

# Harbor Diversified International All Cap Fund

Marathon Asset Management LLP

Subadviser Since 11/02/2015

<b>Total Net Assets - All Classes</b>	\$861,281,429
<b>Equity Assets:</b>	97.21%
<b>Cash &amp; Other Assets Less Liabilities:</b>	2.79%
<b>Benchmark Name:</b>	MSCI All Country World Ex. US (ND) Index

## Portfolio Managers

Neil M. Ostrer	Charles Carter	Nick Longhurst	William J. Arah
Simon Somerville	Robert Anstey, CFA	Justin Hill	Alex Duffy

## Investment Philosophy

The Fund invests primarily in common and preferred stocks of foreign companies, including 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 450 to 550 companies across Europe, Japan, the Pacific Basin and emerging markets, and North America. 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 06/30/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	376	2,269
Wtd Avg Market Cap (\$Mil)	47,569.60	81,089.40
Med Cap - # Stocks (\$Mil)	8,721.00	8,593.00
Price/Book Ratio	2.22	2.11
Adjusted Trailing P/E Ratio	16.20	15.90
% EPS Growth - Past 3 Yr	12.20	13.20
Return on Equity (%)	14.92	13.87
Beta vs. Fund Benchmark	1.10	
Forecasted P/E Ratio	14.60	15.00
Proj. Earnings Growth Rate (%)	11.60	10.40

Top 10 Holdings		
	Portfolio %	Benchmark %
AIA Group Limited	1.92	0.60
BP p.l.c.	1.38	0.42
Novo Nordisk A/S Class	1.37	0.85
Taiwan Semiconductor Ma	1.30	1.80
Roche Holding Ltd Divid	1.21	1.07
HDFC Bank Limited Spons	1.06	0.00
Fairfax Financial Holdi	1.05	0.06
Naspers Limited Class N	1.04	0.14
PT Bank Central Asia Tb	1.02	0.12
Brookfield Asset Manage	1.00	0.29
<b>Total</b>	<b>12.35</b>	<b>5.35</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	10.18	12.16
Insurance	6.65	4.61
Metals & Mining	5.57	3.87
Oil Gas & Consumables	4.27	5.97
Machinery	3.68	1.86
Food & Staples Retail	3.52	1.57
It Services	3.31	1.84
Semiconductors	3.17	4.21
Capital Markets	3.17	2.33
Textiles Apparel & Lux	2.95	2.24
<b>Total</b>	<b>46.47</b>	<b>40.66</b>

Economic Sectors		
	Portfolio %	Benchmark %
Financials	21.76	20.18
Industrials	19.39	11.73
Consumer Discretionary	11.88	11.68
Information Technology	9.81	10.84
Consumer Staples	9.78	8.86
Materials	8.21	7.94
Health Care	6.17	9.75
Communication Services	5.21	6.58
Energy	4.39	6.02
Real Estate	0.32	2.42
Utilities	0.29	3.41

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	15.82	9.92
Japan	15.06	13.71
Canada	10.28	8.05
China	5.49	9.88
France	4.73	6.98
India	4.55	3.79
Hong Kong	4.17	2.07
Australia	3.92	4.86
Denmark	3.67	1.72
Taiwan	3.66	4.30
<b>Total</b>	<b>71.35</b>	<b>65.28</b>
<b>Emerging Markets</b>	<b>22.65</b>	<b>29.74</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	43.62
	10.0B - 25.0B	26.85
Mid	5.0B - 10.0B	12.89
	1.0B - 5.0B	15.53
Small	0.0 - 1.0B	1.11



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	HAIDX	411512593	-13.34%	-18.51%	-19.86%	1.70%	2.48%	N/A	3.55%	11/02/15	0.80	0.92
Administrative	HRIDX	411512585	-13.38%	-18.62%	-20.04%	1.45%	2.22%	N/A	3.30%	11/02/15	1.05	1.17
Investor	HIIDX	411512577	-13.36%	-18.63%	-20.10%	1.34%	2.11%	N/A	3.18%	11/02/15	1.16	1.28
Retirement	HNIDX	411512437	-13.27%	-18.51%	-19.74%	1.78%	2.56%	N/A	3.62%	03/01/16	0.72	0.84
MSCI All Country World Ex. US (ND) Index			-13.73%	-18.42%	-19.42%	1.35%	2.50%	N/A	3.97%	11/02/15		

