new directors, and to eliminate a fundamental investment restriction. The Board of Directors of the Fund unanimously recommends you vote in favor of each of the matters to be voted upon.

Harding Loevner LLC, the investment adviser to the Fund ("Harding Loevner"), has reached 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 highly-regarded boutique money management firms. Each of these "affiliated firms" operates autonomously and its managers retain substantial ownership interests in their firm.

The proposed transaction, which is described in detail in the enclosed materials, is intended to provide an opportunity for Harding Loevner's 48 employee-owners to realize some current value from their ownership interests, while ensuring Harding Loevner's operational autonomy for the very long term and preserving its independent character, including its culture of employee ownership and focus on the interests of its clients. No changes to Harding Loevner's management, personnel, investment processes, the way it which it manages the Fund, or the fees and expenses of the Fund are expected to result from the transaction.

Under the law, the Fund's existing investment advisory agreements with Harding Loevner will automatically terminate upon completion of the transaction. In order for Harding Loevner to continue to manage the Fund, shareholders must approve a new investment advisory agreement.

**Therefore, we ask that you take a moment to review these materials and to complete and return your proxy card as soon as possible. Alternatively, you may vote by telephone or via the Internet. It is very important that your voting instructions be received before the Special Meeting. If we do not receive your vote within a reasonable period of time, you may receive a follow-up request by telephone from a proxy solicitor on behalf of the Fund.**

If you have any questions after reviewing the enclosed materials, please call us at 877-435-8105. Thank you for your time and for placing your trust in us through your investment in the Fund.

Sincerely,

David R. Loevner

President and Chairman of the Board

Harding, Loevner Funds, Inc.

**HARDING LOEVNER INTERNATIONAL EQUITY PORTFOLIO  
HARDING LOEVNER GLOBAL EQUITY PORTFOLIO  
HARDING LOEVNER EMERGING MARKETS PORTFOLIO  
HARDING LOEVNER INSTITUTIONAL EMERGING MARKETS PORTFOLIO  
HARDING LOEVNER INTERNATIONAL SMALL COMPANIES PORTFOLIO  
HARDING LOEVNER FRONTIER EMERGING MARKETS PORTFOLIO**

**P.O. BOX 642, OPS 22  
BOSTON, MA 02117-0642**

**(877) 435-8105**

---

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD November 5, 2008**

---

To the Shareholders:

Harding, Loevner Funds, Inc. (the "Fund"), on behalf of each of its series named above (each a "Portfolio" and collectively, the "Portfolios") will hold a Special Meeting of Shareholders (the "Meeting") at the offices of the Fund, 50 Division Street, Suite 401, Somerville, New Jersey 08876, on November 5, 2008, at 10:00 a.m., Eastern Standard Time.

The purpose of the Meeting is to ask you to consider the following proposals:

1. The approval, by Shareholders of each Portfolio separately, of a new Investment Advisory Agreement between the Fund, on behalf of each Portfolio, and Harding Loevner II, LLC;
2. The election of 8 Directors to the Fund's Board of Directors;
3. The approval, with respect to certain Portfolios, of the elimination of the fundamental restriction concerning investment in other investment companies; and

4. To transact such other business as may properly come before the Meeting and any adjournments or postponements thereof.

You are entitled to vote at the Meeting and any adjournments or postponements thereof if you owned shares of any Portfolio at the close of business on August 25, 2008.

**Whether or not you plan to attend the Meeting in person, please vote your shares.**

In addition to voting by mail you may also vote by either telephone or via the Internet, as follows:

**To vote by Telephone:**

**To vote by Internet:**

---

(1) Read the Proxy Statement and have the enclosed proxy card at hand.

(1) Read the Proxy Statement and have the enclosed proxy card at hand.

(2) Call the toll-free number that appears on the enclosed proxy card.

(2) Go to the website that appears on the enclosed proxy card.

(3) Enter the control number set forth on the enclosed proxy card and follow the simple instructions.

(3) Enter the control number set forth on the enclosed proxy card and follow the simple instructions.

We encourage you to vote by telephone or via the Internet using the control number that appears on your enclosed proxy card. Use of telephone or Internet voting will reduce the time and costs associated with this proxy solicitation. Whichever method you choose, please read the enclosed proxy statement carefully before you vote.

**PLEASE NOTE: You may receive more than one proxy package if you hold shares in more than one Portfolio. You must return separate proxy cards for separate holdings if voting by mail. We have provided postage-paid return envelopes for each, which require no postage if mailed in the United States.**

**PLEASE RESPOND — WE ASK THAT YOU VOTE PROMPTLY IN ORDER TO AVOID THE ADDITIONAL EXPENSE OF FURTHER SOLICITATION.**

**YOUR VOTE IS IMPORTANT.**

By Order of the Board of Directors

Francine S. Hayes

August 29, 2008

Secretary

2

---

**HARDING LOEVNER INTERNATIONAL EQUITY PORTFOLIO**

**HARDING LOEVNER GLOBAL EQUITY PORTFOLIO**

**HARDING LOEVNER EMERGING MARKETS PORTFOLIO**

**HARDING LOEVNER INSTITUTIONAL EMERGING MARKETS PORTFOLIO**

**HARDING LOEVNER INTERNATIONAL SMALL COMPANIES PORTFOLIO**

**HARDING LOEVNER FRONTIER EMERGING MARKETS PORTFOLIO**

---

**Proxy Statement**

---

**Special Meeting of Shareholders  
to be held on November 5, 2008**

This Proxy Statement is being furnished to you in connection with the solicitation of proxies by the Board of Directors (the "Board") of Harding, Loevner Funds, Inc. (the "Fund"), on behalf of each of its series named above (each a "Portfolio" and collectively, "Portfolios"), to be voted at a Special Meeting of Shareholders to be held at the offices of the Fund, 50 Division Street, Suite 401, Somerville, New Jersey 08876, on November 5, 2008, at 10:00 a.m., Eastern Standard Time (the "Meeting"), for the purposes set forth below and described in greater detail in this Proxy Statement.

---

**To approve a new Investment Advisory Agreement between the Fund, on behalf of each Portfolio, and Harding Loevner II, LLC (Proposal 1).**

**All Portfolios**

---

**To elect 8 Directors to the Fund's Board of Directors (Proposal 2).**

**All Portfolios**

---

**To approve the elimination of the fundamental restriction concerning investment in other investment companies (Proposal 3).**

**Harding Loevner International Equity Portfolio**

**Harding Loevner Global Equity Portfolio**

**Harding Loevner Emerging Markets Portfolio**

---

**To transact such other business as may properly come before the Meeting and any adjournments or postponements thereof.**

**All Portfolios**

---

You are entitled to vote at the Meeting (and any adjournments or postponements thereof) regarding the proposals with respect to any Portfolio for which you owned shares at the close of business on August 25, 2008 (the "Record Date"). The date of the first mailing of the proxy cards and this Proxy Statement to shareholders will be on or about September 4, 2008.

Shareholders at the close of business on the Record Date will be entitled to one vote for each dollar and a proportionate fraction of a vote for each fraction of a dollar, of the net asset value per share of each share of the Portfolio(s) held by the shareholder on the Record Date.

Shares represented by proxies, unless previously revoked, will be voted at the Meeting in accordance with the instructions of the shareholders. If no instructions are given by a shareholder on the proxy card but the proxy card is properly executed and/or voted by the shareholder, such proxy will be voted "FOR" each Proposal and "FOR" any other matters deemed appropriate. Alternatively, shareholders who are named as the record owners of their shares may vote their shares in person at the Meeting.

---

Once a proxy has been submitted to the Portfolios, it may be revoked on or before the Meeting: (1) by submitting to the Portfolios a subsequently dated proxy or (2) by delivering to the Secretary of the Fund at the address on the cover of this Proxy Statement a written notice of revocation or (3) if the shareholder is a record owner, by attending the Meeting and casting a vote either in person or by proxy. If a shareholder wishes to participate in the Meeting, but does not wish to authorize the execution of a proxy by telephone or through the Internet, the shareholder may still execute and submit the proxy form included with this Proxy Statement or, if the shareholder is a record owner, attend the Meeting and vote in person.



Unless revoked, all valid and executed proxies will be voted in accordance with the specifications thereon or, in the absence of such specifications, “FOR” approval of the Proposals contemplated thereby.

With respect to Proposal 1 (approval of an investment advisory agreement for each Portfolio) and Proposal 3 (elimination of the fundamental restriction concerning investment in other investment companies), the presence at the Meeting, in person or by proxy, of the holders of one-third of the outstanding shares of each Portfolio entitled to be cast shall be necessary and sufficient to constitute a quorum for the transaction of business. With respect to Proposal 2 (election of directors), the presence at the Meeting, in person or by proxy, of the holders of one-third of the outstanding shares of the Fund, without regard to Portfolio or class, entitled to be cast shall be necessary and sufficient to constitute a quorum for the transaction of business.

This Proxy Statement should be kept for future reference. The most recent annual report of the Portfolios dated October 31, 2007 and the most recent semi-annual report for the six-month period ended April 30, 2008 have been mailed previously to shareholders. **If you would like to receive additional copies of these shareholder reports free of charge, or copies of any subsequent shareholder report, please contact the Fund by writing to the Secretary, Harding, Loevner Funds, Inc., P.O. Box 642, OPS 22, Boston, MA 02117-0642 or by calling (877-435-8105).** Requested shareholder reports will be sent by first class mail within three business days of the receipt of the request.

---

## Table of Contents

|  |    |
|--|----|
| <a href="#">Proxy Statement</a>  | 1  |
| <a href="#">PROPOSAL 1 - APPROVAL OF NEW INVESTMENT ADVISORY AGREEMENT</a>       | 4  |
| <a href="#">Introduction</a>   | 4  |
| <a href="#">Information Concerning the Transaction</a>                           | 5  |
| <a href="#">Board of Directors Recommendation</a>                                | 6  |
| <a href="#">Board of Directors Evaluation</a>                                    | 6  |
| <a href="#">Description of the Current and New Investment Advisory Agreement</a> | 10 |
| <a href="#">Reliance on Section 15(f) of the 1940 Act</a>                        | 11 |

|  |    |
|--|----|
| <a href="#"><u>Information Regarding Harding Loevner</u></a>   | 11 |
| <a href="#"><u>Information Regarding AMG</u></a>   | 12 |
| <a href="#"><u>Shareholder Approval</u></a>  | 13 |
| <a href="#"><u>PROPOSAL 2 - ELECTION OF THE BOARD OF DIRECTORS</u></a>   | 14 |
| <a href="#"><u>Director Nominees</u></a>   | 14 |
| <a href="#"><u>Fund Share Information</u></a>  | 17 |
| <a href="#"><u>Compensation</u></a>  | 21 |
| <a href="#"><u>Board Meetings and Committees</u></a>   | 22 |
| <a href="#"><u>Shareholder Approval</u></a>  | 22 |
| <a href="#"><u>PROPOSAL 3 - APPROVAL OF ELIMINATION OF FUNDAMENTAL INVESTMENT POLICY CONCERNING INVESTMENT IN OTHER INVESTMENT COMPANIES</u></a> | 23 |
| <a href="#"><u>Introduction</u></a>  | 23 |
| <a href="#"><u>Shareholder Approval</u></a>  | 24 |
| <a href="#"><u>GENERAL INFORMATION ABOUT THE PORTFOLIOS</u></a>  | 25 |
| <a href="#"><u>MANAGEMENT AND OTHER SERVICE PROVIDERS</u></a>  | 25 |
| <a href="#"><u>EXECUTIVE OFFICER OF THE PORTFOLIOS</u></a>   | 27 |
| <a href="#"><u>OTHER BUSINESS</u></a>  | 28 |
| <a href="#"><u>SUBMISSION OF CERTAIN SHAREHOLDER PROPOSALS</u></a>   | 28 |

|   |     |
|---|-----|
| <u>VOTING INFORMATION</u>                                       | 28  |
| <u>EFFECT OF ABSTENTIONS AND BROKER “NON-VOTES”</u>             | 29  |
| <u>ADJOURNMENTS</u>   | 30  |
| <u>PROXY SOLICITATION</u>                                       | 30  |
| <u>FUND SHARES OWNED BY CERTAIN BENEFICIAL OWNERS</u>           | 31  |
| <u>EXHIBIT A - FORM OF NEW INVESTMENT ADVISORY AGREEMENT</u>    | A-1 |
| <u>EXHIBIT B - MANAGEMENT OF HARDING LOEVNER</u>                | B-1 |
| <u>EXHIBIT C - CURRENT EXECUTIVE OFFICERS OF THE PORTFOLIOS</u> | C-1 |
| <u>EXHIBIT D - SHARE OWNERSHIP OF THE PORTFOLIOS</u>            | D-1 |

---

PROPOSAL 1 – ALL PORTFOLIOS

**APPROVAL OF NEW INVESTMENT ADVISORY AGREEMENT**

---

**Introduction**

Pursuant to investment advisory agreements between Harding Loevner LLC (“Harding Loevner”) and the Fund on behalf of each Portfolio (each a “Current Investment Advisory Agreement” and collectively, the “Current Investment Advisory Agreements”), Harding Loevner currently serves as the investment adviser to each of the Portfolios and is responsible for each Portfolio’s overall investment strategy and its implementation.

