

# Harbor International Core Fund

Acadian Asset Management LLC

Subadvisor Since 03/01/2019

<b>Total Net Assets - All Classes</b>	\$155,148,650
<b>Equity Assets:</b>	99.70%
<b>Cash &amp; Other Assets Less Liabilities:</b>	0.30%
<b>Benchmark Name:</b>	MSCI EAFE (ND) Index

## Portfolio Managers



Brendan O. Bradley, Ph.D. Ryan D. Taliaferro, Ph.D.

## Investment Philosophy

The Fund invests at least 80% of its assets in a diversified portfolio of non-U.S. equity securities. It invests primarily in the stocks of foreign companies located in developed markets, but it may also invest up to 15% of its assets in the securities of companies located in emerging markets. The Fund invests in stocks across the market capitalization spectrum. The Subadvisor manages the fund using an active, quantitative investment strategy. In selecting investments for the Fund, the Subadvisor forecasts expected returns for individual securities relative to global equity markets using a range of quantitative factors, including: valuation, earnings, quality, price patterns, economic data, and risk. The Subadvisor emphasizes those factors that it believes will prove most effective in predicting returns.

## CHARACTERISTICS & ALLOCATION

As of 06/30/2023

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	633	798
Wtd Avg Market Cap (\$Mil)	53,856.10	86,664.40
Median Market Cap (\$Mil)	716.00	12,500.00
Price/Book Ratio	2.50	2.33
Adjusted Trailing P/E Ratio	17.60	18.20
% EPS Growth - Past 3 Yr	24.70	21.00
Est 3-5 Yr EPS Growth Rate (%)	8.70	9.20
Return on Equity (%)	16.00	13.44
Beta vs. Fund Benchmark	0.94	
Forecasted P/E Ratio	15.00	16.20

Top 10 Holdings		
	Portfolio %	Benchmark %
Novo Nordisk A/S Class	3.12	1.71
Hermes International SC	2.50	0.44
Industria de Diseno Tex	2.48	0.27
Siemens Aktiengesellsch	2.48	0.81
Compagnie Financiere Ri	2.33	0.57
Wolters Kluwer N.V.	2.18	0.21
Roche Holding Ltd Divid	2.06	1.38
Volvo AB Class B	1.81	0.20
BP p.l.c. Sponsored ADR	1.62	0.00
E.ON SE	1.60	0.18
<b>Total</b>	<b>22.18</b>	<b>5.77</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Pharmaceuticals	10.15	9.21
Textiles Apparel & Lux	7.73	3.46
Software	6.53	1.66
Machinery	5.95	3.06
Metals & Mining	4.87	3.30
Oil Gas & Consumables	4.67	4.16
Specialty Retail	4.05	0.87
Banks	3.93	9.36
Passenger Airlines	3.81	0.15
Professional Services	3.50	1.58
<b>Total</b>	<b>55.19</b>	<b>36.81</b>

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	26.38	16.24
Consumer Discretionary	16.89	12.59
Information Technology	15.52	8.24
Health Care	11.73	13.16
Financials	8.63	18.23
Materials	7.84	7.42
Energy	5.58	4.21
Communication Services	2.34	4.15
Utilities	2.28	3.44
Consumer Staples	2.02	10.07
Real Estate	0.49	2.27

Top 10 Countries		
	Portfolio %	Benchmark %
Japan	18.16	22.46
Germany	10.65	8.66
United Kingdom	10.18	14.74
Switzerland	8.36	10.04
Australia	7.84	7.31
France	7.70	12.36
Denmark	5.25	3.06
Sweden	4.27	3.23
Israel	3.62	0.63
Netherlands	3.57	4.63
<b>Total</b>	<b>79.60</b>	<b>87.12</b>
<b>Emerging Markets</b>	<b>5.94</b>	<b>0.00</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	42.61
	10.0B - 25.0B	22.10
Mid	5.0B - 10.0B	15.88
	1.0B - 5.0B	12.02
Small	0.0 - 1.0B	7.38