## MANAGER COMMENTARY

As of 06/30/2022

**“The combination of higher interest rates and higher energy costs, which act like a tax on economic activity, means that markets are now discounting for a global recession before year end.”**

Marathon Asset Management LLP (Marathon-London)

### Market in Review

The investment environment continues to be challenging for equities, with global markets falling sharply during the quarter. Concerns have centered on the war in Ukraine, rising interest rates, and skyrocketing inflation. Against this difficult backdrop, every region, and almost every individual market, posted negative returns.

Stylistically, value tended to outperform in developed markets, while there was little style differentiation in emerging markets. Large-cap stocks outperformed their small-cap peers in all regions, except Japan.

Interest rates rose in most developed markets during the quarter in response to soaring inflation. The eurozone is a key exception but, even there, the European Central Bank (ECB) indicated that an increase is likely in July, even though earlier this year rate hikes were not expected to begin until 2023. The combination of higher interest rates and higher energy costs, which act like a tax on economic activity, means that markets are now discounting for a global recession before year end.

### Portfolio Performance

During the second quarter of 2022, the Harbor Diversified International All Cap Fund (Institutional Class, “Fund”) returned -13.34%, slightly outperforming its’ benchmark, the MSCI All Country World Ex. US (ND) Index, which returned -13.73%.

Regionally, stock selection within the Japanese allocation was strong, however, contributions from Europe, particularly the U.K. and the emerging markets were negative.

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.

**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.**



From a sector perspective, stock selection was neutral overall, with strong performance in Financials and Industrials, which was countered by underperformance in Energy and Health Care. In addition, currency effects had a negative impact as the U.S. dollar strengthened against most currencies present in the Fund.

### Contributors & Detractors

Naspers and AIA Group were key contributors.

Originally a newspaper publisher, South Africa's Naspers has become an investor in some of the world's leading internet companies with by far the most valuable stake being its 30% holding in Tencent, the Chinese internet giant. China delivered a rare positive story over the quarter as one of the very few countries to generate a positive return, and it seems likely that China's severe COVID-19 restrictions will be relaxed which should benefit Tencent, and therefore, Naspers further.

Similarly, AIA Group, the Hong Kong-listed insurer, which is heavily reliant on doing business in China, has benefited from the increasingly relaxed COVID-19 restrictions.

Southern Copper and Techtronic Industries were key detractors.

Southern Copper is a Peruvian miner of copper and other valuable metals. Mining companies did well following the outbreak of conflict in Ukraine as commodity prices jumped. However, copper prices fell during the second quarter as markets began to discount recession later in the year; Southern Copper's stock has been impacted accordingly.

The share price of Techtronic Industries, a Hong Kong-listed producer of power tools, floor care, and cleaning products, fell by around a third during the quarter. Despite generating outstanding results, the market—ever forward looking—has determined that the global environment is not supportive for this company at present. The risk of recession, interest rate increases, and the likely fall in the housing market have driven negative sentiment toward the stock.

### Buys & Sells

The Fund purchased shares of Oriental Yuhong, the largest supplier of waterproof building materials in China. The company has major contracts with property developers and government projects. The waterproofing industry is fragmented with the top 10 players accounting for less than 25% of the market. However, compared to competitors, Yuhong has built a brand around quality. Other key advantages to this company are its R&D capabilities and comprehensive product portfolio through which it can address different customer requirements. The recent dip in the market offered the Fund an opportunity to buy shares in a quality business at attractive valuations relative to recent history.

The Fund sold Takeda Pharmaceutical, a multi-national pharmaceutical company. The market oversold the stock following its expensive acquisition of Shire in 2019. The stock has outperformed in 2022, correcting much of the discount. Consequently, the shares were sold at a valuation that is now more in-line with reality.