On July 22, 2008, Harding Loevner, its parent company, HLM Holdings, Inc. (“HLM Holdings”), and certain shareholders of HLM Holdings entered into a purchase agreement with Affiliated Managers Group, Inc. (“AMG”) pursuant to which Harding Loevner agreed to transfer its business to a newly-formed limited liability company, Harding Loevner II, LLC (“HL LLC II”), in which AMG agreed to purchase a majority interest (collectively, the “Transaction”). AMG is a publicly traded Delaware corporation listed on the New York Stock Exchange, and whose affiliated investment management firms manage approximately \$254 billion in assets as of June 30, 2008 (pro forma for pending investments). As part of the Transaction, HL LLC II is

expected to change its name to “Harding Loevner LLC.” Consummation of the Transaction would constitute an “assignment,” as that term is defined in the Investment Company Act of 1940, as amended (the “1940 Act”), of each Portfolio’s Current Investment Advisory Agreement with Harding Loevner. As required by the 1940 Act, each Current Investment Advisory Agreement provides for its automatic termination in the event of its assignment. In anticipation of the Transaction, Shareholders of each Portfolio must approve a new investment advisory agreement (the “New Investment Advisory Agreement”) between the Fund on behalf of each Portfolio and HL LLC II to be effective upon the consummation of the Transaction. A Form of New Investment Advisory Agreement for each Portfolio is attached hereto as Exhibit A. A fee schedule for each of the Portfolios is attached as Schedule B to the Form of New Investment Advisory Agreement attached as Exhibit A. THE NEW INVESTMENT ADVISORY AGREEMENT FOR THE PORTFOLIOS WILL BE SUBSTANTIALLY SIMILAR IN ALL MATERIAL RESPECTS TO EACH PORTFOLIO’S CURRENT INVESTMENT ADVISORY AGREEMENT.

**The Transaction is not expected to change in any significant way 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. David R. Loevner will continue to serve as Chief Executive Officer and President of Harding Loevner and as President and Chairman of the Board of the Fund. The current portfolio managers of the Portfolios are expected to continue to manage the Portfolios following the consummation of the Transaction. The investment goals of the Portfolios will remain the same. The Transaction will have no effect on the number of shares you own or the value of those shares. The advisory fees payable by the Portfolios will not increase as a result of this Transaction.**

The material terms of the Current Investment Agreements and the New Investment Advisory Agreement are described under “Description of the Current and New Investment Advisory Agreement” below.

### **Information Concerning the Transaction**

Prior to July 22, 2008, HLM Holdings and Harding Loevner’s predecessor, Harding, Loevner Management, L.P. (“HLM LP”), engaged in certain restructuring transactions (collectively, the “Restructuring”). On July 1, 2008, HLM LP merged into Harding Loevner, with Harding Loevner surviving as a wholly-owned subsidiary of HLM Holdings. In connection with the merger, the HLM LP limited partners ceased to be partners of HLM LP and each of them received cash payments in respect of their limited partner interests in HLM LP. None of the limited partners actively participated in Harding Loevner’s business. In addition, HLM Holdings redeemed Daniel D. Harding’s equity ownership interest in HLM Holdings for cash and other consideration. As a result of this redemption, Daniel D. Harding no longer held an ownership interest in HLM Holdings or Harding Loevner. Mr. Harding had served as an advisor to Harding Loevner following his retirement from a management role in 2003. The Board received a certification from HLM LP supporting the conclusion that the Restructuring did not result in a change of actual control or management of HLM Holdings, and therefore did not result in an assignment of the Current Investment Advisory Agreements between the Fund and HLM LP.

On July 22, 2008, Harding Loevner, its parent company, HLM Holdings, and certain shareholders of HLM Holdings entered into a purchase agreement with AMG pursuant to which Harding Loevner agreed to transfer its business to HL LLC II, in which AMG agreed to purchase a majority interest (collectively, the “Transaction”). HL LLC II was formed by Harding Loevner on July 18, 2008 to be the successor to Harding Loevner’s business. Harding Loevner currently owns 100% of HL LLC II. As part of the Transaction, Harding Loevner will transfer substantially all of its business to HL LLC II, and AMG will acquire a majority equity interest in HL LLC II, with

senior management and certain key employees of HL LLC II continuing to hold a significant equity interest in HL LLC II. It is anticipated that after the Transaction is completed, HL LLC II will change its name to “Harding Loevner LLC”.

The Transaction is expected to close during the fourth quarter of 2008 and is subject to the satisfaction or waiver of certain conditions, including, among others: (1) the parties obtaining certain required regulatory approvals, (2) Harding Loevner maintaining a specified percentage of its revenues between signing and closing, (3) the approval by the shareholders of each Portfolio of the New Investment Advisory Agreement between the Fund on behalf of each Portfolio and HL LLC II as set forth in Proposal 1, (4) the approval by the shareholders of the Portfolios of the composition of the Board set forth in Proposal 2 and (5) members of senior management and certain other key employees remaining employed with Harding Loevner at and after the closing.

As part of the Transaction, members of senior management and certain other key employees of Harding Loevner have entered into employment agreements, to be effective at the closing of the Transaction, that provide for the continued service of each of them to Harding Loevner for at least ten years after the closing. These employment agreements and related agreements provide for these individuals to be subject to long-term non-competition and non-solicitation provisions following the closing of the Transaction, and also provide, subject to certain restrictions specified therein, each of the management owners of HL LLC II with the right to sell their equity interests in HL LLC II to AMG over a period of not less than five years following the fifth anniversary of the closing of the Transaction (and AMG with the right to repurchase this equity upon termination of employment of a management owner). As a key component of AMG’s approach, it is anticipated that subsequent generations of management will also own significant equity in the firm.

Upon the closing of the Transaction, HL LLC II expects to have the same personnel with the same responsibilities as before, including portfolio management personnel of each Portfolio. An Executive Committee composed of David R. Loevner and Simon Hallett, who are presently the Chief Executive Officer and Chief Investment Officer, respectively, of Harding Loevner, will direct the day-to-day business activities of HL LLC II (except in certain limited circumstances).

Certain technical aspects of the Transaction remain under discussion, and it is possible that, prior to the closing of the Transaction, a newly formed limited partnership, “Harding Loevner LP” (“New HL LP”), will be used to hold and operate the Harding Loevner business following the closing, instead of HL LLC II. If this change should occur, the name of HL LLC II after the Transaction will be “Harding Loevner LP” rather than “Harding Loevner LLC.” If this change occurs, then pursuant to the New Investment Advisory Agreement as required by the Investment Advisers Act of 1940, Harding Loevner shall notify the Fund of any change in the membership of New HL LP within a reasonable time after the change. In all other respects the above discussion would continue to be accurate with references to HL LLC being replaced with references to New HL LP.

---

### **Board of Directors Recommendation**

On July 18, 2008, the Board, including the directors who are not “interested persons” (as defined under the 1940 Act) (“Non-Interested Directors”), voted to approve the New Investment Advisory Agreement and to recommend its approval to Shareholders.

For information about the Board’s deliberations and the reasons for its recommendation, please see “Board of Directors Evaluation” below.

THE BOARD OF THE FUND RECOMMENDS THAT SHAREHOLDERS OF EACH PORTFOLIO VOTE IN FAVOR OF THE APPROVAL OF THE NEW INVESTMENT ADVISORY AGREEMENT APPLICABLE TO THEIR PORTOLIO(S).

### **Board of Directors Evaluation**

On July 18, 2008, the Board held an in-person meeting at which it reviewed information about the Transaction and its potential impact on the Portfolios, considered the terms of the New Investment Advisory Agreement and approved all the matters proposed in this Proxy Statement. This meeting culminated a process that included: the Non-Interested Directors' engaging independent counsel; requesting and holding a meeting (which took place on June 26, 2008) with senior representatives of AMG and Harding Loevner; and subsequently interviewing (i) representatives of investment advisers with which AMG has consummated similar transactions, (ii) independent members of the boards of directors of investment companies advised by some of these advisers and (iii) proposed nominees for non-interested director of the Fund, including those named in this Proxy Statement. The purpose of this process was to understand whether, after the Transaction, Harding Loevner would remain able to perform its advisory and other services at least at the level to which Fund shareholders have become accustomed, which includes having access to funds sufficient to retain and enhance personnel and plan for their orderly succession over time (there being no material personnel changes contemplated as a consequence of the Transaction).

The Board also considered the approval of the New Investment Advisory Agreement, employing a process typically employed annually when the Board considers reapproving its investment advisory agreement with Harding Loevner. Thus, as is the case typically, the Board and counsel to the Non-Interested Directors had an opportunity to review the information provided in advance of the meeting by Harding Loevner 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 Current Investment Advisory Agreements. In evaluating the New Investment Advisory Agreement, the Board conducted a review that relied upon this information, advice provided by Fund counsel and by counsel to the Non-Interested 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 Harding Loevner, its services and the Portfolios.

In approving the New Investment Advisory 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 Non-Interested Directors with respect to their deliberations regarding the approval of the New Investment Advisory 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 Consequences of the Transaction***

The Board considered that the Transaction is expected to (i) provide for the operational independence of Harding Loevner 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 Harding Loevner following the closing of the Transaction. The Directors reviewed the details of the anticipated equity structure of Harding Loevner as a result of the Transaction, including the financial resources of AMG and its ability to assist in growing Harding Loevner's business and/or in servicing the Portfolios. In this regard, the Directors considered information about how Harding Loevner's management and operations would be structured following the Transaction including in particular how the Transaction might affect Harding Loevner's performance or its delivery of services under the New Investment Advisory Agreement. The Board noted that the Transaction would result in employees of Harding Loevner owning a substantial interest in Harding Loevner following the closing of the Transaction, which is expected to maintain the alignment of their long-term interests with the interests of Harding Loevner. In addition, the Board observed the continued employee ownership in Harding Loevner and increasing benefits to management from the growth of assets under management should help Harding Loevner retain key management and investment personnel.

The Directors considered information addressing the projected benefits to Harding Loevner expected to result from the Transaction. The Directors reviewed Harding Loevner's actions to minimize the likelihood that Harding Loevner would have any departures of key management and/or investment personnel and whether compensation and other benefits expected to be offered by Harding Loevner following the Transaction would be adequate 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, Harding Loevner 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 Harding Loevner (as well as the experience of key personnel from AMG) and information as to Harding Loevner'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 Investment Advisory Agreement. The Board placed particular

significance in this regard on the likelihood that Harding Loevner 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 Harding Loevner***

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 Current Investment Advisory 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 Investment Advisory Agreements for the Portfolios currently in existence (the "Current Information"). In this regard, Harding Loevner 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 Harding Loevner'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 Investment Advisory Agreement.

### ***Costs of the Services and Profitability of Harding Loevner***

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 Current Investment Advisory 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 Harding Loevner's profitability would depend on many assumptions as to Harding Loevner'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 Harding Loevner's future profitability in determining whether to approve the New Investment Advisory Agreement and continued to believe that reported levels of profitability were not excessive.

### ***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 Current Investment Advisory 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 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 Harding Loevner's efforts in this regard supported approving the New Investment Advisory Agreement.

### ***Comparison of Fees and Services Provided by Harding Loevner***

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 Current Investment Advisory 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 Harding Loevner 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 Investment Advisory Agreement.

### ***Other Benefits***

In considering the benefits derived or to be derived by Harding Loevner 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 Current Investment Advisory 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 Harding Loevner's representation that, beyond the fees earned by Harding Loevner for providing services to the Portfolios, Harding Loevner 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 Harding Loevner also may obtain increased reputational prestige from managing a nationally recognized mutual fund family that shares Harding Loevner's name. The Board also considered that Harding Loevner 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 Investment Advisory Agreement.

Based upon its review and evaluation of the information requested and provided and the factors addressed above, among others, and following discussion and having reached certain conclusions as addressed above, the Board, including by a separate vote of the Non-Interested Directors, unanimously approved the

New Investment Advisory Agreement and unanimously voted to recommend the New Investment Advisory Agreement to shareholders for approval.

### **Description of the Current and New Investment Advisory Agreement**

The Form of New Investment Advisory Agreement is attached as *Exhibit A*. The description of the terms of the New Investment Advisory Agreement that follows is qualified in its entirety by reference to that Exhibit.

