

Harbor International Fund

Marathon Asset Management Limited

Subadvisor Since 08/22/2018

Total Net Assets - All Classes	\$3,466,326,059
Equity Assets:	98.96%
Cash & Other Assets Less Liabilities:	1.04%
Benchmark Name:	MSCI EAFE (ND) Index

Portfolio Managers

Simon Somerville	Toma Kobayashi	Justin Hill	Alex Duffy
Neil M. Ostrer	Charles Carter	Nick Longhurst	William J. Arah

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 06/30/2023

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	334	798
Wtd Avg Market Cap (\$Mil)	50,239.60	86,664.40
Median Market Cap (\$Mil)	9,627.00	12,500.00
Price/Book Ratio	2.03	2.33
Adjusted Trailing P/E Ratio	17.60	18.20
% EPS Growth - Past 3 Yr	19.60	21.00
Est 3-5 Yr EPS Growth Rate (%)	10.10	9.20
Return on Equity (%)	13.94	13.44
Beta vs. Fund Benchmark	1.00	
Forecasted P/E Ratio	15.60	16.20

Top 10 Holdings		
	Portfolio %	Benchmark %
Novo Nordisk A/S Class	2.56	1.71
BP p.l.c.	2.20	0.66
Roche Holding Ltd Divid	1.81	1.38
Flutter Entertainment P	1.53	0.23
3i Group plc	1.32	0.15
UniCredit S.p.A.	1.28	0.27
Nippon Telegraph and Te	1.24	0.23
Compagnie Financiere Ri	1.17	0.57
Compass Group PLC	1.17	0.31
Glencore plc	1.11	0.39
Total	15.39	5.90

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	10.92	9.36
Hotels Rest & Leisure	5.12	1.93
Machinery	4.88	3.06
Insurance	4.68	5.05
Pharmaceuticals	4.60	9.21
Beverages	4.57	2.04
Metals & Mining	4.19	3.30
Electrical Equipment	4.02	1.86
Oil Gas & Consumables	3.88	4.16
Professional Services	3.79	1.58
Total	50.65	41.55

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	23.52	16.24
Financials	19.65	18.23
Consumer Discretionary	12.65	12.59
Health Care	10.33	13.16
Materials	8.43	7.42
Consumer Staples	8.33	10.07
Information Technology	5.58	8.24
Communication Services	5.26	4.15
Energy	4.14	4.21
Real Estate	0.79	2.27
Utilities	0.28	3.44

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	24.52	14.74
Japan	22.66	22.46
France	7.13	12.36
Denmark	5.98	3.06
Switzerland	5.68	10.04
Germany	5.40	8.66
Netherlands	3.94	4.63
Australia	3.34	7.31
Italy	3.14	2.53
Ireland	2.81	0.83
Total	84.60	86.62
Emerging Markets	4.60	0.00

Market Capitalization		
		Portfolio %
Large	Above 25.0B	47.93
	10.0B - 25.0B	23.55
Mid	5.0B - 10.0B	10.37
	1.0B - 5.0B	17.17
Small	0.0 - 1.0B	0.95





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	3.05%	10.77%	18.46%	10.41%	3.43%	4.15%	9.54%	12/29/87	0.77	0.89
Investor	HIINX	411511645	2.96%	10.58%	18.05%	10.00%	3.05%	3.76%	7.55%	11/01/02	1.13	1.25
Retirement	HNINX	411512445	3.06%	10.82%	18.59%	10.50%	3.51%	4.20%	9.56%	03/01/16	0.69	0.81
MSCI EAFE (ND) Index			2.95%	11.67%	18.77%	8.93%	4.39%	5.41%	5.25%	12/29/87		

MANAGER COMMENTARY

As of 06/30/2023

"Unfortunately, policy measures to date do not appear to have had the desired impact on bringing core inflation down, and the mood from the European Central Bank, Swiss National Bank, and others is still very much to expect more tightening."