### Outlook

While Marathon does not attempt to position the Fund according to forecasts for the future, we do recognize and comment on the market environment across the various regions of the Fund.

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In Canada, the market fell by -15.75% due to high inflation, interest-rate hikes, and, most importantly, an end to “upwards only” oil prices. At the same time, the global economic outlook has darkened, and demand for the country’s commodities has at least plateaued, if not fallen substantially, knocking the air out of some valuations which inflated in the first quarter.

In Europe, all underlying countries recorded a fall during the period, ranging from Portugal’s -6.11% up to Sweden’s -21.38%. The region continues to be impacted more than others by the conflict in Ukraine and sanctions on Russia. In common with all regions, inflation is notable, and continued to rise over the period. The ECB has yet to act, though it is expected to raise rates in July. All other central banks in the region have raised rates during the quarter.

Inflation is particularly notable in the Energy markets since many European markets are heavily dependent on oil and gas from Russia. The Ukrainian conflict has made energy security a major issue for the region with varying results. Germany has moved into the second phase of its emergency energy plan, which includes recommissioning dormant coal power plants, as well as appeals from the government to reduce energy consumption to store up for the winter. The next phase of the plan could even see gas supplies rationed. In the U.K., the government announced further plans to help households facing substantially higher energy costs.

The Japanese market declined during the quarter, with key indexes returning about -14.00%. The market returns reflected a plunging yen which fell to over 130 yen to the dollar—its lowest level in more than 20 years—following the U.S. Federal Reserve’s aggressive rate hike, which further widened the interest-rate gap between the two countries.

Unlike most economies, inflation in Japan remains subdued, with the last official reading coming in at 2.1%. While there are signs that inflationary pressures may be present, there are no signs yet that the Bank of Japan is likely to tighten conditions materially.

Despite the global economic backdrop, corporate results in Japan have been better than investors anticipated, albeit some companies have, as is typical of Japan, made extremely conservative forecasts for the coming year.

Markets fell in the Pacific region with Australia, New Zealand, and Singapore plunging sharply in the face of global inflation and recession fears. Notably, Hong Kong returned -0.45%, benefiting from the perception that China, including Hong Kong, may begin to relax COVID-19 restrictions allowing economic activity to rebound.

Emerging markets, as measured by the MSCI Emerging Markets Index, returned -11.45% during the second quarter. As usual, this performance masks large regional and country-specific dispersion, but all markets, except China, fell. China’s weight in the Index, at around a third of the total, clearly has a major influence.

Broadly speaking, Latin America was the weakest region as its commodity-dependent markets began to discount an increasing chance of global recession and, toward the end of the quarter, industrial metals prices were falling.

Emerging EMEA (Europe, the Middle East, and Africa) was more idiosyncratic in its results. Hungary, Poland, and Egypt all fell sharply. Both Poland and Hungary border Ukraine and are closely tied economically. Egypt relies heavily on Ukrainian grain to feed its population. South Africa suffered alongside the South American commodity producers, while currency depreciation magnified the fall. The Middle East markets retrenched after a strong first quarter following sharp energy price rises.

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Asian emerging markets followed a similar pattern, with all markets but China posting negative results. The markets that are home to major manufacturing exporters, such as Taiwan and Korea, lagged on recessionary fears. China bucked the trend and generated a positive return of 3.60%, reflecting a market that is anticipating the easing of COVID-19 measures. COVID-19 restrictions have remained a major drag on the Chinese economy for much longer than elsewhere, which has impacted sentiment toward market performance for some time.

