

# Harbor Diversified International All Cap Fund

Marathon Asset Management LLP

Subadviser Since 11/02/2015

<b>Total Net Assets - All Classes</b>	\$1,046,515,150
<b>Equity Assets:</b>	99.83%
<b>Cash &amp; Other Assets Less Liabilities:</b>	0.17%
<b>Benchmark Name:</b>	MSCI All Country World Ex. US (ND) Index

## Portfolio Managers

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

## Investment Philosophy

The Fund invests primarily in common and preferred stocks of foreign companies, including those in emerging market countries. The portfolio manager focuses on identifying long-term investment opportunities that can arise as a result of certain capital cycle, or supply-side, conditions. Capital cycle investing is based on the concept that the prospect of high returns will attract excessive capital and competition, and vice versa. The portfolio manager uses fundamental, bottom-up qualitative analysis. Research meetings with company management represent the majority of analytical effort conducted. The Fund typically invests in between 450 to 550 companies across Europe, Japan, the Pacific Basin and emerging markets, and North America. While inherently diversified, a bias towards smaller and mid cap businesses in niche industries, coupled with a particularly long holding period, result in a portfolio that is significantly differentiated from the Fund's benchmark index.

## CHARACTERISTICS & ALLOCATION

As of 03/31/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	376.00	2,312
Wtd Avg Market Cap (\$Mil)	58174.70	92,830.00
Med Cap - # Stocks (\$Mil)	11049.00	9,466.00
Price/Book Ratio	2.67	2.44
Adjusted Trailing P/E Ratio	18.20	18.00
% EPS Growth - Past 3 Yr	8.60	11.30
Return on Equity (%)	14.72	13.85
Beta vs. Fund Benchmark	1.09	
Forecasted P/E Ratio	17.30	16.70
Proj. Earnings Growth Rate (%)	14.30	13.60

Top 10 Holdings		
	Portfolio %	Benchmark %
Taiwan Semiconductor Ma	1.60	2.01
AIA Group Limited	1.57	0.50
Roche Holding Ltd Divid	1.26	1.09
BP p.l.c.	1.25	0.38
Novo Nordisk A/S Class	1.21	0.74
PT Bank Central Asia Tb	1.12	0.12
Brookfield Asset Manage	1.11	0.31
HDFC Bank Limited Spons	1.03	0.00
HitachiLtd.	0.97	0.19
Samsung Electronics Co.	0.97	1.07
<b>Total</b>	<b>12.09</b>	<b>6.41</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	10.19	12.21
Metals & Mining	7.22	4.53
Insurance	6.21	4.57
Semiconductors	4.11	4.91
Oil Gas & Consumables	3.86	5.38
Machinery	3.65	1.99
Food & Staples Retail	3.59	1.61
It Services	3.45	2.13
Capital Markets	3.33	2.42
Textiles Apparel & Lux	2.98	2.33
<b>Total</b>	<b>48.59</b>	<b>42.08</b>

Economic Sectors		
	Portfolio %	Benchmark %
Financials	21.61	20.40
Industrials	19.73	12.18
Consumer Discretionary	11.57	11.06
Information Technology	11.12	12.18
Materials	10.00	8.80
Consumer Staples	9.28	8.41
Health Care	6.41	9.38
Communication Services	5.45	6.23
Energy	4.08	5.43
Utilities	0.31	3.21
Real Estate	0.27	2.40

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	15.96	9.66
Japan	14.52	14.11
Canada	10.62	8.27
France	5.18	7.18
China	5.00	8.08
India	4.60	3.76
Taiwan	4.36	4.64
Australia	4.19	5.11
Denmark	3.82	1.70
Switzerland	3.76	6.57
<b>Total</b>	<b>72.01</b>	<b>69.08</b>
<b>Emerging Markets</b>	<b>23.62</b>	<b>28.60</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	49.91
	10.0B - 25.0B	24.00
Mid	5.0B - 10.0B	12.36
	1.0B - 5.0B	13.04
Small	0.0 - 1.0B	0.67