Marathon Asset Management Limited (Marathon-London)

Market in Review

Despite positive and comparatively strong index performance overall, market performance during the second quarter of 2023 was highly variable. While there are outliers each quarter, there is usually a general trend that can be extrapolated with most markets — or at least most developed markets (defined here as those that form part of the MSCI World Index) — moving directionally together. This quarter, 60% of markets generated positive returns and 40% negative returns. If returns were not too far from zero, this would not be too surprising, but they range from -8% to +9% and are well distributed between the extremes, demonstrating an unusual degree of decoupling. The U.S. market, being the largest part of the index and the best-performing developed market (in USD terms), also skewed the overall index return substantially.

When viewed through a style lens, growth appears to have been the only game in town. However, the style only materially outperformed in North America (by c.10%), and there was little difference in Europe. In both Japan and the emerging markets, value stocks materially outperformed. It is worth noting that the skew to growth in the U.S. was comparatively narrow-based and rested on the performance of a familiar handful of very high-performing "tech" stocks, such as NVIDIA and Tesla, with the performance of smaller-growth stocks much more muted. Speaking of capitalization, there was a clear trend in favor of the largest stocks across the developed markets, with large-cap companies materially outperforming their smaller peers. However, the opposite is true in emerging markets where mid- and (particularly) small-cap names outperformed.

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 02/29/2024.

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.



Part of the reason for this variability is likely because the rate of inflation in the U.S. has fallen more rapidly than elsewhere. This has created an expectation that U.S. interest rates may be cut in the near(ish) future (despite Federal Reserve comments to the contrary), whereas rates are likely to continue their upward journey elsewhere for some time to come.

Portfolio Performance

The Harbor International Fund (“Fund”) performed broadly in line with the MSCI EAFE Index benchmark during the second quarter of 2023. Stock selection was negative overall. Positive contributions from the Pacific ex-Japan and emerging markets regions were outweighed by negative selection in Japan and, particularly, Europe. This was partially offset by the positive allocation effect of an underweight allocation to Pacific ex-Japan (which results from a reduction in the regional allocation to accommodate the small, off-benchmark emerging markets allocation). Currency was a positive influence, primarily the overweight allocation to the British pound. At the sector level, it was a similar story with positive allocation and currency effects being neutralized by negative stock selection overall. Allocation effects in most sectors were close to neutral, but the overweight to Industrials drove a positive return from the sector. Conversely, stock selection within the same sector was strongly negative, resulting in a negative overall contribution from Industrials — alongside Consumer Discretionary — drove the negative overall contribution from stock selection, which was somewhat positive within most other sectors.

Contributors & Detractors

UniCredit and Mitsubishi Heavy Industries were among the top contributors during the quarter. The Italian market was the strongest performer within the MSCI EAFE Index, as worries about the “far right” government elected in late 2022 gradually fade. Italian bank UniCredit, however, outperformed the market following a statement by the chief executive officer (“CEO”) that the business will be able to continue payouts to shareholders at the current rate for at least the next two years. The company has been returning ~60% of annual capital generation through a combination of dividends and share buybacks for some time, which are viewed particularly positively as the company trades at below book value despite strong performance in the two years since the current CEO took the reins.

Mitsubishi Heavy Industries is set to benefit from increased military spending by Japan as it, along with several of its stablemates within the Mitsubishi Group, are among the few remaining domestic defense contractors. Steady governance reform at both the group and company levels led to increased consideration of shareholders in decision-making, and the company share price has recently benefitted from foreign investment flows as this has become more recognized.

Viaplay and Zhongsheng were among the top detractors during the quarter. Swedish streaming service Viaplay fell sharply following a material profit warning that accompanied the resignation of its CEO. The company said it was experiencing “an accelerated deterioration in the operating environment and longer-than-expected realization of its cost savings program.” Chinese automobile dealer Zhongsheng also lagged behind the market, as the expected rebound in the Chinese economy following the relaxation of COVID-19 control measures in late 2022 failed to materialize. Consumers remain cautious amid high inflation and rising global interest rates, acting as a brake to the export-oriented Chinese market.

Buys & Sells

During the quarter, Pilbara Minerals was purchased due to positive expectations regarding the company’s ownership of a top-tier lithium resource in Australia. We expect that lithium supply growth will struggle to keep up with electric vehicle-driven demand over the next decade, due to a lack of high-grade deposits and the huge economic and environmental challenges of establishing new production capabilities.