## QUARTERLY ATTRIBUTION

As of 06/30/2022

### Best & Worst Performers

Best Performers	Average Weight %	Return %
HomeServe plc	0.44	28.24
Naspers Limited Class N	0.71	26.91
Baidu Inc Sponsored ADR Class A	0.29	12.42
Standard Chartered PLC	0.25	11.84
Ritchie Bros. Auctioneers Incorporated	0.46	10.17

Worst Performers	Average Weight %	Return %
First Quantum Minerals Ltd.	0.49	-45.36
Anglo American Platinum Limited	0.36	-36.65
Air Canada	0.27	-35.95
B3 SA - Brasil Bolsa Balcao	0.40	-35.90
Techtronic Industries Co., Ltd.	0.67	-35.02

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Naspers Limited Class N	26.91	0.23
HomeServe plc	28.24	0.10
AIA Group Limited	4.39	0.09
Swedish Match AB	34.84	0.07
Li Ning Company Limited	8.24	0.06
<b>Total</b>		<b>0.55</b>

Greatest Detractors	Return %	Contribution to Return %
Taiwan Semiconductor Manufacturing Co.	-22.84	-0.36
Southern Copper Corporation	-32.85	-0.30
First Quantum Minerals Ltd.	-45.36	-0.28
Techtronic Industries Co. Ltd.	-35.02	-0.28
ASML Holding NV	-29.38	-0.23
<b>Total</b>		<b>-1.45</b>

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### Quarterly Attribution:

#### Harbor Diversified International All Cap vs. MSCI All Country World Ex. US (ND) Index

03/31/2022 - 06/30/2022

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	-8.66	-8.33	-0.34
Currency Contribution	-5.62	-5.40	-0.22
<b>Total Return</b>	<b>-14.28</b>	<b>-13.73</b>	<b>-0.55</b>

#### 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
Information Technology	10.43	11.57	-1.14	-19.67	-22.62	2.95	-2.12	-2.76	0.11	0.33	0.44
Financials	21.77	20.45	1.32	-12.49	-14.29	1.79	-2.67	-2.92	-0.02	0.39	0.38
Industrials	19.69	11.97	7.72	-15.11	-17.09	1.98	-2.99	-2.09	-0.26	0.40	0.14
Consumer Staples	9.61	8.67	0.95	-7.70	-7.63	-0.07	-0.69	-0.61	0.05	-0.01	0.05
Real Estate	0.29	2.48	-2.19	-6.08	-13.51	7.43	-0.02	-0.33	0.00	0.02	0.02
Consumer Discretionary	11.55	11.00	0.55	-8.94	-8.41	-0.53	-0.95	-0.85	0.03	-0.07	-0.04
Utilities	0.29	3.39	-3.10	-16.98	-9.44	-7.54	-0.05	-0.32	-0.12	-0.02	-0.15
Communication Services	5.35	6.33	-0.98	-13.79	-10.70	-3.09	-0.72	-0.67	-0.03	-0.17	-0.20
Energy	4.52	5.89	-1.37	-9.97	-4.71	-5.26	-0.52	-0.35	-0.10	-0.22	-0.33
Materials	9.13	8.74	0.39	-25.18	-21.38	-3.79	-2.46	-1.98	-0.03	-0.38	-0.41
Health Care	6.27	9.52	-3.25	-16.69	-9.59	-7.10	-1.07	-0.86	-0.14	-0.44	-0.58
[Cash]	1.10	0.00	1.10	3.21	0.00	3.21	-0.02	0.00	0.12	0.00	0.12
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-14.28</b>	<b>-13.73</b>	<b>-0.55</b>	<b>-14.28</b>	<b>-13.73</b>	<b>-0.39</b>	<b>-0.16</b>	<b>-0.55</b>