### 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	HAOSX	411512163	2.00%	5.95%	11.07%	9.17%	N/A	N/A	6.74%	03/01/19	0.85	1.24
Investor	HAONX	411512130	2.01%	5.79%	10.67%	8.76%	N/A	N/A	6.35%	03/01/19	1.21	1.60
Retirement	HAORX	411512155	2.00%	5.94%	11.10%	9.23%	N/A	N/A	6.82%	03/01/19	0.77	1.16
MSCI EAFE (ND) Index			2.95%	11.67%	18.77%	8.93%	N/A	N/A	5.85%	03/01/19		

## MANAGER COMMENTARY

As of 06/30/2023

**“The composition of inflation may be decisive in the months ahead. Will core inflation prove to be ‘stickier’ than headline inflation has been?”**

Acadian Asset Management LLC

### Market in Review

Global equities ended the second quarter of 2023 with a gain of 7.1% — after posting slightly positive returns in April, selling off in May, and rallying in June — as inflation fears ultimately diminished with the fall of global energy prices. However, while global inflation cooled somewhat, core inflation remained sticky, causing most major developed markets’ central banks to maintain their hawkish stances. Japanese equities have been a standout within developed markets, as Japan’s economy benefits from its central bank’s quantitative easing. Global markets were further impacted by the debt ceiling impasse in the U.S., which kept investors on the sidelines for most of May. Chinese equities exerted a downward pressure on emerging markets returns. However, in June, they experienced a significant rally due to the anticipation of additional economic stimulus. Investors observed that several emerging markets’ economies performed better than anticipated, and the decline in inflation has placed emerging markets’ central banks in a relatively advantageous position compared to their counterparts in developed markets.

### Portfolio Performance

During the second quarter, the Harbor International Core Fund (Institutional Class, “Fund”) returned 2.00%, underperforming its benchmark, the MSCI EAFE (ND) Index, which returned 2.95%.

Stock selection detracted from Fund returns, while country allocations were negative. Key sources of negative active return included a combination of stock selection and an underweight position in Japan, a combination of stock selection and an overweight position in Australia, and an overweight position in Israel. Contributors included a combination of stock selection and an underweight position in Sweden, an opportunistic exposure to Brazil, and an underweight position in Hong Kong.

From a sector perspective, key sources of negative active return included a combination of stock selection and an overweight position in Materials, stock selection in Industrials, and stock selection in Information Technology. Contributors included a combination of stock selection and an underweight position in Communication Services, an underweight position in Consumer Staples, and an underweight position in Real Estate.

Expense ratio information is as of the Fund’s current prospectus, as supplemented. Gross expenses are the Fund’s total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/29/2024.

**Performance data shown represents past performance and is no guarantee of future results. Past performance is net of management fees and expenses and reflects reinvested dividends and distributions. Past performance reflects the beneficial effect of any expense waivers or reimbursements, without which returns would have been lower. Investment returns and principal value will fluctuate and when redeemed may be worth more or less than their original cost. Returns for periods less than one year are not annualized. Current performance may be higher or lower and is available through the most recent month end at harborcapital.com or by calling 800-422-1050.**



### Contributors & Detractors

Top contributors to Fund performance during the quarter included Industria de Diseño Textil, NEC Corp, and Petróleo Brasileiro. Our proprietary forecast for Industria de Diseño Textil showed attractive characteristics across most factors — with the exception of value — within our bottom-up stock selection model. Furthermore, our peer model also contributed to alpha and Fund returns, while our top-down model detracted slightly. Our overweight position in this stock was beneficial as it was up 17.4% during the quarter.

During the quarter, Swatch Group, Genting Singapore, and ASE Technology Holding detracted the most from Fund performance. Regarding Swatch Group, we were overweight based on our bottom-up stock selection model, which was showing favorable characteristics across all factors, with the exception of value. Our proprietary peer model and top-down model also contributed to alpha scores. However, the stock was down -13.1% during the quarter, which proved costly to active Fund returns.

