

## International Rebalancing Act

Potentially favorable international stock valuations and performance trends may make now the right time for international equity

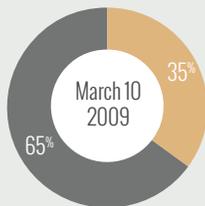
As many investors know, the recovery of equity markets since the global financial crisis in 2009 has been dramatically uneven—particularly when comparing the S&P 500 Index to the MSCI ACWI ex USA Index, which boasts **170%** cumulative outperformance since March 2009.

### U.S. vs. International Equity Returns

Growth of \$10,000 Since Market Bottom in March 2009 (3/10/09 - 03/31/17)

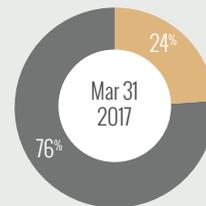


Since the global financial crisis, the S&P 500 Index has cumulatively outperformed the MSCI ACWI ex USA by 170%. Will this continue?



At the portfolio level, a once diversified portfolio is now out of balance.

■ S&P 500 Index    ■ MSCI ACWI ex USA



### The impact of this uneven recovery has affected valuations

As of 03/31/17	S&P 500 Index	MSCI ACWI ex USA
Forward P/E	18.3x	14.8x
Price/Book	2.9x	1.6x
Price/Cash Flow	12.5	8.2
Dividend Yield %	1.9	2.8
Est. 3-5 Yr. Earnings Per Share Growth	11.8	12.1
Return on Equity	18.7	13.4
Long-Term Debt/Capital	44.7	33.0

Source: MSCI, Dow Jones, FactSet as of March 31, 2017. Please see the back for definitions. Past performance is no guarantee of future results.

## How did Harding Loevner International Equity (HLMIX) Perform?

Growth of \$10,000 Since Market Bottom in March 2009 (3/10/09 - 03/31/17)



Since the global financial crisis, HLMIX has outperformed the index by 42% cumulatively.

This chart illustrates the performance of a hypothetical \$10,000 investment made in the Portfolio in March 2009. It assumes reinvestment of dividends and capital gains but does not reflect the effect of any applicable sales charge or redemption fees. This chart does not imply any future performance.

## A Fund to Consider:

### Harding Loevner International Equity Portfolio

Investor **HLMNX**

Institutional **HLMIX**

### Overall Morningstar Rating™

Based on Risk-Adjusted Returns



HLMIX

As of 03/31/17, HLMIX was rated 5, 5, 4, and 5 stars for the overall, 3-, 5-, and 10-year periods against 324, 324, 276, and 191 US Fund Foreign Large Growth funds, respectively.

### Average annual returns (%)<sup>1</sup> (as of 03/31/17)

	Inception	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Incpt
HLMNX (Investor)	09/30/05	9.82	9.82	14.67	3.84	6.25	4.03	5.97
HLMIX (Institutional)	05/11/94	9.98	9.98	15.01	4.17	6.59	4.34	6.06
Benchmark	—	7.86	7.86	13.13	0.56	4.36	1.35	—

Expense Ratios (gross/net): HLMNX (Investor) - 0.83%/0.83% HLMIX (Institutional) - 1.14%/1.14%

<sup>1</sup>Returns for periods greater than one year are annualized.

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

The Portfolio's investment objectives, risks, charges and expenses must be read and considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company. They may be obtained by calling toll free (877) 435-8105, or visiting [www.hardingloevnerfunds.com](http://www.hardingloevnerfunds.com). **Mutual fund investing involves risk. Principal loss is possible. The Portfolio invests in foreign securities, which will involve greater volatility and political, economic, and currency risks and differences in accounting methods. It also invests in emerging markets, which involve unique risks, such as exposure to economies less diverse and mature than the US or other more established foreign markets. Economic and political instability may cause larger price changes in emerging markets securities than other foreign securities. Such risks may be magnified for securities in frontier emerging markets. Investing in participation notes involve the same risks associated with a direct investment in the underlying security, currency or market.**

Diversification does not guarantee a profit or protect against a loss in declining markets. MSCI All Country World Index (ACWI) ex USA is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. Unlike the Fund, the Index is unmanaged, is not available for investment and does not incur expenses.

The S&P 500 Index is a capitalization-weighted index of 500 stocks. The S&P 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The S&P 500 Index is proprietary data of Standard & Poor's, a division of McGraw-Hill Companies, Inc. All rights reserved.

The indices are unmanaged, are not available for investment and do not incur expenses. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for

variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metric. Morningstar Rating is for the share class indicated only (see Ticker), other share classes may have different performance characteristics. The Ranking may reflect the waiver of all or a portion of the fund's fees. Without such waiver, the Rankings may have been lower.

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**Forward price/earnings (or P/E) ratio** is a measure of the price-to-earnings (P/E) ratio using forecasted earnings for the P/E calculation.

**Price/book (or P/B) ratio** is calculated by dividing the market price of a company's outstanding stock by its book value (total assets of a company less liabilities) and then adjusting for the number of shares outstanding. Stocks with negative book values are usually excluded from this calculation.

**Price/Cash Flow ratio** is the ratio of a stock's price to its cash flow per share.

**Dividend yield** is a percentage that is calculated by dividing a company's total dividends paid over the trailing 12 months by its current per-share price and multiplying by 100.

**Return on Equity or ROE** is the percentage a company earns on its total equity in a given year. A common way to calculate this ratio is to divide debt-free net income by average total equity. ROE shows how much profit a company generates on the money shareholders have invested in the firm.

**Long-Term Debt/Capital** is a ratio showing the financial leverage of a firm, calculated by dividing long-term debt by the amount of capital available.

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