

# Harbor Global Leaders Fund

Sands Capital Management, LLC

Subadvisor Since 03/02/2017

<b>Total Net Assets - All Classes</b>	\$66,516,487
<b>Equity Assets:</b>	97.15%
<b>Cash &amp; Other Assets Less Liabilities:</b>	2.85%
<b>Benchmark Name:</b>	MSCI All Country World (ND) Index

## Portfolio Managers



Sunil H. Thakor, CFA



Michael F. Raab, CFA

## Investment Philosophy

Harbor Global Leaders Fund, subadvised by Sands Capital Management, LLC, invests in securities of U.S. and foreign companies that have long-term growth potential, including in developed and emerging markets. Under normal market conditions, the Fund expects to invest in at least three countries, including the United States, and invest at least 40% of its assets in foreign companies. The Fund may invest in companies in any stage of their growth lifecycles, but will focus on companies that the Subadvisor believes are capable of generating sustainable, above average, and relatively stable rates of earnings per share growth and strong free cash flow, typically enabled by above-average rates of return on capital. The Subadvisor seeks investment opportunities in companies that the Subadvisor believes are leaders in their country, industry, or globally in terms of products, services, or execution.

## CHARACTERISTICS & ALLOCATION

As of 12/31/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	39	2,885
Wtd Avg Market Cap (\$Mil)	139,462.60	273,024.60
Med Cap - # Stocks (\$Mil)	36,582.00	10,696.00
Price/Book Ratio	5.08	3.88
Adjusted Trailing P/E Ratio	33.30	21.30
% EPS Growth - Past 3 Yr	19.60	16.70
Return on Equity (%)	16.65	18.02
Beta vs. Fund Benchmark	1.08	
Forecasted P/E Ratio	27.70	18.80

Top 10 Holdings		
	Portfolio %	Benchmark %
AIA Group Limited	4.79	0.24
Roper Technologies Inc.	4.73	0.08
Visa Inc. Class A	4.50	0.60
Chegg Inc.	4.24	0.00
CoStar Group Inc.	4.05	0.05
Constellation Software	3.95	0.06
Keyence Corporation	3.72	0.13
Microsoft Corporation	3.71	3.02
Liberty Media Corp. Ser	3.68	0.02
Charter Communications	3.55	0.07
<b>Total</b>	<b>40.92</b>	<b>4.27</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Software	13.88	5.59
It Services	12.67	3.52
Life Sciences Tools	7.68	1.44
Professional Services	5.86	0.66
Semiconductors	5.42	4.60
Insurance	4.79	3.42
Diversified Cons Serv	4.24	0.04
Capital Markets	3.88	2.87
Electronic Equipment	3.72	1.03
Entertainment	3.68	1.14
<b>Total</b>	<b>65.82</b>	<b>24.31</b>

Economic Sectors		
	Portfolio %	Benchmark %
Information Technology	35.69	19.89
Industrials	14.76	9.94
Health Care	14.13	13.31
Financials	12.06	15.04
Consumer Discretionary	7.67	10.27
Communication Services	7.23	6.74
Consumer Staples	3.54	7.63
Materials	2.07	4.85
Energy	0.00	5.59
Utilities	0.00	3.13
Real Estate	0.00	2.57

Top 10 Countries		
	Portfolio %	Benchmark %
United States	59.64	60.40
Canada	9.06	3.05
Japan	7.16	5.59
Switzerland	5.03	2.57
Hong Kong	4.79	0.79
Netherlands	3.86	1.06
India	3.39	1.56
United Kingdom	3.10	3.93
Argentina	1.12	0.00
Australia	0.00	2.04
<b>Total</b>	<b>97.15</b>	<b>80.99</b>
<b>Emerging Markets</b>	<b>4.51</b>	<b>11.17</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	71.86
	10.0B - 25.0B	14.46
Mid	5.0B - 10.0B	6.74
	1.0B - 5.0B	6.35
Small	0.0 - 1.0B	0.59



