

HARBOR INTERNATIONAL FUND

Marathon Asset Management Limited

Subadvisor Since 08/22/2018

Total Net Assets - All Classes \$3,546,883,352
Equity Assets: 99.69%
Cash & Other Assets Less Liabilities: 0.31%
Benchmark Name: MSCI EAFE (ND) Index

Portfolio Managers

Charles Carter Nick Longhurst William J. Arah Toma Kobayashi
 Justin Hill Alex Duffy

Investment Philosophy

The Fund invests primarily in common and preferred stocks of foreign companies, including limited exposure to those in emerging market countries. The portfolio manager focuses on identifying long-term investment opportunities that can arise as a result of certain capital cycle, or supply-side, conditions. Capital cycle investing is based on the concept that the prospect of high returns will attract excessive capital and competition, and vice versa. The portfolio manager uses fundamental, bottom-up qualitative analysis. Research meetings with company management represent the majority of analytical effort conducted. The Fund typically invests in between 350 to 450 companies across Europe, Japan, the Pacific Basin and a limited allocation to emerging markets. While inherently diversified, a bias towards smaller and mid cap businesses in niche industries, coupled with a particularly long holding period, result in a portfolio that is significantly differentiated from the Fund's benchmark index.

CHARACTERISTICS & ALLOCATION

As of 03/31/2024

Portfolio Characteristics

	Portfolio	Benchmark
Number of Holdings	255	768
Wtd Avg Market Cap (\$Mil)	65,263.50	100,584.60
Median Market Cap (\$Mil)	10,776.00	13,928.00
Price/Book Ratio	2.24	2.44
Adjusted Trailing P/E Ratio	19.40	20.20
% EPS Growth - Past 3 Yr	27.90	27.90
Est 3-5 Yr EPS Growth Rate (%)	15.00	10.10
Return on Equity (%)	14.33	14.76
Beta vs. Fund Benchmark	0.99	
Forecasted P/E Ratio	17.40	16.70

Top 10 Holdings

	Portfolio %	Benchmark %
Novo Nordisk A/S Class	4.01	2.46
3i Group plc	2.14	0.20
BP p.l.c.	2.02	0.63
ASML Holding NV	2.01	2.30
UniCredit S.p.A.	1.53	0.35
Rolls-Royce Holdings pl	1.43	0.27
Schneider Electric SE	1.41	0.73
RELX PLC	1.40	0.48
Flutter Entertainment P	1.33	0.21
Compagnie Financiere Ri	1.27	0.49
Total	18.55	8.12

Top 10 Industries

	Portfolio %	Benchmark %
Banks	10.52	10.16
Machinery	6.42	3.04
Insurance	5.16	5.15
Hotels Rest & Leisure	4.91	1.66
Beverages	4.67	1.71
Pharmaceuticals	4.28	9.00
Professional Services	3.89	1.68
Electrical Equipment	3.59	1.99
Metals & Mining	3.56	2.88
Oil Gas & Consumables	3.53	4.03
Total	50.53	41.30

Economic Sectors

	Portfolio %	Benchmark %
Industrials	26.86	16.84
Financials	20.44	19.29
Consumer Discretionary	11.83	12.50
Health Care	9.75	12.68
Consumer Staples	7.73	8.53
Materials	7.20	7.22
Information Technology	6.34	9.42
Communication Services	4.66	4.01
Energy	4.08	4.09
Real Estate	0.80	2.29
Utilities	0.00	3.10

Top 10 Countries

	Portfolio %	Benchmark %
United Kingdom	27.41	14.54
Japan	24.48	23.48
Denmark	8.22	3.63
France	6.08	12.15
Germany	4.70	8.72
Netherlands	4.08	5.08
Switzerland	2.95	9.38
Australia	2.77	7.14
Italy	2.50	2.79
Sweden	2.10	3.09
Total	85.29	90.00
Emerging Markets	4.43	0.00