**Quarterly Attribution:**

**Harbor Diversified International All Cap vs. MSCI All Country World Ex. US (ND) Index**

03/31/2022 - 06/30/2022

**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
Japan	14.81	13.86	0.95	-10.11	-14.63	4.52	-1.45	-2.02	0.00	0.66	0.65
Taiwan	3.97	4.50	-0.53	-18.16	-19.81	1.65	-0.77	-0.96	0.03	0.06	0.10
South Korea	2.02	3.57	-1.55	-22.62	-20.90	-1.71	-0.48	-0.79	0.12	-0.04	0.08
Ireland	0.98	0.37	0.61	-8.87	-19.55	10.68	-0.08	-0.07	-0.04	0.11	0.07
Sweden	1.73	2.21	-0.47	-20.24	-21.38	1.15	-0.36	-0.50	0.04	0.02	0.06
South Africa	3.53	1.08	2.45	-15.11	-23.00	7.89	-0.50	-0.25	-0.24	0.30	0.06
Germany	3.04	5.09	-2.04	-19.57	-18.13	-1.44	-0.61	-0.93	0.10	-0.05	0.05
Netherlands	2.46	2.65	-0.19	-18.00	-19.21	1.21	-0.45	-0.51	0.02	0.03	0.05
Brazil	0.83	1.57	-0.74	-28.63	-24.40	-4.23	-0.25	-0.40	0.08	-0.04	0.04
Norway	1.17	0.49	0.67	-10.84	-14.77	3.92	-0.13	-0.08	-0.01	0.05	0.04
Israel	0.00	0.46	-0.46	0.00	-20.01	20.01	0.00	-0.09	0.03	0.00	0.03
Poland	0.00	0.19	-0.19	0.00	-27.12	27.12	0.00	-0.05	0.03	0.00	0.03
United Arab Emirates	0.00	0.40	-0.40	0.00	-19.39	19.39	0.00	-0.09	0.02	0.00	0.02
Finland	0.60	0.62	-0.02	-7.94	-10.89	2.96	-0.05	-0.07	0.00	0.02	0.02
Australia	4.21	5.11	-0.90	-18.75	-18.11	-0.64	-0.84	-0.97	0.04	-0.02	0.02
Philippines	0.00	0.22	-0.22	0.00	-19.49	19.49	0.00	-0.05	0.01	0.00	0.01
Colombia	0.00	0.06	-0.06	0.00	-28.01	28.01	0.00	-0.02	0.01	0.00	0.01
Hungary	0.00	0.05	-0.05	0.00	-26.26	26.26	0.00	-0.01	0.01	0.00	0.01
Chile	0.00	0.15	-0.15	0.00	-15.90	15.90	0.00	-0.03	0.00	0.00	0.00
Belgium	0.21	0.60	-0.39	-10.49	-13.41	2.92	-0.02	-0.08	0.00	0.01	0.00
Greece	0.00	0.07	-0.07	0.00	-16.98	16.98	0.00	-0.01	0.00	0.00	0.00
Egypt	0.00	0.02	-0.02	0.00	-20.37	20.37	0.00	0.00	0.00	0.00	0.00
Russia	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Argentina	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kenya	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pakistan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turkey	0.00	0.08	-0.08	0.00	-10.93	10.93	0.00	-0.01	0.00	0.00	0.00
Indonesia	1.09	0.54	0.55	-12.36	-9.01	-3.34	-0.14	-0.05	0.03	-0.03	0.00
Malaysia	0.00	0.44	-0.44	0.00	-12.78	12.78	0.00	-0.06	0.00	0.00	0.00
Czech Republic	0.00	0.05	-0.05	0.00	-3.68	3.68	0.00	0.00	0.00	0.00	0.00
United States	0.01	0.00	0.01	-73.91	0.00	-73.91	-0.01	0.00	0.00	0.00	0.00
Qatar	0.00	0.30	-0.30	0.00	-10.75	10.75	0.00	-0.04	-0.01	0.00	-0.01
Portugal	0.00	0.14	-0.14	0.00	-6.11	6.11	0.00	-0.01	-0.01	0.00	-0.01
Singapore	0.98	0.91	0.08	-17.37	-16.76	-0.61	-0.18	-0.15	0.00	-0.01	-0.01
Kuwait	0.00	0.23	-0.23	0.00	-7.73	7.73	0.00	-0.02	-0.01	0.00	-0.01
India	4.58	3.80	0.78	-13.89	-13.65	-0.24	-0.63	-0.54	0.00	-0.02	-0.01
Saudi Arabia	0.00	1.29	-1.29	0.00	-12.48	12.48	0.00	-0.19	-0.01	0.00	-0.01
New Zealand	0.12	0.12	0.00	-29.38	-16.89	-12.49	-0.04	-0.02	0.00	-0.02	-0.02
Thailand	0.00	0.55	-0.55	0.00	-10.60	10.60	0.00	-0.06	-0.02	0.00	-0.02
Mexico	0.94	0.65	0.29	-17.29	-15.17	-2.12	-0.15	-0.09	0.00	-0.02	-0.02
Austria	0.37	0.12	0.25	-22.84	-17.22	-5.62	-0.09	-0.02	-0.01	-0.03	-0.03
Spain	1.04	1.52	-0.48	-10.02	-8.42	-1.60	-0.10	-0.12	-0.03	-0.01	-0.04
Canada	10.66	8.28	2.37	-16.19	-15.75	-0.45	-1.78	-1.34	-0.05	-0.04	-0.09
Denmark	3.72	1.69	2.03	-16.01	-11.96	-4.05	-0.62	-0.20	0.04	-0.15	-0.11
Switzerland	3.60	6.49	-2.89	-18.29	-14.49	-3.81	-0.67	-0.92	0.02	-0.14	-0.12
Italy	1.43	1.49	-0.06	-26.67	-17.66	-9.01	-0.39	-0.26	0.00	-0.13	-0.13
Peru	0.81	0.07	0.74	-32.85	-30.23	-2.62	-0.30	-0.02	-0.14	-0.02	-0.16
Hong Kong	3.53	3.24	0.29	-6.13	0.41	-6.54	-0.20	0.05	0.03	-0.22	-0.20
France	5.05	7.09	-2.04	-19.43	-14.66	-4.77	-0.99	-1.01	0.02	-0.25	-0.22
United Kingdom	16.28	9.90	6.38	-13.54	-10.48	-3.07	-2.16	-1.00	0.20	-0.48	-0.28
China	5.12	7.66	-2.54	2.32	3.61	-1.29	0.17	0.35	-0.41	-0.07	-0.48
[Cash]	1.10	0.00	1.10	3.21	0.00	3.21	-0.02	0.00	0.12	0.00	0.12
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-14.28</b>	<b>-13.73</b>	<b>-0.55</b>	<b>-14.28</b>	<b>-13.73</b>	<b>-0.01</b>	<b>-0.54</b>	<b>-0.55</b>