### Buys & Sells

We purchased Volvo during the quarter. At the time of purchase, the stock showed a strong alpha signal. The bottom-up and top-down models contributed positively to total alpha value.

Purchase decisions are made in conjunction with sell decisions; the process is completely objective, automated, and driven by changes in expected returns. After computing the forecast returns, the investment process ranks all securities in Acadian's universe, determining the most attractive securities to buy for the Fund based on the client's specific risk profile and investment guidelines, as well as transactional and trading liquidity considerations. For a stock to be purchased, it must have a more attractive alpha forecast or diversification properties (including a hurdle for estimated transaction costs) than an existing holding and other potential holdings. Essentially, if a stock is more attractive than an existing holding — allowing for the transaction costs of both the sell and the buy — it will be bought.

We sold Société Générale during the quarter. At the time of sale, within our bottom-up stock selection model, all signals were unattractive, with the exception of value. Our top-down model contributed slightly to alpha scores, while the peer model detracted from the stock's forecast.

We will automatically sell a stock if its expected return deteriorates to the point where it can be replaced by a more attractive stock that plays an equally useful or more attractive role in the Fund. Importantly, since markets are not frictionless, the expected excess return of any stock added to the Fund must more than cover the expected transaction costs of selling the original position and buying the new stock.

### Sector Underweights and Overweights

Entering the second quarter of 2023, the Fund continued to be overweight in Energy and Materials. The Energy overweight was primarily a product of positioning in Canada. The Materials overweight was mainly concentrated in Australia. The top two sector underweights were Consumer Staples and Communication Services. The underweight in Consumer Staples was mainly a product of positioning in the U.K. and Switzerland, whereas the Communication Services underweight was concentrated mainly in Japan and Germany.

There were no material changes to sector or industry allocations during the quarter. Given Acadian's quantitative investment process and the bottom-up nature of our portfolio construction methods, the Fund changes gradually based on the attractiveness or unattractiveness of individual holdings. We do not make changes based on a view of the overall investment environment. Acadian seeks the best stock selection opportunities for the Fund subject to country, sector, and risk limits intended to maximize active returns from selection rather than any one specific factor.

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As of quarter-end, the Fund is overweight in Industrials and Information Technology. The Industrials overweight is primarily a product of positioning in Germany. The Information Technology overweight is mainly concentrated in Israel. The top two sector underweights are Consumer Staples and Financials. The underweight in Consumer Staples continues to be mainly a product of positioning in the U.K. and Switzerland, whereas the Financials underweight is concentrated mainly in Hong Kong and France.

### Country Allocations

Country and sector weights for the Fund are a product of the bottom-up stock selection process, combined with the risk controls in the optimization process.

Bottom-up stock selection continued to drive Fund performance.

During the quarter, relative to the benchmark, the Fund saw proportionally more assets flow into Germany, Sweden, and Japan. Negative asset flow was seen in Australia and Switzerland. Opportunistic exposure was reduced in Canada.

As of quarter-end, in terms of country positioning, the largest overweight positions were in Israel. The Fund had notable opportunistic exposure to Canada and China. The biggest underweight positions were in France, the United Kingdom, and Japan.

The Fund's exposure to developing markets did not materially change during the quarter.

### Outlook

Policymakers continue to face the stiff challenge of restoring price stability without kneecapping economic growth. Inflation rates have come down, but in many regions, they remain well above central banks' target levels. The Organisation for Economic Co-operation and Development forecasts below-trend global growth of 2.7% in 2023, followed by 2.9% in 2024. The Euro area has slipped into recession, partly due to high food and energy costs. Commodity prices have been falling, and that should help in the fight against inflation. Energy prices, in particular, have declined significantly in recent months, with Brent Crude currently trading at \$74, down from \$86 at the start of the year (and \$122 last June). The composition of inflation may be decisive in the months ahead. Will core inflation prove to be "stickier" than headline inflation has been?