Market Capitalization

		Portfolio %
Large	Above 25.0B	48.95
	10.0B - 25.0B	24.22
Mid	5.0B - 10.0B	11.87
	1.0B - 5.0B	13.98
Small	0.0 - 1.0B	0.57



Harbor International Fund



PERFORMANCE

As of 03/31/2024

Average Annual Returns

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HAINX	411511306	6.26%	6.26%	14.78%	3.60%	7.63%	3.58%	9.66%	12/29/87	0.77	0.89
Investor	HIINX	411511645	6.15%	6.15%	14.38%	3.23%	7.24%	3.20%	7.80%	11/01/02	1.13	1.25
Retirement	HNINX	411512445	6.26%	6.26%	14.86%	3.69%	7.72%	3.65%	9.68%	12/29/87	0.69	0.81
MSCI EAFE (ND) Index			5.78%	5.78%	15.32%	4.78%	7.33%	4.80%	5.46%	12/29/87		

MANAGER COMMENTARY

As of 03/31/2024

"Diverging expectations around inflation and interest rates mean that those investors who invest over a shorter horizon are behaving differently across different markets."

Marathon London

Market in Review

The first quarter of 2024 continued the positive momentum in the equity markets with the MSCI All Country World Index (ND) returning ~8.2%. This performance, however, is skewed upward because the U.S. market, which represents almost two-thirds of the index, performed strongly. Of the 47 markets represented in the index, 35 underperformed, with 14 of those markets (mostly emerging) delivering negative returns. The trend in favor of growth at the expense of value continued in most regions, with the notable exception of Japan, where value strongly outperformed. Looking at the size factor, large caps outperformed small caps in all regions, generally by a substantial margin, with mid-caps performing between but closer to small-cap performance. The exception is in emerging markets, where the difference between large- and small-cap performance is more muted, but mid-caps underperformed further.

Once again, this may have reflected investor expectations that monetary conditions were likely to be loosened in the not-too-distant future; however, the scale and speed at which interest rates are expected to fall have changed regularly, with the expected start date for reductions in most markets pushed further back several times. In contrast, Japan has tightened rates, becoming the last country to move out of negative interest rate territory after eight years and formally ending its yield curve control policy (another form of monetary tightening) to the relative benefit of value stocks. Similarly, the size bias may reflect the perception that larger companies are more likely to have the resources to weather the current environment better than their smaller peers.

Retirement Class shares commenced operations on March 1, 2016. The performance attributed to the Retirement Class shares prior to that date is that of the Institutional Class shares. Performance prior to March 1, 2016 has not been adjusted to reflect the lower expenses of Retirement Class shares. During this period, Retirement Class shares would have had returns similar to, but somewhat higher than, Institutional Class shares due to the fact that Retirement Class shares represent interests in the same portfolio as Institutional Class shares but are subject to lower expenses.

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2025.

Performance data shown represents past performance and is no guarantee of future results. Past performance is net of management fees and expenses and reflects reinvested dividends and distributions. Past performance reflects the beneficial effect of any expense waivers or reimbursements, without which returns would have been lower. Investment returns and principal value will fluctuate and when redeemed may be worth more or less than their original cost. Returns for periods less than one year are not annualized. Current performance may be higher or lower and is available through the most recent month end at harborcapital.com or by calling 800-422-1050.

Harbor International Fund

MANAGER COMMENTARY

As of 03/31/2024



Portfolio Performance

The Harbor International Fund (Institutional Class, "Fund") outperformed its benchmark, the MSCI EAFE (ND) Index, during the first quarter. Regionally, stock selection was positive in Japan but lagged slightly in Europe and Pacific ex Japan. Regional allocations are typically kept close to the index level, but Pacific ex Japan is currently underweight, which was notably positive as Pacific ex Japan was the worst-performing region. The small off-benchmark allocation to emerging markets was a negative, as the region was the second-worst performer. Nevertheless, overall allocation was a positive influence on relative return.