### Trailing 1 Year Attribution:

#### Harbor Diversified International All Cap vs. MSCI All Country World Ex. US (ND) Index

06/30/2021 - 06/30/2022

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	-10.43	-10.71	0.28
Currency Contribution	-8.79	-8.70	-0.08
<b>Total Return</b>	<b>-19.22</b>	<b>-19.42</b>	<b>0.20</b>

#### 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
Information Technology	10.77	12.67	-1.89	-23.91	-31.53	7.62	-2.67	-4.09	0.10	0.98	1.08
Consumer Discretionary	12.23	12.07	0.16	-26.42	-31.28	4.87	-3.08	-3.84	0.09	0.66	0.75
Communication Services	5.91	6.30	-0.39	-23.23	-26.67	3.45	-1.26	-1.73	-0.05	0.30	0.26
Real Estate	0.30	2.49	-2.19	-18.75	-23.13	4.37	-0.06	-0.59	0.08	0.01	0.10
Financials	20.43	19.72	0.71	-11.02	-10.37	-0.64	-2.35	-2.17	0.05	-0.10	-0.05
Energy	3.53	5.12	-1.58	19.29	8.10	11.19	0.28	0.13	-0.39	0.26	-0.13
Materials	8.63	8.40	0.23	-23.40	-19.11	-4.29	-2.23	-1.77	0.04	-0.40	-0.36
Utilities	0.34	3.17	-2.83	-29.93	-7.31	-22.62	-0.07	-0.24	-0.32	-0.06	-0.38
Industrials	19.32	12.16	7.16	-23.15	-21.93	-1.22	-4.48	-2.66	-0.18	-0.23	-0.41
Health Care	6.38	9.34	-2.96	-21.18	-15.45	-5.73	-1.26	-1.31	-0.14	-0.34	-0.48
Consumer Staples	10.17	8.57	1.60	-20.73	-14.09	-6.64	-1.98	-1.14	0.03	-0.67	-0.64
[Cash]	1.98	0.00	1.98	0.84	0.00	0.84	-0.06	0.00	0.47	0.00	0.47
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-19.22</b>	<b>-19.42</b>	<b>0.20</b>	<b>-19.22</b>	<b>-19.42</b>	<b>-0.22</b>	<b>0.42</b>	<b>0.20</b>





