

Harbor International Small Cap Fund

Cedar Street Asset Management LLC

Subadviser Since 05/23/2019

Total Net Assets - All Classes	\$71,851,594
Equity Assets:	82.91%
Cash & Other Assets Less Liabilities:	17.09%
Benchmark Name:	MSCI EAFE Small Cap (ND) Index

Portfolio Managers



Jonathan Brodsky



Waldemar Mozes

Investment Philosophy

The Fund invests primarily in equity securities, principally common and preferred stocks and convertible securities, of foreign companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in the securities of small cap companies. The Subadviser's investment process utilizes a range of screening and idea sourcing methodologies to shrink the universe of securities to a manageable level. The Subadviser primarily utilizes bottom-up research to identify companies with attractive valuations, as determined by the Subadviser, while taking into account macroeconomic considerations.

CHARACTERISTICS & ALLOCATION

As of 06/30/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	79	2,354
Wtd Avg Market Cap (\$Mil)	1,851.50	2,395.10
Med Cap - # Stocks (\$Mil)	1,407.00	1,097.00
Price/Book Ratio	1.44	1.55
Adjusted Trailing P/E Ratio	11.80	14.50
% EPS Growth - Past 3 Yr	2.10	12.50
Return on Equity (%)	10.95	10.59
Beta vs. Fund Benchmark	0.96	
Forecasted P/E Ratio	10.80	14.50
Proj. Earnings Growth Rate (%)	11.60	9.80

Top 10 Holdings		
	Portfolio %	Benchmark %
Serco Group plc	1.94	0.11
Victrex plc	1.92	0.08
Virgin Money UK Plc	1.79	0.09
Resorttrust Inc.	1.78	0.06
OPTEX GROUP Company Lim	1.76	0.02
TietoEVRY Oyj	1.71	0.09
Loomis AB	1.69	0.08
Paltac Corporation	1.68	0.04
BeNext-Yumeshin Group C	1.67	0.03
Glanbia Plc	1.66	0.09
Total	17.60	0.69

Top 10 Industries		
	Portfolio %	Benchmark %
Electronic Equipment	9.06	2.20
Food Products	7.24	3.24
Insurance	6.16	2.39
Machinery	6.16	5.54
Commercial Serv & Suppl	5.65	2.47
Media	4.18	1.75
Hotels Rest & Leisure	3.43	2.94
Chemicals	3.29	3.48
Software	2.65	2.13
Health Care Equip	2.49	1.51
Total	50.31	27.65

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	20.81	22.15
Information Technology	15.54	9.32
Financials	12.32	11.54
Consumer Staples	11.70	6.50
Consumer Discretionary	8.37	11.99
Materials	4.65	9.44
Communication Services	4.18	4.37
Energy	2.85	2.70
Health Care	2.49	6.94
Utilities	0.00	3.29
Real Estate	0.00	12.07

Top 10 Countries		
	Portfolio %	Benchmark %
Japan	21.31	30.48
United Kingdom	13.57	16.65
France	7.40	3.72
Germany	5.69	4.64
Italy	4.43	2.98
Switzerland	4.33	4.68
Australia	3.85	10.04
Netherlands	3.19	1.92
Singapore	2.98	2.37
Spain	2.78	1.89
Total	69.53	79.37
Emerging Markets	0.00	0.00

Market Capitalization		
		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	0.00
Mid	5.0B - 10.0B	6.07
	1.0B - 5.0B	63.91
Small	0.0 - 1.0B	29.92



