

Harbor Diversified International All Cap Fund

Marathon Asset Management LLP

Subadviser Since 11/02/2015

Total Net Assets - All Classes	\$1,206,028,865
Equity Assets:	97.26%
Cash & Other Assets Less Liabilities:	2.74%
Benchmark Name:	MSCI All Country World Ex. US (ND) Index

Portfolio Managers

Neil M. Ostrer	Charles Carter	Nick Longhurst	William J. Arah
Simon Somerville	Michael Nickson, CFA	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 09/30/2021

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	434	2,354
Wtd Avg Market Cap (\$Mil)	57,596.10	93,645.90
Med Cap - # Stocks (\$Mil)	10,584.00	9,972.00
Price/Book Ratio	2.86	2.68
Adjusted Trailing P/E Ratio	22.00	20.80
% EPS Growth - Past 3 Yr	3.70	4.50
Return on Equity (%)	10.74	10.75
Beta vs. Fund Benchmark	1.08	
Forecasted P/E Ratio	19.20	18.70
Proj. Earnings Growth Rate (%)	19.00	17.60

Top 10 Holdings		
	Portfolio %	Benchmark %
AIA Group Limited	1.85	0.53
Taiwan Semiconductor Ma	1.59	1.93
Hitachi,Ltd.	1.11	0.22
HDFC Bank Limited Spons	1.10	0.00
BP p.l.c.	1.10	0.35
Roche Holding Ltd	1.10	0.97
Tata Consultancy Servic	1.05	0.18
Housing Development Fin	1.02	0.24
Novo Nordisk A/S Class	0.99	0.61
Brookfield Asset Manage	0.98	0.26
Total	11.89	5.29

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	8.44	11.29
Insurance	6.14	4.36
Metals & Mining	5.17	3.62
Semiconductors	4.13	4.84
It Services	3.47	2.63
Machinery	3.37	2.16
Textiles Apparel & Lux	3.34	2.40
Hotels Rest & Leisure	2.92	1.28
Electrical Equipment	2.88	1.43
Capital Markets	2.74	2.35
Total	42.60	36.36

Economic Sectors		
	Portfolio %	Benchmark %
Financials	19.29	19.15
Industrials	18.88	12.19
Consumer Discretionary	14.31	12.64
Information Technology	11.12	13.07
Consumer Staples	9.71	8.34
Materials	7.81	7.99
Health Care	6.58	9.43
Communication Services	5.92	6.25
Energy	3.05	4.93
Utilities	0.31	2.97
Real Estate	0.28	2.48

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	16.50	9.07
Japan	15.08	15.38
Canada	8.38	7.02
Taiwan	5.36	4.36
France	5.13	7.11
India	4.80	3.60
China	4.39	9.40
Denmark	3.89	1.64
Hong Kong	3.79	1.86
Germany	3.75	5.77
Total	71.07	65.21
Emerging Markets	22.21	29.59

Market Capitalization		
		Portfolio %
Large	Above 25.0B	49.31
	10.0B - 25.0B	21.90
Mid	5.0B - 10.0B	10.24
	1.0B - 5.0B	14.64
Small	0.0 - 1.0B	0.87



Trusted Partnerships > Trusted Solutions



Performance & Fund Facts

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	-2.87%	8.83%	30.38%	8.76%	8.90%	N/A	7.45%	11/02/15	0.80	0.93
Administrative	HRIDX	411512585	-2.95%	8.60%	30.01%	8.46%	8.62%	N/A	7.18%	11/02/15	1.05	1.18
Investor	HIIDX	411512577	-2.96%	8.47%	29.92%	8.33%	8.50%	N/A	7.05%	11/02/15	1.16	1.29
Retirement	HNIDX	411512437	-2.80%	8.83%	30.47%	8.84%	8.98%	N/A	7.51%	03/01/16	0.72	0.85
MSCI All Country World Ex. US (ND) Index			-2.99%	5.90%	23.92%	8.03%	8.94%	N/A	7.82%	11/02/15		

MANAGER COMMENTARY

As of 09/30/2021

“The September sell-off (particularly in the U.S.) was driven largely by supply-chain issues, coupled with higher inflation, rising bond yields, and the potential for rising interest rates.”

Marathon Asset Management LLP (Marathon-London)

Market in Review

For much of the third quarter 2021, most regional markets posted positive performance, only to be wiped out in September, resulting in a flat quarter overall.

