

Harbor International Small Cap Fund

Cedar Street Asset Management LLC

Subadvisor Since 05/23/2019

Total Net Assets - All Classes	\$162,482,821
Equity Assets:	89.88%
Cash & Other Assets Less Liabilities:	10.12%
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 Subadvisor's investment process utilizes a range of screening and idea sourcing methodologies to shrink the universe of securities to a manageable level. The Subadvisor primarily utilizes bottom-up research to identify companies with attractive valuations, as determined by the Subadvisor, while taking into account macroeconomic considerations.

CHARACTERISTICS & ALLOCATION

As of 12/31/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	83	2,277
Wtd Avg Market Cap (\$Mil)	1,797.70	2,505.20
Med Cap - # Stocks (\$Mil)	1,168.00	1,115.00
Price/Book Ratio	1.41	1.49
Adjusted Trailing P/E Ratio	12.20	14.10
% EPS Growth - Past 3 Yr	7.50	14.20
Return on Equity (%)	11.07	10.86
Beta vs. Fund Benchmark	0.94	
Forecasted P/E Ratio	11.70	15.10

Top 10 Holdings		
	Portfolio %	Benchmark %
Criteo SA Sponsored ADR	2.09	0.00
MaireTecnimont SpA	1.94	0.02
Virgin Money UK Plc	1.90	0.12
TietoEVERY Oyj	1.89	0.10
Aryzta AG	1.83	0.05
Technip Energies NV	1.79	0.09
BFF Bank SpA	1.72	0.05
Redde Northgate PLC	1.71	0.05
Victrex plc	1.71	0.07
Arjo AB Class B	1.69	0.03
Total	18.27	0.58

Top 10 Industries		
	Portfolio %	Benchmark %
Electronic Equipment	9.69	2.25
Machinery	8.43	6.31
Food Products	7.66	3.14
Media	5.10	1.52
Insurance	4.75	2.71
Health Care Equip	4.54	1.68
Commercial Serv & Suppl	4.39	2.33
Containers & Packaging	3.02	1.00
Software	2.68	1.95
Chemicals	2.60	3.55
Total	52.86	26.44

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	21.58	22.72
Information Technology	15.87	9.26
Consumer Staples	12.18	6.45
Financials	11.52	12.09
Consumer Discretionary	8.87	12.41
Materials	5.62	9.54
Health Care	5.42	6.86
Communication Services	5.10	3.82
Energy	2.19	2.92
Utilities	1.53	3.19
Real Estate	0.00	11.03

Top 10 Countries		
	Portfolio %	Benchmark %
Japan	23.81	31.87
United Kingdom	13.31	15.04
France	9.93	3.73
Germany	5.41	4.63
Switzerland	4.98	4.63
Sweden	4.83	5.60
Italy	3.66	3.22
Spain	3.39	1.95
Singapore	3.06	2.15
Australia	2.88	10.17
Total	75.26	82.99
Emerging Markets	0.00	0.10

Market Capitalization		
		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	0.00
Mid	5.0B - 10.0B	3.86
	1.0B - 5.0B	66.67
Small	0.0 - 1.0B	29.47



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	HAISX	411512569	16.52%	-8.29%	-8.29%	5.13%	2.73%	N/A	7.62%	02/01/16	0.96	1.25
Administrative	HRISX	411512551	16.42%	-8.55%	-8.55%	4.85%	2.45%	N/A	7.34%	02/01/16	1.21	1.50
Investor	HIISX	411512544	16.37%	-8.69%	-8.69%	4.74%	2.33%	N/A	7.22%	02/01/16	1.32	1.61
Retirement	HNISX	411512536	16.50%	-8.25%	-8.25%	5.20%	2.79%	N/A	7.69%	02/01/16	0.88	1.17
MSCI EAFE Small Cap (ND) Index			15.79%	-21.39%	-21.39%	-0.93%	-0.05%	N/A	5.75%	02/01/16		

MANAGER COMMENTARY

As of 12/31/2022

“From an equity markets perspective, non-U.S. equities appear more attractive than their U.S. counterparts from both a valuation and a fundamentals perspective.”