At the sector level, stock selection was positive in Health Care, Materials, and Consumer Staples; however, negative contribution from Industrials and, particularly, Consumer Discretionary positions overwhelmed the benefit. Sector allocation (a residual of stock selection rather than a top-down target), therefore, drove outperformance, with the overweight to Industrials and the underweight position in Utilities particularly beneficial. Only the underweight exposure to Information Technology was negative. Currency was supportive, particularly the underweight to the Swiss franc and overweight to the British pound.

Contributors & Detractors

Aerospace and engineering company Rolls-Royce has continued to perform well as the company recovers from pandemic-related financial issues (which depressed the share price and almost bankrupted the business in 2021). Demand for its aircraft engine services continues to strengthen and interest in some of its other business lines, including defense and power systems, has also increased. The share price of Obayashi Corporation progressed similarly to its sector average until an announcement in March. A couple weeks after the announcement of weak (though expected) results, the company's board announced a radical capital policy review. It aims to raise return on equity to 10% or higher, raising its dividend on equity from 3% to 5%, and agreed that its balance sheet is bloated and will be made more efficient through the sale of cross-shareholdings, further special dividends, and share buybacks. The shares surged by 20% on the news.

France's Edenred performed poorly during the quarter. The company is a market leader in employee benefits and engagement, including digital vouchers that can only be spent in particular venues – for food (such as meal benefits), incentives (gift cards), mobility (toll, parking, and commuter solutions), and corporate payments (virtual cards). Its share price declined after reports emerged that prosecutors were investigating the company's Italian subsidiary for an alleged fraudulent public tender launched in 2019. The tender in question was worth €1.3bn, and Edenred was awarded €528m on winning the auction. Glencore, the U.K.-listed miner and commodity trader, also performed poorly. Its shares fell after it announced a slump in earnings due to lower commodity prices and a significant reduction in its dividend.

Buys & Sells

During the quarter, a new position was initiated in Cemex, a Latin American cement producer with leading market positions in Latin and North America. The stock trades at a material discount to the replacement cost of its assets while generating healthy free cash flow, which has been used to strengthen the balance sheet and further capital returns to shareholders through the recommencement of dividend payments.

Global medical technology company Olympus was also purchased during the quarter, as the valuation became attractive following a period of significant stock price underperformance. The firm specializes in minimally invasive equipment, most notably gastrointestinal endoscopes, for which the company has ~70% global market share. It has successfully sustained its dominant market position on its high switching cost, strong distribution and servicing network, strong brand identity, and first-class technology – these features are expected to persist in the future.

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Grupo Aeroportuario del Pacífico, one of three listed Mexican airport operators, was sold as regulatory challenges limit the upside to economic returns of the core assets. Capital from the sale has been reallocated to higher-conviction ideas elsewhere in the portfolio, including existing holdings Advantech and Andina. KDDI, the second-largest mobile carrier in Japan, was sold following a material appreciation in the firm's valuation over the past few years, as the competitive impact from new entrant Rakuten has been modest compared to the market expectation. Furthermore, the company recently acquired Lawson, a convenience store operator, which seems to offer limited synergies. In our view, there are better alternatives for capital allocation such as increasing shareholder returns.

Domestic & International Funds

The Fund's sector weightings are a byproduct of our bottom-up stock selection process and do not tend to change materially during a quarter.

The largest sector overweight allocations entering the year were Industrials and Communication Services. As of March 31, 2024, Industrials remains the largest overweight, now followed by Financials. The largest underweights entering the year were Health Care and Utilities. As of March 31, 2024, Utilities is now the largest underweight, followed by Information Technology.

Country Allocation

The Fund's country weightings are a by-product of our bottom-up stock selection process and do not tend to change materially during a quarter.

The Fund's exposure to developing markets has not changed materially during the quarter. Entering the year, the U.K. and Denmark were the most overweight positions, which persisted during the quarter. The largest underweights entering the year were to Switzerland and France, which also persisted during the quarter.