Trusted Partnerships > Trusted Solutions



### Performance

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HAIDX	411512593	-5.96%	-5.96%	-2.27%	7.90%	6.71%	N/A	6.04%	11/02/15	0.80	0.92
Administrative	HRIDX	411512585	-6.05%	-6.05%	-2.51%	7.66%	6.43%	N/A	5.77%	11/02/15	1.05	1.17
Investor	HIIDX	411512577	-6.08%	-6.08%	-2.65%	7.50%	6.31%	N/A	5.64%	11/02/15	1.16	1.28
Retirement	HNIDX	411512437	-6.04%	-6.04%	-2.20%	7.99%	6.77%	N/A	6.09%	03/01/16	0.72	0.84
MSCI All Country World Ex. US (ND) Index			-5.44%	-5.44%	-1.48%	7.51%	6.76%	N/A	6.55%	11/02/15		

## MANAGER COMMENTARY

As of 03/31/2022

**“Russia is home to the world’s largest reserves of oil and gas, so it is not surprising that the energy industry has been significantly affected by the Russia-Ukraine conflict.”**

Marathon Asset Management LLP (Marathon-London)

### Market in Review

The first quarter of 2022 has been, to say the least, eventful. The period started with many countries still under restriction due to the COVID-19 Omicron variant. Central banks were grappling with inflation and concerns over rising energy prices. Then Russian forces entered Ukraine. Marathon, like the rest of the world, has been shocked and saddened by the terrible human cost of the conflict. The unprecedented sanctions imposed by the West have effectively isolated Russia, drawing a new Iron Curtain across Europe and causing substantial market disruption.

Against this backdrop all major regional equity markets posted negative returns during the quarter.

Russia is home to the world’s largest reserves of oil and gas, so it is not surprising that the energy industry has been significantly affected by the Russia-Ukraine conflict. Marathon has long been cautious about owning names in Russia and, prior to the invasion of Ukraine, our allocation to Russia was slightly less than the benchmark (0.9% relative to the benchmark of 1.0% as of the end of December 2021). Notably, having no exposure to Russian energy companies Lukoil and Gazprom has been a positive for the Harbor Diversified International All Cap Fund (“Fund”).

Marathon does have exposure to Russia through two London-listed global depository receipts (GDRs). The unfolding events have caused their value to fall substantially, and ultimately Marathon made the decision to write down the value of the holdings to USD 0.00001.

Under current circumstances, there is an economic and moral case for not investing in Russia. Toward that end, our plan is to sell our exposure when liquidity returns and to restrict future purchases of Russian securities.

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.**



Marathon continues to monitor conditions in Ukraine as well as the impact any current or future sanctions may have on stocks within the Fund. Aside from staying vigilant, we continue to implement a bottom-up stock selection approach, focusing on the fundamentals of the businesses in which we invest rather than geopolitical or macroeconomic events.

### Portfolio Performance

During the first quarter of 2022, the Harbor Diversified International All Cap Fund (Institutional Class) returned -5.96%, slightly underperforming its benchmark, the MSCI All Country World Ex. US (ND) Index, which returned -5.44%.

From a regional perspective, positive contributions came from stock selection in North America (Canada) and Japan. Stock selection in Europe, most notably within the U.K., had a negative impact on relative returns. Within the emerging markets, stock selection in Russia and South Africa also weighed on relative returns, however, our underweight to Russia and overweight to South Africa as well as corresponding under- and overweights to their respective currencies helped offset the negative impact from stock selection.

Elsewhere within emerging markets, the underweight to Brazil and to the Brazilian real hurt relative returns. Brazil was the best performing market within the emerging markets region during the quarter. Stock selection in Taiwan and India also weighed on relative returns.

### Contributors & Detractors

Severstal, the Russian steel producer, detracted from performance. With the onset of the conflict, imposition of sanctions, and collapse of the Russian currency, the stock fell precipitously during the first quarter. Trading in the stock subsequently ceased entirely and, on March 4, we wrote the value of the holding down to USD 0.00001. The total return for the position was -100% during the quarter.

Lack of exposure to Shell (formerly Royal Dutch Shell) weighed on relative returns. Shell is one of the oil majors with less exposure to Russia and consequently performed quite well during the period.

Equinor, a Norwegian energy company, contributed positively to performance. Energy stocks with no or minimal positions in Russia have done well; those with larger commitments less so. Equinor falls into this first camp, announcing the divestiture of its Russian business soon after the conflict erupted.