### 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	HGGAX	411512874	8.49%	-29.69%	-29.69%	-1.42%	5.86%	9.61%	13.21%	03/01/09	0.86	0.95
Administrative	HRGAX	411512866	8.44%	-29.84%	-29.84%	-1.66%	5.61%	9.34%	12.93%	03/01/09	1.11	1.20
Investor	HGGIX	411512858	8.39%	-29.92%	-29.92%	-1.78%	5.48%	9.21%	12.79%	03/01/09	1.22	1.34
Retirement	HNGIX	411512411	8.55%	-29.63%	-29.63%	-1.33%	5.95%	9.66%	13.25%	03/01/16	0.78	0.90
MSCI All Country World (ND) Index			9.76%	-18.36%	-18.36%	4.00%	5.23%	7.98%	11.04%	03/01/09		

## MANAGER COMMENTARY

As of 12/31/2022

**“Investors indiscriminately sold long-duration assets as they sought to shorten their time horizons and focus on near-term certainty.”**

Sands Capital Management, LLC

### Market in Review

Global equities ended their three-quarter-long losing streak in the fourth quarter, posting their strongest quarterly gains since 2020. The bulk of the gains came in October and November, as weaker U.S. inflation data gave investors hope about a sooner-than-expected end to the U.S. Federal Reserve’s (“Fed’s”) tightening cycle. This was in part validated by the Fed’s 0.50% rate hike in December—following four consecutive 0.75% increases—though Powell’s commentary was more hawkish than hoped, which sent shares lower for the month.

Gains were broad-based, with 44 of the 48 MSCI All Country World Index’s constituent countries trading higher. All sectors were strong across the board, while the growth-oriented Consumer Discretionary and Communication Services sectors were top detractors. Global value equities outperformed global growth equities by the widest margin since 2000.

From an annual perspective, 2022 was the worst year for global equities since 2008, with the MSCI ACWI falling nearly 20%, reversing three straight years of double-digit gains. Growth businesses were the hardest hit, with the Information Technology, Consumer Discretionary, and Communication Services sectors accounting for 80% of the decline.

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.

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

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



### Portfolio Performance

During the fourth quarter of 2022, the Harbor Global Leaders Fund (Institutional Class, "Fund") returned 8.49%, underperforming its benchmark, the MSCI All Country World Index, which returned 9.76%.

Security selection accounted for the bulk of the Fund's underperformance, while sector allocation and the currency effect were also headwinds.

From a regional perspective, U.S./Canada and developed Asia were the top relative contributors to investment results. Western Europe and Emerging Asia detracted most from relative returns. From a sector perspective, Consumer Discretionary was the top contributor. Health Care and Information Technology were the top detractors.

### Contributors & Detractors

Cloudflare, a top detractor, was under pressure along with other cloud-technology businesses as markets remained cautious around the demand environment in the face of a slowing global economy.

While Cloudflare reported enterprise deals were taking longer to close, and dollar-based net retention fell 2% quarter over quarter, results and guidance were ahead of consensus expectations in the third quarter. Moreover, the company reported impressive new customer wins across product areas, and revenue from customers spending more than \$100,000 continues to grow faster than the overall business, indicating to us that large enterprise traction is growing. The company also blew past its guidance for breakeven operating income in the third quarter, achieving operating margins of 6% while guiding similarly for the fourth quarter. Cloudflare remains an impressive business that we believe will continue executing well over the long-term investment horizon.

Roper Technologies was a top contributor to investment results. The company reported strong third-quarter results in October highlighted by higher-than-expected organic revenue growth of 10%, beating consensus expectations.

In just four years, Roper has transformed its business by diversifying revenue sources through acquisitions and divesting its more cyclical businesses. The company continues to generate high levels of free cash flow, which has helped it build more than \$7 billion in merger and acquisition (M&A) capacity. The company recently deployed nearly \$4 billion in capital to acquire Frontline Education, a leading provider of software that targets the U.S. K-12 education market. Roper believes Frontline has several durable growth drivers and great cash flow characteristics. Looking ahead, we continue to view Roper as a high-conviction compounder for the Fund.

### Buys and Sells

During the quarter we acquired Adyen, a global payment platform that is a novel piece of e-commerce infrastructure. The company simplifies the burden of cross-border transactions by offering a single point of integration for retailers to get paid anywhere in the world, across any channel—effectively serving as a bridge between retailers and payment networks. We believe the value proposition for retailers is clear—better conversions result in more revenue, while less fraud and increased localization result in lower costs. Over our investment horizon, we believe Adyen's commission-based revenue model and largely fixed-cost structure will enable it to benefit from growing market volumes while delivering healthy profitability.