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Building construction and engineering company Taisei was purchased, as we observed multiple potential avenues for business improvement. Through a stronger focus on returns and better cash allocation, there is scope for corporate governance improvement. Taisei has built up abundant cash over the years, and more cash flow will be generated, as margins are expected to improve into FY3/25 and onward.

Human resources company Adecco was sold as part of the transition process within the Fund's European allocation. The stock was sold to consolidate positioning in peer and portfolio holding Randstad, in which the team has higher conviction. Yakult has been a strong performer in recent years due to successful newly launched probiotic drink products. Marathon believes that its growth prospects are now fully valued by the market on 23x prospective earnings and thus exited the position.

Domestic and International Funds

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

The largest sector overweight allocations entering the second quarter included Industrials and Communication Services. These moved slightly over the quarter, with Industrials remaining the largest overweight, followed by Financials.

The largest underweights entering the second quarter were Utilities and Health Care. These persisted throughout the quarter.

Country Allocation

The Fund's largest country overweight and underweight allocations persisted over the quarter, as the weightings are a by-product of Marathon London's bottom-up stock selection approach.

Entering the second quarter, the largest overweight allocations were to the U.K. and Denmark. These persisted over the quarter, with the overweight to the U.K. remaining stable and the overweight to Denmark slightly decreasing.

The largest underweight allocations entering the quarter were to Switzerland and France. At the end of the second quarter, France is now the largest underweight, followed by Switzerland.

Outlook

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

For example, the quarter was characterized by data surprises in Europe, particularly around inflation where several releases showed contradictory indicators around headline inflation (generally falling) versus core inflation (not falling and in some cases rising). Unfortunately, policy measures to date do not appear to have had the desired impact on bringing core inflation down, and the mood from the European Central Bank, Swiss National Bank, and others is still very much to expect more tightening. Conversely, the rate of inflation in the U.S. has fallen more rapidly than elsewhere, creating expectations that U.S. interest rates may be cut in the near(ish) future.

Despite increasing inflation in the economy, the Bank of Japan has not begun to raise rates for the country, though it widened the range of rates permitted within its "yield curve control" program in late 2022, which was considered a mild form of monetary tightening. Interest rate differentials have caused the yen to weaken considerably against most currencies and, coupled with improvement in the status of the shareholder in the hierarchy of management concerns, has led to a surge in foreign investment into the market, with several major Japanese indexes reaching 33-year highs during June.

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Best & Worst Performers

Best Performers	Average Weight %	Return %
Renesas Electronics Corporation	0.46	30.00
Toyota Industries Corp.	0.25	28.61
UniCredit S.p.A.	1.12	27.40
Mitsubishi Heavy Industries Ltd.	0.56	26.94
NEC Corp.	0.55	25.75

Worst Performers	Average Weight %	Return %
Sumitomo Metal Mining Co. Ltd.	0.32	-15.49
Stabilus SE	0.25	-14.16
ITV PLC	0.29	-11.72
DS Smith Plc	0.28	-11.14
ArcelorMittal SA	0.65	-9.54

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
UniCredit S.p.A.	27.40	0.28
3i Group plc	20.76	0.22
Mitsubishi Heavy Industries Ltd.	26.94	0.13
Compass Group PLC	12.14	0.13
Renesas Electronics Corporation	30.00	0.13
Total		0.88

Greatest Detractors	Return %	Contribution to Return %
Viaplay Group AB Class B	-77.49	-0.19
BP p.l.c.	-6.72	-0.15
Vestas Wind Systems A/S	-8.39	-0.10
Future plc	-40.12	-0.09
Teleperformance SA	-29.52	-0.08
Total		-0.62

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	4.24	4.28	-0.04
Currency Contribution	-1.19	-1.33	0.14
Total Return	3.06	2.95	0.10