Southern Copper contributed positively to performance. The share price of many mining companies has risen sharply this quarter as they benefited from both the reduction in supply, engendered by the loss of Russian and Ukrainian output, and the need for many metals to transition toward more renewable energy. Electric vehicles and renewable electricity generation both use more copper than their fossil-fuel-powered predecessors, and Southern Copper's share price has benefited as a result.

### Buys & Sells

We acquired Shinhan Financial, the second largest "whole of market" bank in Korea with a full range of services across retail and commercial banking. The business has continued to grow earnings despite low interest rates and the challenges presented during the pandemic. While the stock has struggled recently, given the trajectory of net interest margins and the potential for an increase in the dividend pay-out ratio and stock buybacks, the current downside appears to be limited and there is potential for the stock to be re-rated to pre-pandemic levels.

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We sold our position in Casio Computer due to the negative impact a slowing Chinese economy would have on the company's profitable G-Shock watch business. Also, for many years the company has allocated capital inefficiently, which contributed to our decision to sell.

### Outlook

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

**Europe:** The MSCI Europe Index ended the quarter down -7.2%. Local market performance within the region varied, with the best performer, Norway, returning 10.15%, and the worst, Austria, returning -19.98%. The region's closer ties with Ukraine and Russia proved a major headwind. Countries heavily dependent on Russian energy exports or with a market particularly exposed to Russia and Ukraine, suffered badly, while markets with high exposure to energy and mining companies that have no or minimal exposure to Russia performed better.

As in most regions of the world, inflation within Europe spiraled higher over the period, reflecting the enormous rise in energy costs. The European Central Bank, lagging many others, reacted by outlining plans to stop its bond purchase program by the end of September, and hinted that rate increases could begin this year. In contrast, the Bank of England raised interest rates by 25 basis points twice during the quarter, with further hikes expected. Official forecasts now expect consumer price inflation to peak at almost 9% in the fourth quarter.

Despite the conflict on its borders, data for Europe, especially forward-looking indicators such as the Purchasing Managers Index, remain positive, though slightly less so than at the start of the period.

**Japan:** Japanese markets fell, and the yen weakened during the quarter driven by a reaction to external forces—particularly the U.S. Federal Reserve ("Fed") embarking on what is expected to be a series of interest rate increases. Despite sharing a sea-border with Russia, Japan conducts comparatively little trade with the country; however, it has joined many countries in applying strong sanctions against the regime and these have impacted some companies.

**Pacific ex-Japan:** Pacific ex-Japan was the only global region to record positive performance, which was driven entirely by Australian performance, with all other regional markets recording negative returns.

Australia's performance was led by energy and metals companies that have received a boost from the sanctions imposed on Russia. The market also benefited in U.S. dollar terms from a strengthening Australian dollar.

Elsewhere, Hong Kong and Singapore markets dipped over the period, while New Zealand suffered the worst decline, driven by two stocks that ended the period deep in negative territory for idiosyncratic reasons.

**Emerging Markets:** Emerging markets ended the quarter down with the MSCI Emerging Markets Index returning -6.97%. Regionally, Emerging Americas performed well however, the region only represents around 7% to 8% of the global Index. Emerging Asia, which represents around 78% of the index and Emerging EMEA finished the quarter in negative territory.

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Russia, which represented around 3% of the index at the start of the year, was removed from MSCI's indexes on March 9, and all former Russian stocks were revalued to zero, representing a -100% return on the country over the quarter. The markets of Hungary and Poland suffered due to their proximity to the conflict and fears that it could expand beyond Ukraine. Many other markets benefited following the restrictions placed on Russian exports. Brazil, South Africa, Peru, Chile, and Colombia are major producers of metals that historically Russia has produced. Saudi Arabia, UAE, Qatar, Kuwait, Brazil, Mexico, and Colombia—all significant energy exporters—also benefited.

China has been less affected by the geopolitical events that have rocked many of its index peers, however, the country is struggling to contain outbreaks of COVID-19 and has implemented lockdowns that have restricted the movement of people around the country and led to interruptions in economic activity and a sharp fall in share prices.