We sold CSL as part of our initiative to increase the Fund's exposure to higher-growth businesses. CSL continues to meet our criteria, and over the near term we believe it should remain a high-quality business that will continue to execute well. However, longer term, we see emerging competitive risks to CSL's core immunoglobulin franchise from a new class of drugs (FcRns). Moreover, the recent acquisition of Vifor has caused us to question the company's capital allocation decisions. These concerns, combined with the business's near-historical valuation and maturing growth profile, drove our decision to exit and use the proceeds to raise our weight in higher-growth businesses.

### Country Allocation

Our country allocations are a byproduct of our bottom-up approach and did not materially change during the quarter. Our largest country overweights were to Canada, Hong Kong, and the United Kingdom. Our largest country underweights were to the United States, China, and France.

### Outlook

This year will go down in history as one of the worst for global assets—not just equities—and growth stocks led the decline. Investors indiscriminately sold long-duration assets as they sought to shorten their time horizons and focus on near-term certainty. Amid this uncertainty, this market rapidly shifted its mindset from “growth at any cost” to “show me the money” when assigning value to companies and their profitability profiles.

As the broader economy weakens, our view remains that the best way to navigate a bad (or good) macroeconomic environment is to own quality assets. We remain hyper-focused on our businesses and their long-term earnings potential. We believe that the best hedge to permanent downside risk is to own a portfolio of businesses that combines leadership and strong competitive advantage supported by financial strength. We are confident that we own that portfolio today.



### Best & Worst Performers

Best Performers	Average Weight %	Return %
AIA Group Limited	4.09	33.38
Shopify Inc. Class A	2.11	28.84
Safran S.A.	0.80	22.20
Roper Technologies Inc.	4.54	20.28
TransDigm Group Incorporated	2.81	19.97

Worst Performers	Average Weight %	Return %
Coupang Inc. Class A	1.54	-24.80
Entegris Inc.	2.97	-20.93
Cloudflare Inc Class A	3.29	-18.26
Globant SA	1.19	-10.11
MonotaRO Co. Ltd.	1.84	-8.03

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
AIA Group Limited	33.38	1.07
Roper Technologies Inc.	20.28	0.87
Chegg Inc.	19.93	0.79
Visa Inc. Class A	17.14	0.71
Safran S.A.	22.20	0.62
<b>Total</b>		<b>4.06</b>

Greatest Detractors	Return %	Contribution to Return %
Cloudflare Inc Class A	-18.26	-0.76
Entegris Inc.	-20.93	-0.72
Coupang Inc. Class A	-24.80	-0.49
NAVER Corp.	-15.93	-0.24
MonotaRO Co. Ltd.	-8.03	-0.16
<b>Total</b>		<b>-2.37</b>

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Quarterly Attribution:  
Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	6.72	7.35	-0.63
Currency Contribution	1.88	2.41	-0.53
<b>Total Return</b>	<b>8.60</b>	<b>9.76</b>	<b>-1.16</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	7.91	10.86	-2.95	9.12	-0.73	9.85	0.71	-0.09	0.39	0.73
Financials	11.01	14.86	-3.85	18.94	14.34	4.60	1.86	2.11	-0.17	0.60	0.43
Real Estate	0.00	2.57	-2.57	0.00	5.90	-5.90	0.00	0.15	0.10	0.00	0.10
Utilities	0.00	3.07	-3.07	0.00	10.30	-10.30	0.00	0.30	-0.02	0.00	-0.02
Communication Services	7.35	6.92	0.43	2.21	2.40	-0.19	0.30	0.16	-0.01	-0.03	-0.04
Industrials	15.69	9.94	5.75	12.74	17.48	-4.74	2.29	1.65	0.46	-0.58	-0.11
Consumer Staples	3.62	7.60	-3.98	5.61	11.18	-5.57	0.25	0.83	-0.07	-0.20	-0.26
Materials	1.52	4.85	-3.33	4.44	16.21	-11.77	0.08	0.74	-0.19	-0.13	-0.32
Energy	0.00	5.60	-5.60	0.00	17.77	-17.77	0.00	0.99	-0.42	0.00	-0.42
Information Technology	34.00	20.60	13.40	5.41	5.77	-0.36	1.77	1.25	-0.60	-0.06	-0.66
Health Care	16.65	13.13	3.52	7.30	13.14	-5.84	1.28	1.68	0.12	-1.04	-0.91
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>8.60</b>	<b>9.76</b>	<b>-1.16</b>	<b>8.60</b>	<b>9.76</b>	<b>-0.46</b>	<b>-0.70</b>	<b>-1.16</b>

