

Harbor International Small Cap Fund

Cedar Street Asset Management LLC

Subadviser Since 05/23/2019

Total Net Assets - All Classes \$65,304,787
Equity Assets: 97.13%
Cash & Other Assets Less Liabilities: 2.87%
Benchmark Name: MSCI EAFE Small Cap (ND) Index

Portfolio Managers



Jonathan Brodsky



Waldemar Mozes

Investment Philosophy

The Fund invests primarily in equity securities, principally common and preferred stocks and convertible securities, of foreign companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in the securities of small cap companies. The Subadviser's investment process utilizes a range of screening and idea sourcing methodologies to shrink the universe of securities to a manageable level. The Subadviser primarily utilizes bottom-up research to identify companies with attractive valuations, as determined by the Subadviser, while taking into account macroeconomic considerations.

CHARACTERISTICS & ALLOCATION

As of 03/31/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	71.00	2,363
Wtd Avg Market Cap (\$Mil)	2159.60	3,041.10
Med Cap - # Stocks (\$Mil)	1562.00	1,300.00
Price/Book Ratio	1.55	1.83
Adjusted Trailing P/E Ratio	13.20	17.10
% EPS Growth - Past 3 Yr	1.40	10.30
Return on Equity (%)	10.45	10.41
Beta vs. Fund Benchmark	1.00	
Forecasted P/E Ratio	11.90	16.60
Proj. Earnings Growth Rate (%)	12.50	13.40

Top 10 Holdings		
	Portfolio %	Benchmark %
Redde Northgate PLC	2.41	0.05
ASR Nederland NV	2.05	0.23
Coats Group plc	2.05	0.05
Resorttrust Inc.	2.04	0.05
TietoEVRY Oyj	2.03	0.08
Serco Group plc	2.02	0.08
Venture Corporation Lim	2.01	0.00
Virgin Money UK Plc	1.98	0.10
OPTEX GROUP Company Lim	1.96	0.02
Paltac Corporation	1.96	0.04
Total	20.51	0.70

Top 10 Industries		
	Portfolio %	Benchmark %
Electronic Equipment	10.17	2.19
Food Products	7.67	3.11
Insurance	7.07	2.36
Commercial Serv & Suppl	6.59	2.30
Machinery	6.45	5.90
Media	5.22	1.94
Chemicals	4.96	3.17
Hotels Rest & Leisure	3.74	2.91
Software	3.60	2.28
Semiconductors	3.43	2.20
Total	58.90	28.36

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	25.51	22.90
Information Technology	19.23	9.99
Financials	13.60	11.27
Consumer Staples	12.06	5.76
Consumer Discretionary	10.46	11.62
Materials	7.79	9.74
Communication Services	5.22	4.50
Energy	3.26	2.25
Utilities	0.00	3.29
Real Estate	0.00	12.55
Health Care	0.00	6.05

Top 10 Countries		
	Portfolio %	Benchmark %
Japan	23.96	27.02
United Kingdom	15.96	16.95
Germany	9.03	5.16
France	8.18	3.56
Switzerland	5.01	5.00
Italy	4.66	2.89
Netherlands	3.98	2.21
Singapore	3.58	2.20
Spain	3.57	2.01
Australia	3.31	10.58
Total	81.24	77.58
Emerging Markets	0.00	0.00

Market Capitalization		
		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	0.00
Mid	5.0B - 10.0B	7.55
	1.0B - 5.0B	74.85
Small	0.0 - 1.0B	17.61



Trusted Partnerships > Trusted Solutions



Performance

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	HAISX	411512569	-5.93%	-5.93%	-0.10%	9.47%	8.11%	N/A	9.04%	02/01/16	0.96	1.25
Administrative	HRISX	411512551	-6.01%	-6.01%	-0.38%	9.20%	7.83%	N/A	8.76%	02/01/16	1.21	1.50
Investor	HIISX	411512544	-6.08%	-6.08%	-0.47%	9.07%	7.70%	N/A	8.63%	02/01/16	1.32	1.61
Retirement	HNISX	411512536	-5.94%	-5.94%	-0.03%	9.54%	8.18%	N/A	9.11%	02/01/16	0.88	1.17
MSCI EAFE Small Cap (ND) Index			-8.53%	-8.53%	-3.63%	8.51%	7.42%	N/A	9.12%	02/01/16		

MANAGER COMMENTARY

As of 03/31/2022

“In our view, the Fund is well positioned for both rising inflation and rising rates.”