Canada performed well over the quarter returning +4.58%. A large part of the market's performance can also be attributed to its exposure to oil, gas, and mining companies which have benefited from the Russia-Ukraine conflict.



### Best & Worst Performers

Best Performers	Average Weight %	Return %
Canadian Natural Resources Limited	0.79	47.53
First Quantum Minerals Ltd.	0.46	44.59
Equinor ASA	0.71	42.20
African Rainbow Minerals Limited	0.40	39.71
BHP Group Ltd	0.47	34.88

Worst Performers	Average Weight %	Return %
HelloFresh SE	0.47	-40.66
Severstal PAO Sponsored GDR RegS	0.53	-37.58
Shenzhou International Group Holdings Limited	0.63	-30.40
UniCredit S.p.A.	0.45	-28.81
Inchcape plc	0.25	-28.39

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Canadian Natural Resources Limited	47.53	0.30
Equinor ASA	42.20	0.25
First Quantum Minerals Ltd.	44.59	0.18
Glencore plc	29.63	0.17
Southern Copper Corporation	24.85	0.17
<b>Total</b>		<b>1.07</b>

Greatest Detractors	Return %	Contribution to Return %
X 5 RETAIL GROUP NV REGS GDR DEPOSITORY	-97.99	-0.34
HelloFresh SE	-40.66	-0.25
Naspers Limited Class N	-26.47	-0.24
Severstal PAO Sponsored GDR RegS	-37.58	-0.24
Shenzhou International Group Holdings Li	-30.40	-0.24
<b>Total</b>		<b>-1.31</b>

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### Quarterly Attribution:

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

12/31/2021 - 03/31/2022

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	-3.28	-3.90	0.63
Currency Contribution	-1.24	-1.54	0.30
<b>Total Return</b>	<b>-4.52</b>	<b>-5.44</b>	<b>0.92</b>

#### Sector Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
	Information Technology	11.17	12.53	-1.36	-9.47	-15.09	5.62	-1.09	-2.04	0.17	0.69
Materials	9.43	8.54	0.89	7.99	5.16	2.83	0.70	0.38	0.09	0.24	0.33
Energy	3.65	5.32	-1.67	23.24	6.85	16.40	0.72	0.27	-0.20	0.50	0.30
Consumer Discretionary	11.76	11.66	0.09	-13.38	-14.29	0.91	-1.66	-1.80	0.00	0.13	0.13
Industrials	19.40	12.23	7.17	-7.70	-8.62	0.92	-1.42	-1.00	-0.22	0.18	-0.04
Real Estate	0.27	2.45	-2.19	-1.15	-2.77	1.62	-0.01	-0.08	-0.06	0.00	-0.05
Health Care	5.96	9.04	-3.08	-5.98	-5.10	-0.88	-0.27	-0.39	-0.03	-0.05	-0.07
Utilities	0.27	3.11	-2.83	-0.53	-2.40	1.87	0.01	-0.06	-0.09	0.01	-0.08
Communication Services	5.64	6.24	-0.61	-7.86	-6.11	-1.74	-0.42	-0.40	0.01	-0.11	-0.10
Consumer Staples	9.61	8.47	1.13	-9.72	-7.16	-2.56	-0.97	-0.63	-0.03	-0.26	-0.29
Financials	21.02	20.40	0.62	-0.56	1.57	-2.12	-0.07	0.31	0.05	-0.42	-0.37
[Cash]	1.83	0.00	1.83	-1.59	0.00	-1.59	-0.04	0.00	0.32	0.00	0.32
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-4.52</b>	<b>-5.44</b>	<b>0.92</b>	<b>-4.52</b>	<b>-5.44</b>	<b>0.02</b>	<b>0.91</b>	<b>0.92</b>