**Trailing 1 Year Attribution:**

**Harbor Diversified International All Cap vs. MSCI All Country World Ex. US (ND) Index**

06/30/2021 - 06/30/2022

**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
Japan	14.62	14.38	0.24	-13.10	-19.93	6.83	-2.04	-2.95	-0.04	0.99	0.95
Canada	9.33	7.64	1.70	-1.86	-7.95	6.09	-0.38	-0.70	0.18	0.51	0.69
China	4.46	8.33	-3.87	-32.34	-28.77	-3.56	-1.32	-2.47	0.84	-0.27	0.57
South Korea	2.01	3.68	-1.67	-31.26	-38.49	7.22	-0.83	-1.60	0.32	0.10	0.42
Hong Kong	3.39	3.19	0.19	-22.88	-31.60	8.72	-0.72	-1.00	0.08	0.29	0.37
Norway	0.97	0.44	0.53	26.54	-1.56	28.10	0.16	-0.02	0.08	0.21	0.28
Ireland	0.63	0.42	0.21	-2.61	-35.36	32.75	-0.03	-0.15	-0.06	0.23	0.17
Sweden	1.79	2.33	-0.54	-26.88	-30.98	4.10	-0.44	-0.71	0.08	0.08	0.16
Indonesia	0.86	0.45	0.42	8.67	16.09	-7.42	0.01	0.03	0.13	-0.04	0.09
Russia	0.52	0.71	-0.20	-99.25	-100.00	0.75	-0.83	-0.97	0.36	-0.28	0.08
Finland	0.60	0.64	-0.04	-10.54	-21.70	11.17	-0.05	-0.12	0.00	0.07	0.07
Poland	0.00	0.21	-0.21	0.00	-35.05	35.05	0.00	-0.07	0.03	0.00	0.03
Hungary	0.00	0.07	-0.07	0.00	-42.17	42.17	0.00	-0.03	0.02	0.00	0.02
Netherlands	2.52	2.92	-0.39	-29.47	-28.61	-0.86	-0.74	-0.80	0.05	-0.03	0.02
United States	0.11	0.00	0.11	-88.88	0.00	-88.88	0.01	0.00	0.01	0.00	0.01
Peru	0.66	0.06	0.60	-16.65	-7.53	-9.13	-0.16	-0.01	0.13	-0.12	0.01
Egypt	0.00	0.02	-0.02	0.00	-24.77	24.77	0.00	-0.01	0.00	0.00	0.00
Pakistan	0.00	0.00	0.00	0.00	-15.70	15.70	0.00	0.00	0.00	0.00	0.00
Israel	0.00	0.43	-0.43	0.00	-18.09	18.09	0.00	-0.09	0.00	0.00	0.00
Czech Republic	0.02	0.04	-0.02	12.45	27.36	-14.92	0.01	0.01	-0.01	0.00	0.00
South Africa	3.15	1.02	2.14	-19.75	-13.16	-6.60	-0.54	-0.14	0.17	-0.18	0.00
Belgium	0.20	0.58	-0.38	-25.06	-20.98	-4.08	-0.05	-0.12	0.01	-0.01	0.00
Argentina	0.00	0.02	-0.02	0.00	12.97	-12.97	0.00	0.00	-0.01	0.00	-0.01
Colombia	0.03	0.05	-0.03	5.86	3.27	2.60	0.00	0.00	-0.01	0.01	-0.01
Turkey	0.01	0.08	-0.07	-2.10	-9.03	6.94	0.00	-0.01	0.00	-0.01	-0.01
Kenya	0.04	0.00	0.04	-20.26	0.00	-20.26	-0.01	0.00	-0.01	0.00	-0.01
New Zealand	0.12	0.14	-0.01	-37.52	-25.76	-11.76	-0.05	-0.03	0.00	-0.02	-0.02
Philippines	0.03	0.21	-0.18	-11.01	-17.76	6.75	-0.02	-0.05	-0.01	-0.01	-0.02
Portugal	0.00	0.13	-0.13	0.00	1.40	-1.40	0.00	0.00	-0.02	0.00	-0.02