Cedar Street Asset Management LLC

Market in Review

Global financial markets experienced heightened volatility during the first quarter of 2022, as Russia shockingly invaded Ukraine, inflationary pressures gained steam, and interest rates moved sharply higher.

Compared to the horrific loss of life and senseless destruction of entire cities from the invasion of Ukraine, discussing the financial-market impact of this horrific, historical episode seems almost trivial. Nonetheless, we must note that the most direct impact of the invasion was the sharp uptick in commodity prices, as both Ukraine and Russia are major suppliers of important commodities, including wheat, sunflower oil, and, in the case of Russia, oil and natural gas. Consumers of these commodities, including many European companies, can expect margin pressures ahead, and their equity indices were hard hit during the quarter. Also, given the unified, global sanctions regime that has developed in response to the Russian aggression, companies that either operate in Russia or are linked to individuals are likely to be hit by sanctions. We highlight that no Russian securities were owned in the Harbor International Small Cap Fund (“Fund”), and indirect exposure was limited. This position, or lack thereof, was connected to our long-standing concerns about the political and legal risks of Russian securities or companies with material exposure to the country.

For Cedar Street, the major takeaway from the traumatic events unfolding in Ukraine is that energy security and the transition to renewables will gain steam in the coming years. The combination of political risk, associated with fossil fuel imports and climate change is enough, in our view, to alter change historical behavior patterns. Consumers, as well, will have an emotional desire to shift away from carbon-based energy, in light of their revulsion to Russian aggression. We believe the Fund is well positioned for this shift. The precise contours of commodity input-price impacts will not be known until later in the year, but we continue to actively adjust Fund weights, based on new information as it becomes available, and stick to our long-term view concerning electrification as a means to improve the environment and reduce dependence on foreign energy providers.

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.



Global inflation was already accelerating prior to Ukraine, and the war has only made a tough situation worse. In response, interest rates are likely to move higher as central banks are behind the curve in addressing the problem. In our view, the Fund is well positioned for both rising inflation and rising rates. The relatively low-valuation multiples and higher-dividend yields of names in the Fund already reflect less ebullient sentiment, which therefore lowers earnings expectations, in our view. The combination of rising input and financing costs seems likely to wring out many of the speculative excesses that blossomed under quantitative easing.

Portfolio Performance

During the quarter, the Harbor International Small Cap Fund (Institutional Class) returned -5.93% , underperforming its primary benchmark, the MSCI EAFE Small Cap Value (ND) Index, which returned -4.23% , and outperforming the MSCI EAFE Small Cap (ND) Index, which returned -8.53% . The negative absolute returns for the Fund and the benchmarks reflect heightened anxiety by market participants regarding the war in Ukraine and the likely negative impact of inflationary pressures on company earnings. We believe this is a somewhat conventional, knee-jerk market reaction to rapidly evolving, real-time events as the Ukraine war unfolds. Given the importance of Russia and Ukraine in energy and agricultural commodities, especially for the European economy, it is of little surprise that European equities were hardest hit.

The Fund has no direct exposure to Russia or Ukraine, and based on discussions with company management teams, the Fund's indirect exposure is minimal and well contained. In fact, despite the Fund's relative overweight to Western Europe, the region showed the most significant relative outperformance during the quarter.

From a sector perspective, stock selection in the Industrials, Information Technology, and Consumer Discretionary sectors were the biggest contributors to returns during the first quarter. Poor stock selection and allocation effects in the Materials sector were the biggest detractors to returns, as the rush to hard assets as an inflation hedge drove sentiment. We note that our limited exposure to traditional areas included in the Materials sector, such as the through-the-cycle returns for steel producers, cement producers, and other commodity-materials companies, usually do not fit our strategy-inclusion criteria.

From a geographic perspective, stock selection in Germany and the UK detracted from returns, as did stock selection in Japan and Canada. Additionally, allocation effects in Australia detracted from returns during the quarter. We note that countries with high exposure to energy and industrial materials, such as Canada and Australia, were major, relative outperformers for the benchmark during the quarter. We remain very cautious in both markets as rising interest rates, coupled with overheated property markets, and lending practices of local banks could result in challenging economic conditions in the near term. Recent commodity-price enthusiasm has resulted in strong foreign exchange rates for both markets, which could increase their challenges.