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

12/31/2021 - 03/31/2022

**Country Attribution**

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Canada	9.65	7.85	1.80	10.11	4.58	5.53	1.05	0.41	0.18	0.48	0.66
Japan	14.65	14.25	0.40	-2.14	-6.61	4.47	-0.40	-1.01	-0.02	0.64	0.63
Russia	0.70	0.65	0.05	-58.77	-100.00	41.23	-0.57	-1.13	0.19	0.28	0.47
China	4.68	7.90	-3.22	-14.45	-14.98	0.53	-0.83	-1.40	0.33	0.00	0.33
Netherlands	2.50	2.85	-0.35	-11.07	-17.12	6.05	-0.26	-0.51	0.07	0.16	0.22
Norway	1.00	0.45	0.54	23.17	10.15	13.02	0.21	0.04	0.08	0.11	0.19
Peru	0.80	0.07	0.73	24.85	34.90	-10.05	0.17	0.02	0.25	-0.06	0.19
Sweden	1.74	2.31	-0.58	-11.41	-15.46	4.05	-0.17	-0.34	0.07	0.08	0.15
South Africa	3.42	1.06	2.37	6.65	20.29	-13.64	0.21	0.19	0.54	-0.40	0.14
Ireland	0.65	0.41	0.24	3.43	-20.13	23.55	0.04	-0.09	-0.02	0.14	0.11
Hong Kong	3.62	3.13	0.49	-2.20	-5.02	2.81	-0.14	-0.20	-0.01	0.11	0.10
France	5.14	7.26	-2.12	-8.79	-8.76	-0.02	-0.37	-0.58	0.08	0.00	0.08
Indonesia	1.02	0.46	0.56	9.73	9.56	0.17	0.09	0.04	0.08	-0.01	0.07
South Korea	1.91	3.58	-1.67	-9.90	-9.56	-0.34	-0.20	-0.37	0.09	-0.02	0.07
Mexico	0.53	0.61	-0.07	13.51	8.61	4.90	0.13	0.06	0.00	0.04	0.04
Germany	3.24	5.46	-2.22	-16.91	-12.89	-4.02	-0.55	-0.68	0.17	-0.13	0.04
Finland	0.60	0.62	-0.02	-8.14	-11.89	3.75	-0.04	-0.07	0.00	0.02	0.03
Poland	0.00	0.22	-0.22	0.00	-9.80	9.80	0.00	-0.02	0.01	0.00	0.01
Hungary	0.00	0.07	-0.07	0.00	-19.38	19.38	0.00	-0.01	0.01	0.00	0.01
Singapore	1.19	0.83	0.36	-2.13	-1.72	-0.41	-0.02	-0.01	0.01	-0.01	0.01
Belgium	0.21	0.57	-0.36	-0.15	-4.94	4.79	0.00	-0.02	0.00	0.01	0.01
Israel	0.00	0.45	-0.45	0.00	-6.88	6.88	0.00	-0.03	0.01	0.00	0.01
Egypt	0.00	0.02	-0.02	0.00	-23.42	23.42	0.00	-0.01	0.00	0.00	0.00
Argentina	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kenya	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pakistan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Zealand	0.13	0.13	0.00	-9.11	-8.65	-0.47	-0.01	-0.01	0.00	0.00	0.00
Czech Republic	0.00	0.04	-0.04	0.00	3.11	-3.11	0.00	0.00	0.00	0.00	0.00
Greece	0.00	0.07	-0.07	0.00	1.09	-1.09	0.00	0.00	0.00	0.00	0.00
United States	0.01	0.00	0.01	-54.23	0.00	-54.23	-0.01	0.00	-0.01	0.00	-0.01
Portugal	0.00	0.12	-0.12	0.00	2.32	-2.32	0.00	0.01	-0.01	0.00	-0.01
Turkey	0.00	0.07	-0.07	0.00	12.87	-12.87	0.00	0.01	-0.01	0.00	-0.01
Philippines	0.00	0.22	-0.22	0.00	2.18	-2.18	0.00	0.00	-0.02	0.00	-0.02
Colombia	0.00	0.05	-0.05	0.00	33.80	-33.80	0.00	0.02	-0.02	0.00	-0.02
Austria	0.42	0.14	0.27	-15.76	-19.98	4.22	-0.06	-0.03	-0.04	0.01	-0.02
Malaysia	0.00	0.42	-0.42	0.00	1.95	-1.95	0.00	0.01	-0.03	0.00	-0.03
Chile	0.00	0.13	-0.13	0.00	29.54	-29.54	0.00	0.03	-0.04	0.00	-0.04
Kuwait	0.00	0.20	-0.20	0.00	19.40	-19.40	0.00	0.04	-0.04	0.00	-0.04
Thailand	0.00	0.52	-0.52	0.00	4.15	-4.15	0.00	0.02	-0.05	0.00	-0.05
Qatar	0.00	0.26	-0.26	0.00	19.50	-19.50	0.00	0.04	-0.06	0.00	-0.06
Denmark	3.57	1.61	1.96	-7.27	-6.39	-0.88	-0.21	-0.08	-0.02	-0.04	-0.06
Switzerland	3.72	6.44	-2.72	-8.63	-6.43	-2.20	-0.30	-0.38	0.03	-0.08	-0.06
Spain	1.03	1.45	-0.42	-9.98	-4.14	-5.84	-0.09	-0.05	-0.01	-0.06	-0.07
United Arab Emirates	0.00	0.36	-0.36	0.00	21.19	-21.19	0.00	0.07	-0.09	0.00	-0.09
Australia	3.75	4.63	-0.88	6.64	7.25	-0.61	0.27	0.39	-0.12	-0.03	-0.15
India	4.79	3.67	1.13	-6.38	-1.86	-4.53	-0.29	-0.05	0.04	-0.22	-0.18
Italy	1.57	1.54	0.03	-20.44	-10.05	-10.39	-0.34	-0.15	0.01	-0.19	-0.19
Saudi Arabia	0.00	1.12	-1.12	0.00	17.32	-17.32	0.00	0.17	-0.22	0.00	-0.22
Taiwan	4.81	4.73	0.08	-11.53	-6.58	-4.96	-0.62	-0.38	0.02	-0.25	-0.23
Brazil	0.37	1.39	-1.02	19.37	35.92	-16.55	0.07	0.42	-0.36	-0.04	-0.40
United Kingdom	16.73	9.60	7.13	-7.45	1.83	-9.28	-1.22	0.18	0.51	-1.53	-1.01
[Cash]	1.83	0.00	1.83	-1.59	0.00	-1.59	-0.04	0.00	0.32	0.00	0.32
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-4.52</b>	<b>-5.44</b>	<b>0.92</b>	<b>-4.52</b>	<b>-5.44</b>	<b>1.90</b>	<b>-0.98</b>	<b>0.92</b>