Cedar Street Asset Management LLC

Market in Review

Global inflationary pressures moderated in the fourth quarter, but with a high degree of variability across regions, as factors such as commodity input prices, energy prices, and supply chain bottlenecks either declined or halted their upward ascent.

Central banks in most developed economies continued to push for tighter monetary policies as overall inflation readings were still well above their target levels. Surprisingly, yields on the 10-year U.S. Treasury finished the quarter lower based on a narrative that the current tightening cycle would end more quickly than central banks are guiding. Coinciding with declining government bond yields, the U.S. dollar also moved sharply lower, finishing more than 9% below its late-September peak.

At a macro level, the Harbor International Small Cap Fund (“Fund”) benefited from a weakening U.S. dollar, providing a currency translation tailwind and a healthy reminder of the difficulty of predicting macroeconomic swings. The Fund also benefited from the continued favorable sentiment for value-style equities associated with a rising interest rate environment.

From a bottom-up perspective, many Fund holdings benefited from the current macro environment. Companies with significant U.S. dollar sales exposure reported stronger sales than expected. Companies with pricing power also continued to experience better-than-expected growth and margin expansion, especially compared to weaker industry peers.

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.

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.



Overall, our outlook has not changed much during the quarter. We continue to believe that real rates will need to increase before inflation can come under control. In the meantime, macroeconomic volatility will likely spur continued capital markets volatility. As such, we believe tying company fundamentals to valuation will continue to be an essential success factor for the Fund.

Portfolio Performance

During the fourth quarter of 2022, the Harbor International Small Cap Fund (Institutional Class) returned 16.52%, outperforming its benchmark, the MSCI EAFE Small Cap (ND) Index, which returned 15.79%.

On a relative basis, the Fund outperformed the core benchmark as macroeconomic crosscurrents shifted rapidly during the final month of the quarter. Broadly, the value segments of most major non-U.S. indexes outperformed their growth counterparts, and value factors generally outperformed most other factors. The Fund benefited from this favorable sentiment dynamic, as our investment process is designed to seek out attractively valued businesses that are also highly productive in terms of return on equity (ROE) or return on invested capital (ROIC).

From a sector perspective, stock selection in the Industrials and a lack of exposure to Real Estate were the biggest contributors to returns. Poor stock selection in the Materials, Consumer Staples, and Information Technology sectors was the biggest detractor to performance during the quarter.

From a geographic perspective, stock selection in the U.K. and Belgium drove positive contributions to returns, while stock selection in Japan detracted from returns.

Contributors & Detractors

Virgin Money, a U.K.-listed online bank, was a top performer during the quarter. The company announced better-than-expected results including lower impairments, better net interest margins, and guidance toward a cost-to-income ratio below 50% by 2024. The resulting implied return on tangible equity of 11% was well ahead of expectations. The company's board also raised its dividend to an implied yield of 6.8%. Despite residual concerns of a softening mortgage market, the shares are still attractively valued, in our view, for the quality of expected returns.

Anritsu, a Japanese manufacturer of communication network test equipment, was a top detractor in the Fund. The company downgraded its profitability outlook due to continued inflationary pressures in key customer segments, such as semiconductors and 5G mobile phone networks. At valuation multiples of 13x price-to-earnings (P/E) and 1.3x price-to-book (P/B), we continue to believe the shares are attractively valued. A weaker yen should also provide an additional level of support, in our view.

Buys & Sells

Arjo is a Swedish maker of medical equipment primarily for elderly and disabled patients. We entered this position as sentiment regarding the company's current operating environment is weak relative to structural growth opportunities in main product segments. We believe Arjo has several strategic levers that can accelerate future growth, and current valuation metrics offer an attractive entry point.