Stylistically, across all markets (except the emerging markets), growth and quality stocks were ahead of their value counterparts until September and ended roughly in line by the end of the quarter (in a similar vein to markets overall).

The September sell-off (particularly in the U.S.) was driven largely by supply-chain issues, coupled with higher inflation, rising bond yields, and the potential for rising interest rates. These factors negatively impacted growth stocks (large-cap Information Technology stocks in particular).

Emerging markets growth underperformed value throughout the quarter, owing largely to the continued underperformance of Alibaba and Tencent. The targeted interventionist tone of the government in China, pushing much more regulation on these Information Technology giants, has caused Alibaba to halve in value since its peak market cap.

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 market-cap perspective, mid-cap stocks performed in line with large-cap stocks across most major markets apart from emerging markets, where small- and mid-cap stocks outperformed.

This backdrop proved to be supportive for the Harbor Diversified International All Cap Fund (“Fund”), with the emerging-market sleeve benefiting from not owning Alibaba or Tencent and with a bias toward mid- and small-cap names. Equally, the European sleeve provided a boost to relative returns; however, we believe this was primarily driven by successful stock selection in that region.

Portfolio Performance

In the third quarter of 2021, the Harbor Diversified International All Cap Fund (Institutional Class) returned -2.87%, slightly outperforming its benchmark, the MSCI All Country World Ex US (ND) Index, which returned -2.99%.

Stock selection in Europe, notably the U.K. and France, contributed positively.

Within the emerging markets, the slight underweight allocation to China, a market that performed poorly relative to other markets in the index, contributed positively to relative returns. Conversely, stock selection in Canada contributed negatively to Fund performance.

Contributors & Detractors

Not owning Alibaba and Tencent contributed positively to the Fund’s performance. Chinese Information Technology stocks suffered further setbacks during the quarter, with the Chinese government regulating the online education sector and bringing into question the use of a particular legal structure used by many Chinese companies—including Alibaba and Tencent—to access foreign markets. Later in the quarter, new rules were introduced regarding the amount of time that children are permitted to spend playing online games, impacting the sector further.

Entain, the U.K.-listed global gaming company, performed well during the quarter following a bid for the business at a 46% premium to the pre-bid share price. The bid is from recently listed U.S. e-sports business DraftKings and is approximately double the sum offered by MGM resorts for the business at the start of the year.

An overweight position to Chinese internet company Baidu detracted from the Fund’s performance this quarter. The company suffered alongside its peers Alibaba and Tencent as Chinese Information Technology fell.

Energy prices moved sharply higher in the quarter benefiting most producers including, the largest stock in the index, Royal Dutch Shell. Marathon-London preferred other stocks in the sector, several of which were key contributors for the quarter. However, not owning Royal Dutch Shell resulted in a drag on performance.

Buys & Sells

Turnover was elevated during the quarter following the arrival of Alex Duffy, and much of the buying and selling activity was dominated by the emerging-market sleeve of the Fund. One notable new position was HDFC Bank. HDFC, a domestic Indian bank, has the potential to grow market share among its retail and SME client base through its strong brand. Other state-owned competitor banks tend to be inefficiently managed with balance sheet restrictions in place. A lack of state ownership, combined with long-term management, means HDFC considers risk in a manner more aligned to the interests of its shareholders.

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Country Allocation

The allocation to developing-market countries did not change materially as the Fund retains its broadly benchmark-region-neutral stance. However, Alex Duffy's arrival at the firm in June 2021 precipitated some notable changes to the Fund's emerging-market country exposures. Previously, the Fund was overweight Mexico, South Africa, and Greece. While the overweight to South Africa has been maintained, there is now a neutral exposure to Greece and a slight overweight to India. The significant underweight to China has also been maintained, although it has been reduced somewhat.

Outlook

While Marathon-London 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.

European markets had a weak quarter; however, performance was widely dispersed between the best (Austria: +10.39%) and worst (Germany: -4.26%) performers. Some of the dispersion reflects country-specific factors, but much reflects the relative weights of different sectors and the very small size of some markets in the mix.