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### Quarterly Attribution:

Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

### Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Hong Kong	4.09	0.72	3.37	33.38	17.77	15.61	1.07	0.11	0.30	0.57	0.87
Canada	8.92	3.12	5.80	14.20	7.42	6.78	1.24	0.25	-0.14	0.61	0.47
India	3.24	1.64	1.60	17.10	1.98	15.12	0.53	0.03	-0.12	0.48	0.36
France	0.80	2.87	-2.07	22.20	22.19	0.01	0.62	0.59	-0.17	0.28	0.12
Saudi Arabia	0.00	0.49	-0.49	0.00	-7.44	7.44	0.00	-0.03	0.09	0.00	0.09
Brazil	0.00	0.62	-0.62	0.00	2.35	-2.35	0.00	0.02	0.05	0.00	0.05
Qatar	0.00	0.12	-0.12	0.00	-15.29	15.29	0.00	-0.02	0.04	0.00	0.04
Indonesia	0.00	0.22	-0.22	0.00	-3.57	3.57	0.00	-0.01	0.03	0.00	0.03
Israel	0.00	0.19	-0.19	0.00	0.38	-0.38	0.00	0.00	0.02	0.00	0.02
United Arab Emirates	0.00	0.15	-0.15	0.00	-1.51	1.51	0.00	0.00	0.02	0.00	0.02
Cayman Islands	0.00	0.01	-0.01	0.00	42.12	-42.12	0.00	0.01	0.00	0.00	0.00
Chile	0.00	0.06	-0.06	0.00	6.18	-6.18	0.00	0.00	0.00	0.00	0.00
Colombia	0.00	0.01	-0.01	0.00	19.71	-19.71	0.00	0.00	0.00	0.00	0.00
Czech Republic	0.00	0.02	-0.02	0.00	6.55	-6.55	0.00	0.00	0.00	0.00	0.00
Egypt	0.00	0.01	-0.01	0.00	28.51	-28.51	0.00	0.00	0.00	0.00	0.00
Hungary	0.00	0.02	-0.02	0.00	36.33	-36.33	0.00	0.01	0.00	0.00	0.00
Kuwait	0.00	0.11	-0.11	0.00	5.75	-5.75	0.00	0.01	0.00	0.00	0.00
Peru	0.00	0.03	-0.03	0.00	17.35	-17.35	0.00	0.01	0.00	0.00	0.00
Portugal	0.00	0.06	-0.06	0.00	17.23	-17.23	0.00	0.01	0.00	0.00	0.00
Singapore	0.00	0.37	-0.37	0.00	10.54	-10.54	0.00	0.03	0.00	0.00	0.00
Austria	0.00	0.04	-0.04	0.00	31.07	-31.07	0.00	0.01	-0.01	0.00	-0.01
Greece	0.00	0.03	-0.03	0.00	29.14	-29.14	0.00	0.01	-0.01	0.00	-0.01
Ireland	0.00	0.17	-0.17	0.00	18.15	-18.15	0.00	0.03	-0.01	0.00	-0.01
Malaysia	0.00	0.17	-0.17	0.00	14.03	-14.03	0.00	0.02	-0.01	0.00	-0.01
Mexico	0.00	0.26	-0.26	0.00	12.48	-12.48	0.00	0.03	-0.01	0.00	-0.01
New Zealand	0.00	0.04	-0.04	0.00	24.51	-24.51	0.00	0.01	-0.01	0.00	-0.01
Norway	0.00	0.19	-0.19	0.00	16.92	-16.92	0.00	0.03	-0.01	0.00	-0.01
Philippines	0.00	0.08	-0.08	0.00	21.09	-21.09	0.00	0.02	-0.01	0.00	-0.01
Taiwan	0.00	1.51	-1.51	0.00	9.63	-9.63	0.00	0.11	-0.01	0.00	-0.01
Finland	0.00	0.25	-0.25	0.00	16.32	-16.32	0.00	0.04	-0.02	0.00	-0.02
Poland	0.00	0.07	-0.07	0.00	47.75	-47.75	0.00	0.03	-0.02	0.00	-0.02
Thailand	0.00	0.23	-0.23	0.00	16.10	-16.10	0.00	0.03	-0.02	0.00	-0.02
Turkey	0.00	0.06	-0.06	0.00	62.86	-62.86	0.00	0.03	-0.02	0.00	-0.02
Belgium	0.00	0.24	-0.24	0.00	22.55	-22.55	0.00	0.05	-0.03	0.00	-0.03
South Africa	0.00	0.40	-0.40	0.00	18.33	-18.33	0.00	0.07	-0.03	0.00	-0.03
Spain	0.00	0.59	-0.59	0.00	22.90	-22.90	0.00	0.12	-0.07	0.00	-0.07
Sweden	0.00	0.84	-0.84	0.00	18.14	-18.14	0.00	0.15	-0.07	0.00	-0.07
Italy	0.00	0.58	-0.58	0.00	26.36	-26.36	0.00	0.14	-0.09	0.00	-0.09
United States	60.38	61.56	-1.18	6.62	6.98	-0.36	4.36	4.67	0.02	-0.13	-0.11
United Kingdom	3.14	3.77	-0.63	14.64	16.98	-2.34	0.47	0.60	-0.05	-0.08	-0.13
Denmark	0.00	0.68	-0.68	0.00	31.60	-31.60	0.00	0.19	-0.14	0.00	-0.14
China	0.00	3.26	-3.26	0.00	13.42	-13.42	0.00	0.34	-0.15	0.00	-0.15
Australia	1.91	1.93	-0.02	5.41	15.91	-10.50	0.09	0.28	0.03	-0.23	-0.20
Japan	7.33	5.40	1.93	8.88	13.23	-4.35	0.57	0.65	0.07	-0.32	-0.25
Argentina	1.19	0.00	1.19	-10.11	0.00	-10.11	-0.13	0.00	-0.27	0.00	-0.27