### Best & Worst Performers

Best Performers	Average Weight %	Return %
Petroleo Brasileiro SA Pfd	0.35	42.04
UniCredit S.p.A.	0.67	27.40
NEC Corp.	1.16	25.75
Finning International Inc.	0.34	24.34
Sage Group plc	0.49	23.62

Worst Performers	Average Weight %	Return %
Carl Zeiss Meditec AG	0.35	-22.30
Wix.com Ltd.	0.63	-21.60
Genting Singapore Limited	0.96	-16.02
South32 Ltd.	0.72	-14.49
Mineral Resources Limited	0.40	-14.12

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Industria de Diseno Textil S.A.	17.05	0.34
NEC Corp.	25.75	0.27
Singapore Airlines Ltd.	22.59	0.21
UniCredit S.p.A.	27.40	0.17
Hermes International SCA	7.59	0.16
<b>Total</b>		<b>1.15</b>

Greatest Detractors	Return %	Contribution to Return %
BHP Group Ltd	-5.33	-0.19
Swatch Group Ltd. Bearer	-13.80	-0.19
Genting Singapore Limited	-16.02	-0.16
ASE Technology Holding Co. Ltd. Sponsore	-12.80	-0.15
STMicroelectronics NV ADR RegS	-11.66	-0.14
<b>Total</b>		<b>-0.83</b>

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	3.34	4.28	-0.94
Currency Contribution	-1.20	-1.33	0.13
<b>Total Return</b>	<b>2.15</b>	<b>2.95</b>	<b>-0.81</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
	Communication Services	2.02	4.35	-2.34	3.83	-2.63	6.46	0.10	-0.12	0.12	0.17
Consumer Staples	2.72	10.38	-7.66	-3.18	-0.64	-2.53	-0.10	-0.08	0.27	-0.07	0.20
Real Estate	0.75	2.36	-1.61	-5.58	-1.98	-3.60	-0.05	-0.05	0.09	-0.04	0.05
Utilities	1.31	3.46	-2.16	8.83	4.04	4.79	0.07	0.14	-0.05	0.06	0.01
Financials	11.50	18.16	-6.66	5.61	4.68	0.93	0.64	0.84	-0.12	0.11	-0.02
Health Care	12.68	13.50	-0.82	0.64	1.99	-1.35	0.09	0.26	0.03	-0.16	-0.14
Information Technology	13.46	7.86	5.60	2.78	5.93	-3.15	0.53	0.48	0.19	-0.35	-0.16
Energy	7.32	4.41	2.91	-0.79	0.02	-0.82	-0.08	0.00	-0.04	-0.16	-0.20
Industrials	22.96	15.82	7.14	4.01	6.18	-2.18	0.99	0.97	0.24	-0.45	-0.21
Consumer Discretionary	13.57	12.25	1.31	2.49	5.18	-2.69	0.44	0.64	0.08	-0.31	-0.23
Materials	10.99	7.45	3.54	-2.50	-1.71	-0.79	-0.42	-0.12	-0.25	-0.11	-0.35
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>2.15</b>	<b>2.95</b>	<b>-0.81</b>	<b>2.15</b>	<b>2.95</b>	<b>0.50</b>	<b>-1.31</b>	<b>-0.81</b>