Malaysia	0.01	0.41	-0.40	5.82	-9.26	15.07	0.00	-0.04	-0.04	0.00	-0.04
Taiwan	4.74	4.50	0.24	-22.02	-20.44	-1.58	-1.04	-1.07	0.06	-0.11	-0.04
Greece	0.27	0.06	0.21	-9.37	-17.46	8.09	-0.06	-0.01	0.03	-0.08	-0.05
Australia	3.79	4.64	-0.85	-12.46	-13.05	0.59	-0.58	-0.67	-0.07	0.02	-0.05
Mexico	1.03	0.59	0.44	1.48	-0.73	2.21	-0.08	0.00	0.07	-0.13	-0.05
Spain	1.05	1.48	-0.44	-21.09	-16.28	-4.80	-0.20	-0.21	-0.02	-0.05	-0.06
Kuwait	0.00	0.19	-0.19	0.00	22.77	-22.77	0.00	0.03	-0.07	0.00	-0.07
Qatar	0.00	0.25	-0.25	0.00	17.36	-17.36	0.00	0.02	-0.07	0.00	-0.07
Singapore	1.23	0.79	0.44	-26.40	-20.97	-5.42	-0.30	-0.18	0.00	-0.07	-0.07
United Arab Emirates	0.00	0.32	-0.32	0.00	14.65	-14.65	0.00	0.01	-0.08	0.00	-0.08
Chile	0.10	0.13	-0.03	-16.02	-10.13	-5.89	-0.07	-0.02	-0.05	-0.04	-0.08
Thailand	0.06	0.51	-0.45	-8.66	-7.49	-1.17	-0.04	-0.05	-0.08	-0.01	-0.09
Austria	0.42	0.13	0.29	-40.74	-23.07	-17.66	-0.18	-0.03	0.01	-0.10	-0.09
Germany	3.44	5.53	-2.09	-40.66	-31.16	-9.50	-1.43	-1.68	0.27	-0.40	-0.12
France	5.12	7.20	-2.08	-20.62	-18.19	-2.43	-0.97	-1.20	-0.01	-0.12	-0.13
Italy	1.55	1.54	0.01	-33.37	-22.66	-10.71	-0.49	-0.33	0.01	-0.17	-0.16
Brazil	0.72	1.42	-0.69	-42.56	-23.30	-19.27	-0.43	-0.36	-0.12	-0.08	-0.20
Saudi Arabia	0.00	1.08	-1.08	0.00	10.33	-10.33	0.00	0.01	-0.27	0.00	-0.27
Denmark	3.79	1.68	2.12	-23.52	-10.52	-13.00	-0.86	-0.16	0.20	-0.50	-0.30
India	4.51	3.59	0.92	-15.96	-4.80	-11.16	-0.85	-0.28	0.07	-0.52	-0.45
Switzerland	3.68	6.37	-2.69	-22.59	-12.68	-9.91	-0.79	-0.76	-0.16	-0.36	-0.53
United Kingdom	16.43	9.43	7.01	-17.83	-4.00	-13.83	-2.79	-0.43	1.02	-2.09	-1.08
[Cash]	1.98	0.00	1.98	0.84	0.00	0.84	-0.06	0.00	0.47	0.00	0.47
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-19.22</b>	<b>-19.42</b>	<b>0.20</b>	<b>-19.22</b>	<b>-19.42</b>	<b>3.49</b>	<b>-3.29</b>	<b>0.20</b>

## 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.

## Disclosures

The MSCI All Country World Ex. US (ND) Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. 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](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

**Marathon Asset Management LLP is an independent subadviser to the Harbor Diversified International All Cap 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.