### Trailing 1 Year Attribution:

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

03/31/2021 - 03/31/2022

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	3.33	2.02	1.31
Currency Contribution	-3.17	-3.50	0.34
<b>Total Return</b>	<b>0.16</b>	<b>-1.48</b>	<b>1.64</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
Consumer Discretionary	12.61	12.68	-0.07	-16.26	-21.49	5.23	-2.01	-2.88	0.06	0.78	0.84
Communication Services	6.43	6.45	-0.02	-7.43	-16.71	9.28	-0.34	-1.13	-0.04	0.75	0.70
Information Technology	10.43	12.92	-2.50	-1.69	-5.32	3.64	-0.30	-0.75	-0.07	0.56	0.49
Real Estate	0.34	2.53	-2.20	-8.08	-8.77	0.69	-0.02	-0.23	0.17	0.01	0.17
Health Care	6.52	9.19	-2.68	6.84	2.91	3.94	0.58	0.29	-0.11	0.26	0.16
Materials	8.18	8.33	-0.15	9.19	9.46	-0.26	0.87	0.75	0.07	0.07	0.14
Energy	3.19	4.78	-1.60	41.64	23.04	18.60	1.14	0.90	-0.40	0.53	0.13
Utilities	0.43	3.09	-2.67	-18.44	1.88	-20.33	-0.04	0.08	-0.10	-0.07	-0.17
Industrials	19.36	12.12	7.24	-3.60	-1.63	-1.97	-0.49	-0.16	0.01	-0.37	-0.36
Financials	19.59	19.34	0.25	6.35	9.07	-2.71	1.20	1.65	0.07	-0.52	-0.45
Consumer Staples	10.81	8.55	2.26	-5.48	0.19	-5.67	-0.37	-0.01	0.05	-0.55	-0.51
[Cash]	2.12	0.00	2.12	-3.18	0.00	-3.18	-0.06	0.00	0.50	0.00	0.50
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.16</b>	<b>-1.48</b>	<b>1.64</b>	<b>0.16</b>	<b>-1.48</b>	<b>0.21</b>	<b>1.44</b>	<b>1.64</b>