Contributors & Detractors

The largest contributor to performance during the quarter was Hensoldt, a German defense electronics business, recently spun out of Airbus via the private equity firm KKR. The invasion of Ukraine by Russia during the quarter changed the calculus of defense budgets throughout Europe, and especially in Germany, the continent's largest economy. In addition, the sophisticated sensors and other electronics, for which Hensoldt is famous, are ideal for missile systems, advanced fighter jets, drones, and other electronic warfare likely to be deployed against potential Russian forces. As a result, Hensoldt's likely addressable market expanded dramatically in both scale and scope. We took profits and exited most of our position during the quarter.

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The largest detractor to performance during the quarter was Johnson Electric, a Hong Kong-based manufacturer of micro motors and other electronic-drive systems used in automotive and industrial applications. The stock is experiencing a perfect storm in terms of sector (automotive), trading venue (Hong Kong), and factor exposure (liquidity, size, negative momentum), pushing the share price to below-COVID-19 lows at approximately half of book value, a level normally associated with a failing business. But Johnson's motors are in very high demand from the electric-vehicle and factory-automation value chains. Sales growth of +10% is well in excess of the automotive industry in general, while the troughing return on equity ("ROE") of 10% is hardly a sign of distress. The company's conservative balance sheet and nearly 5% yield made us confident to add to our position during the quarter.

Buys & Sells

During the quarter, we initiated a new position in Anritsu, a Japanese provider of sophisticated test and measurement equipment and services for engineers who design, install, and manufacture networking infrastructure equipment. Users of Anritsu gear maintain a very high preference for Anritsu's solutions due to quality and reliability. At time of entry, valuation multiples were at multiyear lows based on a misguided belief, in our view, of the premature conclusion of the 5G CapEx cycle and overall semiconductor supply-chain issues. However, instead of troughing demand, we believe 5G deployment is likely just beginning because: 1) 5G deployment is likely to occur in multiple phases —known as "C-band" and "millimeter wave"; 2) 5G has a much broader set of applications, all of which have unique testing applications; and 3) The 5G standard is "open," which allows a broader array of participants to enter the market with new networking gear, who are all potentially new customers for Anritsu.

During the quarter, we exited six positions in an effort to concentrate the Fund around higher-conviction positions based on valuation and market positioning. Healius, an Australian health care provider and multiyear holding in the Fund, is a good illustration of our sell discipline. At the time of our entry, Healius was a poorly understood and poorly run (low, single-digit growth, sub-5% ROE) provider of various clinical services, which was beset by negative reviews due to the poor working conditions of its physicians. A new management team, led by a physician CEO, streamlined the service offering and shed non-core segments. Revenue growth is now accelerating again with focused operations generating mid-teens ROE. We exited during the quarter as we believe much of this growth is reflected in the current valuation and is most likely due to positive, but temporary, effects from the pandemic.

Outlook

Consistent with the beginning of 2022, we believe inflationary pressures are likely to continue and potentially worsen before they improve. Energy prices, a major factor in recent inflation, were already on the rise, and the war in Ukraine has only exacerbated energy-supply shocks, especially in Europe. In addition, a number of globally important, industrial and agricultural commodities are experiencing major supply disruptions due to the war. Heightened geopolitical tensions between countries supporting Ukraine and those continuing to favor Russia, including China and India, are creating friction points in global trade that are also likely to raise costs as global supply chains reconfigure from years of just-in-time efficiency.

Economic uncertainty tends to breed market volatility, even in normally placid 10-year government bonds. The 100 basis-point spike in yields in many major developed markets (Japan excluded) in the first quarter is, in our view, a reflection of current market anxiety. Heightened inflationary risks are pushing central banks to raise interest rates and reduce the size of their balance sheets more quickly than would have been expected just a few months ago. If rate hikes continue their current trajectory, it would represent a major monetary policy inflection point (i.e., tightening) for which many market participants are not prepared.

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In our view, near-term beneficiaries of current macro-dynamics are likely to include sectors like Health Care and Utilities, which are often considered to be less sensitive to economic cycles, and upstream Materials producers that are benefiting from decade-high sales prices. On the other hand, industry sectors that typically utilize high levels of leverage to boost returns, such as Energy, Materials, and Real Estate, could come under pressure in a rising-rate environment that continues to surprise many. Given the conflicting macro-crosscurrents, capital market volatility is likely to remain for the foreseeable future.