The New Investment Advisory Agreement will be substantially similar in all material respects to each of the Current Investment Advisory Agreements. Under both the Current Investment Advisory Agreements and the New Investment Advisory Agreement, Harding Loevner will continue to serve as attorney-in-fact to invest and

reinvest the assets of the Portfolios. These duties of Harding Loevner will be identical in all material respects to the duties provided under the Current Investment Advisory Agreements and Harding Loevner's fees for these services will remain unchanged under the New Investment Advisory Agreement. Under both the Current Investment Advisory Agreements and the New Investment Advisory Agreement, Harding Loevner shall be responsible for managing the investment portfolio of each Portfolio, including, without limitation, providing investment research, advice and supervision, determining which portfolio securities shall be purchased or sold by the Portfolios, purchasing and selling securities on behalf of the Portfolios and determining how voting and other rights with respect to portfolio securities of the Portfolios shall be exercised, subject in each case to the control of the Board and in accordance with the objective, policies and principles of each Portfolio set forth in the Registration Statement, as amended, of the Fund, the requirements of the 1940 Act and other applicable law.

Under both the Current Investment Advisory Agreements and the New Investment Advisory Agreement, Harding Loevner shall pay all of its expenses arising from the performance of its obligations under the agreements. Harding Loevner is not required to pay any other expenses of the Fund (including out-of-pocket expenses, but not including Harding Loevner's overhead or employee costs), including without limitation, organization expenses of the Fund; brokerage commissions; maintenance of books and records which are required to be maintained by the Fund's custodian or other agents of the Fund; telephone, telex, facsimile, postage and other communications expenses; expenses relating to investor and public relations; freight, insurance and other charges in connection with the shipment of the Fund's portfolio securities; indemnification of Directors and officers of the Fund; travel expenses (or an appropriate portion thereof) of Directors and officers of the Fund to the extent that such expenses relate to attendance at meetings of the Board or any committee thereof or advisers thereto held outside of Somerville, New Jersey; interest, fees and expenses of independent attorneys, auditors, custodians, accounting agents, transfer agents, dividend disbursing agents and registrars; payment for portfolio pricing or valuation service to pricing agents, accountants, bankers and other specialists, if any; taxes and government fees; cost of stock certificates and any other expenses (including clerical expenses) of issue, sale, repurchase or redemption of shares; expenses of registering and qualifying shares of the Fund under Federal and state laws and regulations; expenses of printing and distributing reports, notices, dividends and proxy materials to existing stockholders; expenses of printing and filing reports and other documents filed with governmental agencies; expenses of printing and distributing prospectuses; expenses of annual and special stockholders' meetings; costs of stationery, fees and expenses (specifically including travel expenses relating to Fund business) of Directors of the Fund who are not employees of Harding Loevner or its affiliates; membership dues in the Investment Company Institute; insurance premiums and extraordinary expenses such as litigation expenses.

Under both the Current Investment Advisory Agreements and the New Investment Advisory Agreement, Harding Loevner will be not liable to the Fund for any error of judgment or mistake of law or for any loss arising out of any investment or for any act or omission in the management of the Portfolios and the performance of its duties under the agreement except for losses arising out of Harding Loevner's willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of its obligations and duties under the agreement.

Under both the Current Investment Advisory Agreements and the New Investment Advisory Agreement, the term of the agreement shall continue in full force and effect for two years, and will continue in effect from year to year thereafter if such continuance is approved in the manner required by the 1940 Act, provided that the agreement is not otherwise terminated. Harding Loevner may terminate the agreement at any time, without the payment of any penalty, upon 60 days' written notice to the Fund. The Fund may terminate the agreement with respect to the Portfolios at any time, without the payment of any penalty, on 60 days' written notice to Harding Loevner by

vote of either the majority of the Non-Interested Directors or a majority of the outstanding voting securities (as defined in Section 2(a)(42) of the 1940 Act) of the Portfolios. The agreement will automatically terminate in the event of its assignment (the term “assignment” for this purpose having the meaning defined in Section 2(a)(4) of the 1940 Act).

### **Reliance on Section 15(f) of the 1940 Act**

The Board has been advised that, in connection with carrying out the Transaction, parties to the purchase agreement intend to rely on Section 15(f) of the 1940 Act which provides a non-exclusive safe harbor for an investment adviser to an investment company, and any of the investment adviser’s affiliated persons (as that term is defined in the 1940 Act) to receive any amount or benefit in connection with a change in control of the investment adviser so long as two conditions are met.

First, for a period of three years after the closing of the Transaction, at least 75% of the Board must be comprised of persons who are not “interested persons” (as defined in Section 2(a)(19) of the 1940 Act) of the predecessor or successor adviser. The Fund intends to comply with this 75% requirement with respect to the Board for the three-year period following the closing of the Transaction.

The second condition of Section 15(f) is that, for a period of two years following the closing of the Transaction, there must not be imposed on the Portfolios any “unfair burden” as a result of the Transaction or any express or implied terms, conditions or understandings related to it. An “unfair burden” would include any arrangement whereby an adviser, or any “interested person” of the adviser, would receive or be entitled to receive any compensation, directly or indirectly, from the Portfolios or their shareholders (other than fees for bona fide investment advisory or other services) or from any person in connection with the purchase or sale of securities or other property to, from or on behalf of the Portfolios (other than bona fide ordinary compensation as principal underwriter for a Portfolio).

Each party to the purchase agreement has agreed to use its commercially reasonable efforts not to cause a Portfolio to take any action that would result in an “unfair burden,” as defined above, for a period of not less than two years or three years, as applicable, following the closing of the Transaction.

### **Information Regarding Harding Loevner**

Harding Loevner serves as investment adviser to each of the Portfolios. Harding Loevner, the predecessor of which was established in 1989, is a registered investment adviser that provides investment management services to U.S. and foreign mutual funds, non-profits, retirement plans, private clients, and wealth managers. The managing member of Harding Loevner is HLM Holdings, Inc. As of June 30, 2008, Harding Loevner managed

approximately \$6 billion in assets. Harding Loevner is located at 50 Division Street, Suite 401, Somerville, NJ 08876.

Set forth in *Exhibit B* is certain information with respect to the principal executive officers and general partners of Harding Loevner.

### **Information Regarding AMG**

AMG, a Delaware corporation with a principal place of business at 600 Hale Street, Prides Crossing, Massachusetts 01965, is an asset management holding company which holds interests in investment management firms (its “Affiliates”). AMG’s innovative transaction structure allows the members of the management team of each Affiliate to retain or receive significant direct equity ownership in their firm while maintaining operating autonomy. In addition, AMG provides centralized assistance to its Affiliates in strategic matters, marketing, distribution, product development and operations.

12

---

### **Shareholder Approval**

Approval of Proposal 1 requires the affirmative vote of a “majority of the outstanding voting securities” of each Portfolio entitled to vote on the Proposal, as defined in the 1940 Act, with all classes of a particular Portfolio voting together and not by class. Shareholders are entitled to one vote for each dollar, and a proportionate fraction of a vote for each fraction of a dollar, of the net asset value per share.

**THE BOARD OF DIRECTORS, INCLUDING THE NON-INTERESTED DIRECTORS,  
UNANIMOUSLY RECOMMENDS A VOTE “FOR” APPROVAL OF THE NEW INVESTMENT  
ADVISORY AGREEMENT.**

13

---

PROPOSAL 2 – ALL PORTFOLIOS

### **ELECTION OF THE BOARD OF DIRECTORS**

---

#### **Director Nominees**

At the Meeting, 8 Directors are proposed to be elected to hold office until their respective successors are chosen and qualified. Pursuant to the By-Laws of the Fund, the Board of the Fund has proposed that following persons be elected as Directors: Jennifer M. Borggaard, William E. Chapman, II, R. Kelly Doherty, Charles Freeman, Jane A. Freeman, Samuel R. Karetsky, David R. Loevner and Eric Rakowski.

Currently, Mr. Clark, Mr. Doherty, Ms. Freeman, Mr. Loevner and Mr. Karetsky serve as Directors. Ms. Borggaard, Mr. Chapman, Mr. Freeman and Mr. Rakowski have not previously served on the Fund’s Board of

Directors. Raymond Clark is expected to serve as Director and Chairperson of the Audit Committee until his successor is chosen and qualified. At the closing of the Transaction, if Proposal 1 is approved, it is anticipated that Mr. Clark will resign as director and will be appointed by the Board to serve as Director Emeritus, and will no longer serve as Director with power to vote on Board and Audit Committee matters, and the Board shall number 8 Directors. Each nominee for Director has consented to being named as a nominee and to serve if elected. Certain important information regarding the nominees (including their principal occupations during the last five years) is set forth below.

**Interested Director Nominees**

| <b>Name, Address and Age</b>  | <b>Position with the Fund</b>                                | <b>Term of Office and Length of Time Served</b>                                     | <b>Principal Occupation During Past Five Years</b>  | <b>Number of Portfolios in Fund Complex Overseen By Director</b> | <b>Other Directorships</b>                              |
|---|--|---|---|--|---|
| David R. Loevner*<br>Harding Loevner LLC<br>50 Division Street,<br>Suite 401<br>Somerville, NJ 08876<br>Age, 53               | Director,<br>President<br>and<br>Chairman<br>of the<br>Board | Indefinite;<br>Director,<br>President and<br>Chairman of<br>the Board<br>since 1996 | HLM<br>Holdings, Inc.<br>(Harding,<br>Loevner<br>LLC’s<br>managing<br>member),<br>President,<br>1989 –<br>present.  | 6  | None  |
| Jennifer M.<br>Borggaard*<br>Affiliated Managers<br>Group, Inc.<br>600 Hale Street<br>Prides Crossing, MA<br>01965<br>Age, 38 | None   | Indefinite  | Affiliated<br>Managers<br>Group, Inc.<br>(asset<br>management<br>firm), Senior<br>Vice<br>President,<br>2007 –<br>present, Vice<br>President,<br>2004 – 2007,<br>Director and<br>Senior<br>Counsel, 2001<br>– 2004. | 6  | Director, DFD<br>Fund of Funds<br>plc (4<br>portfolios) |

---

**Non Interested Director Nominees**

| Name, Address and Age   | Position with the Fund | Term of Office and Length of Time Served | Principal Occupation During Past Five Years   | Number of Portfolios in Fund Complex Overseen By Director | Other Directorships   |
|---|------------------------|--|---|---|---|
| <p>William E. Chapman, II<br/>380 Gulf of Mexico Drive, #531<br/>Longboat Key, FL 34228<br/>Age, 66</p>                             | None                   | Indefinite                               | <p>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.</p> | 6   | <p>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).</p> |
| <p>R. Kelly Doherty<br/>41 Post Road<br/>Bernardsville, NJ 07924<br/>Age, 49</p>  | Director               | Indefinite; Director since 2004          | <p>Caymen Partners (private investment vehicles), Managing Partner, 1999 – present.</p>   | 6   | <p>L.P. Thebault &amp; Co. (commercial printing); The Peck School.</p>  |
| <p>Charles Freeman<br/>Center for Strategic and International Studies<br/>1800 K Street NW<br/>Washington, DC 20006<br/>Age, 43</p> | None                   | Indefinite                               | <p>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</p>  | 6   | <p>National Committee for U.S. – China Relations.</p>   |

|   |          |   |  |   |      |
|---|----------|---|--|---|------|
|   |          |   | Representative,<br>prior to 2005.  |   |      |
| Jane A. Freeman<br>300 Frank Ogawa<br>Plaza<br>Suite 600<br>Oakland, CA 94612-<br>2040<br>Age, 54 | Director | Indefinite;<br>Director since<br>1996;<br>Chairperson of<br>the Audit<br>Committee<br>2005 – 2008;<br>Lead Non-<br>Interested<br>Director since<br>2008 | Scientific<br>Learning<br>Corporation<br>(education<br>software),<br>Executive Vice<br>President and<br>Chief Financial<br>Officer, 2000 –<br>present; Finance<br>& Business<br>Development,<br>Treasurer and<br>Vice President,<br>1999 – 2000. | 6 | None |

---

|   |          |                                       |   |   |  |
|---|----------|---------------------------------------|---|---|--|
| Samuel R. Karetsky<br>The Karetsky Group,<br>LLC<br>12 East 49 <sup>th</sup> Street<br>27 <sup>th</sup> Floor<br>New York, NY<br>10017<br>Age, 62 | Director | Indefinite;<br>Director<br>since 1998 | The Karetsky<br>Group LLC<br>(advisory firm),<br>Managing<br>Member, 2003 –<br>present;<br>Wetherby<br>Asset<br>Management,<br>Principal, 2004<br>– present;<br>European<br>Investors Inc.,<br>Managing<br>Director, 1998<br>–2002. | 6 | None   |
| Eric Rakowski<br>571 Woodmont<br>Avenue<br>Berkeley, CA 94708<br>Age, 50  | None     | Indefinite                            | University of<br>California at<br>Berkeley School<br>of Law,<br>Professor, 1990<br>– present.   | 6 | Trustee, The<br>Managers<br>Funds (9<br>portfolios);<br>Trustee,<br>Managers<br>AMG Funds (6<br>portfolios),<br>Managers<br>Trust I (10<br>portfolios) and<br>Managers |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  | Trust II (6 portfolios);<br>Trustee, Third Avenue Trust (4 portfolios);<br>Trustee, Third Avenue Variable Trust (1 portfolio). |
|--|--|--|--|--|--|

- \* David R. Loevner is an interested person of the Fund because he serves as the President of the general partner of Harding Loevner, the Portfolios' investment adviser. Jennifer M. Borggaard will be an interested person of the Fund after the transaction because she is an officer of AMG.