Globeride is a Japanese maker of sporting equipment and owner of the Daiwa fishing equipment brand. We initiated a position in the company during the quarter as sentiment weakened because of concerns that the post-COVID-19 environment would limit the company's growth prospects. Given its strategic initiatives around geographic expansion, technological product improvements, and strong brand, we believe near-term concerns are overblown and that shares are attractively valued for a business generating low-teens ROE.

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We exited Navigator, a Portuguese pulp-and-paper manufacturer. As both a producer and consumer of pulp, the company has been benefiting from the rising commodity price environment. With strong sales and profitability, ROE was expected to reach more than 20%. We exited our position to take profits and redeploy assets to positions with more favorable relative valuation dynamics.

During the quarter we exited our position in Hensoldt, a German defense electronics manufacturer. While we continue to believe that Hensoldt's future is promising, even beyond the current conflict in Europe, the share price no longer reflects much of a discount, and the expected defense programs that Hensoldt has been winning involve significant execution risk. We exited our position to take profits and redeploy assets to positions with more favorable relative valuation dynamics.

Outlook

As we begin a new year, new macroeconomic narratives are driving investor sentiment. Broad economic indicators suggest that global inflation may no longer be accelerating but continues to remain elevated in most places. Interestingly, many emerging market central banks increased lending rates early and aggressively and are now experiencing positive real rates, while developed market central banks reacted more slowly and are still experiencing negative real rates, especially the U.S. As such, we believe the U.S. dollar is likely to weaken and capital is likely to flow out of the U.S. as investors seek more favorable macroeconomic conditions.

From an equity markets perspective, non-U.S. equities appear more attractive than their U.S. counterparts from both a valuation and fundamentals perspective. Despite broad-based global equity market declines, U.S. equity indexes still appear to have higher valuation multiples and lower dividend yields than most non-U.S. equity indexes. U.S. dollar mean reversion could provide non-U.S. equities with a multiple expansion boost in the coming year.

Non-U.S. equities could also experience an earnings boost when U.S. dollar-denominated fourth-quarter sales are translated back to home currencies. Also, the negative sentiment around European equities could reverse, as energy-inspired inflation has not been nearly as bad as had been feared. Put another way, the hurdle for meeting or exceeding earnings expectations appears much lower outside the U.S.

At the geopolitical level, war in Ukraine, an increasingly assertive China, and an increasingly fragmented political landscape in the U.S., Brazil, and many parts of Europe still require an active approach to equity risk management. We continue to believe that maintaining healthy valuation discounts to account for various macro, fundamental, and geopolitical events is a sensible approach in the current environment.



Best & Worst Performers

Best Performers	Average Weight %	Return %
Virgin Money UK Plc	1.80	57.87
Redde Northgate PLC	1.76	56.13
Mersen SA	1.40	44.05
Coats Group plc	1.58	41.65
X-FAB Silicon Foundries SE	1.55	40.75

Worst Performers	Average Weight %	Return %
ROUND ONE Corporation	1.15	-16.15
Anritsu Corporation	1.55	-10.93
Elders Limited	1.25	-7.79
OPTEX GROUP Company Limited	1.29	-6.42
ARIAKE JAPAN Co. Ltd.	1.41	-4.61

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Virgin Money UK Plc	57.87	0.84
Redde Northgate PLC	56.13	0.83
Technip Energies NV	37.60	0.68
MaireTechnimont SpA	39.76	0.65
Coats Group plc	41.65	0.60
Total		3.60

Greatest Detractors	Return %	Contribution to Return %
Anritsu Corporation	-10.93	-0.18
ROUND ONE Corporation	-16.15	-0.17
OPTEX GROUP Company Limited	-6.42	-0.10
Arjo AB Class B	0.80	-0.08
TP ICAP Group plc	-1.89	-0.07
Total		-0.60

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Quarterly Attribution:
Harbor International Small Cap Fund vs MSCI All Country World (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	8.20	7.27	0.93
Currency Contribution	8.19	8.52	-0.33
Total Return	16.39	15.79	0.60