QUARTERLY ATTRIBUTION

As of 03/31/2022

Best & Worst Performers

Best Performers	Average Weight %	Return %
HENSOLDT AG	2.01	107.09
Beach Energy Limited	1.55	28.32
Tower Semiconductor Ltd	1.78	21.98
Japfa Ltd.	1.40	14.43
Computer Engineering & Consulting Ltd.	1.44	14.01

Worst Performers	Average Weight %	Return %
Johnson Electric Holdings Limited	1.60	-34.68
Criteo SA Sponsored ADR	1.48	-29.92
Resurs Holding AB	1.02	-29.30
MaireTechnimont SpA	1.54	-26.29
X-FAB Silicon Foundries SE	1.53	-25.07

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
HENSOLDT AG	107.09	2.31
Tower Semiconductor Ltd	21.98	0.40
Beach Energy Limited	28.32	0.35
Elders Limited	11.96	0.25
Computer Engineering & Consulting Ltd.	14.01	0.21
Total		3.52

Greatest Detractors	Return %	Contribution to Return %
Johnson Electric Holdings Limited	-34.68	-0.70
Criteo SA Sponsored ADR	-29.92	-0.52
Resurs Holding AB	-29.30	-0.49
Neo Performance Materials Inc.	-23.76	-0.46
Victrex plc	-23.73	-0.44
Total		-2.61

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Quarterly Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

12/31/2021 - 03/31/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-2.28	-6.39	4.11
Currency Contribution	-2.31	-2.14	-0.17
Total Return	-4.59	-8.53	3.94

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
Industrials	25.55	23.35	2.19	0.39	-8.31	8.70	0.31	-1.92	0.02	2.28	2.29
Information Technology	17.74	10.03	7.71	-5.90	-14.71	8.80	-0.95	-1.55	-0.42	1.62	1.19
Consumer Discretionary	10.57	12.04	-1.47	-5.58	-14.71	9.13	-0.57	-1.91	0.09	1.05	1.14
Health Care	0.38	6.09	-5.71	-7.73	-18.42	10.69	-0.07	-1.18	0.54	0.12	0.66
Communication Services	4.92	4.51	0.42	-4.58	-10.87	6.29	-0.23	-0.48	-0.01	0.27	0.26
Consumer Staples	11.58	5.82	5.76	-6.85	-6.94	0.09	-0.74	-0.44	0.08	0.04	0.12
Energy	3.34	1.99	1.35	4.86	17.20	-12.34	0.12	0.31	0.28	-0.32	-0.04
Financials	13.30	11.15	2.15	-6.67	-4.66	-2.01	-0.93	-0.51	0.08	-0.31	-0.23
Utilities	0.00	3.13	-3.13	0.00	0.35	-0.35	0.00	0.04	-0.27	0.00	-0.27
Real Estate	0.00	12.29	-12.29	0.00	-5.97	5.97	0.00	-0.68	-0.33	0.00	-0.33
Materials	7.86	9.59	-1.73	-17.35	-1.82	-15.53	-1.47	-0.21	-0.06	-1.33	-1.39
[Cash]	4.75	0.00	4.75	-0.14	0.00	-0.14	-0.05	0.00	0.54	0.00	0.54
Total	100.00	100.00	0.00	-4.59	-8.53	3.94	-4.59	-8.53	0.52	3.41	3.94