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**Quarterly Attribution:**

Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

**Country Attribution**

Germany	0.00	1.96	-1.96	0.00	24.57	-24.57	0.00	0.44	-0.27	0.00	-0.27
Netherlands	2.05	1.04	1.01	-6.41	21.01	-27.42	-0.06	0.20	0.04	-0.37	-0.33
South Korea	0.11	1.26	-1.15	-15.93	18.12	-34.05	-0.24	0.21	-0.07	-0.34	-0.41
Switzerland	4.60	2.53	2.07	1.14	10.41	-9.27	0.03	0.26	0.04	-0.48	-0.43
Cash	2.24	0.00	2.24	3.31	0.00	3.31	0.05	0.00	-0.08	0.00	-0.08
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>8.60</b>	<b>9.76</b>	<b>-1.16</b>	<b>8.60</b>	<b>9.76</b>	<b>-0.49</b>	<b>-0.68</b>	<b>-1.16</b>

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**Trailing 1 Year Attribution:**  
Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

**Performance**

	Portfolio	Benchmark	Active
Return Ex Currency	-27.13	-15.98	-11.15
Currency Contribution	-1.95	-2.38	0.43
<b>Total Return</b>	<b>-29.08</b>	<b>-18.36</b>	<b>-10.72</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	6.78	11.31	-4.53	-33.20	-31.71	-1.49	-2.33	-4.12	0.46	-0.18
Real Estate	0.00	2.70	-2.70	0.00	-24.60	24.60	0.00	-0.75	0.15	0.00	0.15
Industrials	15.80	9.59	6.21	-17.11	-13.10	-4.01	-2.00	-1.07	0.28	-0.41	-0.13
Materials	0.38	4.86	-4.48	4.44	-11.60	16.04	0.08	-0.65	-0.25	-0.09	-0.33
Utilities	0.00	3.02	-3.02	0.00	-4.69	4.69	0.00	-0.19	-0.35	0.00	-0.35
Financials	10.63	14.64	-4.01	-13.91	-9.84	-4.07	-1.31	-1.34	-0.25	-0.42	-0.67
Communication Services	8.77	7.73	1.04	-47.82	-35.57	-12.25	-5.07	-3.24	-0.10	-1.44	-1.54
Energy	0.00	4.91	-4.91	0.00	33.17	-33.17	0.00	1.03	-1.65	0.00	-1.65
Consumer Staples	4.36	7.34	-2.98	-38.81	-6.55	-32.26	-2.11	-0.44	-0.23	-1.55	-1.78
Health Care	18.18	12.43	5.75	-24.38	-6.32	-18.06	-4.15	-0.33	0.57	-2.87	-2.30
Information Technology	33.16	21.47	11.69	-34.66	-31.00	-3.66	-12.26	-7.25	-1.34	-1.33	-2.67
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-29.08</b>	<b>-18.36</b>	<b>-10.72</b>	<b>-29.08</b>	<b>-18.36</b>	<b>-2.44</b>	<b>-8.28</b>	<b>-10.72</b>