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	HAISX	411512569	-9.04%	-14.44%	-14.68%	5.78%	3.94%	N/A	7.08%	02/01/16	0.96	1.25
Administrative	HRISX	411512551	-9.06%	-14.52%	-14.90%	5.51%	3.68%	N/A	6.81%	02/01/16	1.21	1.50
Investor	HIISX	411512544	-9.07%	-14.60%	-14.99%	5.37%	3.56%	N/A	6.69%	02/01/16	1.32	1.61
Retirement	HNISX	411512536	-8.98%	-14.38%	-14.62%	5.84%	4.02%	N/A	7.16%	02/01/16	0.88	1.17
MSCI EAFE Small Cap (ND) Index			-17.69%	-24.71%	-23.98%	1.12%	1.72%	N/A	5.50%	02/01/16		

MANAGER COMMENTARY

As of 06/30/2022

"We believe companies with solid balance sheets, consistent cash flows, pricing power, and superior cost structures stand a better chance of outperforming."

Cedar Street Asset Management LLC

Market in Review

Without question, the most significant macro-level driver during the second quarter of 2022 was the acceleration of global inflation. Financial markets, especially currencies, experienced another bout of volatility that reflected a wide spectrum of monetary responses from central bankers—including everything from Japan's continued non-action, the U.S. Federal Reserve's (Fed) aggressive rate increase to 1.75%, and quantitative tightening.

These disparate responses created a strong sense of uncertainty that drove many to sell all manner of risk and "risk-free" assets. The S&P 500 produced its worst first-half since 1970, while the 10-year U.S. Treasury experienced its worst first-half performance since 1788. Even the juggernaut—mega-cap tech names that were considered "safe havens" during the pandemic—saw dramatic declines during the quarter.

While almost no financial asset was immune from second-quarter declines, it appeared as though the most speculative assets (i.e., those with the most spurious connections to fundamentals), were the hardest hit. This is consistent with our view that tighter monetary conditions would disproportionately hit asset classes that had benefited from extremely loose conditions, namely, equities with either high valuation multiples or limited profitability. What was a surprise, in the second quarter, was the double-digit gain of the U.S. dollar versus major currencies, including the more than 11% gain against the Japanese yen.

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.



The impacts on the Harbor International Small Cap Fund (Institutional Class, “Fund”) from this backdrop were twofold: first, although we hated experiencing another decline in the second quarter, declines were limited, relative to our benchmark, because of our focus on valuation, business profitability, and balance-sheet strength; secondly, we estimate that negative currency effects detracted nearly seven percentage points (75% of total) from performance.

Portfolio Performance

During the quarter, the Harbor International Small Cap Fund (Institutional Class) returned –9.04%, outperforming its primary benchmark, the MSCI EAFE Small Cap Value (ND) Index, which returned –15.27%, and outperforming the MSCI EAFE Small Cap (ND) Index, which returned –17.69%. Currency effects, as mentioned above, had the most significant impact on absolute returns.

On a relative basis, the Fund outperformed its benchmarks for two main reasons. First, from a style perspective, value-oriented equities largely outperformed growth-oriented equities, creating a style tailwind for the portfolio. Second, the Fund’s holdings have generally reported better-than-expected earnings results. By design, we seek out opportunities to exploit valuation disparities, which often occur when a company is at the trough of its natural operating cycle. When fundamentals improve, stock prices often react favorably, especially when many other parts of the market are priced too aggressively.

From a sector perspective, stock selection in the Information Technology and Materials sectors were the biggest contributors to returns during the quarter. A lack of exposure to the Utilities sector was the biggest detractor from returns during the quarter.

From a geographic perspective, stock selection in Switzerland and France drove positive contributions to returns, while stock selection in Singapore and allocation effects in Canada and Hong Kong detracted from returns during the quarter.

Contributors & Detractors

The largest contributor to Fund returns was Serco, a U.K.-listed government services business with worldwide operations. During the second quarter, the company reported better-than-expected execution on existing contracts, after several quarters of mostly pandemic-related missteps. In addition to strong execution, the company is winning more new contracts and benefiting from favorable currency tailwinds (since almost half of operating income comes from the U.S.) The company surprised the market with an unexpected upgrade to profit guidance for 2022 during the quarter.