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
	Financials	19.36	18.16	1.20	6.18	4.68	1.50	1.19	0.84	0.02	0.29
Real Estate	0.77	2.36	-1.59	10.40	-1.98	12.38	0.08	-0.05	0.08	0.09	0.17
Information Technology	5.38	7.86	-2.49	9.61	5.93	3.68	0.51	0.48	-0.05	0.17	0.12
Health Care	10.37	13.50	-3.13	2.89	1.99	0.91	0.28	0.26	0.03	0.09	0.12
Consumer Staples	8.80	10.38	-1.58	-0.67	-0.64	-0.03	-0.05	-0.08	0.07	0.00	0.07
Materials	8.30	7.45	0.85	-0.82	-1.71	0.88	-0.06	-0.12	-0.04	0.07	0.04
Utilities	0.30	3.46	-3.16	11.04	4.04	7.00	0.03	0.14	-0.03	0.02	-0.01
Energy	4.40	4.41	-0.01	-1.98	0.02	-2.01	-0.08	0.00	0.01	-0.10	-0.08
Consumer Discretionary	12.25	12.25	-0.01	4.04	5.18	-1.14	0.48	0.64	0.01	-0.16	-0.15
Communication Services	5.70	4.35	1.34	-4.89	-2.63	-2.27	-0.27	-0.12	-0.07	-0.13	-0.20
Industrials	22.82	15.82	7.00	4.19	6.18	-2.00	0.94	0.97	0.23	-0.45	-0.23
Total	100.00	100.00	0.00	3.06	2.95	0.10	3.06	2.95	0.21	-0.11	0.10



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
Hong Kong	1.88	2.62	-0.74	-0.35	-5.05	4.70	-0.01	-0.13	0.06	0.09	0.16
Australia	3.35	7.32	-3.97	0.84	0.07	0.77	0.03	0.00	0.12	0.03	0.14
Finland	0.90	0.94	-0.04	1.93	-8.09	10.02	0.02	-0.08	0.00	0.10	0.10
Italy	2.82	2.48	0.33	10.85	8.21	2.64	0.31	0.20	0.03	0.08	0.10
Singapore	0.64	1.45	-0.81	-3.45	-5.57	2.12	-0.02	-0.08	0.07	0.01	0.09
Brazil	0.25	0.00	0.25	41.98	0.00	41.98	0.09	0.00	0.08	0.00	0.08
France	7.68	12.44	-4.77	4.50	3.23	1.27	0.35	0.39	-0.01	0.09	0.08
Norway	1.36	0.64	0.71	6.42	-1.00	7.41	0.09	-0.01	-0.03	0.10	0.07
Belgium	0.15	0.97	-0.82	-10.93	-6.12	-4.80	-0.02	-0.06	0.08	-0.02	0.06
Israel	0.00	0.64	-0.64	0.00	-3.95	3.95	0.00	-0.03	0.05	0.00	0.05
Ireland	2.70	0.85	1.85	5.53	5.74	-0.21	0.14	0.05	0.05	-0.01	0.04
New Zealand	0.08	0.21	-0.13	21.73	-6.01	27.74	0.02	-0.01	0.01	0.02	0.03
Spain	1.74	2.57	-0.84	8.23	5.57	2.66	0.14	0.14	-0.01	0.04	0.03
Germany	5.07	8.57	-3.50	3.14	2.80	0.34	0.16	0.25	0.01	0.01	0.02
Panama	0.10	0.00	0.10	21.58	0.00	21.58	0.02	0.00	0.02	0.00	0.02
India	0.71	0.00	0.71	5.22	0.00	5.22	0.04	0.00	0.01	0.00	0.01
Portugal	0.00	0.22	-0.22	0.00	-1.07	1.07	0.00	0.00	0.01	0.00	0.01
Taiwan	0.60	0.00	0.60	4.21	0.00	4.21	0.03	0.00	0.01	0.00	0.01
South Korea	0.63	0.00	0.63	3.83	0.00	3.83	0.02	0.00	0.01	0.00	0.01
Indonesia	0.20	0.00	0.20	4.59	0.00	4.59	0.01	0.00	0.00	0.00	0.00
Canada	0.07	0.00	0.07	3.46	0.00	3.46	0.00	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	0.00	0.00	0.00	4.83	0.00	4.83	0.00	0.00	0.00	0.00	0.00
Thailand	0.03	0.00	0.03	-2.89	0.00	-2.89	0.00	0.00	0.00	0.00	0.00
Mexico	0.31	0.00	0.31	1.93	0.00	1.93	0.01	0.00	0.00	0.00	0.00
Netherlands	3.43	4.51	-1.08	4.54	4.14	0.40	0.14	0.20	0.04	-0.04	0.00
Russia	0.03	0.00	0.03	-14.09	0.00	-14.09	0.00	0.00	-0.01	0.00	-0.01
Peru	0.15	0.00	0.15	-4.72	0.00	-4.72	-0.01	0.00	-0.01	0.00	-0.01
Switzerland	5.75	10.16	-4.41	4.48	4.02	0.46	0.25	0.40	-0.05	0.03	-0.03
Austria	0.74	0.18	0.56	-1.97	4.35	-6.32	-0.02	0.01	0.01	-0.05	-0.04
Japan	22.48	21.96	0.52	6.14	6.42	-0.28	1.33	1.38	0.03	-0.08	-0.05
South Africa	0.46	0.00	0.46	-7.65	0.00	-7.65	-0.04	0.00	-0.06	0.00	-0.06
Denmark	6.17	3.08	3.09	0.86	1.65	-0.79	0.05	0.04	-0.04	-0.05	-0.09
China	1.22	0.00	1.22	-6.17	0.00	-6.17	-0.08	0.00	-0.12	0.00	-0.12
Sweden	2.12	3.30	-1.17	-12.06	-1.18	-10.88	-0.27	-0.03	0.05	-0.25	-0.20
United Kingdom	24.61	14.89	9.72	1.08	2.19	-1.11	0.30	0.33	-0.07	-0.27	-0.35
Cash	1.57	0.00	1.57	-2.46	0.00	-2.46	-0.01	0.00	-0.06	0.00	-0.06
Total	100.00	100.00	0.00	3.06	2.95	0.10	3.06	2.95	-0.15	0.25	0.10