Outlook

Diverging expectations around inflation and interest rates mean that those investors who invest over a shorter horizon are behaving differently across different markets. From Marathon's perspective, such circumstances can be a source of risk and opportunity.

Marathon avoids making "crystal ball" predictions, but (when referenced against empirical data) it would be unprecedented for an inflationary spike, such as that experienced over the past couple of years, to come under control without a greater real economic impact than has been felt so far. The much-discussed soft landing is not something that has been achieved in more than a handful of markets in the past, so while not impossible, it would seem that the likelihood of such an outcome universally across developed markets is low. Marathon will continue to patiently invest in what the investment team considers to be attractively priced opportunities, as we always have, with the expectation that the market will eventually recognize and re-rate these stocks.

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QUARTERLY ATTRIBUTION

As of 03/31/2024



Best & Worst Performers

Best Performers	Average Weight %	Return %
mitsubishi heavy industries	0.97	64.54
obayashi corp	0.53	45.63
nomura holdings inc	0.59	44.31
nippon television holdings	0.27	41.96
rolls-royce holdings plc	1.18	41.09

Worst Performers	Average Weight %	Return %
aia group ltd	0.57	-22.95
entain plc	0.70	-19.60
reckitt benckiser group plc	0.87	-17.51
barratt developments plc	0.26	-16.23
prudential plc	0.47	-15.76

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
NOVO NORDISK A/S-B	24.00	0.87
MITSUBISHI HEAVY INDUSTRIES	64.54	0.52
ASML HOLDING NV	28.15	0.51
UNICREDIT SPA	40.00	0.47
ROLLS-ROYCE HOLDINGS PLC	41.09	0.44
Total		2.82

Greatest Detractors	Return %	Contribution to Return %
VESTAS WIND SYSTEMS A/S	-12.00	-0.18
ENTAIN PLC	-19.60	-0.16
EDENRED	-10.68	-0.15
GLENCORE PLC	-8.63	-0.15
RECKITT BENCKISER GROUP PLC	-17.51	-0.15
Total		-0.79

Harbor International Fund

ATTRIBUTION

As of 03/31/2024



Quarterly Attribution: Harbor International Fund vs MSCI EAFE (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	10.26	9.96	0.31
Currency Contribution	-3.61	-4.17	0.56
Total Return	6.65	5.79	0.87

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
	Health Care	9.39	12.96	-3.57	13.99	4.74	9.26	1.30	0.62	0.02	0.85
Utilities	0.00	3.24	-3.24	0.00	-5.03	5.03	0.00	-0.20	0.38	0.00	0.38
Consumer Staples	8.07	9.03	-0.96	-0.76	-3.12	2.36	-0.06	-0.32	0.08	0.22	0.29
Materials	6.97	7.30	-0.33	2.12	-1.13	3.24	0.08	-0.15	0.03	0.25	0.27
Financials	19.84	18.99	0.85	9.42	8.55	0.87	1.85	1.60	0.03	0.17	0.20
Industrials	26.41	16.58	9.82	7.65	7.85	-0.20	2.03	1.30	0.20	-0.05	0.15
Communication Services	4.84	4.12	0.72	5.33	4.06	1.26	0.26	0.18	-0.01	0.06	0.06
Real Estate	0.83	2.32	-1.49	-0.39	1.49	-1.88	-0.01	0.02	0.07	-0.01	0.05
Energy	4.02	4.13	-0.10	2.47	2.22	0.25	0.08	0.06	0.01	0.01	0.02
Information Technology	6.26	9.13	-2.88	11.88	14.33	-2.46	0.77	1.32	-0.22	-0.14	-0.36
Consumer Discretionary	12.00	12.21	-0.21	2.90	11.06	-8.16	0.37	1.36	0.01	-0.98	-0.97
Total	100.00	100.00	0.00	6.65	5.79	0.87	6.65	5.79	0.49	0.38	0.87