The quarter started strong, with positive earnings revisions buoying markets. However, as in North America, worries began to show themselves later in the quarter. Supply-chain issues caused some companies to revise their earnings forecasts downward and increase prices for those goods that they could produce and get to consumers. A shortage of natural gas, caused by low levels of wind needed for electricity generation, led to higher Energy prices. Inflation has risen; however, the European Central Bank considers this a transitory overshoot of its 2% inflation target. Combined, these factors depressed overall market performance by quarter-end.

Japan was the best performing major market for the period, with the TOPIX returning 4.8% and the Nikkei 225 returning 2.3%. In fact, the market hit a notable milestone during the quarter, with the Nikkei finally surpassing its previous peak after more than 31 years. Interestingly, the dynamics of the market were nearly opposite those of most other regions—treading water for the first two months before (comparatively) soaring in September.

The Pacific ex-Japan region performed poorly during the third quarter, recording a -4.4% return, which was strongly impacted by the -9.4% return of the Hong Kong market. Only New Zealand posted a positive return. Although not in the index, much of the explanation for the decline lies with China. (See the emerging markets section below for details.)

In Australia, the economy was hit by further COVID-19-related lockdowns and restrictions which caused many businesses to shut down or reduce production (though shares in the locally listed Domino's Pizza franchise benefited!). At the same time, the bottlenecks in global supply chains hit the country's listed commodities producers.

Emerging Markets were the weakest global market segment, with the MSCI Emerging Markets (ND) Index returning -8.09% over the period. Once again, performance was highly differentiated between markets, with more than 42% separating the best (Argentina) and worst (Brazil) performers. However, it was the precipitous decline in the Chinese market that set the tone for the region and the global index this quarter.

Contributing to the weakness was financial trouble at China's second largest property developer, Evergrande, which missed a payment on some of its USD-denominated debt. Though not yet technically in default, the fear of contagion from such a large default upset markets.

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In addition, the Chinese government became increasingly critical of wealth inequality and made negative statements about gambling which fueled fears that casinos (particularly those in Macau) may be the next industry subject to new rules and restrictions. As a result, demand for luxury goods plummeted as consumers became wary of displaying conspicuous wealth.

QUARTERLY ATTRIBUTION

As of 09/30/2021

Best & Worst Performers

Best Performers	Average Weight %	Return %
NTT DATA Corporation	0.31	24.74
Equinor ASA	0.46	21.13
Dai-ichi Life Holdings, Inc.	0.42	20.95
Chailease Holding Co. Ltd.	0.29	19.94
Entain PLC	0.59	19.10

Worst Performers	Average Weight %	Return %
Adecco Group AG	0.34	-25.88
Baidu Inc Sponsored ADR Class A	0.58	-24.60
SK hynix Inc	0.44	-23.16
BHP Group Ltd	0.31	-20.70
GN Store Nord A/S	0.44	-20.59

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Novo Nordisk A/S Class B	16.04	0.13
Entain PLC	19.10	0.10
Equinor ASA	21.13	0.09
Bharti Airtel Limited	11.81	0.08
China Mengniu Dairy Co., Ltd.	6.56	0.08
Total		0.48

Greatest Detractors	Return %	Contribution to Return %
Baidu Inc Sponsored ADR Class A	-24.60	-0.22
Samsung Electronics Co., Ltd.	-12.33	-0.20
Adecco Group AG	-25.88	-0.10
African Rainbow Minerals Limited	-27.15	-0.10
GN Store Nord A/S	-20.59	-0.10
Total		-0.72

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Quarterly Attribution:

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

06/30/2021 - 09/30/2021

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-0.16	-1.30	1.14
Currency Contribution	-1.81	-1.69	-0.12
Total Return	-1.96	-2.99	1.02