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	22.15	22.48	-0.33	26.60	17.55	9.05	5.77	3.94	0.00	1.92	1.92
Real Estate	0.00	11.17	-11.17	0.00	9.11	-9.11	0.00	1.01	0.79	0.00	0.79
Energy	3.22	3.01	0.21	26.47	11.38	15.09	0.90	0.38	0.01	0.52	0.53
Financials	12.62	11.94	0.68	24.45	22.59	1.86	2.92	2.64	0.07	0.24	0.31
Communication Services	4.81	3.97	0.84	19.84	13.82	6.02	0.95	0.57	-0.02	0.30	0.28
Utilities	1.59	3.17	-1.58	25.29	14.85	10.44	0.39	0.46	0.02	0.16	0.18
Health Care	4.52	6.85	-2.33	7.52	11.09	-3.57	0.31	0.79	0.09	-0.22	-0.13
Consumer Discretionary	8.79	12.06	-3.27	17.36	18.09	-0.73	1.47	2.13	-0.08	-0.07	-0.14
Information Technology	15.09	9.29	5.80	12.24	14.99	-2.75	1.85	1.39	-0.06	-0.37	-0.43
Consumer Staples	12.74	6.29	6.45	10.98	15.47	-4.49	1.34	0.91	-0.05	-0.56	-0.61
Materials	6.36	9.76	-3.40	4.03	15.70	-11.67	0.33	1.58	0.01	-0.85	-0.84
Total	100.00	100.00	0.00	16.39	15.79	0.60	16.39	15.79	-0.48	1.07	0.60



Quarterly Attribution:
Harbor International Small Cap Fund vs MSCI All Country World (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
France	9.79	3.49	6.30	28.71	23.56	5.15	2.66	0.81	0.49	0.47	0.96
United Kingdom	13.73	15.25	-1.52	26.16	18.85	7.31	3.38	2.96	-0.07	0.98	0.91
Israel	0.00	3.02	-3.02	0.00	-5.82	5.82	0.00	-0.16	0.72	0.00	0.72
Germany	6.50	4.47	2.03	29.33	23.10	6.23	1.87	1.02	0.19	0.33	0.53
Spain	2.86	1.85	1.01	32.87	22.27	10.60	0.85	0.40	0.07	0.27	0.35
Belgium	1.68	1.46	0.22	25.63	12.83	12.80	0.37	0.20	0.01	0.20	0.21
Italy	4.12	3.08	1.04	27.75	26.87	0.88	1.15	0.80	0.14	0.02	0.16
Denmark	1.57	1.96	-0.39	36.32	24.73	11.59	0.55	0.47	-0.03	0.17	0.14
Switzerland	5.02	4.69	0.33	20.80	18.30	2.50	0.99	0.86	0.03	0.11	0.14
New Zealand	0.00	1.19	-1.19	0.00	11.21	-11.21	0.00	0.12	0.05	0.00	0.05
Hong Kong	1.13	1.97	-0.84	28.09	21.35	6.74	0.28	0.34	-0.03	0.05	0.02
United States	0.00	0.02	-0.02	0.00	-9.95	9.95	0.00	0.00	0.01	0.00	0.01
Australia	3.96	10.72	-6.76	8.63	12.97	-4.34	0.40	1.45	0.20	-0.19	0.00
Liechtenstein	0.00	0.01	-0.01	0.00	3.01	-3.01	0.00	0.00	0.00	0.00	0.00
Luxembourg	0.00	0.20	-0.20	0.00	14.03	-14.03	0.00	0.03	0.00	0.00	0.00
Mexico	0.04	0.00	0.04	21.62	0.00	21.62	0.01	0.00	0.00	0.00	0.00
Portugal	0.70	0.28	0.42	13.29	17.66	-4.37	0.14	0.05	0.02	-0.02	0.00
Malta	0.00	0.09	-0.09	0.00	40.80	-40.80	0.00	0.03	-0.02	0.00	-0.02
Finland	1.66	1.57	0.09	24.21	27.46	-3.25	0.38	0.43	0.00	-0.03	-0.03
Austria	0.12	1.01	-0.89	-7.88	19.30	-27.18	-0.01	0.21	-0.03	-0.02	-0.05
Singapore	3.24	2.18	1.06	6.24	6.28	-0.04	0.25	0.11	-0.06	0.01	-0.05
Ireland	1.65	0.54	1.11	10.24	21.75	-11.51	0.16	0.14	0.07	-0.18	-0.12
Norway	0.00	2.33	-2.33	0.00	23.55	-23.55	0.00	0.54	-0.17	0.00	-0.17
Netherlands	3.95	1.87	2.08	10.54	21.53	-10.99	0.53	0.39	0.15	-0.42	-0.27
Sweden	4.42	5.39	-0.97	12.18	19.31	-7.13	0.58	1.08	-0.05	-0.38	-0.43
Canada	2.68	0.00	2.68	-3.93	0.00	-3.93	-0.09	0.00	-0.59	0.00	-0.59
Japan	23.08	31.36	-8.28	7.73	11.97	-4.24	1.75	3.50	0.45	-1.07	-0.62
Cash	8.09	0.00	8.09	1.57	0.00	1.57	0.17	0.00	-1.26	0.00	-1.26
Total	100.00	100.00	0.00	16.39	15.79	0.60	16.39	15.79	-1.39	1.98	0.60