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

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Sweden	1.39	3.30	-1.90	2.83	-1.18	4.01	0.22	-0.03	0.11	0.19	0.29
Brazil	0.84	0.00	0.84	25.45	0.00	25.45	0.21	0.00	0.18	0.00	0.18
France	7.08	12.44	-5.36	5.01	3.23	1.78	0.38	0.39	-0.01	0.12	0.12
Singapore	2.63	1.45	1.19	2.41	-5.57	7.98	0.07	-0.08	-0.10	0.20	0.11
Finland	0.10	0.94	-0.83	-2.99	-8.09	5.10	0.00	-0.08	0.10	0.00	0.10
Hong Kong	1.00	2.62	-1.62	-6.82	-5.05	-1.78	-0.10	-0.13	0.13	-0.03	0.10
United States	1.24	0.00	1.24	12.27	0.00	12.27	0.16	0.00	0.10	0.00	0.10
Spain	2.44	2.57	-0.13	11.90	5.57	6.33	0.25	0.14	-0.01	0.09	0.08
Belgium	0.34	0.97	-0.63	-0.58	-6.12	5.54	0.00	-0.06	0.06	0.02	0.08
Italy	1.64	2.48	-0.84	14.94	8.21	6.73	0.24	0.20	-0.04	0.10	0.06
Poland	0.50	0.00	0.50	15.77	0.00	15.77	0.07	0.00	0.06	0.00	0.06
Portugal	0.11	0.22	-0.11	19.37	-1.07	20.44	0.02	0.00	0.00	0.02	0.03
Austria	1.51	0.18	1.33	3.69	4.35	-0.66	0.06	0.01	0.02	-0.01	0.01
United Arab Emirates	0.16	0.00	0.16	9.35	0.00	9.35	0.01	0.00	0.01	0.00	0.01
Egypt	0.05	0.00	0.05	13.35	0.00	13.35	0.01	0.00	0.01	0.00	0.01
New Zealand	0.12	0.21	-0.10	-9.16	-6.01	-3.15	-0.01	-0.01	0.01	0.00	0.01
Greece	0.00	0.00	0.00	5.34	0.00	5.34	0.00	0.00	0.00	0.00	0.00
Hungary	0.00	0.00	0.00	9.28	0.00	9.28	0.00	0.00	0.00	0.00	0.00
Qatar	0.02	0.00	0.02	-4.72	0.00	-4.72	0.00	0.00	0.00	0.00	0.00
Philippines	0.05	0.00	0.05	-6.34	0.00	-6.34	0.00	0.00	0.00	0.00	0.00
South Korea	0.09	0.00	0.09	-4.04	0.00	-4.04	0.00	0.00	-0.01	0.00	-0.01
South Africa	0.11	0.00	0.11	-3.25	0.00	-3.25	-0.01	0.00	-0.01	0.00	-0.01
Malaysia	0.29	0.00	0.29	-2.68	0.00	-2.68	-0.01	0.00	-0.02	0.00	-0.02
Ireland	0.03	0.85	-0.82	2.00	5.74	-3.75	0.01	0.05	-0.02	-0.01	-0.02
Indonesia	0.87	0.00	0.87	-3.09	0.00	-3.09	-0.03	0.00	-0.05	0.00	-0.05
Norway	2.19	0.64	1.55	-0.54	-1.00	0.45	-0.02	-0.01	-0.05	0.00	-0.05
Canada	4.29	0.00	4.29	2.85	0.00	2.85	0.05	0.00	-0.07	0.00	-0.07
China	1.60	0.00	1.60	-7.76	0.00	-7.76	-0.08	0.00	-0.09	0.00	-0.09
Germany	9.83	8.57	1.25	0.97	2.80	-1.83	0.13	0.25	0.03	-0.13	-0.10
Denmark	5.00	3.08	1.91	-0.02	1.65	-1.68	-0.03	0.04	-0.02	-0.09	-0.11
Netherlands	2.69	4.51	-1.82	-1.26	4.14	-5.40	-0.01	0.20	0.00	-0.14	-0.13
United Kingdom	9.30	14.89	-5.59	0.10	2.19	-2.10	0.05	0.33	0.03	-0.17	-0.13
Thailand	1.34	0.00	1.34	-7.41	0.00	-7.41	-0.09	0.00	-0.14	0.00	-0.14
Israel	3.54	0.64	2.89	-3.50	-3.95	0.45	-0.09	-0.03	-0.20	0.03	-0.17
Taiwan	0.47	0.00	0.47	-12.93	0.00	-12.93	-0.15	0.00	-0.19	0.00	-0.19
Switzerland	8.94	10.16	-1.22	2.44	4.02	-1.58	0.23	0.40	0.04	-0.23	-0.19
Japan	16.43	21.96	-5.54	6.42	6.42	0.00	0.99	1.38	-0.21	-0.06	-0.26
Australia	11.03	7.32	3.71	-1.73	0.07	-1.80	-0.31	0.00	-0.15	-0.20	-0.35
Cash	0.74	0.00	0.74	-3.79	0.00	-3.79	-0.06	0.00	-0.05	0.00	-0.05
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>2.15</b>	<b>2.95</b>	<b>-0.81</b>	<b>2.15</b>	<b>2.95</b>	<b>-0.21</b>	<b>-0.60</b>	<b>-0.81</b>