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
Consumer Discretionary	14.08	13.05	1.03	-3.98	-11.48	7.49	-0.54	-1.58	-0.06	1.11	1.05
Communication Services	6.64	6.37	0.27	-1.50	-9.97	8.47	-0.10	-0.67	-0.06	0.62	0.56
Financials	19.08	18.76	0.32	1.77	1.07	0.70	0.35	0.19	0.01	0.13	0.15
Real Estate	0.35	2.56	-2.21	-3.06	-6.42	3.37	-0.02	-0.17	0.08	0.01	0.08
Utilities	0.35	3.06	-2.71	-5.86	-1.92	-3.94	-0.01	-0.05	-0.03	-0.01	-0.04
Health Care	6.97	9.49	-2.52	-2.51	-1.92	-0.59	-0.15	-0.17	-0.02	-0.04	-0.06
Consumer Staples	10.62	8.54	2.08	-3.53	-3.42	-0.11	-0.39	-0.29	-0.01	-0.04	-0.06
Materials	7.68	8.35	-0.67	-7.29	-5.54	-1.75	-0.58	-0.44	-0.02	-0.14	-0.15
Information Technology	10.21	13.26	-3.05	-1.98	-0.95	-1.03	-0.26	-0.14	-0.10	-0.08	-0.18
Energy	2.98	4.46	-1.48	6.89	6.70	0.19	0.16	0.30	-0.19	0.01	-0.18
Industrials	18.67	12.10	6.57	-2.37	0.44	-2.81	-0.42	0.03	0.24	-0.51	-0.27
[Cash]	2.37	0.00	2.37	0.19	0.00	0.19	0.00	0.00	0.12	0.00	0.12
Total	100.00	100.00	0.00	-1.96	-2.99	1.02	-1.96	-2.99	-0.04	1.06	1.02

Harbor Diversified International All Cap Fund

ATTRIBUTION

As of 09/30/2021



Quarterly Attribution:

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

06/30/2021 - 09/30/2021

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
China	3.40	9.01	-5.61	-15.33	-15.58	0.25	-0.49	-1.56	0.93	-0.03	0.89
Hong Kong	2.67	3.33	-0.67	-11.00	-20.50	9.50	-0.25	-0.75	0.14	0.35	0.49
United Kingdom	16.27	9.05	7.22	1.38	-0.30	1.68	0.24	-0.01	0.21	0.26	0.47
France	5.11	7.19	-2.08	3.10	-1.96	5.06	0.16	-0.13	-0.03	0.25	0.23
Italy	1.53	1.55	-0.01	5.58	-1.08	6.65	0.09	-0.02	0.00	0.10	0.10
Norway	0.79	0.39	0.39	14.20	5.20	9.00	0.11	0.02	0.03	0.07	0.10
Brazil	1.31	1.50	-0.19	-19.34	-20.19	0.85	-0.21	-0.32	0.07	0.03	0.09
South Korea	2.58	3.90	-1.32	-13.40	-13.23	-0.17	-0.42	-0.54	0.11	-0.04	0.08
Indonesia	0.49	0.36	0.13	7.61	9.42	-1.80	0.06	0.03	0.03	0.01	0.03
Ireland	0.45	0.46	-0.01	7.28	-0.02	7.30	0.03	0.00	0.00	0.03	0.03
United States	0.40	0.00	0.40	-4.51	0.00	-4.51	0.03	0.00	0.03	0.00	0.03
Japan	14.40	14.73	-0.33	4.88	4.56	0.31	0.61	0.57	-0.02	0.05	0.03
Finland	0.60	0.68	-0.09	1.94	-3.13	5.07	0.01	-0.02	0.00	0.03	0.03
Sweden	1.87	2.39	-0.53	-0.37	-2.15	1.78	0.00	-0.05	-0.01	0.03	0.03
Germany	3.87	5.88	-2.01	-4.62	-4.26	-0.37	-0.17	-0.24	0.03	-0.01	0.01
Czech Republic	0.08	0.03	0.04	12.45	14.22	-1.77	0.01	0.00	0.01	0.00	0.01
Australia	3.57	4.42	-0.85	-2.78	-3.03	0.25	-0.10	-0.13	0.00	0.01	0.01
Spain	1.09	1.50	-0.42	-2.78	-3.26	0.49	-0.03	-0.05	0.00	0.01	0.01
Pakistan	0.00	0.01	-0.01	0.00	-17.48	17.48	0.00	0.00	0.00	0.00	0.00
Singapore	1.37	0.68	0.69	-1.53	-0.01	-1.52	-0.02	0.00	0.02	-0.02	0.00
Colombia	0.10	0.05	0.06	5.86	10.21	-4.35	0.01	0.00	-0.01	0.01	0.00
Egypt	0.00	0.02	-0.02	0.00	4.25	-4.25	0.00	0.00	0.00	0.00	0.00
Turkey	0.04	0.08	-0.04	-2.10	1.94	-4.03	0.00	0.00	0.00	-0.01	-0.01
Kenya	0.14	0.00	0.14	-7.76	0.00	-7.76	-0.01	0.00	-0.01	0.00	-0.01
Hungary	0.00	0.07	-0.07	0.00	7.69	-7.69	0.00	0.01	-0.01	0.00	-0.01
Portugal	0.00	0.12	-0.12	0.00	3.63	-3.63	0.00	0.00	-0.01	0.00	-0.01
New Zealand	0.12	0.15	-0.03	-3.91	1.83	-5.74	0.00	0.00	0.00	-0.01	-0.01
Poland	0.00	0.22	-0.22	0.00	1.22	-1.22	0.00	0.00	-0.01	0.00	-0.01
Argentina	0.00	0.05	-0.05	0.00	22.10	-22.10	0.00	0.01	-0.01	0.00	-0.01
Malaysia	0.04	0.38	-0.35	5.82	0.24	5.57	0.00	0.00	-0.02	0.00	-0.02
Kuwait	0.00	0.17	-0.17	0.00	8.98	-8.98	0.00	0.01	-0.02	0.00	-0.02
United Arab Emirates	0.00	0.23	-0.23	0.00	6.37	-6.37	0.00	0.01	-0.02	0.00	-0.02
Qatar	0.00	0.21	-0.21	0.00	7.29	-7.29	0.00	0.01	-0.02	0.00	-0.02
Israel	0.00	0.38	-0.38	0.00	2.77	-2.77	0.00	0.01	-0.02	0.00	-0.02
Philippines	0.11	0.18	-0.08	-11.01	-3.57	-7.44	-0.03	-0.01	-0.01	-0.01	-0.02
Taiwan	5.16	4.35	0.81	-2.47	-2.06	-0.41	-0.15	-0.10	0.00	-0.02	-0.02
Belgium	0.20	0.58	-0.38	-21.02	-5.64	-15.38	-0.05	-0.03	0.01	-0.04	-0.03
Denmark	4.02	1.70	2.32	-1.56	2.64	-4.20	-0.05	0.04	0.13	-0.16	-0.03
Thailand	0.24	0.48	-0.25	-8.66	-3.57	-5.09	-0.05	-0.02	-0.03	-0.01	-0.04
Peru	0.36	0.05	0.30	-11.04	-11.02	-0.02	-0.08	-0.01	0.01	-0.07	-0.06
Austria	0.47	0.13	0.34	-12.75	10.39	-23.14	-0.06	0.01	0.04	-0.11	-0.06
Greece	1.00	0.05	0.95	-7.50	2.04	-9.54	-0.07	0.00	0.04	-0.11	-0.06
Chile	0.39	0.13	0.26	-16.02	-7.83	-8.19	-0.09	-0.01	-0.04	-0.05	-0.08
Mexico	2.24	0.56	1.68	-3.96	1.41	-5.37	-0.11	0.01	0.11	-0.20	-0.10
Saudi Arabia	0.00	0.92	-0.92	0.00	8.17	-8.17	0.00	0.07	-0.10	0.00	-0.10
Russia	0.54	1.06	-0.52	0.41	9.53	-9.12	0.00	0.10	-0.05	-0.06	-0.11
Canada	8.14	7.04	1.10	-4.17	-2.53	-1.64	-0.31	-0.16	0.01	-0.13	-0.12
India	3.59	3.32	0.28	8.08	12.57	-4.49	0.21	0.38	0.07	-0.21	-0.14
Switzerland	3.74	6.23	-2.49	-8.32	-3.28	-5.05	-0.29	-0.18	0.02	-0.19	-0.17
Netherlands	2.50	3.00	-0.50	-4.26	3.12	-7.38	-0.12	0.07	-0.04	-0.17	-0.20
South Africa	2.67	1.01	1.66	-13.55	-5.75	-7.79	-0.38	-0.06	-0.02	-0.24	-0.27
[Cash]	2.37	0.00	2.37	0.19	0.00	0.19	0.00	0.00	0.12	0.00	0.12
Total	100.00	100.00	0.00	-1.96	-2.99	1.02	-1.96	-2.99	1.68	-0.66	1.02



Trailing 1 Year Attribution:

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

09/30/2020 - 09/30/2021

Performance

	Portfolio	Benchmark	Active
Return ex Currency	30.83	23.94	6.89
Currency Contribution	1.26	-0.02	1.29
Total Return	32.09	23.92	8.17