### Trailing 1 Year Attribution:

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

03/31/2021 - 03/31/2022

#### Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
China	3.81	9.10	-5.29	-32.29	-30.29	-2.00	-1.68	-3.11	1.86	-0.23	1.62
Canada	8.66	7.30	1.36	28.67	20.22	8.45	2.39	1.38	0.32	0.67	0.99
Hong Kong	2.85	3.06	-0.21	-15.07	-27.07	12.00	-0.56	-1.07	0.05	0.56	0.61
Russia	0.69	0.96	-0.27	-52.17	-100.00	47.83	-0.50	-1.00	0.13	0.33	0.46
Japan	14.51	14.61	-0.10	-3.87	-6.47	2.61	-0.73	-1.13	-0.01	0.42	0.42
South Korea	2.51	3.81	-1.29	-8.08	-18.47	10.39	-0.26	-0.75	0.25	0.12	0.37
Norway	0.88	0.42	0.46	54.04	21.12	32.92	0.40	0.08	0.11	0.23	0.33
Mexico	1.64	0.57	1.08	41.65	27.72	13.92	0.55	0.15	0.19	0.06	0.24
Peru	0.46	0.06	0.40	24.13	20.91	3.22	0.17	0.01	0.32	-0.12	0.20
Ireland	0.50	0.44	0.06	13.27	-17.72	30.99	0.08	-0.07	-0.02	0.17	0.14
Sweden	1.82	2.36	-0.53	-3.90	-7.41	3.50	0.00	-0.12	0.05	0.06	0.12
Indonesia	0.68	0.40	0.28	19.10	21.02	-1.92	0.17	0.08	0.12	0.00	0.12
Chile	0.28	0.13	0.15	9.65	-8.29	17.94	0.11	-0.01	-0.17	0.26	0.09
Finland	0.59	0.65	-0.06	8.08	-2.61	10.70	0.06	0.00	0.00	0.06	0.06
Italy	1.55	1.55	0.00	-1.19	-2.65	1.47	0.00	-0.03	0.01	0.01	0.03
France	5.08	7.21	-2.13	7.34	4.56	2.78	0.44	0.37	-0.11	0.14	0.02
United States	0.30	0.00	0.30	-55.18	0.00	-55.18	0.06	0.00	0.02	0.00	0.02
Germany	3.63	5.74	-2.10	-18.34	-11.96	-6.38	-0.58	-0.60	0.24	-0.22	0.02
New Zealand	0.12	0.14	-0.02	-7.35	-15.24	7.89	-0.01	-0.02	0.00	0.01	0.02
Czech Republic	0.06	0.04	0.02	28.02	51.48	-23.46	0.03	0.01	0.01	0.00	0.01
Spain	1.05	1.49	-0.44	-3.30	-3.73	0.43	-0.02	-0.03	0.01	0.00	0.01
Hungary	0.00	0.07	-0.07	0.00	-9.96	9.96	0.00	-0.01	0.01	0.00	0.01
Egypt	0.00	0.02	-0.02	0.00	-14.25	14.25	0.00	0.00	0.00	0.00	0.00
Kenya	0.09	0.00	0.09	-7.56	0.00	-7.56	0.01	0.00	0.00	0.00	0.00
Pakistan	0.00	0.00	0.00	0.00	-21.30	21.30	0.00	0.00	0.00	0.00	0.00
Argentina	0.00	0.03	-0.03	0.00	19.51	-19.51	0.00	0.01	-0.01	0.00	-0.01
Turkey	0.03	0.08	-0.05	-5.17	1.64	-6.81	0.00	0.00	0.00	-0.01	-0.01
Portugal	0.00	0.12	-0.12	0.00	7.05	-7.05	0.00	0.01	-0.01	0.00	-0.01
Belgium	0.21	0.58	-0.37	-3.86	-0.32	-3.54	0.00	0.01	0.00	-0.01	-0.01
Poland	0.00	0.22	-0.22	0.00	5.76	-5.76	0.00	0.02	-0.01	0.00	-0.01
Greece	0.66	0.05	0.61	-1.60	7.55	-9.15	0.06	0.00	0.08	-0.10	-0.02
Malaysia	0.03	0.40	-0.37	-1.49	1.48	-2.98	-0.01	0.01	-0.02	0.00	-0.03
Philippines	0.08	0.20	-0.12	-0.28	9.86	-10.13	0.00	0.01	-0.03	0.00	-0.03
Israel	0.00	0.41	-0.41	0.00	7.61	-7.61	0.00	0.03	-0.03	0.00	-0.03
Colombia	0.09	0.05	0.04	-3.16	39.29	-42.45	-0.02	0.02	-0.04	-0.01	-0.05
Austria	0.45	0.13	0.31	-12.92	3.62	-16.54	-0.05	0.00	0.04	-0.09	-0.05
South Africa	2.87	1.04	1.83	-3.15	11.14	-14.29	0.01	0.12	0.41	-0.48	-0.06
Kuwait	0.00	0.17	-0.17	0.00	45.73	-45.73	0.00	0.07	-0.07	0.00	-0.07
Qatar	0.00	0.22	-0.22	0.00	34.41	-34.41	0.00	0.07	-0.07	0.00	-0.07
Australia	3.72	4.48	-0.76	15.14	13.47	1.67	0.57	0.64	-0.13	0.04	-0.09
Netherlands	2.43	2.93	-0.50	-9.58	-5.19	-4.39	-0.23	-0.15	0.03	-0.12	-0.09
Singapore	1.31	0.74	0.57	-9.18	-4.62	-4.56	-0.12	-0.03	-0.03	-0.06	-0.09
Brazil	1.07	1.40	-0.33	2.72	24.71	-21.99	0.30	0.33	-0.12	0.02	-0.10
United Arab Emirates	0.00	0.26	-0.26	0.00	58.14	-58.14	0.00	0.12	-0.14	0.00	-0.14
Thailand	0.23	0.51	-0.28	-19.36	-1.56	-17.80	-0.13	-0.01	-0.10	-0.06	-0.16