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Fund



ATTRIBUTION

As of 03/31/2024

Quarterly Attribution:
Harbor International Fund vs MSCI EAFE (ND) Index

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Switzerland	3.04	9.72	-6.68	5.24	-1.28	6.52	0.14	-0.15	0.49	0.19	0.68
Japan	23.90	23.32	0.58	12.37	11.01	1.37	2.89	2.55	0.04	0.32	0.36
Denmark	7.91	3.58	4.33	13.44	15.06	-1.63	1.08	0.53	0.37	-0.11	0.26
Hong Kong	1.89	1.99	-0.10	-4.79	-11.67	6.87	-0.10	-0.26	0.02	0.15	0.17
Australia	2.82	7.23	-4.42	-1.57	0.75	-2.31	-0.07	0.03	0.23	-0.07	0.16
Spain	1.93	2.60	-0.67	16.33	8.18	8.15	0.31	0.19	-0.01	0.14	0.14
Italy	2.34	2.69	-0.35	19.17	13.68	5.50	0.42	0.36	-0.02	0.11	0.09
Taiwan	0.74	0.00	0.74	14.75	0.00	14.75	0.11	0.00	0.07	0.00	0.07
Singapore	0.57	1.33	-0.76	3.56	0.12	3.43	0.02	0.00	0.04	0.02	0.07
United Kingdom	27.10	14.62	12.49	4.63	3.32	1.32	1.25	0.45	-0.31	0.36	0.06
Portugal	0.00	0.20	-0.20	0.00	-17.88	17.88	0.00	-0.04	0.05	0.00	0.05
Sweden	2.20	3.12	-0.92	1.47	1.16	0.31	0.03	0.03	0.04	0.01	0.05
Finland	1.03	1.04	-0.01	-0.25	-4.23	3.99	0.00	-0.05	0.00	0.04	0.05
Ireland	0.86	0.44	0.42	11.92	7.93	3.99	0.10	0.04	0.01	0.04	0.04
Belgium	0.00	0.93	-0.93	0.00	1.74	-1.74	0.00	0.01	0.04	0.00	0.04
South Korea	0.77	0.00	0.77	9.35	0.00	9.35	0.07	0.00	0.03	0.00	0.03
Peru	0.13	0.00	0.13	24.99	0.00	24.99	0.03	0.00	0.03	0.00	0.03
Austria	1.13	0.18	0.95	6.95	0.49	6.46	0.09	0.00	-0.05	0.07	0.02
Russia	0.05	0.00	0.05	32.96	0.00	32.96	0.02	0.00	0.01	0.00	0.01
Canada	0.03	0.00	0.03	30.76	0.00	30.76	0.01	0.00	0.01	0.00	0.01
Indonesia	0.20	0.00	0.20	5.97	0.00	5.97	0.01	0.00	0.00	0.00	0.00
Russian Federation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Zealand	0.08	0.20	-0.12	-18.57	-3.86	-14.71	-0.02	-0.01	0.01	-0.01	0.00
Chile	0.05	0.00	0.05	1.94	0.00	1.94	0.00	0.00	0.00	0.00	0.00
Panama	0.10	0.00	0.10	-0.56	0.00	-0.56	0.00	0.00	-0.01	0.00	-0.01
United States	0.88	0.00	0.88	3.90	0.00	3.90	0.04	0.00	-0.02	0.00	-0.02
Mexico	0.40	0.00	0.40	0.18	0.00	0.18	0.00	0.00	-0.02	0.00	-0.02
South Africa	0.34	0.00	0.34	-1.76	0.00	-1.76	-0.01	0.00	-0.03	0.00	-0.03
Israel	0.00	0.72	-0.72	0.00	12.43	-12.43	0.00	0.09	-0.05	0.00	-0.05
Brazil	0.28	0.00	0.28	-14.02	0.00	-14.02	-0.05	0.00	-0.06	0.00	-0.06
India	0.65	0.00	0.65	-5.99	0.00	-5.99	-0.04	0.00	-0.08	0.00	-0.08
China	0.78	0.00	0.78	-3.87	0.00	-3.87	-0.04	0.00	-0.08	0.00	-0.08
Norway	1.38	0.62	0.76	-9.93	-6.97	-2.96	-0.16	-0.05	-0.10	-0.05	-0.15
Netherlands	4.09	4.92	-0.83	13.27	15.46	-2.19	0.54	0.76	-0.08	-0.08	-0.16
France	6.16	12.01	-5.85	1.74	5.88	-4.14	0.09	0.71	-0.01	-0.26	-0.27
Germany	4.79	8.55	-3.76	-1.59	7.06	-8.65	-0.09	0.60	-0.05	-0.43	-0.48
Cash	1.38	0.00	1.38	-1.39	0.00	-1.39	-0.02	0.00	-0.09	0.00	-0.09
Total	100.00	100.00	0.00	6.65	5.79	0.87	6.65	5.79	-0.28	1.15	0.87