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
Consumer Discretionary	14.01	13.59	0.43	31.30	10.07	21.23	4.49	1.80	0.00	2.57	2.57
Communication Services	7.66	6.99	0.66	31.03	8.88	22.15	2.67	0.89	-0.01	1.54	1.52
Financials	17.21	18.43	-1.22	51.37	42.47	8.90	7.52	7.03	-0.26	1.19	0.93
Industrials	19.49	11.83	7.66	30.81	28.36	2.45	6.27	3.24	0.32	0.53	0.85
Health Care	7.26	9.39	-2.13	14.78	10.08	4.70	1.01	0.98	0.27	0.29	0.57
Utilities	0.45	3.19	-2.74	-4.77	10.41	-15.18	0.08	0.44	0.38	0.04	0.43
Consumer Staples	11.36	8.73	2.62	16.13	9.71	6.43	2.05	0.94	-0.35	0.78	0.43
Information Technology	9.78	12.59	-2.81	41.32	36.66	4.67	3.89	4.02	-0.24	0.58	0.34
Real Estate	0.43	2.65	-2.22	14.08	12.48	1.60	0.08	0.38	0.29	0.05	0.34
Materials	7.43	8.22	-0.79	29.73	27.00	2.73	2.31	2.15	-0.01	0.30	0.29
Energy	3.02	4.39	-1.37	73.09	55.44	17.65	1.73	2.03	-0.33	0.41	0.08
[Cash]	1.90	0.00	1.90	-11.84	0.00	-11.84	-0.02	0.00	-0.17	0.00	-0.17
Total	100.00	100.00	0.00	32.09	23.92	8.17	32.09	23.92	-0.12	8.29	8.17



Trailing 1 Year Attribution:

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

09/30/2020 - 09/30/2021

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
China	2.85	11.16	-8.31	15.27	-5.40	20.66	0.42	0.16	2.17	0.55	2.72
United Kingdom	16.31	8.88	7.44	34.10	31.20	2.90	5.58	2.62	0.53	0.44	0.97
Hong Kong	1.75	2.59	-0.84	32.11	5.93	26.18	0.42	-0.07	0.11	0.56	0.67
Germany	3.88	5.86	-1.98	29.97	16.48	13.49	1.15	0.99	0.15	0.48	0.63
Switzerland	3.57	6.04	-2.47	21.22	14.45	6.78	0.80	0.89	0.31	0.26	0.57
Canada	7.64	6.71	0.93	39.80	33.90	5.90	2.85	2.07	0.12	0.39	0.51
France	4.85	6.99	-2.14	49.60	34.06	15.55	2.20	2.28	-0.19	0.59	0.41
United States	0.88	0.00	0.88	54.11	0.00	54.11	0.73	0.00	0.41	0.00	0.41
Italy	1.41	1.51	-0.11	69.84	33.39	36.45	0.83	0.48	0.01	0.38	0.39
Chile	0.57	0.15	0.42	87.28	18.73	68.55	0.46	0.04	-0.03	0.36	0.33
South Africa	2.31	1.09	1.22	43.96	27.18	16.78	0.82	0.31	0.07	0.25	0.32
Greece	1.27	0.04	1.23	49.50	30.39	19.11	0.63	0.01	0.06	0.25	0.31
Ireland	0.37	0.44	-0.08	137.86	21.84	116.02	0.28	0.10	0.02	0.23	0.25
India	2.63	2.95	-0.32	65.36	53.12	12.23	1.38	1.29	0.03	0.18	0.21
Finland	0.61	0.66	-0.05	44.58	16.61	27.97	0.26	0.11	0.01	0.16	0.17
Norway	0.78	0.38	0.40	55.75	45.43	10.32	0.38	0.15	0.08	0.07	0.15
Mexico	2.85	0.54	2.31	33.83	51.13	-17.31	1.03	0.24	0.56	-0.42	0.14
New Zealand	0.12	0.17	-0.05	80.14	-2.29	82.42	0.08	0.00	0.03	0.09	0.12
Malaysia	0.08	0.43	-0.35	-1.62	1.39	-3.01	-0.01	0.02	0.09	0.00	0.09
Indonesia	0.46	0.38	0.08	23.88	26.42	-2.54	0.20	0.11	0.05	0.03	0.08
Czech Republic	0.13	0.03	0.10	88.11	85.19	2.92	0.10	0.02	0.05	0.02	0.07
Philippines	0.21	0.21	0.00	32.33	13.26	19.08	0.10	0.04	0.00	0.07	0.07
South Korea	3.74	4.01	-0.27	25.21	27.82	-2.62	1.33	1.12	0.17	-0.11	0.06
Spain	0.90	1.51	-0.62	46.86	31.36	15.49	0.32	0.49	-0.07	0.12	0.05
Brazil	1.94	1.48	0.46	12.01	20.98	-8.97	0.60	0.35	0.25	-0.21	0.05
Qatar	0.00	0.21	-0.21	0.00	14.95	-14.95	0.00	0.03	0.04	0.00	0.04
Singapore	1.16	0.67	0.49	29.18	29.98	-0.79	0.28	0.19	0.04	0.00	0.04
Egypt	0.00	0.02	-0.02	0.00	-13.69	13.69	0.00	0.00	0.02	0.00	0.02
Belgium	0.23	0.60	-0.37	5.70	18.84	-13.14	0.04	0.13	0.03	0.00	0.02
Austria	0.45	0.12	0.33	38.20	98.20	-59.99	0.16	0.08	0.19	-0.16	0.02
Colombia	0.25	0.05	0.20	24.96	31.73	-6.78	0.09	0.02	0.00	0.02	0.02
Portugal	0.00	0.11	-0.11	0.00	19.53	-19.53	0.00	0.02	0.02	0.00	0.02
Pakistan	0.00	0.01	-0.01	0.00	-16.90	16.90	0.00	0.00	0.02	0.00	0.02
Argentina	0.00	0.04	-0.04	0.00	47.17	-47.17	0.00	0.02	0.00	0.00	0.00
Taiwan	4.90	4.18	0.72	39.41	43.25	-3.84	1.77	1.51	0.12	-0.12	0.00
Poland	0.00	0.21	-0.21	0.00	29.47	-29.47	0.00	0.06	0.00	0.00	0.00
Israel	0.00	0.38	-0.38	0.00	28.37	-28.37	0.00	0.11	0.00	0.00	0.00
Turkey	0.08	0.09	-0.01	-18.67	5.15	-23.82	-0.02	0.01	0.02	-0.02	-0.01
Kuwait	0.00	0.13	-0.13	0.00	29.70	-29.70	0.00	0.04	-0.01	0.00	-0.01
Hungary	0.00	0.07	-0.07	0.00	72.75	-72.75	0.00	0.04	-0.01	0.00	-0.01
United Arab Emirates	0.00	0.19	-0.19	0.00	50.57	-50.57	0.00	0.08	-0.02	0.00	-0.02
Thailand	0.61	0.54	0.07	9.71	20.07	-10.36	0.14	0.13	-0.01	-0.02	-0.03
Kenya	0.15	0.00	0.15	-0.94	0.00	-0.94	-0.01	0.00	-0.04	0.00	-0.04
Peru	0.12	0.06	0.06	-16.28	-5.78	-10.50	-0.09	0.00	0.04	-0.09	-0.06
Japan	15.04	15.34	-0.29	21.76	22.07	-0.30	3.41	3.36	0.02	-0.08	-0.06
Sweden	1.88	2.24	-0.37	27.16	31.38	-4.22	0.52	0.65	0.00	-0.07	-0.08
Saudi Arabia	0.00	0.84	-0.84	0.00	47.67	-47.67	0.00	0.33	-0.12	0.00	-0.12
Russia	0.60	0.96	-0.36	50.50	59.37	-8.87	0.26	0.47	-0.09	-0.04	-0.13
Denmark	4.25	1.58	2.67	19.75	28.32	-8.57	0.99	0.42	-0.05	-0.18	-0.23
Australia	4.03	4.42	-0.39	23.27	31.69	-8.42	1.13	1.33	0.03	-0.30	-0.27
Netherlands	2.24	2.73	-0.49	20.58	46.46	-25.88	0.48	1.09	-0.06	-0.44	-0.51
[Cash]	1.90	0.00	1.90	-11.84	0.00	-11.84	-0.02	0.00	-0.21	0.00	-0.21
Total	100.00	100.00	0.00	32.09	23.92	8.17	32.09	23.92	4.96	3.21	8.17

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 02/28/2022.

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.

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 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.