Quarterly Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

12/31/2021 - 03/31/2022

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
Germany	9.27	5.24	4.03	13.30	-9.22	22.52	1.49	-0.45	-0.01	2.15	2.14
United Kingdom	14.62	17.44	-2.82	-5.69	-14.31	8.61	-0.71	-2.57	0.16	1.32	1.48
United States	1.78	0.00	1.78	21.98	0.00	21.98	0.40	0.00	0.53	0.00	0.53
Sweden	3.85	6.59	-2.74	-14.73	-17.97	3.24	-0.67	-1.18	0.21	0.22	0.42
Spain	3.31	1.96	1.35	7.71	-0.90	8.61	0.24	0.00	0.09	0.25	0.34
Switzerland	4.82	4.99	-0.17	-7.46	-11.90	4.43	-0.34	-0.60	0.00	0.22	0.21
Italy	3.87	2.94	0.93	-9.32	-13.03	3.71	-0.28	-0.39	-0.02	0.19	0.17
Singapore	3.32	2.06	1.26	3.18	3.04	0.14	0.10	0.06	0.15	0.00	0.15
Finland	1.89	1.69	0.21	-12.41	-19.89	7.48	-0.21	-0.35	-0.03	0.16	0.13
Denmark	1.77	1.72	0.05	-5.42	-12.02	6.60	-0.07	-0.20	-0.01	0.12	0.12
Portugal	1.85	0.24	1.62	-1.28	5.89	-7.17	-0.01	0.01	0.22	-0.13	0.09
Netherlands	4.27	2.30	1.97	-5.12	-1.60	-3.52	-0.16	-0.03	0.21	-0.15	0.06
Austria	0.00	0.94	-0.94	0.00	-10.99	10.99	0.00	-0.10	0.02	0.00	0.02
China	0.00	0.03	-0.03	0.00	-5.31	5.31	0.00	0.00	0.00	0.00	0.00
Belgium	1.43	1.82	-0.39	-7.27	-4.14	-3.12	-0.07	-0.06	-0.02	-0.03	-0.05
Japan	23.68	27.47	-3.79	-7.55	-7.16	-0.39	-1.92	-2.21	0.04	-0.09	-0.06
New Zealand	0.00	1.01	-1.01	0.00	-2.70	2.70	0.00	-0.03	-0.06	0.00	-0.06
Ireland	0.97	0.59	0.38	-15.52	0.54	-16.06	-0.16	0.00	0.04	-0.16	-0.12
Australia	3.23	9.85	-6.62	16.99	0.60	16.39	0.52	0.11	-0.61	0.45	-0.16
Norway	0.00	2.52	-2.52	0.00	-1.87	1.87	0.00	-0.01	-0.17	0.00	-0.17
Israel	0.00	3.18	-3.18	0.00	-0.85	0.85	0.00	-0.02	-0.24	0.00	-0.24
Canada	1.78	0.00	1.78	-23.76	0.00	-23.76	-0.46	0.00	-0.31	0.00	-0.31
Hong Kong	1.60	1.87	-0.27	-34.68	-7.16	-27.51	-0.70	-0.17	0.03	-0.54	-0.51
France	7.92	3.56	4.36	-18.57	-9.61	-8.96	-1.54	-0.33	-0.05	-0.75	-0.80
[Cash]	4.75	0.00	4.75	-0.14	0.00	-0.14	-0.05	0.00	0.54	0.00	0.54
Total	100.00	100.00	0.00	-4.59	-8.53	3.94	-4.59	-8.53	0.72	3.22	3.94



Trailing 1 Year Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

03/31/2021 - 03/31/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	7.16	1.27	5.88
Currency Contribution	-5.19	-4.90	-0.28
Total Return	1.97	-3.63	5.60

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
Industrials	23.88	23.71	0.18	15.04	0.52	14.52	3.63	0.09	0.02	3.52	3.54
Consumer Discretionary	11.89	12.44	-0.55	5.51	-17.63	23.14	1.05	-2.30	0.13	3.05	3.18
Information Technology	18.20	10.18	8.02	2.64	-8.33	10.97	0.54	-0.89	-0.21	1.88	1.66
Health Care	2.08	6.85	-4.77	-6.83	-13.98	7.14	0.10	-0.84	0.62	0.07	0.69
Communication Services	3.95	4.54	-0.59	-2.79	-7.88	5.09	-0.19	-0.34	0.00	0.26	0.26
Utilities	0.00	2.93	-2.93	0.00	4.25	-4.25	0.00	0.14	-0.25	0.00	-0.25
Energy	2.76	1.68	1.08	-21.78	14.75	-36.53	-0.18	0.28	0.34	-0.65	-0.31
Financials	12.23	10.74	1.50	-2.75	1.44	-4.18	-0.40	0.13	0.06	-0.59	-0.53
Materials	9.02	9.13	-0.11	-7.94	2.53	-10.47	-0.40	0.18	-0.06	-0.86	-0.92
Consumer Staples	10.84	5.80	5.04	-18.07	-13.62	-4.45	-2.10	-0.81	-0.54	-0.56	-1.09
Real Estate	0.00	12.00	-12.00	0.00	6.85	-6.85	0.00	0.72	-1.23	0.00	-1.23
[Cash]	5.14	0.00	5.14	-1.24	0.00	-1.24	-0.08	0.00	0.60	0.00	0.60
Total	100.00	100.00	0.00	1.97	-3.63	5.60	1.97	-3.63	-0.52	6.12	5.60