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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	17.98	17.50	0.48
Currency Contribution	1.24	1.27	-0.04
Total Return	19.21	18.77	0.44

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
	Financials	19.48	18.42	1.06	27.09	20.21	6.88	5.12	3.68	0.00	1.27
Real Estate	0.71	2.60	-1.89	19.77	-7.37	27.13	0.13	-0.29	0.54	0.24	0.78
Health Care	9.84	13.45	-3.61	11.38	9.92	1.46	1.26	1.51	0.36	0.15	0.51
Materials	8.18	7.57	0.61	21.03	16.34	4.68	1.83	1.34	0.00	0.34	0.34
Consumer Staples	9.15	10.56	-1.40	10.05	9.87	0.18	0.86	1.02	0.16	0.01	0.16
Utilities	0.37	3.42	-3.05	-7.93	16.49	-24.41	-0.06	0.50	0.07	-0.11	-0.04
Communication Services	6.14	4.57	1.57	4.34	1.88	2.45	0.29	0.02	-0.27	0.20	-0.07
Energy	4.73	4.70	0.03	12.13	14.20	-2.07	0.64	0.78	0.02	-0.15	-0.13
Consumer Discretionary	12.02	11.73	0.29	25.18	30.55	-5.38	2.86	3.36	0.03	-0.63	-0.60
Information Technology	5.18	7.52	-2.34	27.43	33.96	-6.53	1.30	2.44	-0.29	-0.33	-0.62
Industrials	22.71	15.48	7.24	21.44	29.52	-8.09	4.93	4.42	0.76	-1.77	-1.01
Total	100.00	100.00	0.00	19.21	18.77	0.44	19.21	18.77	1.23	-0.78	0.44