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

**Performance**

	Portfolio	Benchmark	Active
Return Ex Currency	11.56	17.50	-5.94
Currency Contribution	-0.04	1.27	-1.32
<b>Total Return</b>	<b>11.52</b>	<b>18.77</b>	<b>-7.25</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
	Real Estate	1.84	2.60	-0.76	5.74	-7.37	13.11	0.30	-0.29	0.21	0.59
Communication Services	1.97	4.57	-2.60	9.80	1.88	7.91	0.02	0.02	0.34	0.38	0.72
Utilities	2.04	3.42	-1.38	40.99	16.49	24.51	0.60	0.50	-0.13	0.36	0.23
Consumer Staples	4.78	10.56	-5.78	6.38	9.87	-3.49	0.58	1.02	0.27	-0.08	0.19
Consumer Discretionary	8.16	11.73	-3.57	36.88	30.55	6.33	2.11	3.36	-0.29	0.27	-0.01
Materials	11.98	7.57	4.42	11.54	16.34	-4.81	1.38	1.34	-0.10	-0.58	-0.69
Health Care	16.26	13.45	2.81	4.92	9.92	-5.00	0.99	1.51	-0.46	-0.81	-1.27
Information Technology	9.35	7.52	1.83	11.46	33.96	-22.50	1.18	2.44	0.30	-1.64	-1.35
Energy	9.00	4.70	4.29	0.47	14.20	-13.73	0.06	0.78	0.00	-1.57	-1.57
Industrials	18.21	15.48	2.74	16.57	29.52	-12.96	2.95	4.42	0.34	-2.27	-1.93
Financials	14.19	18.42	-4.23	10.41	20.21	-9.80	1.30	3.68	-0.29	-1.65	-1.94
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>11.52</b>	<b>18.77</b>	<b>-7.25</b>	<b>11.52</b>	<b>18.77</b>	<b>-0.25</b>	<b>-7.01</b>	<b>-7.25</b>