Trailing 1 Year Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

03/31/2021 - 03/31/2022

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
Germany	7.72	5.26	2.45	23.50	-5.36	28.87	2.11	-0.20	-0.04	2.59	2.55
United Kingdom	14.32	17.58	-3.27	5.42	-9.11	14.53	1.22	-1.42	0.12	2.35	2.46
United States	1.81	0.00	1.81	72.61	0.00	72.61	1.10	0.00	1.20	0.00	1.20
Netherlands	4.65	2.44	2.21	20.83	10.35	10.48	1.15	0.23	0.38	0.56	0.94
Japan	22.72	27.63	-4.91	-10.60	-12.27	1.67	-3.02	-3.84	0.59	0.28	0.87
Italy	3.42	2.92	0.50	30.45	-2.37	32.82	0.55	-0.05	-0.11	0.84	0.73
Denmark	2.74	1.73	1.01	12.06	-4.96	17.01	0.65	-0.07	0.09	0.49	0.58
Portugal	1.71	0.22	1.48	20.51	21.54	-1.03	0.32	0.04	0.37	-0.04	0.33
Spain	3.06	1.95	1.11	9.37	2.24	7.13	0.28	0.07	0.11	0.20	0.31
France	7.47	3.41	4.06	0.34	-5.39	5.73	-0.08	-0.17	-0.06	0.30	0.25
Canada	2.64	0.00	2.64	-4.22	0.00	-4.22	0.31	0.00	0.14	0.00	0.14
Finland	1.79	1.75	0.04	-10.46	-16.84	6.38	-0.13	-0.28	-0.03	0.14	0.11
China	0.00	0.04	-0.04	0.00	-49.86	49.86	0.00	-0.02	0.02	0.00	0.02
Austria	0.00	0.94	-0.94	0.00	-0.94	0.94	0.00	0.00	-0.02	0.00	-0.02
New Zealand	0.00	0.95	-0.95	0.00	0.18	-0.18	0.00	0.00	-0.04	0.00	-0.04
Switzerland	4.41	5.17	-0.77	-0.16	2.36	-2.52	0.15	0.13	-0.05	-0.01	-0.06
Norway	0.00	2.45	-2.45	0.00	4.00	-4.00	0.00	0.13	-0.20	0.00	-0.20
Ireland	1.39	0.56	0.83	-19.88	6.51	-26.38	-0.16	0.03	0.06	-0.28	-0.22
Singapore	2.73	1.90	0.82	-17.43	5.78	-23.21	-0.42	0.11	0.18	-0.58	-0.40
Hong Kong	1.67	1.92	-0.25	-47.11	-19.75	-27.36	-1.06	-0.42	0.08	-0.69	-0.61
Belgium	1.40	1.67	-0.27	-30.16	10.88	-41.03	-0.50	0.16	-0.04	-0.66	-0.70
Sweden	4.55	7.39	-2.84	-17.89	-2.77	-15.11	-0.69	0.05	-0.03	-0.75	-0.78
Israel	0.00	2.89	-2.89	0.00	32.04	-32.04	0.00	0.70	-0.92	0.00	-0.92
Australia	4.68	9.23	-4.55	17.02	14.33	2.69	0.27	1.18	-1.05	-0.49	-1.54
[Cash]	5.14	0.00	5.14	-1.24	0.00	-1.24	-0.08	0.00	0.60	0.00	0.60
Total	100.00	100.00	0.00	1.97	-3.63	5.60	1.97	-3.63	1.33	4.27	5.60

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 cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

Disclosures

The MSCI EAFE Small Cap (ND) Index is an equity index which captures small cap representation across developed market countries around the world, excluding the U.S. and Canada. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

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 02/28/2023.

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.

The mean/median long term growth rate for Projected Earnings Growth Rate is the expected growth over the next 3-5 years calculated by FactSet from data provided by brokers. The Adjusted Trailing P/E (Price/Earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS. The Forecast P/E Ratio is the closing stock price divided by the sum of the next 4 quarters estimated EPS. All P/E, ROE and P/B statistics are calculated as weighted medians.

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 subadviser 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.

The views expressed herein may not be reflective of current opinions, 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.

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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.