There is no family relationship between any of the Directors listed above. None of the Non-Interested Directors nor any of their Immediate Family Members owns any securities, beneficially or of record, in Harding Loevner, AMG, the Funds' principal underwriter or persons (other than registered investment companies) directly or indirectly "controlling," "controlled by," or "under common control with" (within the meaning of the 1940 Act) the Adviser or the principal underwriter as of July 24, 2008. The term "Immediate Family Member" means a person's spouse; child residing in the person's household (including step and adoptive children); and any dependent of the person, as defined in Section 152 of the Internal Revenue Code of 1986, as amended.

### **Fund Share Information**

The following table sets forth the aggregate dollar range of equity securities beneficially owned by each Nominee in the Portfolios as of June 30, 2008.

| <b>Name of Nominee</b>            | <b>Dollar Range of Equity Securities In the Portfolio</b>   | <b>Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies</b> |
|-----------------------------------|---|--|
| <b><u>Interested Nominees</u></b> |   |  |
| <b>David R. Loevner</b>           | International Equity Portfolio:<br>Over \$100,000<br><br>Global Equity Portfolio:<br>Over \$100,000 | Over \$100,000   |



|                                       |   |                |
|---------------------------------------|---|----------------|
|                                       | <p>Emerging Markets Portfolio:<br/>Over \$100,000</p> <p>Institutional Emerging Markets<br/>Portfolio: None</p> <p>International Small Companies<br/>Portfolio: Over \$100,000</p> <p>Frontier Emerging Markets<br/>Portfolio:<br/>Over \$100,000</p>   |                |
| <b>Jennifer M. Borggaard</b>          | <p>International Equity Portfolio: None</p> <p>Global Equity Portfolio: None</p> <p>Emerging Markets Portfolio: None</p> <p>Institutional Emerging Markets<br/>Portfolio: None</p> <p>International Small Companies<br/>Portfolio: None</p> <p>Frontier Emerging Markets<br/>Portfolio: None</p>  | None           |
| <b><u>Non-Interested Nominees</u></b> |   |                |
| <b>William E. Chapman, II</b>         | <p>International Equity Portfolio:<br/>\$50,001 - \$100,000</p> <p>Global Equity Portfolio: None</p> <p>Emerging Markets Portfolio:<br/>\$10,001 - \$50,000</p> <p>Institutional Emerging Markets<br/>Portfolio: None</p> <p>International Small Companies<br/>Portfolio: None</p> <p>Frontier Emerging Markets<br/>Portfolio:<br/>None</p> | Over \$100,000 |

|                           |  |                |
|---------------------------|--|----------------|
| <b>R. Kelly Doherty</b>   | International Equity Portfolio:<br>Over \$100,000<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio:<br>Over \$100,000<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: \$50,001 - \$100,000<br><br>Frontier Emerging Markets<br>Portfolio: None | Over \$100,000 |
| <b>Charles Freeman</b>    | International Equity Portfolio: None<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio: None<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: None<br><br>Frontier Emerging Markets<br>Portfolio: None   | None           |
| <b>Jane A. Freeman</b>    | International Equity Portfolio: None<br><br>Global Equity Portfolio:<br>Over \$100,000<br><br>Emerging Markets Portfolio:<br>Over \$100,000<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: \$10,001 - \$50,000<br><br>Frontier Emerging Markets<br>Portfolio: None  | Over \$100,000 |
| <b>Samuel R. Karetsky</b> | International Equity Portfolio:<br>Over \$100,000<br><br>Global Equity Portfolio:<br>\$50,001 - \$100,000<br><br>Emerging Markets Portfolio:<br>Over \$100,000<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: \$50,001 - \$100,000                                  | Over \$100,000 |

|  |  |  |
|--|--|--|
|  | Frontier Emerging Markets<br>Portfolio: None |  |
|--|--|--|

|                      |   |      |
|----------------------|---|------|
| <b>Eric Rakowski</b> | International Equity Portfolio: None<br>Global Equity Portfolio: None<br>Emerging Markets Portfolio: None<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: None<br>Frontier Emerging Markets Portfolio: None | None |
|----------------------|---|------|

The following table provides information describing the number of shares of the Portfolios beneficially owned by each Nominee as of June 30, 2008.

| <b>Name of Nominee</b>            | <b>Portfolio Shares Beneficially Owned</b>  | <b>% of the Fund Shares Outstanding</b>   |
|-----------------------------------|---|---|
| <b><u>Interested Nominees</u></b> |   |   |
| <b>David R. Loevner</b>           | International Equity Portfolio: 35,641.53<br>Global Equity Portfolio: 102,700.22<br>Emerging Markets Portfolio: 18,955.81<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: 38,549.34<br>Frontier Emerging Markets Portfolio: 34,380.40 | International Equity Portfolio: 0.21%<br>Global Equity Portfolio: 6.02%<br>Emerging Markets Portfolio: 0.04%<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: 7.43%<br>Frontier Emerging Markets Portfolio: 12.50% |
| <b>Jennifer M. Borggaard</b>      | International Equity Portfolio: None<br>Global Equity Portfolio: None<br>Emerging Markets Portfolio: None<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: None  | International Equity Portfolio: None<br>Global Equity Portfolio: None<br>Emerging Markets Portfolio: None<br>Institutional Emerging Markets Portfolio: None   |

|  |  |  |
|--|--|--|
|  | Frontier Emerging Markets<br>Portfolio: None | International Small Companies<br>Portfolio: None<br><br>Frontier Emerging Markets<br>Portfolio: None |
|--|--|--|

| <b><u>Non-Interested Nominees</u></b> |  |  |
|---------------------------------------|--|--|
| <b>William E. Chapman, II</b>         | International Equity Portfolio:<br>4,408.71<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio:<br>703.596<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: None<br><br>Frontier Emerging Markets<br>Portfolio: None          | International Equity Portfolio:<br>0.03%<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio:<br>0.00%<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: None<br><br>Frontier Emerging Markets<br>Portfolio: None |
| <b>R. Kelly Doherty</b>               | International Equity Portfolio:<br>13,435.051<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio:<br>8,276.893<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: 9,540.974<br><br>Frontier Emerging Markets<br>Portfolio: None | International Equity Portfolio:<br>0.08%<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio:<br>0.02%<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: None<br><br>Frontier Emerging Markets<br>Portfolio: None |
| <b>Charles Freeman</b>                | International Equity Portfolio: None<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio: None<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: None<br><br>Frontier Emerging Markets<br>Portfolio: None                       | International Equity Portfolio:<br>None<br><br>Global Equity Portfolio: None<br><br>Emerging Markets Portfolio:<br>None<br><br>Institutional Emerging Markets<br>Portfolio: None<br><br>International Small Companies<br>Portfolio: None   |

|                        |   |  |
|------------------------|---|--|
|                        |   | Frontier Emerging Markets Portfolio: None  |
| <b>Jane A. Freeman</b> | International Equity Portfolio: None<br>Global Equity Portfolio: 12,237.766<br>Emerging Markets Portfolio: 4,412.095<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: 2,087.903<br>Frontier Emerging Markets Portfolio: None | International Equity Portfolio: None<br>Global Equity Portfolio: 0.72%<br>Emerging Markets Portfolio: 0.02%<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: 0.40%<br>Frontier Emerging Markets Portfolio: None |

|                           |  |   |
|---------------------------|--|---|
| <b>Samuel R. Karetzky</b> | International Equity Portfolio: 5,705.474<br>Global Equity Portfolio: 3,282.442<br>Emerging Markets Portfolio: 6,660.378<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: 10,246.775<br>Frontier Emerging Markets Portfolio: None | International Equity Portfolio: 0.03%<br>Global Equity Portfolio: 0.19%<br>Emerging Markets Portfolio: 0.02%<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: 1.98%<br>Frontier Emerging Markets Portfolio: None |
| <b>Eric Rakowski</b>      | International Equity Portfolio: None<br>Global Equity Portfolio: None<br>Emerging Markets Portfolio: None<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: None<br>Frontier Emerging Markets Portfolio: None                      | International Equity Portfolio: None<br>Global Equity Portfolio: None<br>Emerging Markets Portfolio: None<br>Institutional Emerging Markets Portfolio: None<br>International Small Companies Portfolio: None<br>Frontier Emerging Markets Portfolio: None     |

**Compensation**

No employee of Harding Loevner, AMG or State Street Bank and Trust Company (“State Street”) (formerly Investors Bank and Trust Company) receives any compensation from the Fund for acting as an officer or Director of the Fund. The Fund has contracted with State Street to provide the Chief Compliance Officer, Anti-Money Laundering Compliance Officer and related services. Prior to June 6, 2008, the Fund paid each Director who was not a director, officer or employee of Harding Loevner, State Street, or any of their affiliates, a fee of \$1,000 for each meeting attended, and each of the non-interested Directors received an annual retainer of \$20,000 which was paid in quarterly installments at the end of each quarter. As of June 6, 2008, the Fund pays each Director who is not a director, officer or employee of Harding Loevner, AMG, State Street, or any of their affiliates, a fee of \$2,000 for each meeting attended, and each Non-Interested Director receives an annual retainer of \$25,000, which is paid in quarterly installments at the end of each quarter. The Chairperson of the Fund’s Audit Committee receives an additional annual retainer of \$3,000 and the Fund’s Lead Non-Interested Director receives an additional annual retainer of \$5,000, both of which are paid in quarterly installments at the end of each quarter. The Fund will pay each Director Emeritus a fee of \$2,000 for each meeting attended, and an annual retainer of \$25,000, which is paid in quarterly installments at the end of each quarter. A Director Emeritus receives these fees in recognition of his or her past services, whether or not services are rendered in his or her capacity as Director Emeritus.

The following table lists the compensation paid to each of the Directors from both the Fund and the Fund Complex during the Fund’s fiscal year ended October 31, 2007. Mr. Loevner is an “Interested Person” of the Fund and therefore did not receive compensation from the Fund or the Fund Complex. The Fund has no retirement or pension plan for its Directors.

| <b>Director</b>                 | <b>Aggregate Compensation From Fund</b> | <b>Pension or Retirement Benefits Accrued As Part of Fund’s Expenses</b> | <b>Estimated Annual Benefits Upon Retirement</b> | <b>Total Compensation From Fund and Fund Complex Paid to Directors</b> |
|---------------------------------|---|--|--|--|
| <b>Interested Director</b>      |   |  |  |  |
| David R. Loevner                | \$ 0                                    | \$0  | \$0  | \$ 0   |
| <b>Non-Interested Directors</b> |   |  |  |  |
| R. Kelly Doherty                | \$26,000                                | \$0  | \$0  | \$26,000   |
| Jane A. Freeman                 | \$30,000                                | \$0  | \$0  | \$30,000   |
| Samuel R. Karetzky              | \$27,000                                | \$0  | \$0  | \$27,000   |
| Raymond J. Clark                | \$27,000                                | \$0  | \$0  | \$27,000   |

---

### **Board Meetings and Committees**

During the fiscal year ended October 31, 2007, the Board met five times. Each Board member currently serving on the Board attended at least 75% of such Board and committee meetings on which he or she serves.

Each Director who is not an “Interested Person” of the Fund for purposes of the 1940 Act serves on the Audit Committee of the Fund. The function of the Audit Committee is to (i) oversee the Fund’s accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers, (ii) oversee the quality, integrity and objectivity of the Fund’s financial statements and the independent audit thereof, (iii) oversee or, as appropriate, assist in Board oversight of the Fund’s compliance with legal and regulatory requirements that relate to the Fund’s accounting and financial reporting, internal control over financial reporting and independent audits; and (iv) approve the appointment of the Fund’s independent registered public accounting firm (“Auditors”) and, in connection therewith, to review and evaluate the qualifications, independence and performance of the Fund’s Auditors. The Audit Committee met two times during the fiscal year ended October 31, 2007. For the fiscal year ended October 31, 2007, the Audit Committee approved, and the full Board of Directors ratified, the engagement of the Auditors and reviewed with the Auditors the plan and results of the audit engagement and matters having a material effect upon the Fund’s financial operations.