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Fund

ATTRIBUTION

As of 03/31/2024



Trailing 1 Year Attribution:
Harbor International Fund vs MSCI EAFE (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	19.33	18.82	0.51
Currency Contribution	-3.29	-3.51	0.22
Total Return	16.04	15.32	0.73

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Health Care	10.08	13.19	-3.10	26.58	8.62	17.96	2.41	1.02	0.16	1.73	1.89
Industrials	24.23	16.13	8.11	24.60	23.07	1.53	6.14	3.65	0.68	0.34	1.02
Utilities	0.16	3.38	-3.23	-40.41	2.69	-43.10	-0.13	0.12	0.44	-0.14	0.30
Consumer Staples	8.28	9.79	-1.51	-6.91	-5.85	-1.06	-0.63	-0.69	0.31	-0.08	0.23
Real Estate	0.82	2.34	-1.52	31.11	13.05	18.06	0.25	0.30	0.04	0.14	0.17
Materials	7.98	7.40	0.58	12.35	10.19	2.15	0.91	0.78	0.03	0.14	0.17
Financials	19.71	18.70	1.01	24.06	25.91	-1.85	4.60	4.67	0.12	-0.34	-0.22
Communication Services	5.22	4.18	1.04	4.36	6.60	-2.24	0.19	0.27	-0.09	-0.14	-0.23
Energy	4.38	4.41	-0.03	9.04	14.48	-5.45	0.32	0.61	0.04	-0.29	-0.25
Information Technology	5.69	8.28	-2.59	33.65	31.15	2.50	1.92	2.68	-0.36	0.08	-0.28
Consumer Discretionary	12.03	12.20	-0.17	0.61	15.65	-15.05	0.05	1.90	0.03	-1.96	-1.93
Total	100.00	100.00	0.00	16.04	15.32	0.73	16.04	15.32	1.24	-0.52	0.73

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Trailing 1 Year Attribution:
Harbor International Fund vs MSCI EAFE (ND) Index