The largest detractor from returns was Redde Northgate, a U.K.-listed van-leasing and insurance-claims services business. Despite reporting better-than-expected results, the company’s stock was under pressure during the quarter from fears that a U.K. recession would hurt demand for van-leasing services, and a lack of available new vans for purchase would limit the company’s ability to sell its used vans at attractive prices. Both concerns are unjustified, in our view, because recessions favor leasing versus buying for small business owners that need to conserve cash. In addition, the longer length of tenure for each van means more spread-business per van.

Also worth noting, four of our top five detractors were U.K.-listed businesses that are all considered to be sensitive to economic cycles.

Buys & Sells

During the quarter, we added Husqvarna, a Swedish company that specializes in high-quality, motorized gardening tools for consumers and businesses, to the Fund. The company was a major beneficiary of the stay-at-home trend during the pandemic. A recent reversal in pandemic-related stocks has hurt sentiment, while component shortages have hurt profitability, causing the shares to, once again, reach pandemic-level lows on earnings and book-value

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multiples. However, equipment purchases, in both consumer and commercial categories, continue to rise based on secular trends, including electrification, automation, and, more recently, labor shortages. Husqvarna makes one of the leading autonomous lawn mowers (think of a Roomba for your lawn). Consumers are also favoring electric mowers and other electric garden tools, especially with rising fuel costs. We expect the combination of product launches and supply-chain normalization to result in a resumption of profitable, double-digit growth.

We sold the position in Takkt during the quarter. The company is an office-supply and office-furniture distributor based in Germany and operating in the U.S. and Europe. We exited our position after several years during which the company successfully executed a transition from catalogs and a loose portfolio of businesses into primarily an integrated, digital, e-commerce distributor. The company did a great job navigating the pandemic and its aftermath, with high-teens' revenue growth and expanding return on equity. However, Takkt's valuation no longer supports our thesis, and we view the future operating environment as likely more challenging due to input-cost inflation and limited pricing power. We sold the position to reallocate capital into other opportunities.

Outlook

As we begin the second half of 2022, the main market debate has shifted from a question of whether or not inflation is transitory—to a question of the ability of central banks to engineer a so-called "soft landing" without inducing recession. These competing narratives are, in our view, the primary source of financial market volatility, which is likely to continue in 2022.

We believe inflationary pressures are primarily a function of mismatches in supply and demand across broad swaths of the global economy. Many markets have yet to find an equilibrium point, and until they do, price pressures are likely to persist, regardless of monetary policy. Many management teams of Fund companies expect some supply-chain pressures to subside later this year.

Given this environment, in our view, company-specific fundamentals are likely to become a more important driver of stock performance. We believe companies with solid balance sheets, consistent cash flows, pricing power, and superior cost structures stand a better chance of outperforming. We also believe that markets will pay increasingly more attention to valuations paid for fundamentals, because rising interest rates and volatility tend to reduce the value of distant cash flows.



Best & Worst Performers

Best Performers	Average Weight %	Return %
Serco Group plc	2.26	12.72
Navigator Company SA	1.75	9.42
Qol Holdings Co. Ltd.	1.34	8.02
Aryzta AG	1.56	7.36
Ontex Group N.V.	1.50	5.94

Worst Performers	Average Weight %	Return %
Virgin Money UK Plc	1.85	-28.46
Redde Northgate PLC	1.88	-28.05
TP ICAP Group plc	1.55	-27.52
OSG Corp	1.53	-24.21
Coats Group plc	1.90	-23.75

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Serco Group plc	12.72	0.24
Navigator Company SA	9.42	0.17
Aryzta AG	7.36	0.14
Qol Holdings Co. Ltd.	8.02	0.14
Ontex Group N.V.	5.94	0.12
Total		-9.99

Greatest Detractors	Return %	Contribution to Return %
Virgin Money UK Plc	-28.46	-0.61
Redde Northgate PLC	-28.05	-0.60
Coats Group plc	-23.75	-0.48
TP ICAP Group plc	-27.52	-0.47
OSG Corp	-24.21	-0.41
Total		-2.57