Denmark	3.83	1.64	2.19	-0.82	14.92	-15.73	0.04	0.23	0.36	-0.58	-0.22
Taiwan	4.97	4.44	0.53	-1.04	6.25	-7.28	-0.13	0.13	0.06	-0.37	-0.31
Saudi Arabia	0.00	0.97	-0.97	0.00	38.71	-38.71	0.00	0.30	-0.35	0.00	-0.35
Switzerland	3.68	6.22	-2.55	9.93	13.89	-3.96	0.37	0.78	-0.35	-0.13	-0.48
India	3.94	3.38	0.55	-3.18	17.86	-21.04	-0.27	0.49	0.06	-0.78	-0.72
United Kingdom	16.52	9.21	7.31	-2.91	13.63	-16.54	-0.32	1.18	1.07	-2.62	-1.55
[Cash]	2.12	0.00	2.12	-3.18	0.00	-3.18	-0.06	0.00	0.50	0.00	0.50
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.16</b>	<b>-1.48</b>	<b>1.64</b>	<b>0.16</b>	<b>-1.48</b>	<b>4.47</b>	<b>-2.83</b>	<b>1.64</b>

## Risks

There is no guarantee that the investment objective of the Fund will be achieved. Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions. Stocks of small and mid cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

Marathon-London's assessment of the capital cycle for a particular industry or company may be incorrect. Investing in companies at inopportune phases of the capital cycle can result in the Fund purchasing company stock at pricing levels that are higher than the market dynamics would support and therefore subject the Fund to greater risk that the stock price would decline rather than increase over time.

## Disclosures

The MSCI All Country World Ex. US (ND) Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2023.

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

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

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

The mean/median long term growth rate for Projected Earnings Growth Rate is the expected growth over the next 3-5 years calculated by FactSet from data provided by brokers. The Adjusted Trailing P/E (Price/Earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS. The Forecast P/E Ratio is the closing stock price divided by the sum of the next 4 quarters estimated EPS. All P/E, ROE and P/B statistics are calculated as weighted medians.

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

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

The views expressed herein may not be reflective of current opinions, are subject to change without prior notice, and should not be considered investment advice.

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

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

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

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

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

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

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**Attribution Disclosures**

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

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

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

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

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

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

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

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

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

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

**Definitions**

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