The Board has established a Qualified Legal Compliance Committee that will receive, retain, consider and act upon reports of evidence of possible material violations of applicable federal and state securities laws. The Committee consists of all the members of the Audit Committee. The Qualified Legal Compliance Committee did not hold any meetings during the fiscal year ended October 31, 2007.

The Fund does not have a policy regarding the consideration of any director candidates recommended by shareholders. The Independent Directors shall review potential candidates and make recommendations to the full Board regarding suitable nominees.

### **Shareholder Approval**

Election of each listed Nominee will require the affirmative vote of a majority of votes cast at the Meeting in person or by proxy. Shareholders are entitled to one vote for each dollar, and a proportionate fraction of a vote for each fraction of a dollar, of the net asset value per share.

**THE BOARD OF DIRECTORS, INCLUDING THE NON-INTERESTED DIRECTORS,  
UNANIMOUSLY RECOMMENDS A VOTE “FOR” APPROVAL OF EACH NOMINEE.**

## PROPOSAL 3

Harding Loevner International Equity Portfolio

Harding Loevner Global Equity Portfolio

Harding Loevner Emerging Markets Portfolio

### APPROVAL OF ELIMINATION OF FUNDAMENTAL INVESTMENT POLICY

### CONCERNING INVESTMENT IN OTHER INVESTMENT COMPANIES

---

#### Introduction

Pursuant to the 1940 Act, each of the Portfolios has adopted certain fundamental investment restrictions, which are set forth in the Portfolios' statement of additional information, and which may be changed only with shareholder approval. The purposes of this Proposal with respect to Harding Loevner International Equity Portfolio, Harding Loevner Global Equity Portfolio and Harding Loevner Emerging Markets Portfolio is to eliminate the investment restriction concerning investment in other investment companies. Currently, the restriction states:

“No portfolio may purchase or retain the securities of any open-ended investment companies.”

This fundamental restriction concerning investment in other investment companies is not required under the 1940 Act. The provisions of the 1940 Act and the disclosure requirements of the federal securities laws otherwise provide adequate safeguards for a Portfolio and its shareholders with respect to investment in other investment companies. A mutual fund's investments in other investment companies are subject to statutory limitations prescribed by the 1940 Act, including in certain circumstances a prohibition on a fund acquiring more than 3% of the voting shares of any other investment company, and a prohibition on investing more than 5% of the fund's total assets in securities of any one investment company or more than 10% of its total assets in the securities of all investment companies. Approval of the proposed change would permit the Portfolios to utilize money market funds for the investment of cash collateral from securities lending activities as well as temporarily uninvested cash. In addition, many exchange traded funds (“ETFs”), however, have obtained exemptive relief from the SEC



to permit unaffiliated funds (such as the Portfolios) to invest in their shares beyond these statutory limits, subject to certain conditions and pursuant to contractual arrangements between the ETFs and the investing funds. A Portfolio may rely on these exemptive orders in investing in ETFs.

If a Portfolio invests in another investment company, including ETFs, it indirectly bears its proportionate share of any management fees and other expenses paid by the investment company in which it invests, in addition to the management fees (and other expenses) paid by the Portfolio. The elimination of this fundamental restriction will standardize the Portfolios' investment restrictions and permit the Portfolios the maximum investment flexibility under current law.

Accordingly, the Board recommends that the shareholders of the Portfolios vote to eliminate the above fundamental restriction. Although the proposed elimination of the investment restriction concerning investment in other investment companies will allow the Portfolios greater investment flexibility to respond to future investment opportunities and for the management of cash, the Board does not anticipate that the change will result at this time in a material change in the level of investment risk associated with an investment in any Portfolio.

If the proposed change is approved by the shareholders of the respective Portfolios at the Meeting, the Portfolios' prospectus and statement of additional information will be revised, as appropriate, to reflect those changes.

#### **Shareholder Approval**

Approval of Proposal 3 requires the affirmative vote of a "majority of the outstanding voting securities" of each Portfolio separately entitled to vote on the Proposal, as defined in the 1940 Act. Shareholders are entitled to one vote for each dollar, and a proportionate fraction of a vote for each fraction of a dollar, of the net asset value per share.

**THE BOARD OF DIRECTORS, INCLUDING THE NON-INTERESTED DIRECTORS,  
UNANIMOUSLY RECOMMENDS A VOTE "FOR" APPROVAL OF THE ELIMINATION OF  
THE FUNDAMENTAL INVESTMENT RESTRICTION CONCERNING INVESTMENT IN  
OTHER INVESTMENT COMPANIES.**

---

## **GENERAL INFORMATION ABOUT THE PORTFOLIOS**

---

## MANAGEMENT AND OTHER SERVICE PROVIDERS

Set forth below is a description of the current service providers of the Portfolios. Except as otherwise disclosed in the Proposals, there are no anticipated changes in the fees payable to these service providers as a result of or in connection with any of the Proposals or the closing of the Transaction.

### **Investment Adviser**

Harding Loevner, located at 50 Division Street, Suite 401, Somerville, NJ 08876, is the investment adviser of each Portfolio. As a result of the expected change in control of Harding Loevner, in accordance with Proposal 1, shareholders of the Portfolios are being asked to approve the New Investment Advisory Agreement.

Set forth in *Exhibit B* is certain information with respect to the principal executive officers and general partners of Harding Loevner.

### **Administrator, Transfer Agent and Custodian**

State Street, located at 200 Clarendon Street, Boston, MA 02116 serves as administrator to the Portfolios. Pursuant to its terms, the administration agreement (the “Administration Agreement”) between the Fund and State Street as Administrator requires State Street to provide certain accounting, clerical and bookkeeping services, Blue Sky, corporate secretarial services and assistance in the preparation and filing of tax returns and reports to shareholders and the Securities and Exchange Commission. The Fund has also contracted with State Street to provide the Chief Compliance Officer, Anti-Money Laundering Compliance Officer and related services to the Portfolios.

State Street 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. State Street also serves as the custodian of the Portfolios’ securities and cash.

### **Distributor**

Quasar Distributors, LLC (“Quasar”), 615 East Michigan Street, Milwaukee, WI 53202, serves as the distributor to the Portfolios pursuant to a Distribution Agreement (the “Distribution Agreement”) with the Fund on behalf of the Portfolios. Under the Distribution Agreement, Quasar is responsible for selling shares on a best efforts basis, as agent for the Portfolios, but is not obligated to sell any certain number of shares.

### **Independent Auditors**

The Fund’s financial statements for its last-completed fiscal year were audited by KPMG LLP (“KPMG”), 1601 Market Street, Philadelphia, PA 19103-2499, independent registered public accounting firm. In addition, KPMG prepares each Portfolio’s federal and state annual income tax returns and provides certain non-audit services. The Audit Committee has considered whether the provision of those

non-audit services is compatible with maintaining KPMG's independence. The Audit Committee has selected KPMG as the Fund's independent registered public accounting firm and such selection has been ratified by the Fund's Board. KPMG has served as the independent registered public accounting firm to the Fund for the fiscal years ended October 31, 2006 and October 31, 2007. KPMG has informed the Fund that it has no material direct or indirect financial interest in the Fund.

Representatives of KPMG are not expected to be present at the Meeting, but have been given the opportunity to make a statement if they so desire and will be available should any matter arise requiring their presence.

### **Audit Fees**

The aggregate fees billed by KPMG for professional services rendered to the Fund for the audit of the Fund's annual financial statements for the fiscal years ended October 31, 2007 and October 31, 2006 were \$100,600 and \$78,500, respectively. Fees included in the audit fees category are those associated with the annual audits of financial statements and services that are normally provided in connection with statutory and regulatory filings, including the Fund's initial registration statements.

### **Audit-Related Fees**

There were no audit-related fees billed by KPMG for services rendered to the Portfolios that were reasonably related to the performance of the audits of the financial statements, but not reported as audit fees, for the fiscal year ended October 31, 2007 or for the fiscal year ended October 31, 2006.

With respect to Rule 2-01(c)(7)(i)(C) of Regulation S-X, there were no audit-related fees that were approved by the Audit Committee pursuant to the *de minimis* exception for the Portfolios' fiscal year ended October 31, 2007 on behalf of (i) Harding Loevner and any entity controlling, controlled by, or under common control with Harding Loevner ("Adviser Affiliates") that provides ongoing services to the Portfolios, or (ii) the Portfolios themselves. There were no audit-related fees required to be approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X (services provided by KPMG to Adviser Affiliates that require pre-approval of the Audit Committee) during the fiscal years indicated above.

### **Tax Fees**

The aggregate tax fees billed by KPMG for services rendered to the Fund for the fiscal year ended October 31, 2007 and October 31, 2006, were \$18,250 and \$14,000, respectively. Fees included in the tax fees category comprise all services performed by professional staff in KPMG's tax division except those services related to the audits. This category comprises fees for review of tax compliance, tax return preparation and excise tax calculations.

With respect to Rule 2-01(c)(7)(i)(C) of Regulation S-X, there were no tax fees that were approved by the Audit Committee pursuant to the *de minimis* exception for the Fund's fiscal year ended October 31, 2007 on behalf of (i) Adviser Affiliates, or (ii) the Fund itself. There were no tax fees required to be approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X during the fiscal years indicated above.

### **All Other Fees**

For the Portfolios' fiscal years ended October 31, 2007 and October 31, 2006, there were no fees billed by KPMG for other services provided to the Fund. Fees included in the all other fees category

would consist of services related to internal control reviews, strategy and other consulting, financial information systems design and implementation, consulting on other information systems, and other tax services unrelated to the Fund.

There were no fees billed by KPMG for the most recent fiscal year for professional services rendered for financial information systems design and implementation services provided to the Fund or Harding Loevner.

With respect to Rule 2-01(c)(7)(i)(C) of Regulation S-X, there were no fees within this category that were approved by the Audit Committee pursuant to the *de minimis* exception for the Fund's fiscal year ended October 31, 2007 on behalf of (i) Adviser Affiliates, or (ii) the Fund itself. There were no "all other fees" required to be approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X during the fiscal years indicated above.

The Fund's Audit Committee Charter contains pre-approval policies and procedures. Reproduced below is an excerpt from the Audit Committee Charter regarding pre-approval policies and procedures:

The Audit Committee shall carry out the following duties and powers:

- to pre-approve audit and non-audit services except those within the *de minimis* statutory exception of \$10,000 per service, provided by the Auditors to the Fund;
- to pre-approve non-audit services provide by the Auditors to the Adviser or any other entity controlling, controlled by or under common control with the Adviser that provides on-going services to the Fund if the engagement relates directly to the operations and financial reporting of the Fund, as contemplated by the Sarbanes Oxley Act and the rules issued by the SEC in connection therewith and to consider the possible effect of providing such services on the Auditor's independence;
- in performing its responsibilities for pre-approving audit and non-audit services, the Committee may adopt pre-approval policies and procedures for such services, including policies and procedures by which the Committee may delegate to one or more of its members, presently Raymond J. Clark, authority to grant such pre-approval on behalf of the Committee (subject to subsequent reporting to the Committee)...

### **Aggregate Non-Audit Fees**

The aggregate non-audit fees billed by KPMG for services rendered to the Portfolios for each of the last two fiscal years are \$0 and \$0, respectively. The Fund's Audit Committee was not required to consider whether the provision of non-audit services that were rendered to Harding Loevner and any entity controlling, controlled by, or under common control with Harding Loevner that provides ongoing services to the Fund that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X, was compatible with maintaining KPMG's independence.

For the fiscal year ended October 31, 2007, KPMG did not provide any non-audit services to Harding Loevner.

## EXECUTIVE OFFICERS OF THE PORTFOLIOS

Officers of Portfolios are elected annually by the Board to oversee the day-to-day activities of each of the Portfolios. Information as of June 30, 2008 about the executive officers of the Portfolios,

27

---

including their principal occupations during the past five years, is set forth in *Exhibit C*. No employee of Harding Loevner, AMG or State Street (formerly Investors Bank and Trust Company) receives any compensation from the Fund for acting as an officer or Director. As mentioned above, the Fund has contracted with State Street to provide the Chief Compliance Officer, Anti-Money Laundering Compliance Officer and related services.

## OTHER BUSINESS

The Board does not intend to present any other business at the Meeting. If, however, any other matters are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with their judgment.

## SUBMISSION OF CERTAIN SHAREHOLDER PROPOSALS

The Fund does not hold annual shareholder meetings. Any shareholder proposal intended to be presented at any future meeting of shareholders must be received by the Fund, as applicable, at its principal office a reasonable time before the solicitation of proxies for such meeting in order for such proposal to be considered for inclusion in that proxy statement relating to such meeting or to otherwise be considered for presentation at such meeting. Shareholders wishing to submit proposals for inclusion in a proxy statement for a subsequent shareholder meeting should send their written proposals to the Secretary of the Fund at P.O. Box 642, OPS 22, Boston, MA 02117-0642.