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
Ireland	2.29	0.75	1.53	72.85	42.51	30.33	1.34	0.29	0.32	0.47	0.79
Switzerland	5.66	10.23	-4.57	19.94	13.34	6.60	1.19	1.42	0.25	0.39	0.64
Hong Kong	1.85	2.86	-1.01	2.65	-9.03	11.68	-0.02	-0.45	0.34	0.26	0.60
Italy	2.43	2.37	0.06	65.27	43.26	22.01	1.41	0.98	0.02	0.39	0.42
Australia	3.46	7.74	-4.28	12.69	11.10	1.59	0.44	0.85	0.32	0.06	0.38
United Kingdom	25.46	15.26	10.19	16.53	13.19	3.34	4.59	2.10	-0.56	0.94	0.37
Israel	0.00	0.74	-0.74	0.00	-4.66	4.66	0.00	-0.04	0.19	0.00	0.19
Finland	0.96	0.98	-0.03	13.12	-1.15	14.27	0.16	0.02	0.01	0.15	0.16
Belgium	0.29	0.98	-0.70	10.54	6.06	4.48	0.07	0.09	0.11	0.02	0.13
Singapore	0.76	1.49	-0.73	11.17	9.99	1.18	0.12	0.15	0.08	0.02	0.10
Austria	0.63	0.18	0.45	38.81	18.90	19.91	0.22	0.04	0.01	0.09	0.10
Brazil	0.24	0.00	0.24	53.84	0.00	53.84	0.11	0.00	0.06	0.00	0.06
Mexico	0.24	0.00	0.24	51.19	0.00	51.19	0.11	0.00	0.06	0.00	0.06
Peru	0.14	0.00	0.14	51.51	0.00	51.51	0.08	0.00	0.04	0.00	0.04
Panama	0.07	0.00	0.07	77.32	0.00	77.32	0.05	0.00	0.03	0.00	0.03
Portugal	0.00	0.22	-0.22	0.00	6.71	-6.71	0.00	0.01	0.03	0.00	0.03
Russia	0.02	0.00	0.02	1679.66	0.00	1679.66	0.03	0.00	0.03	0.00	0.03
Indonesia	0.20	0.00	0.20	27.75	0.00	27.75	0.05	0.00	0.02	0.00	0.02
Canada	0.07	0.00	0.07	26.05	0.00	26.05	0.03	0.00	0.01	0.00	0.01
New Zealand	0.09	0.20	-0.11	15.05	15.52	-0.47	0.01	0.03	0.01	0.00	0.01
Malaysia	0.01	0.00	0.01	-0.54	0.00	-0.54	0.00	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
Taiwan	0.60	0.00	0.60	17.34	0.00	17.34	0.07	0.00	0.00	0.00	0.00
United States	0.00	0.00	0.00	-62.34	0.00	-62.34	0.00	0.00	0.00	0.00	0.00
Thailand	0.04	0.00	0.04	-11.89	0.00	-11.89	-0.01	0.00	-0.01	0.00	-0.01
Denmark	5.84	2.87	2.97	24.38	31.90	-7.52	1.46	0.92	0.35	-0.38	-0.03
India	0.85	0.00	0.85	15.01	0.00	15.01	0.14	0.00	-0.03	0.00	-0.03
South Korea	0.67	0.00	0.67	11.11	0.00	11.11	0.07	0.00	-0.05	0.00	-0.05
South Africa	0.54	0.00	0.54	-2.36	0.00	-2.36	0.00	0.00	-0.12	0.00	-0.12
Spain	1.68	2.47	-0.79	23.20	28.97	-5.77	0.40	0.68	-0.06	-0.11	-0.16
Norway	1.68	0.74	0.94	-5.65	-8.99	3.34	-0.11	-0.09	-0.31	0.08	-0.23
Sweden	2.34	3.39	-1.05	4.57	16.60	-12.03	0.24	0.68	0.05	-0.27	-0.23
Netherlands	2.95	4.37	-1.42	24.38	31.34	-6.97	0.65	1.37	-0.10	-0.27	-0.37
China	1.32	0.00	1.32	-5.48	0.00	-5.48	-0.16	0.00	-0.38	0.00	-0.38
Japan	22.59	22.04	0.54	16.35	18.14	-1.79	3.17	3.48	-0.02	-0.42	-0.45
France	7.95	11.93	-3.98	29.33	31.74	-2.41	2.46	3.82	-0.46	-0.22	-0.68
Germany	4.60	8.17	-3.57	17.62	28.37	-10.75	0.85	2.42	-0.37	-0.45	-0.81
Cash	1.49	0.00	1.49	-0.57	0.00	-0.57	0.04	0.00	-0.14	0.00	-0.14
Total	100.00	100.00	0.00	19.21	18.77	0.44	19.21	18.77	-0.30	0.74	0.44

Past performance is not a guarantee of future results.

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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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.