Trailing 1 Year Attribution:
Harbor International Small Cap Fund vs MSCI All Country World (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	0.61	-13.60	14.21
Currency Contribution	-7.62	-7.79	0.17
Total Return	-7.01	-21.39	14.38

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	23.33	22.57	0.76	-2.12	-19.10	16.98	-0.24	-4.04	-0.01	3.92
Information Technology	17.10	9.57	7.53	-6.58	-30.94	24.36	-1.17	-3.19	-0.75	4.66	3.91
Consumer Discretionary	9.59	11.91	-2.32	-8.52	-25.59	17.07	-1.12	-3.10	0.01	1.79	1.80
Financials	13.20	11.59	1.61	0.22	-9.37	9.59	-0.02	-0.84	0.24	1.19	1.43
Real Estate	0.00	12.00	-12.00	0.00	-28.67	28.67	0.00	-3.98	1.04	0.00	1.04
Health Care	2.32	6.51	-4.19	-10.26	-33.65	23.39	0.12	-2.16	0.56	0.37	0.93
Communication Services	4.85	4.25	0.60	-14.27	-30.29	16.02	-0.77	-1.41	-0.07	0.87	0.80
Consumer Staples	12.51	6.12	6.39	-13.24	-14.99	1.75	-1.94	-0.90	0.45	0.20	0.65
Energy	3.30	2.56	0.74	20.07	22.42	-2.35	0.59	0.36	0.37	0.13	0.50
Utilities	0.56	3.23	-2.67	6.93	-8.48	15.41	0.12	-0.28	-0.42	0.15	-0.27
Materials	6.66	9.69	-3.03	-32.47	-17.69	-14.78	-2.68	-1.84	0.10	-1.48	-1.37
Total	100.00	100.00	0.00	-7.01	-21.39	14.38	-7.01	-21.39	2.57	11.80	14.38