## VOTING INFORMATION

This Proxy Statement is furnished in connection with a solicitation of proxies by the Board to be used at the Meeting. This Proxy Statement, along with a Notice of the Meeting and proxy card, is first being mailed to shareholders of the Fund on or about September 4, 2008. Only shareholders of record as of the close of business on the Record Date, August 25, 2008, will be entitled to notice of, and to vote at, the Meeting. If the enclosed form of proxy card is properly executed and returned in time to be voted at the Meeting, the proxies named therein will vote the shares represented by the proxy in accordance with the instructions marked thereon. If no instructions are given by a shareholder on the proxy card but the proxy card is properly executed and/or voted by the shareholder, such proxy will be voted "FOR" each Proposal and "FOR" any other matters deemed appropriate. Alternatively, shareholders who are named as the record owners of their shares may vote their shares in person at the Meeting. Beneficial owners of shares held through brokers or nominees, however, will not be able to vote in person at the Meeting.

Once a proxy has been submitted to the Portfolios, it may be revoked on or before the Meeting: (1) by submitting to the Portfolios a subsequently dated proxy or (2) by delivering to the Secretary of the Fund at the address on the cover of this Proxy Statement a written notice of revocation or (3) if the shareholder is a record owner, by attending the Meeting and casting a vote either in person or by proxy. If a shareholder wishes to participate in

the Meeting, but does not wish to authorize the execution of a proxy by telephone or through the Internet, the shareholder may still execute and submit the proxy form included with this Proxy Statement or, if the shareholder is a record owner, attend the Meeting and vote in person.

Unless revoked, all valid and executed proxies will be voted in accordance with the specifications thereon or, in the absence of such specifications, "FOR" approval of the Proposals contemplated thereby.

***Quorum***

With respect to Proposal 1 (approval of an investment advisory agreement for each Portfolio) and Proposal 3 (elimination of the fundamental restriction concerning investment in other investment companies), the presence at the Meeting, in person or by proxy, of the holders of one-third of the outstanding shares of each Portfolio entitled to be cast shall be necessary and sufficient to constitute a quorum for the transaction of business. With respect to Proposal 2 (election of directors), the presence at the Meeting, in person or by proxy, of the holders of one-third of the outstanding shares of the Fund, without regard to Portfolio or class, entitled to be cast shall be necessary and sufficient to constitute a quorum for the transaction of business.

***Voting Requirement***

Proposals 1 and 3 require the affirmative vote of a "majority of the outstanding voting securities" entitled to vote on the Proposal, which for these purposes, is the vote of (1) 67% or more of the voting securities entitled to vote on the Proposal that are present at the Meeting, if the holders of more than 50% of the outstanding voting securities are present or represented by proxy, or (2) more than 50% of the outstanding voting securities entitled to vote on the Proposal, whichever is less. With respect to Proposal 2, the election of each of the listed nominees for Director of the Fund will require the affirmative vote of a majority of the votes cast at the Shareholder Meeting in person or by proxy.

The number of shares of beneficial interest (excluding fractions thereof) and net assets of each Portfolio outstanding as of August 25, 2008 is set forth in the following table.

| <b>PORTFOLIO</b>   | <b>NET ASSETS</b>  | <b>NUMBER OF SHARES<br/>OUTSTANDING</b> |
|--|--------------------|---|
| Harding Loevner International Equity Portfolio           | \$296,204,205.56   | 18,063,012.5000                         |
| Harding Loevner Global Equity Portfolio                  | \$35,617,533.41    | 1,648,196.8260                          |
| Harding Loevner Emerging Markets Portfolio               | \$1,838,280,510.60 | 41,198,577.1090                         |
| Harding Loevner Institutional Emerging Markets Portfolio | \$243,042,967.80   | 16,192,069.8070                         |
| Harding Loevner International Small Companies Portfolio  | \$4,230,379.64     | 504,818.5730                            |
| Harding Loevner Frontier Emerging Markets Portfolio      | \$7,807,385.35     | 978,369.0910                            |

## **EFFECT OF ABSTENTIONS AND BROKER “NON-VOTES”**

For purposes of determining the presence of a quorum for transacting business at the Meeting, executed proxies marked as abstentions and broker “non-votes” (that is, proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular matter with respect to which the brokers or nominees *do not* have discretionary power) will be treated as shares that are present for quorum purposes but which have not been voted. Accordingly, abstentions and broker non-votes will effectively be a vote against each Proposal.

29

---

## **ADJOURNMENTS**

In the event that sufficient votes to approve one or more of the Proposals are not received, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. The persons named as proxies will vote in favor of such adjournment with respect to any Proposal which they are entitled to vote in favor of that Proposal and will vote against any such adjournment with respect to any Proposal which they are required to vote against that Proposal. For each affected Portfolio, the vote required to adjourn the Meeting with respect to each Proposal is a majority of its respective shares represented at the Meeting, either in person or by proxy.

In determining whether to adjourn the Meeting with respect to a Proposal, the following factors may be considered: the percentage of votes actually cast; the percentage of negative votes actually cast; the nature of any further solicitation; and the information to be provided to shareholders with respect to the reasons for the solicitation.

## **PROXY SOLICITATION**

Proxies are solicited by mail. Additional solicitations may be made by telephone, e-mail, or other personal contact by officers or employees of Harding Loevner or by proxy soliciting firms retained by Harding Loevner. The Portfolios have retained Computershare Fund Services (“Computershare”) to provide proxy solicitation services in connection with the Meeting at an estimated cost of \$400,000. In addition, the Portfolios may reimburse persons holding shares in their names or names of their nominees for expenses incurred in forwarding solicitation material to their beneficial owners. The cost of the solicitation will be borne by Harding Loevner.

As the meeting date approaches, shareholders of the Portfolios may receive a call from a representative of Harding Loevner or Computershare if the Portfolios have not yet received their vote. Authorization to permit Harding Loevner or Computershare to execute proxies may be obtained by telephonic or electronically transmitted instructions from shareholders. Proxies that are obtained telephonically will be recorded in accordance with the procedures set forth below. Management of Harding Loevner believes that these procedures are reasonably designed to ensure that the identity of the shareholder casting the vote is accurately determined and that the voting instructions of the shareholder are accurately determined. In all cases where a telephonic proxy is solicited, a Harding Loevner or Computershare representative is required to ask the shareholder for the shareholder’s full name, address, title (if the person giving the proxy is authorized to act on behalf of an entity, such as a corporation) and to confirm that the shareholder has received this Proxy Statement in the mail.

If the shareholder information solicited agrees with the information provided to Harding Loevner or Computershare by the Portfolios, the Harding Loevner or Computershare representative has the responsibility to explain the process and ask for the shareholder's instructions. A Harding Loevner or Computershare representative, although permitted to answer questions about the process, is not permitted to recommend to the shareholder how to vote, other than to read any recommendation set forth in this Proxy Statement. Harding Loevner or Computershare will record the shareholder's instructions. Within 72 hours, Harding Loevner or Computershare will send the shareholder a letter that confirms the shareholder's vote and asks the shareholder to call Harding Loevner or Computershare immediately if the shareholder's instructions are not correctly reflected in the confirmation.

30

---

## FUND SHARES OWNED BY CERTAIN BENEFICIAL OWNERS

For a list of persons or entities that owned beneficially or of record 5% or more of the outstanding shares of each of the Portfolios as of the Record Date, please refer to *Exhibit D*.

31

---

## Exhibit A

### FORM OF NEW INVESTMENT ADVISORY AGREEMENT

ADVISORY AGREEMENT, dated [                    ], between Harding, Loevner Funds, Inc., a Maryland corporation (the "Fund"), on behalf of each of its series, and Harding Loevner LLC., a Delaware limited liability company (the "Adviser").

In consideration of the mutual agreements herein made, the parties hereto agree as follows:

1. **Attorney-in-Fact.** The Fund appoints the Adviser as its attorney-in-fact to invest and reinvest the assets of the series set forth in Schedule A (each a "Portfolio" and collectively, the "Portfolios"), as fully as the Fund itself could do. The Adviser hereby accepts this appointment.

2. **Duties of the Adviser.** (a) The Adviser shall be responsible for managing the investment portfolio of each Portfolio, including, without limitation, providing investment research, advice and supervision, determining which portfolio securities shall be purchased or sold by each Portfolio, purchasing and selling securities on behalf of each Portfolio and determining how voting and other rights with respect to portfolio securities of each Portfolio shall be exercised, subject in each case to the control of the Board of Directors of the Fund (the "Board") and in accordance with the objective, policies and principles of each Portfolio set forth in the Registration Statement, as amended, of the Fund, the requirements of the Investment Company Act of 1940, as amended, (the "Act") and other applicable law. In performing such duties, the Adviser shall provide such office space, and such executive and other personnel as shall be necessary for the investment operations of the Portfolios. In managing each Portfolio in accordance with the requirements set forth in this paragraph 2, the Adviser shall be entitled to act upon advice of counsel to the Fund or counsel to the Adviser.



(b) Subject to Section 36 of the Act, the Adviser shall not be liable to the Fund for any error of judgment or mistake of law or for any loss arising out of any investment or for any act or omission in the management of the Portfolios and the performance of its duties under this Agreement except for losses arising out of the Adviser's willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of its obligations and duties under this Agreement. It is agreed that the Adviser shall have no responsibility or liability for the accuracy or completeness of the Fund's Registration Statement under the Act and the Securities Act of 1933 except for information about the Adviser contained in the Prospectus included as part of such Registration Statement supplied by the Adviser for inclusion therein. The Fund agrees to indemnify and hold the Adviser harmless from and against all claims, losses, costs, damages and expenses, including reasonable fees and expenses for counsel, incurred by it resulting from any claim, demand, action or suit in connection with or arising out of any action or omission by the Adviser in the performance of this Agreement except for those claims, losses, costs, damages and expenses resulting from the Adviser's willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of its obligations and duties under this Agreement.

(c) The Adviser and its officers may act and continue to act as investment advisers and managers for others (including, without limitation, other investment companies), and nothing in this Agreement will in any way be deemed to restrict the right of the Adviser to perform investment

A-1

---

management or other services for any other person or entity, and the performance of such services for others will not be deemed to violate or give rise to any duty or obligation to the Fund.

(d) Except as provided in Section 5, nothing in this Agreement will limit or restrict the Adviser or any of its officers, affiliates or employees from buying, selling or trading in any securities for its or their own account or accounts. The Fund acknowledges that the Adviser and its officers, affiliates or employees, and its other clients may at any time have, acquire, increase, decrease or dispose of positions in investments which are at the same time being acquired or disposed of for the account of a Portfolio. The Adviser will have no obligation to acquire for the Portfolio a position in any investment which the Adviser, its officers, affiliates or employees may acquire for its or their own accounts or for the account of another client, if in the sole discretion of the Adviser, it is not feasible or desirable to acquire a position in such investment for the account of the Portfolio, provided that the Adviser shall have acted in good faith and in a manner deemed equitable to the Portfolio. The Adviser represents that it has adopted a code of ethics governing personal trading that complies in all material respects with the recommendations contained in the Investment Company Institute "Report of the Advisory Group on Personal Investing," dated May 9, 1994, and the Adviser agrees to furnish a copy of such code of ethics to the Directors of the Fund.

(e) If the purchase or sale of securities consistent with the investment policies of a Portfolio and one or more other clients serviced by the Adviser is considered at or about the same time, transactions in such securities will be allocated among the Portfolio and clients in a manner deemed fair and reasonable by the Adviser. Although there is no specified formula for allocating such transactions, the various allocation methods used by the Adviser, and the results of such allocations, are subject to periodic review by the Board.

3. **Expenses.** The Adviser shall pay all of its expenses arising from the performance of its obligations under this Agreement. Except as provided below, the Adviser shall not be required to pay any other expenses of the Fund (including out-of-pocket expenses, but not including the Adviser's overhead or employee costs), including without limitation, organization expenses of the Fund; brokerage commissions; maintenance of books

and records which are required to be maintained by the Fund's custodian or other agents of the Fund; telephone, telex, facsimile, postage and other communications expenses; expenses relating to investor and public relations; freight, insurance and other charges in connection with the shipment of the Fund's portfolio securities; indemnification of Directors and officers of the Fund; travel expenses (or an appropriate portion thereof) of Directors and officers of the Fund to the extent that such expenses relate to attendance at meetings of the Board of Directors of the Fund or any committee thereof or advisors thereto held outside of Somerville, New Jersey; interest, fees and expenses of independent attorneys, auditors, custodians, accounting agents, transfer agents, dividend disbursing agents and registrars; payment for portfolio pricing or valuation service to pricing agents, accountants, bankers and other specialists, if any; taxes and government fees; cost of stock certificates and any other expenses (including clerical expenses) of issue, sale, repurchase or redemption of shares; expenses of registering and qualifying shares of the Fund under Federal and state laws and regulations; expenses of printing and distributing reports, notices, dividends and proxy materials to existing stockholders;

A-2

---

expenses of printing and filing reports and other documents filed with governmental agencies, expenses of printing and distributing prospectuses; expenses of annual and special stockholders' meetings; costs of stationery, fees and expenses (specifically including travel expenses relating to Fund business) of Directors of the Fund who are not employees of the Adviser or its affiliates; membership dues in the Investment Company Institute; insurance premiums and extraordinary expenses such as litigation expenses.