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

**Country Attribution**

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Hong Kong	1.39	2.86	-1.47	-0.01	-9.03	9.02	-0.11	-0.45	0.45	0.10	0.55
Spain	1.73	2.47	-0.74	45.75	28.97	16.78	0.90	0.68	0.08	0.29	0.36
Singapore	1.47	1.49	-0.02	42.40	9.99	32.41	0.37	0.15	-0.09	0.41	0.32
Finland	0.14	0.98	-0.84	-2.78	-1.15	-1.63	0.01	0.02	0.18	-0.01	0.17
Poland	0.46	0.00	0.46	44.80	0.00	44.80	0.21	0.00	0.13	0.00	0.13
Brazil	1.31	0.00	1.31	27.59	0.00	27.59	0.30	0.00	0.09	0.00	0.09
Belgium	0.32	0.98	-0.66	-4.72	6.06	-10.78	0.01	0.09	0.07	0.00	0.07
United Kingdom	9.13	15.26	-6.13	9.99	13.19	-3.20	0.83	2.10	0.32	-0.28	0.04
Portugal	0.16	0.22	-0.07	26.32	6.71	19.61	0.02	0.01	0.01	0.01	0.02
Philippines	0.04	0.00	0.04	60.28	0.00	60.28	0.01	0.00	0.01	0.00	0.01
South Korea	0.22	0.00	0.22	8.45	0.00	8.45	0.03	0.00	0.01	0.00	0.01
Greece	0.00	0.00	0.00	25.87	0.00	25.87	0.01	0.00	0.01	0.00	0.01
United Arab Emirates	0.45	0.00	0.45	15.85	0.00	15.85	0.07	0.00	0.01	0.00	0.01
Egypt	0.07	0.00	0.07	22.99	0.00	22.99	0.01	0.00	0.00	0.00	0.00
Hungary	0.00	0.00	0.00	48.26	0.00	48.26	0.00	0.00	0.00	0.00	0.00
Peru	0.02	0.00	0.02	9.05	0.00	9.05	0.00	0.00	0.00	0.00	0.00
Qatar	0.05	0.00	0.05	-17.36	0.00	-17.36	-0.01	0.00	-0.02	0.00	-0.02
United States	1.29	0.00	1.29	29.89	0.00	29.89	0.36	0.00	-0.04	0.00	-0.04
South Africa	0.21	0.00	0.21	-1.03	0.00	-1.03	-0.01	0.00	-0.04	0.00	-0.04
Malaysia	0.31	0.00	0.31	7.14	0.00	7.14	0.01	0.00	-0.04	0.00	-0.04
New Zealand	0.22	0.20	0.03	-11.66	15.52	-27.18	0.00	0.03	0.02	-0.06	-0.05
Austria	1.16	0.18	0.98	16.61	18.90	-2.29	0.10	0.04	-0.07	-0.02	-0.09
Taiwan	0.31	0.00	0.31	2.79	0.00	2.79	-0.03	0.00	-0.10	0.00	-0.10
Ireland	0.03	0.75	-0.72	71.17	42.51	28.66	0.07	0.29	-0.13	0.02	-0.11
Denmark	5.69	2.87	2.81	23.58	31.90	-8.32	1.26	0.92	0.28	-0.43	-0.15
Sweden	1.20	3.39	-2.19	-7.06	16.60	-23.66	0.09	0.68	0.11	-0.28	-0.18
Indonesia	0.92	0.00	0.92	16.43	0.00	16.43	0.06	0.00	-0.19	0.00	-0.19
China	0.82	0.00	0.82	-23.77	0.00	-23.77	-0.13	0.00	-0.25	0.00	-0.25
Canada	4.62	0.00	4.62	12.97	0.00	12.97	0.64	0.00	-0.28	0.00	-0.28
Israel	2.96	0.74	2.22	-4.49	-4.66	0.17	0.02	-0.04	-0.28	-0.03	-0.31
Thailand	1.49	0.00	1.49	-14.42	0.00	-14.42	-0.23	0.00	-0.51	0.00	-0.51
Norway	2.97	0.74	2.23	-2.54	-8.99	6.45	-0.01	-0.09	-0.73	0.19	-0.55
Italy	1.48	2.37	-0.90	16.25	43.26	-27.01	0.06	0.98	-0.33	-0.29	-0.62
Switzerland	8.30	10.23	-1.94	3.85	13.34	-9.49	0.81	1.42	0.25	-0.88	-0.63
Japan	15.89	22.04	-6.16	13.52	18.14	-4.62	1.82	3.48	0.01	-0.69	-0.69
France	6.11	11.93	-5.82	29.84	31.74	-1.90	1.90	3.82	-0.70	-0.10	-0.80
Netherlands	4.55	4.37	0.18	8.45	31.34	-22.89	0.73	1.37	0.22	-1.10	-0.89
Germany	8.49	8.17	0.32	16.97	28.37	-11.40	0.93	2.42	-0.19	-0.73	-0.92
Australia	11.81	7.74	4.07	4.46	11.10	-6.64	0.36	0.85	-0.45	-0.70	-1.15
Cash	2.23	0.00	2.23	-0.54	0.00	-0.54	0.06	0.00	-0.45	0.00	-0.45
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>11.52</b>	<b>18.77</b>	<b>-7.25</b>	<b>11.52</b>	<b>18.77</b>	<b>-1.85</b>	<b>-5.41</b>	<b>-7.25</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.