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Quarterly Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

03/31/2022 - 06/30/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-3.38	-10.53	7.16
Currency Contribution	-6.62	-7.15	0.53
Total Return	-10.00	-17.68	7.69

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	19.32	9.64	9.68	-9.96	-21.82	11.86	-1.79	-2.13	-0.37	2.31	1.94
Consumer Staples	12.51	5.95	6.56	-3.02	-10.43	7.41	-0.34	-0.56	0.48	0.83	1.31
Materials	6.72	9.82	-3.10	-9.68	-22.94	13.26	-0.63	-2.39	0.26	0.78	1.04
Industrials	23.60	22.71	0.89	-13.81	-17.11	3.30	-3.45	-3.87	-0.02	0.78	0.76
Consumer Discretionary	9.88	11.67	-1.79	-11.23	-17.31	6.08	-1.14	-2.02	-0.03	0.61	0.58
Energy	3.57	2.48	1.09	3.10	-9.02	12.13	0.05	-0.28	0.09	0.41	0.50
Financials	13.48	11.40	2.08	-12.99	-15.59	2.60	-1.74	-1.73	0.05	0.34	0.40
Real Estate	0.00	12.42	-12.42	0.00	-19.92	19.92	0.00	-2.48	0.29	0.00	0.29
Communication Services	5.16	4.37	0.79	-14.78	-19.14	4.36	-0.78	-0.84	-0.01	0.22	0.21
Health Care	1.35	6.18	-4.84	-11.44	-17.34	5.89	-0.16	-1.05	-0.03	0.05	0.02
Utilities	0.00	3.36	-3.36	0.00	-10.93	10.93	0.00	-0.34	-0.22	0.00	-0.22
[Cash]	4.41	0.00	4.41	-0.41	0.00	-0.41	-0.03	0.00	0.87	0.00	0.87
Total	100.00	100.00	0.00	-10.00	-17.68	7.69	-10.00	-17.68	1.35	6.33	7.69