Trailing 1 Year Attribution:
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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
United Kingdom	14.59	16.43	-1.84	-11.23	-31.08	19.85	-1.82	-5.47	0.23	3.16	3.39
Germany	7.52	4.81	2.71	0.03	-30.32	30.35	0.53	-1.56	-0.16	2.69	2.54
France	8.77	3.48	5.29	-11.56	-25.28	13.72	-0.51	-0.87	-0.13	1.55	1.42
Switzerland	4.96	4.79	0.17	7.93	-22.05	29.98	0.54	-0.96	0.05	1.38	1.42
Sweden	3.50	5.81	-2.31	-26.39	-41.75	15.36	-0.84	-2.72	0.68	0.49	1.16
Italy	4.27	2.95	1.32	-2.46	-21.34	18.88	0.07	-0.50	0.03	0.84	0.88
United States	0.88	0.02	0.86	12.80	-41.20	54.00	0.34	-0.02	0.46	0.17	0.63
Australia	3.94	10.40	-6.46	7.26	-17.97	25.23	0.07	-2.03	-0.26	0.80	0.54
Portugal	1.38	0.27	1.11	4.20	-3.02	7.22	0.14	-0.01	0.33	0.12	0.45
Finland	1.83	1.58	0.25	-5.87	-28.68	22.81	-0.09	-0.42	-0.03	0.45	0.42
Spain	3.09	1.89	1.20	0.47	-8.02	8.49	-0.06	-0.12	0.20	0.22	0.42
Denmark	1.72	1.83	-0.11	10.61	-14.24	24.85	0.22	-0.15	-0.01	0.38	0.37
Belgium	1.47	1.66	-0.19	-14.61	-25.56	10.95	-0.10	-0.47	-0.01	0.29	0.28
Israel	0.00	3.14	-3.14	0.00	-27.64	27.64	0.00	-1.02	0.25	0.00	0.25
Singapore	3.23	2.20	1.03	-6.59	-7.78	1.19	-0.20	-0.29	0.20	0.03	0.23
Japan	23.23	29.35	-6.12	-9.43	-12.05	2.62	-2.53	-3.31	-0.41	0.58	0.16
Netherlands	3.94	2.04	1.90	-16.85	-15.60	-1.25	-0.56	-0.30	0.23	-0.08	0.15
Ireland	1.48	0.59	0.89	-7.23	11.40	-18.63	0.01	0.07	0.28	-0.15	0.13
Luxembourg	0.00	0.21	-0.21	-13.76	-28.50	14.74	-0.01	-0.07	0.02	0.00	0.02
Liechtenstein	0.00	0.01	-0.01	0.00	-46.86	46.86	0.00	0.00	0.00	0.00	0.00
Mexico	0.01	0.00	0.01	11.02	0.00	11.02	0.00	0.00	0.00	0.00	0.00
Malta	0.00	0.09	-0.09	0.00	-8.76	8.76	0.00	0.00	-0.01	0.00	-0.01
Norway	0.00	2.43	-2.43	0.00	-21.11	21.11	0.00	-0.52	-0.01	0.00	-0.01
New Zealand	0.00	1.10	-1.10	0.00	-17.53	17.53	0.00	-0.20	-0.04	0.00	-0.04
Austria	0.03	0.96	-0.93	-7.88	-17.10	9.22	-0.01	-0.13	-0.04	-0.01	-0.05
Hong Kong	1.39	1.98	-0.59	-38.66	-10.63	-28.03	-0.89	-0.33	-0.04	-0.51	-0.55
Canada	2.17	0.00	2.17	-48.54	0.00	-48.54	-1.42	0.00	-0.85	0.00	-0.85
Cash	6.58	0.00	6.58	1.30	0.00	1.30	0.10	0.00	1.04	0.00	1.04
Total	100.00	100.00	0.00	-7.01	-21.39	14.38	-7.01	-21.39	-0.88	15.25	14.38

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.

Benchmarks

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.

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.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share. EPS Growth Rate is calculated by subtracting the initial EPS from the final EPS and dividing the change in EPS by the initial EPS. The Adjusted Trailing P/E (Price/ 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.

Return on Equity (ROE) is the measure of a company's net income divided by its shareholders' equity.

Return on Invested Capital (ROIC) is the amount of money a company makes that is above the average cost it pays for its debt and equity capital.

Price-to-Book (P/B) Ratio compares a company's market value to its book value. The market value of a company is its share price multiplied by the number of outstanding shares. The book value is the net assets of a company.

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.

Cedar Street Asset Management, LLC is a third party subadvisor to the Harbor International Small 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.