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Switzerland	4.79	9.97	-5.18	15.15	7.03	8.12	0.55	0.70	0.55	0.20	0.75
Japan	23.34	22.69	0.65	28.48	25.78	2.70	6.29	5.59	0.06	0.56	0.62
Hong Kong	1.91	2.32	-0.41	-8.06	-22.86	14.80	-0.18	-0.66	0.15	0.38	0.53
Finland	0.92	0.94	-0.02	13.52	-9.28	22.80	0.14	-0.09	0.01	0.23	0.24
Denmark	6.60	3.30	3.30	27.07	34.38	-7.32	1.92	1.08	0.62	-0.40	0.23
Singapore	0.63	1.40	-0.78	6.85	-1.53	8.38	0.03	-0.05	0.14	0.06	0.20
France	6.86	12.20	-5.34	11.11	12.15	-1.04	0.80	1.53	0.18	-0.06	0.12
Belgium	0.04	0.96	-0.93	-10.93	1.43	-12.35	-0.02	0.01	0.13	-0.02	0.11
South Korea	0.70	0.00	0.70	30.64	0.00	30.64	0.21	0.00	0.10	0.00	0.10
Taiwan	0.64	0.00	0.64	26.06	0.00	26.06	0.18	0.00	0.08	0.00	0.08
Portugal	0.00	0.21	-0.21	0.00	-14.62	14.62	0.00	-0.03	0.07	0.00	0.07
Peru	0.14	0.00	0.14	46.61	0.00	46.61	0.06	0.00	0.04	0.00	0.04
Russia	0.04	0.00	0.04	112.73	0.00	112.73	0.04	0.00	0.03	0.00	0.03
New Zealand	0.08	0.20	-0.12	-6.42	-5.56	-0.86	-0.01	-0.01	0.03	0.00	0.03
Norway	1.44	0.66	0.79	12.55	6.09	6.46	0.19	0.05	-0.07	0.10	0.03
Austria	0.89	0.18	0.71	16.97	14.83	2.13	0.18	0.03	-0.01	0.04	0.03
Mexico	0.35	0.00	0.35	16.79	0.00	16.79	0.07	0.00	0.01	0.00	0.01
Panama	0.10	0.00	0.10	18.14	0.00	18.14	0.02	0.00	0.00	0.00	0.00
Russian Federation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United States	0.34	0.00	0.34	-5.69	0.00	-5.69	0.07	0.00	0.00	0.00	0.00
Thailand	0.02	0.00	0.02	-8.80	0.00	-8.80	0.00	0.00	0.00	0.00	0.00
Chile	0.01	0.00	0.01	1.94	0.00	1.94	0.00	0.00	0.00	0.00	0.00
Indonesia	0.21	0.00	0.21	11.28	0.00	11.28	0.02	0.00	-0.01	0.00	-0.01
Brazil	0.27	0.00	0.27	12.32	0.00	12.32	0.04	0.00	-0.02	0.00	-0.02
Spain	1.87	2.61	-0.74	25.80	23.41	2.39	0.47	0.60	-0.04	0.02	-0.02
Australia	3.13	7.25	-4.12	6.58	11.92	-5.34	0.17	0.83	0.14	-0.16	-0.02
Israel	0.00	0.67	-0.67	0.00	23.87	-23.87	0.00	0.16	-0.06	0.00	-0.06
Canada	0.06	0.00	0.06	-52.92	0.00	-52.92	-0.06	0.00	-0.06	0.00	-0.06
India	0.69	0.00	0.69	2.95	0.00	2.95	0.03	0.00	-0.09	0.00	-0.09
South Africa	0.40	0.00	0.40	-1.67	0.00	-1.67	-0.02	0.00	-0.09	0.00	-0.09
Italy	2.81	2.60	0.21	33.29	35.92	-2.63	0.79	0.89	0.02	-0.11	-0.09
United Kingdom	26.28	15.11	11.17	12.42	10.99	1.43	3.42	1.62	-0.51	0.41	-0.09
Ireland	1.01	0.42	0.59	5.42	23.81	-18.39	0.02	0.10	0.05	-0.19	-0.14
Sweden	2.09	3.18	-1.08	3.55	14.39	-10.84	0.11	0.47	0.03	-0.25	-0.22
Netherlands	3.83	4.61	-0.78	18.64	24.56	-5.92	0.77	1.21	-0.01	-0.30	-0.31
China	1.03	0.00	1.03	-21.14	0.00	-21.14	-0.31	0.00	-0.45	0.00	-0.45
Germany	5.06	8.52	-3.46	1.32	14.80	-13.49	0.06	1.30	0.00	-0.69	-0.69
Cash	1.43	0.00	1.43	-0.48	0.00	-0.48	0.01	0.00	-0.15	0.00	-0.15
Total	100.00	100.00	0.00	16.04	15.32	0.73	16.04	15.32	-0.70	1.42	0.73

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Fund



IMPORTANT INFORMATION

Risks

There is no guarantee that the investment objective of the Fund will be achieved. Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions. Stocks of small and mid cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

Marathon-London's assessment of the capital cycle for a particular industry or company may be incorrect. Investing in companies at inopportune phases of the capital cycle can result in the Fund purchasing company stock at pricing levels that are higher than the market dynamics would support and therefore subject the Fund to greater risk that the stock price would decline rather than increase over time.