4. **Compensation.** (a) As compensation for the services performed and the facilities and personnel provided by the Adviser pursuant to this Agreement, the Fund will pay to the Adviser promptly at the end of each calendar month, a fee, calculated on each day during such month, at the annual rate set forth in Schedule B. The Adviser shall be entitled to receive during any month such interim payments of its fee hereunder as the Adviser shall request, provided that no such payment shall exceed 50% of the amount of such fee then accrued on the books of the Portfolios and unpaid.

(b) If the Adviser shall serve hereunder for less than the whole of any month, the fee payable hereunder shall be prorated.

(c) For purposes of this Section 4, the "average daily net assets" of a Portfolio shall mean the average of the values placed on that Portfolio's net assets on each day pursuant to the applicable provisions of the Fund's Registration Statement, as amended.

5. **Purchase and Sale of Securities.** The Adviser shall purchase securities from or through and sell securities to or through such persons, brokers or dealers as the Adviser shall deem appropriate in order to carry out the policy with respect to the allocation of portfolio transactions as set forth in the Registration Statement of the Fund, as amended, or as the Board may direct from time to time. The Adviser will use its reasonable efforts to execute all purchases and sales with dealers and banks on a best net price basis. The Adviser will consider the full range and quality of services offered by the executing broker or dealer when making these determinations. Without limiting the generality of the foregoing, brokers shall be selected on the basis of their overall assistance in terms of execution capabilities and research services, provided that their commission schedules are competitive with other firms providing similar services. Neither the Adviser nor any of its officers, affiliates or employees will act as principal or receive any compensation from a Portfolio in connection with the purchase or sale of investments for the Portfolio other than the fee referred to in Paragraph 4 hereof.

6. **Term of Agreement.** This Agreement shall continue in full force and effect until two years from the date hereof, and will continue in effect from year to year thereafter if such continuance is approved in the manner required by the Act, provided that this Agreement is not otherwise terminated. The Adviser may terminate this Agreement at any time, without the payment of any penalty, upon 60 days' written notice to the Fund. The Fund may terminate this Agreement with respect to the Portfolios at any time, without the payment of any penalty, on 60 days' written notice to the Adviser by vote of either the majority of the directors of the Board who are not interested persons of the Fund (the term "non-interested" for this purpose having the meaning defined in Section 2(a)(19) of the Act) ("Non-Interested Directors") or a majority of the outstanding voting securities (as defined in Section 2(a)(42) of the Act) of the

A-3

---

Portfolios. This Agreement will automatically terminate in the event of its assignment (the term "assignment" for this purpose having the meaning defined in Section 2(a)(4) of the Act).

7. **Changes in Membership.** The Advisor is a limited liability company. If the Adviser shall reorganize as a partnership, as required by the Investment Advisers Act of 1940 it shall notify the Fund of any change in the membership of such partnership within a reasonable time after the change.

8. **Notices.** Any notice or other communication authorized or required hereunder shall be in writing or by confirming telegram, cable, telex or facsimile sending device. Notice shall be addressed to the Fund at 50 Division Street, Suite 401, Somerville, New Jersey 08876, Attention: President; and to State Street Bank and Trust Company, 4 Copley Place, 5th Floor, Boston, Massachusetts 02116, Attention: Francine Hayes. Either party may designate a different address by notice to the other party. Any such notice or other communication shall be deemed given when actually received.

9. **Amendment.** This Agreement may be amended by the parties hereto with respect to the Portfolios only if such amendment is specifically approved (i) by the Board of Directors of the Fund or by the vote of a majority of outstanding shares of the Portfolios ("Shares"), and (ii) by the Non-Interested Directors, which vote must be cast in person at a meeting called for the purpose of voting on such approval.

10. **Right of Adviser In Corporate Name.** The Adviser and the Fund each agree that the phrase "Harding Loevner," which comprises a component of each Portfolio's corporate name, is a property right of the Adviser. The Fund agrees and consents that (i) it will only use the phrase "Harding Loevner" as a component of its corporate name and for no other purpose; (ii) it will not purport to grant to any third party the right to use the phrase "Harding Loevner" for any purpose; (iii) the Adviser or any corporate affiliate of the Adviser may use or grant to others the right to use the phrase "Harding Loevner" or any combination or abbreviation thereof, as all or a portion of a corporate or business name or for any commercial purpose, including a grant of such right to any other investment company, and at the request of the Adviser, the Fund will take such action as may be required to provide its consent to such use or grant; and (iv) upon the termination of any investment advisory agreement into which the Adviser and the Fund may enter, the Fund shall, upon request by the Adviser, promptly take such action, at its own expense, as may be necessary to change a Portfolio's corporate name to one not containing the phrase "Harding Loevner" and following such a change, shall not use the phrase "Harding Loevner" or any combination thereof, as part of a Portfolio's corporate name or for any other commercial purpose, and shall use its reasonable efforts to cause its officers, directors and stockholders to take any and all actions which the Adviser may request to effect the foregoing and recovery to the Adviser any and all rights to such phrase.

A-4

---

11. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. Anything herein to the contrary notwithstanding, this Agreement shall not be construed to require or to impose any duty upon either of the parties to do anything in violation of any applicable laws or regulations.

**IN WITNESS WHEREOF**, the Fund and the Adviser have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

ATTEST

HARDING, LOEVNER FUNDS, INC.

By:

By:

\_\_\_\_\_

\_\_\_\_\_

ATTEST

HARDING LOEVNER LLC

By:

By:

\_\_\_\_\_

\_\_\_\_\_

A-5

---

**Schedule A**

|  |
|--|
| <b>Portfolio</b>                               |
| Harding Loevner International Equity Portfolio |

|  |
|--|
| Harding Loevner Global Equity Portfolio                  |
| Harding Loevner Emerging Markets Portfolio               |
| Harding Loevner Institutional Emerging Markets Portfolio |
| Harding Loevner International Small Companies Portfolio  |
| Harding Loevner Frontier Emerging Markets Portfolio      |

**Schedule B**

**Fee Schedule**

| <b><u>Portfolio</u></b>                                  | <b><u>Advisory Fee</u></b> |
|--|----------------------------|
| Harding Loevner International Equity Portfolio           | 0.75 %                     |
| Harding Loevner Global Equity Portfolio                  | 1.00 %                     |
| Harding Loevner Emerging Markets Portfolio               | 1.25 %                     |
| Harding Loevner Institutional Emerging Markets Portfolio | 1.25 %                     |
| Harding Loevner International Small Companies Portfolio  | 1.25 %                     |
| Harding Loevner Frontier Emerging Markets Portfolio      | 1.50 %                     |

**Exhibit B**

**MANAGEMENT OF HARDING LOEVNER**

The following table sets forth the executive officers and the managing member of Harding Loevner, and their principal occupation or business as of June 30, 2008.

| <b>Name*</b>       | <b>Position</b>   |
|--------------------|---|
| HLM Holdings, Inc. | Managing Member   |
| David R. Loevner   | Director, President of Managing Member, Chief Executive Officer                     |
| Simon Hallett      | Director, Vice President and Treasurer of Managing Member, Chief Investment Officer |
| Alexander T. Walsh | Director and Vice President of Managing Member                                      |
| Ferrill D. Roll    | Director and Vice President of Managing Member                                      |
| Sidney C. Moody    | Director and Vice President of Managing Member                                      |
| Gaylord Johnson    | Director and Vice President of Managing Member                                      |
| Lori M. Renzulli   | Vice President of Managing Member, Chief Compliance Officer and Chief Counsel       |
| Richard T. Reiter  | Director and Vice President of Managing Member                                      |
| Puran Dulani       | Vice President of Managing Member, Head of Operations and Accounting                |
| Robert S. Hillas   | Director and Vice President of Managing Member, Chief Financial Officer             |

\* The address of each officer and the managing member is 50 Division Street, Suite 401, Somerville, NJ 08876.

B-1

---

**Exhibit C**

**CURRENT EXECUTIVE OFFICERS OF THE PORTFOLIOS**

| <b>Name, Address and Age</b> | <b>Position(s) with the Portfolios</b> | <b>Term of Office and Length of Time Served</b> | <b>Principal Occupation(s) During Past 5 Years</b> |
|------------------------------|--|---|--|
|------------------------------|--|---|--|

---

|  |   |   |   |
|--|---|---|---|
| David R. Loevner<br>Harding Loevner LLC<br>50 Division Street,<br>Suite 401<br>Somerville, NJ 08876<br>Age, 53   | President and<br>Chairman of the<br>Board*        | 1 year;<br>President and<br>Chairman of the<br>Board since<br>1996          | HLM Holdings, Inc., President, 1989 – present.  |
| Donna M. Rogers<br>State Street Bank and<br>Trust Company<br>200 Clarendon Street<br>Boston, MA 02116<br>Age, 41 | Chief<br>Compliance<br>Officer                    | 1 year; Chief<br>Compliance<br>Officer since<br>2007                        | State Street Bank and Trust Company<br>(formerly Investors Bank and Trust Company),<br>Senior Vice President, 2002 – present.   |
| Ellen Blanchard<br>State Street Bank and<br>Trust Company<br>200 Clarendon Street<br>Boston, MA 02116<br>Age, 34 | Anti-Money<br>Laundering<br>Compliance<br>Officer | 1 year; Anti-<br>Money<br>Laundering<br>Compliance<br>Officer since<br>2007 | State Street Bank and Trust Company<br>(formerly Investors Bank and Trust Company),<br>Vice President and Counsel, 1/06 – present;<br>Manager and Associate Counsel, 8/02 –12/05. |
| Richard Reiter<br>Harding Loevner<br>LLC<br>50 Division Street, Suite<br>401<br>Somerville, NJ 08876<br>Age, 41  | Vice President                                    | 1 year; Vice<br>President since<br>2007                                     | HLM Holdings Inc. (managing member of<br>Harding Loevner LLC,<br>Director, 7/06 – present.  |
| Puran Dulani<br>Harding Loevner<br>LLC<br>50 Division Street, Suite<br>401<br>Somerville, NJ 08876<br>Age, 49    | Chief Financial<br>Officer and<br>Treasurer       | 1 year;<br>Treasurer and<br>Chief Financial<br>Officer since<br>2007        | HLM Holdings, Inc. (managing member of<br>Harding Loevner LLC, Head of Operations and<br>Accounting 3/02 – present.   |



|   |                                |   |   |
|---|--------------------------------|---|---|
| <p>Brendan J. O'Neill<br/>State Street Bank and<br/>Trust Company<br/>200 Clarendon Street<br/>Boston, MA 02116<br/>Age, 39</p> | <p>Assistant<br/>Treasurer</p> | <p>1 year;<br/>Assistant<br/>Treasurer since<br/>2004</p> | <p>State Street Bank and Trust Company<br/>(formerly Investors Bank and Trust Company),<br/>Vice President 11/07 – present; Director 1/05 –<br/>10/07; Senior Manager, 11/02 – 12/04.</p> |
|---|--------------------------------|---|---|

|  |                  |   |   |
|--|------------------|---|---|
| <p>Francine S. Hayes<br/>State Street Bank and<br/>Trust Company<br/>200 Clarendon Street<br/>Boston, MA 02116<br/>Age, 40</p> | <p>Secretary</p> | <p>1 year;<br/>Secretary since<br/>2008</p> | <p>State Street Bank and Trust Company<br/>(formerly Investors Bank and Trust Company),<br/>Vice President and Senior Counsel, 2004 –<br/>present; and Assistant Vice President and<br/>Counsel, 2001 – 2004.</p> |
|--|------------------|---|---|

|   |                                |   |   |
|---|--------------------------------|---|---|
| <p>Brian C. Poole<br/>State Street Bank and<br/>Trust Company<br/>200 Clarendon Street<br/>Boston, MA 02216<br/>Age, 37</p> | <p>Assistant<br/>Secretary</p> | <p>1 year;<br/>Assistant<br/>Secretary since<br/>2008</p> | <p>State Street Bank and Trust Company<br/>(formerly Investors Bank and Trust Company),<br/>Vice President and Counsel, 3/08 – present and<br/>Associate Counsel, 7/04 – 9/07; Fidelity<br/>Investments, Legal Product Manager, 11/00 –<br/>7/04.</p> |
|---|--------------------------------|---|---|

---

\*Mr. Loevner also serves as a Director of the Fund.