Quarterly Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

03/31/2022 - 06/30/2022

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Australia	4.28	10.42	-6.15	-8.76	-25.45	16.70	-0.43	-2.85	0.49	0.74	1.22
Sweden	2.61	6.21	-3.59	-13.86	-29.45	15.60	-0.35	-1.93	0.46	0.43	0.90
Switzerland	5.01	4.76	0.25	-2.97	-19.72	16.75	-0.09	-0.92	0.02	0.82	0.85
France	8.57	3.70	4.86	-9.40	-19.55	10.16	-0.78	-0.76	-0.09	0.89	0.79
United Kingdom	15.42	16.90	-1.48	-15.96	-18.93	2.97	-2.56	-3.21	0.04	0.47	0.51
Portugal	1.75	0.28	1.47	9.42	-0.30	9.72	0.17	0.00	0.24	0.16	0.40
Germany	7.96	5.13	2.83	-16.20	-22.95	6.75	-1.37	-1.20	-0.13	0.53	0.40
Italy	4.60	2.95	1.65	-8.70	-16.34	7.64	-0.35	-0.47	0.03	0.35	0.38
Belgium	1.50	1.83	-0.33	5.94	-18.71	24.65	0.12	-0.33	0.00	0.34	0.35
Japan	23.72	27.86	-4.15	-8.54	-11.36	2.82	-1.89	-2.95	-0.38	0.69	0.31
Finland	2.00	1.57	0.44	-8.30	-18.43	10.13	-0.16	-0.29	0.00	0.20	0.20
Norway	0.00	2.51	-2.51	0.00	-23.85	23.85	0.00	-0.61	0.16	0.00	0.16
United States	1.32	0.00	1.32	-4.59	0.00	-4.59	-0.04	0.00	0.15	0.00	0.15
Israel	0.00	3.14	-3.14	0.00	-21.08	21.08	0.00	-0.67	0.12	0.00	0.12
Ireland	1.55	0.62	0.93	-7.47	-8.36	0.89	-0.13	-0.05	0.08	0.01	0.09
Netherlands	3.48	2.14	1.35	-16.50	-19.85	3.34	-0.59	-0.42	-0.04	0.12	0.08
Singapore	3.52	2.25	1.27	-9.36	-7.73	-1.64	-0.35	-0.18	0.12	-0.05	0.07
New Zealand	0.00	1.04	-1.04	0.00	-20.27	20.27	0.00	-0.22	0.02	0.00	0.02
Denmark	1.92	1.78	0.14	-12.98	-12.28	-0.70	-0.22	-0.21	0.01	-0.01	0.00
China	0.00	0.01	-0.01	0.00	-4.61	4.61	0.00	0.00	0.00	0.00	0.00
Austria	0.00	0.94	-0.94	0.00	-15.37	15.37	0.00	-0.15	-0.02	0.00	-0.02
Spain	3.45	2.01	1.45	-14.26	-10.39	-3.87	-0.51	-0.18	0.12	-0.14	-0.02
Canada	1.59	0.00	1.59	-20.43	0.00	-20.43	-0.35	0.00	-0.05	0.00	-0.05
Hong Kong	1.35	1.96	-0.62	-6.09	-4.67	-1.42	-0.09	-0.08	-0.07	-0.01	-0.09
[Cash]	4.41	0.00	4.41	-0.41	0.00	-0.41	-0.03	0.00	0.87	0.00	0.87
Total	100.00	100.00	0.00	-10.00	-17.68	7.69	-10.00	-17.68	2.15	5.54	7.69



Trailing 1 Year Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

06/30/2021 - 06/30/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-2.46	-12.93	10.47
Currency Contribution	-11.43	-11.05	-0.39
Total Return	-13.89	-23.98	10.08

Sector Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Industrials	23.82	23.42	0.39	-8.47	-21.04	12.57	-1.88	-4.80	-0.01	3.00	2.99
Information Technology	18.53	10.08	8.45	-14.79	-31.70	16.91	-2.50	-3.24	-0.60	3.27	2.67
Consumer Discretionary	11.04	12.20	-1.17	-20.03	-33.78	13.75	-2.03	-4.21	0.08	1.66	1.74
Health Care	1.67	6.63	-4.96	-21.91	-34.31	12.40	-0.21	-2.14	0.56	0.15	0.72
Energy	3.28	1.87	1.41	12.44	6.58	5.85	0.32	-0.03	0.35	0.23	0.59
Consumer Staples	11.41	5.82	5.59	-23.01	-22.55	-0.46	-2.50	-1.23	0.18	0.12	0.31
Materials	8.16	9.35	-1.18	-18.53	-22.68	4.15	-1.24	-2.40	0.19	0.09	0.28
Financials	12.57	10.93	1.64	-16.59	-16.71	0.12	-2.28	-1.87	0.11	0.01	0.12
Communication Services	4.41	4.48	-0.08	-30.35	-28.33	-2.02	-1.48	-1.25	-0.02	0.08	0.06
Real Estate	0.00	12.17	-12.17	0.00	-20.82	20.82	0.00	-2.56	-0.37	0.00	-0.37
Utilities	0.00	3.05	-3.05	0.00	-7.88	7.88	0.00	-0.24	-0.47	0.00	-0.47
[Cash]	5.12	0.00	5.12	-1.75	0.00	-1.75	-0.10	0.00	1.45	0.00	1.45
Total	100.00	100.00	0.00	-13.89	-23.97	10.08	-13.89	-23.97	1.46	8.62	10.08



Trailing 1 Year Attribution:

Harbor International Small Cap Fund vs. MSCI EAFE Small Cap (ND) Index

06/30/2021 - 06/30/2022

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Germany	7.97	5.20	2.77	-8.53	-30.86	22.33	-0.24	-1.59	-0.17	2.14	1.97
United Kingdom	14.30	17.30	-3.00	-22.12	-29.40	7.28	-3.18	-5.00	0.15	1.25	1.40
Netherlands	4.24	2.34	1.90	7.63	-15.20	22.82	0.68	-0.32	0.25	0.97	1.22
United States	1.76	0.00	1.76	56.91	0.00	56.91	0.86	0.00	1.04	0.00	1.04
Italy	3.97	2.92	1.06	-6.07	-26.03	19.96	-0.19	-0.75	0.01	0.81	0.82
Australia	4.03	9.60	-5.58	13.78	-20.35	34.14	0.20	-2.34	-0.31	1.03	0.72
Switzerland	4.44	5.08	-0.64	-11.53	-23.60	12.06	-0.34	-1.11	-0.02	0.72	0.70
Sweden	3.90	7.04	-3.14	-30.82	-37.76	6.93	-1.12	-2.46	0.50	0.13	0.63
Portugal	1.74	0.24	1.51	22.32	11.83	10.50	0.35	0.02	0.47	0.13	0.60
France	8.04	3.49	4.55	-21.93	-26.99	5.07	-1.71	-1.01	-0.14	0.55	0.41
Finland	1.85	1.70	0.15	-19.29	-37.15	17.86	-0.31	-0.62	-0.03	0.39	0.36
Japan	23.59	27.74	-4.15	-19.69	-21.51	1.82	-4.90	-5.93	-0.16	0.48	0.32
Spain	3.01	1.94	1.07	-9.95	-11.28	1.33	-0.40	-0.18	0.20	0.00	0.20
China	0.00	0.01	-0.01	0.00	-67.45	67.45	0.00	-0.02	0.01	0.00	0.01
Austria	0.00	0.93	-0.93	0.00	-22.65	22.65	0.00	-0.21	-0.01	0.00	-0.01
New Zealand	0.00	0.98	-0.98	0.00	-23.19	23.19	0.00	-0.24	-0.01	0.00	-0.01
Norway	0.00	2.48	-2.48	0.00	-22.84	22.84	0.00	-0.55	-0.03	0.00	-0.03
Denmark	2.36	1.75	0.60	-26.40	-25.26	-1.14	-0.49	-0.41	-0.01	-0.08	-0.09
Canada	2.10	0.00	2.10	-31.82	0.00	-31.82	-0.48	0.00	-0.14	0.00	-0.14
Ireland	1.34	0.57	0.77	-32.24	-7.54	-24.71	-0.40	-0.05	0.12	-0.27	-0.14
Singapore	3.22	2.01	1.21	-19.94	-3.72	-16.22	-0.64	-0.11	0.24	-0.41	-0.17
Belgium	1.43	-1.74	-3.17	-37.28	-16.61	-20.67	-0.49	-0.28	-0.02	-0.24	-0.26
Israel	0.00	3.03	-3.03	0.00	-7.67	7.67	0.00	-0.33	-0.44	0.00	-0.44
Hong Kong	1.59	1.90	-0.31	-48.28	-26.21	-22.07	-0.99	-0.49	-0.02	-0.45	-0.47
[Cash]	5.12	0.00	5.12	-1.75	0.00	-1.75	-0.10	0.00	1.45	0.00	1.45
Total	100.00	100.00	0.00	-13.89	-23.98	10.08	-13.89	-23.98	2.92	7.16	10.08

Risks

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

Disclosures

The MSCI EAFE Small Cap (ND) Index is an equity index which captures small cap representation across developed market countries around the world, excluding the U.S. and Canada. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

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 or call 800-422-1050. Read it carefully before investing.

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

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Attribution Disclosures

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

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

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

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

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

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

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

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

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

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

Definitions

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