Benchmarks

The MSCI EAFE (ND) Index is an unmanaged index generally representative of major overseas stock markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Disclosures

All holdings-related data is provided by FactSet. Because FactSet relies on external sources for its data, that data may differ slightly from actual values maintained by Harbor Funds.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

Beta is a rolling three year, unless the Fund has a track record of less than three years, in which case it is a rolling one year.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

Views expressed herein are drawn from commentary provided to Harbor by the subadvisor and may not be reflective of their current opinions or future actions, are subject to change without prior notice, and should not be considered investment advice.

This information should not be considered as a recommendation to purchase or sell a particular security. The weightings, holdings, industries, sectors, countries, and returns mentioned may change at any time and may not represent current or future investments.

As a result of changing market conditions, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit harborcapital.com or call 800-422-1050. Read it carefully before investing.

Marathon Asset Management Limited is an independent subadvisor to the Harbor International Fund.

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Harbor International Fund



IMPORTANT INFORMATION

Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

Active Currency Contribution is the Currency Contribution of the portfolio minus the Currency Contribution of the benchmark.

Allocation Effect is the portion of portfolio excess return that is attributable to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the average percent capitalization of the portfolio's group minus the average percent cap of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark.

Average Weight is the dollar value (price times the shares held) of the security or group, divided by the total dollar value of the entire portfolio displayed as a percentage. It is calculated as the simple arithmetic average of daily values.

Contribution to Return is the contribution of a security or group to the overall portfolio return. It is calculated as the security weight multiplied by the daily security return linked daily across the reporting period.

Currency Contribution is Total Return in USD subtracting out the Local Returns.

Local Returns are the Total Return of the portfolio or benchmark using the local currency.

Selection Effect is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's security selection effect equals the average weight of the benchmark's group times the total return of the portfolio's group minus the total return of the benchmark's group.

Total Effect is the sum of Allocation Effect and Selection Effect. The total effect represents the opportunity cost of what was done in a group relative to the overall portfolio. It is not just the difference between percent contribution in the portfolio and benchmark. At the overall portfolio level, the two numbers are equal. At the group level, they can be different.

Total Return is the price change of a security or group including dividends accrued over the report period (or the in-portfolio return) which includes only the time period that each security was in the portfolio.

Definitions

Beta is a measure of systematic risk, or the sensitivity of a fund to movements in the benchmark. A beta of 1 implies that the expected movement of a fund's return would match that of the benchmark used to measure beta.

Median Market Cap: The median size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Weighted Average Market Capitalization: The average size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

The Est 3-5 Yr EPS Growth (%) is the estimated growth of earnings per share over the next 3-5 years, using pre-calculated mean long-term EPS growth rate estimates, which are calculated using each individual broker's methodology, from FactSet, First Call, I/B/E/S Consensus, and Reuters. Forward looking estimates may not come to pass.

% EPS Growth - Past 3 Year: Earnings per share refers to the bottom-line measure of a company's profitability defined as net income divided by the number of outstanding shares.

The Adjusted Trailing P/E (price-to-earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS.

Forecasted P/E Ratio: a measure of the P/E (price-to-earnings) ratio using forecasted earnings for the P/E calculation.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

The Price/Book (price-to-book) Ratio evaluates a firm's market value relative to its book value.

All P/E, ROE and P/B statistics are calculated as weighted medians.