C-1

---

## Exhibit D

### Share Ownership of the Portfolios

The following table sets forth the information concerning beneficial and record ownership as of August 25, 2008, of the Portfolios' shares by each person who owned of record, or who was known by the Portfolios to own beneficially, more than 5% of the voting securities of any Portfolio.

| Name and Address of Shareholder  | Portfolio  | Shares Owned   | Percentage of Outstanding Shares |
|--|--|----------------|----------------------------------|
| Charles Schwab & Co. Inc.<br>Special Custody Account for the<br>Exclusive Benefit of Customers<br>Attn: Mutual Funds<br>101 Montgomery Street<br>San Francisco, CA 94104 | International Equity<br>Portfolio - Investor<br>Class      | 77,074.7210    | 7.92                             |
| Wilmington Trust Company TR U/A<br>Dated 12/1/75 AGT w/<br>Longwood Gardens, Inc.<br>P.O. Box 8882<br>Attn: Mutual Funds<br>Wilmington, DE 19899-8882                    | International Equity<br>Portfolio - Institutional<br>Class | 4,674,960.1750 | 27.36                            |
| Public Welfare Foundation, Inc.<br>1200 U Street NW<br>Washington, DC 20009  | International Equity<br>Portfolio - Institutional<br>Class | 2,062,815.7240 | 12.07                            |
| Charles Schwab & Co. Inc.<br>Special Custody Account for the<br>Exclusive Benefit of Customers<br>Attn: Mutual Funds<br>101 Montgomery Street<br>San Francisco, CA 94104 | International Equity<br>Portfolio - Institutional<br>Class | 1,807,295.6190 | 10.58                            |
| Sahara Investments LLC<br>Attn: Thomas Gahlon<br>10 South LaSalle Street<br>Chicago, IL 60603  | International Equity<br>Portfolio - Institutional<br>Class | 1,161,327.6980 | 6.80                             |
| Eugene & Agnes E. Meyer Foundation<br>Attn: Julie L. Rogers, President<br>1400 16 <sup>th</sup> Street NW<br>Washington, DC 20036  | International Equity<br>Portfolio - Institutional<br>Class | 1,109,435.4710 | 6.49                             |
| William T. Grant Foundation<br>570 Lexington Avenue, 18 <sup>th</sup> Floor<br>New York, NY 10022  | Global Equity<br>Portfolio - Institutional<br>Class        | 402,669.0250   | 24.43                            |
| Tellson & Co.<br>Attn: Bryant K. Alford, Partner<br>190 Main Street, P.O. Box 178<br>Gladstone, NJ 07934   | Global Equity<br>Portfolio - Institutional<br>Class        | 329,071.8600   | 19.97                            |
| Katharine H. Olmstead<br>158 Hobart Road<br>Chestnut Hill, MA 02167  | Global Equity<br>Portfolio - Institutional<br>Class        | 229,649.9080   | 13.93                            |
| Charles Schwab & Co. Inc.<br>Special Custody Account for the<br>Exclusive Benefit of Customers<br>Attn: Mutual Funds<br>101 Montgomery Street<br>San Francisco, CA 94104 | Global Equity<br>Portfolio - Institutional<br>Class        | 141,651.7510   | 8.59                             |

|  |   |                 |       |
|--|---|-----------------|-------|
| MCB Trust Services Custodian<br>FBO HLM Holdings Inc.<br>700 17 <sup>th</sup> Street, Suite 300<br>Denver, CO 80202  | Global Equity<br>Portfolio - Institutional<br>Class | 140,293.4330    | 8.51  |
| Lois E. Loevner<br>7030 Isla Vista Drive<br>West Palm Beach, FL 33412  | Global Equity<br>Portfolio - Institutional<br>Class | 82,477.2090     | 5.00  |
| Charles Schwab & Co. Inc.<br>Special Custody Account for the<br>Exclusive Benefit of Customers<br>Attn: Mutual Funds<br>101 Montgomery Street<br>San Francisco, CA 94104 | Emerging Markets<br>Portfolio                       | 28,557,437.3320 | 69.32 |
| Citigroup Global Markets, Inc.<br>333 West 34 <sup>th</sup> Street, 3 <sup>rd</sup> Floor<br>New York, NY 10001  | Emerging Markets<br>Portfolio                       | 3,317,892.1140  | 8.05  |
| L&F Indemnity Limited<br>P.O. Box HM 2954<br>Hamilton HM MX, Bermuda   | Institutional Emerging<br>Markets Portfolio         | 1,994,502.4290  | 12.32 |
| The Museum of Fine Arts, Houston<br>1001 Bissonnet Street<br>Houston, TX 77005   | Institutional Emerging<br>Markets Portfolio         | 1,856,174.1710  | 11.46 |
| Karlin Holdings, LP<br>c/o GKM Capital, Inc.<br>11755 Wilshire Boulevard, Suite 1600<br>Los Angeles, CA 90025  | Institutional Emerging<br>Markets Portfolio         | 1,487,606.4580  | 9.19  |
| Texas Children's Hospital Foundation<br>1919 Braeswood<br>MB 4282<br>Houston, TX 77030   | Institutional Emerging<br>Markets Portfolio         | 1,385,088.3130  | 8.55  |
| Community Hospitals of Indiana, Inc.<br>Funded Depreciation<br>1500 N. Ritter Avenue<br>Indianapolis, IN 46219   | Institutional Emerging<br>Markets Portfolio         | 1,268,179.1740  | 7.83  |
| Community Hospitals of Indiana, Inc.<br>Retirement Plan<br>1500 N. Ritter Avenue<br>Indianapolis, IN 46219   | Institutional Emerging<br>Markets Portfolio         | 1,003,490.4010  | 6.20  |
| Mac & Co. BFTF1046002<br>Attn: Mutual Funds Operations<br>P.O. Box 3198<br>525 William Penn Place<br>Pittsburgh, PA 15230-3198   | Institutional Emerging<br>Markets Portfolio         | 917,431.1930    | 5.67  |

|  |   |              |      |
|--|---|--------------|------|
| E. Rhodes and Leona B. Carpenter<br>Foundation<br>U/A DTD 03/21/07<br>1735 Market Street, Suite 3420<br>Philadelphia, PA 19103 | Institutional Emerging<br>Markets Portfolio | 816,310.5210 | 5.04 |
|--|---|--------------|------|

D-2

|   |  |              |       |
|---|--|--------------|-------|
| Charles Schwab & Co. Inc.<br>Special Custody Account for the<br>Exclusive Benefit of Customers<br>Attn: Mutual Funds<br>101 Montgomery treet<br>San Francisco, CA 94104 | International Small<br>Companies Portfolio | 182,307.1060 | 36.11 |
| University of Dallas<br>Attn: Director of Finance<br>1845 E. Northgate Drive<br>Irving, TX 75062  | International Small<br>Companies Portfolio | 95,232.5110  | 18.86 |
| Harding Loevner LLC<br>Attn: Corporate Accounting<br>50 Division Street, Suite 401<br>Somerville, NJ 08876  | International Small<br>Companies Portfolio | 89,820.4910  | 17.79 |
| MG Trust Company Custody<br>FBO HLM Holdings Inc.<br>700 17 <sup>th</sup> Street, Suite 300<br>Denver, CO 80202   | International Small<br>Companies Portfolio | 35,432.1970  | 7.02  |
| David R. Loevner<br>73 Wescott Road<br>Princeton, NJ 08540  | International Small<br>Companies Portfolio | 29,925.1310  | 5.93  |
| The John E. Fetzer Institute, Inc.<br>9292 West KL Avenue<br>Kalamazoo, MI 49009  | Frontier Emerging<br>Markets Portfolio     | 703,399.7660 | 71.90 |
| Kalamazoo College<br>1200 Academy Street<br>Kalamazoo, MI 49009   | Frontier Emerging<br>Markets Portfolio     | 155,118.9250 | 15.85 |



| VOTING ON THE INTERNET  | VOTING BY PHONE   |
|---|---|
| <ul style="list-style-type: none"> <li>• Read the Proxy Statement and have this</li> </ul>            | <ul style="list-style-type: none"> <li>• Read the Proxy Statement and have this</li> </ul>            |
| <p>card at hand</p>   | <p>card at hand</p>   |
| <ul style="list-style-type: none"> <li>• Log on to <b>www.proxy-direct.com</b></li> </ul>             | <ul style="list-style-type: none"> <li>• Call toll-free <b>1-866-612-1829</b></li> </ul>              |
| <ul style="list-style-type: none"> <li>• Enter the <b>control number</b> shown to the left</li> </ul> | <ul style="list-style-type: none"> <li>• Enter the <b>control number</b> shown to the left</li> </ul> |
| <p>and follow the on-screen instructions</p>  | <p>and follow the on-screen instructions</p>  |
| <ul style="list-style-type: none"> <li>• Do not return this paper ballot</li> </ul>                   | <ul style="list-style-type: none"> <li>• Do not return this paper ballot</li> </ul>                   |

**FORM OF PROXY CARD**

**PROXY CARD**

**Harding, Loevner Funds, Inc,**

**SPECIAL MEETING OF SHAREHOLDERS November 5, 2008**

Harding Loevner XXXXXX Portfolio

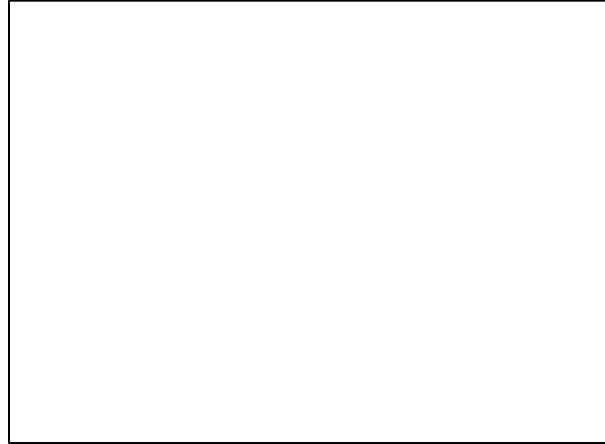
This Proxy is Solicited on Behalf of the Board of Directors.

The undersigned revoke(s) all previous proxies and appoint(s) Francine Hayes, Richard Reiter, or Lori Renzulli or any one of them, attorneys, with full power of substitution to vote all shares of the Harding Loevner XXXXXX Portfolio (the "Portfolio") of Harding, Loevner Funds, Inc, that the undersigned is entitled to vote at the Special Meeting of Shareholders of the Portfolio to be held at the offices of the Fund, 50 Division Street, Suite 401, Somerville, New Jersey 08876, on November 5, 2008 at 10:00 a.m., Eastern Standard Time, and at any adjournments or postponements thereof.

Receipt of the Notice of the Meeting and the accompanying Proxy Statement is hereby acknowledged.

**PLEASE VOTE ON THE REVERSE SIDE, SIGN AND DATE THIS PROXY AND RETURN PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED.**

Dated \_\_\_\_\_



Signature

**Note:** Please sign your name exactly as it appears in the registration. If shares are held in the name of two or more persons, in whatever capacity, only ONE need sign. When signing in a fiduciary capacity, such as executor or attorney, please so indicate. When signing on behalf of a partnership or corporation, please indicate title.

---

**Please fill in box(es) as shown using black or blue ink or number 2 pencil. ☒**

**PLEASE DO NOT USE FINE POINT PENS.**

IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR THE PROPOSAL. As to any other matter, said attorneys will vote in accordance with their best judgment. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL.

FOR    AGAINST    ABSTAIN

1. To approve a new investment advisory agreement with Harding  
Loevner II, LLC.

---

2. Approval of the following nominees as Directors of the Portfolio:  
(01) Jennifer M. Borggaard, (02) William E. Chapman, II, (03) R.  
Kelly Doherty, (04) Charles Freeman, (05) Jane A. Freeman, (06)  
Samuel R. Karetsky, (07) David R. Loevner and (08) Eric Rakowski.

FOR    AGAINST    ABSTAIN

**(INSTRUCTIONS: To withhold authority to vote for any individual,  
write the nominee's(s') name on the space provided below.)**

---

FOR    AGAINST    ABSTAIN



3. To approve the elimination of the investment restriction concerning investment in other investment companies (Harding Loevner International Equity Portfolio, Harding Loevner Global Equity Portfolio and Harding Loevner Emerging Markets Portfolio, **Only**)

**PLEASE VOTE, SIGN AND DATE THIS PROXY AND RETURN PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED.**

---