The value of securities selected using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as a whole or securities selected using only fundamental analysis. The factors used in quantitative analysis and the weight placed on those factors may not be predictive of a security's value. In addition, any model may contain flaws or the model may not perform as anticipated.

### Benchmarks

The MSCI EAFE (ND) Index is an unmanaged index generally representative of major overseas stock markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

### Disclosures

All holdings-related data is provided by FactSet. Because FactSet relies on external sources for its data, that data may differ slightly from actual values maintained by Harbor Funds.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

Beta is a rolling three year, unless the Fund has a track record of less than three years, in which case it is a rolling one year.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

Views expressed herein are drawn from commentary provided to Harbor by the subadvisor and may not be reflective of their current opinions or future actions, are subject to change without prior notice, and should not be considered investment advice.

This information should not be considered as a recommendation to purchase or sell a particular security. The weightings, holdings, industries, sectors, countries, and returns mentioned may change at any time and may not represent current or future investments.

As a result of changing market conditions, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

**Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit [harborcapital.com](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

**Acadian Asset Management LLC is an independent subadvisor to the Harbor International Core Fund.**

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### Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

Active Currency Contribution is the Currency Contribution of the portfolio minus the Currency Contribution of the benchmark.

Allocation Effect is the portion of portfolio excess return that is attributable to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the average percent capitalization of the portfolio's group minus the average percent cap of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark.

Average Weight is the dollar value (price times the shares held) of the security or group, divided by the total dollar value of the entire portfolio displayed as a percentage. It is calculated as the simple arithmetic average of daily values.

Contribution to Return is the contribution of a security or group to the overall portfolio return. It is calculated as the security weight multiplied by the daily security return linked daily across the reporting period.

Currency Contribution is Total Return in USD subtracting out the Local Returns.

Local Returns are the Total Return of the portfolio or benchmark using the local currency.

Selection Effect is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's security selection effect equals the average weight of the benchmark's group times the total return of the portfolio's group minus the total return of the benchmark's group.

Total Effect is the sum of Allocation Effect and Selection Effect. The total effect represents the opportunity cost of what was done in a group relative to the overall portfolio. It is not just the difference between percent contribution in the portfolio and benchmark. At the overall portfolio level, the two numbers are equal. At the group level, they can be different.

Total Return is the price change of a security or group including dividends accrued over the report period (or the in-portfolio return) which includes only the time period that each security was in the portfolio.

### Definitions

Beta is a measure of systematic risk, or the sensitivity of a fund to movements in the benchmark. A beta of 1 implies that the expected movement of a fund's return would match that of the benchmark used to measure beta.

Median Market Cap: The median size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Weighted Average Market Capitalization: The average size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

The Est 3-5 Yr EPS Growth (%) is the estimated growth of earnings per share over the next 3-5 years, using pre-calculated mean long-term EPS growth rate estimates, which are calculated using each individual broker's methodology, from FactSet, First Call, I/B/E/S Consensus, and Reuters. Forward looking estimates may not come to pass.

% EPS Growth - Past 3 Year: Earnings per share refers to the bottom-line measure of a company's profitability defined as net income divided by the number of outstanding shares.

The Adjusted Trailing P/E (price-to-earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS.

Forecasted P/E Ratio: a measure of the P/E (price-to-earnings) ratio using forecasted earnings for the P/E calculation.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

The Price/Book (price-to-book) Ratio evaluates a firm's market value relative to its book value.

All P/E, ROE and P/B statistics are calculated as weighted medians.

Alpha is a measure of risk (beta) adjusted return.