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.



**Trailing 1 Year Attribution:**  
Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

**Country Attribution**

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Hong Kong	4.20	0.74	3.46	12.46	-4.85	17.31	0.22	-0.06	0.41	0.52	0.93
India	2.85	1.53	1.32	6.04	-7.95	13.99	0.33	-0.14	0.12	0.29	0.42
Russia	0.00	0.05	-0.05	0.00	-100.00	100.00	0.00	-0.32	0.25	0.00	0.25
France	2.22	2.80	-0.58	-7.72	-13.34	5.62	-0.06	-0.30	-0.12	0.33	0.21
China	0.00	3.48	-3.48	0.00	-21.98	21.98	0.00	-0.99	0.12	0.00	0.12
Germany	0.00	1.98	-1.98	0.00	-22.34	22.34	0.00	-0.43	0.09	0.00	0.09
Sweden	0.00	0.86	-0.86	0.00	-28.41	28.41	0.00	-0.25	0.09	0.00	0.09
Taiwan	0.49	1.68	-1.19	-12.77	-29.76	16.99	-0.43	-0.67	0.25	-0.17	0.08
Russian Federation	0.00	0.01	-0.01	0.00	-100.00	100.00	0.00	-0.05	0.04	0.00	0.04
Australia	2.30	1.90	0.40	-7.55	-4.51	-3.04	-0.15	-0.13	0.03	-0.02	0.02
Ireland	0.00	0.17	-0.17	0.00	-29.95	29.95	0.00	-0.06	0.02	0.00	0.02
Cyprus	0.00	0.00	0.00	0.00	-100.00	100.00	0.00	-0.02	0.01	0.00	0.01
Israel	0.00	0.19	-0.19	0.00	-26.67	26.67	0.00	-0.05	0.01	0.00	0.01
Poland	0.00	0.07	-0.07	0.00	-27.24	27.24	0.00	-0.02	0.01	0.00	0.01
Austria	0.00	0.05	-0.05	0.00	-26.41	26.41	0.00	-0.01	0.00	0.00	0.00
Cayman Islands	0.00	0.01	-0.01	0.00	-29.28	29.28	0.00	0.00	0.00	0.00	0.00
Colombia	0.00	0.02	-0.02	0.00	-5.98	5.98	0.00	0.00	0.00	0.00	0.00
Czech Republic	0.00	0.02	-0.02	0.00	-14.44	14.44	0.00	0.00	0.00	0.00	0.00
Egypt	0.00	0.01	-0.01	0.00	-22.65	22.65	0.00	0.00	0.00	0.00	0.00
Greece	0.00	0.03	-0.03	0.00	0.26	-0.26	0.00	0.00	0.00	0.00	0.00
Hungary	0.00	0.02	-0.02	0.00	-31.08	31.08	0.00	-0.01	0.00	0.00	0.00
New Zealand	0.00	0.05	-0.05	0.00	-13.62	13.62	0.00	-0.01	0.00	0.00	0.00
Philippines	0.00	0.08	-0.08	0.00	-13.92	13.92	0.00	-0.02	0.00	0.00	0.00
Belgium	0.00	0.23	-0.23	0.00	-12.49	12.49	0.00	-0.02	-0.01	0.00	-0.01
Chile	0.00	0.06	-0.06	0.00	19.36	-19.36	0.00	0.01	-0.01	0.00	-0.01
Finland	0.00	0.24	-0.24	0.00	-15.28	15.28	0.00	-0.03	-0.01	0.00	-0.01
Peru	0.00	0.03	-0.03	0.00	9.44	-9.44	0.00	0.00	-0.01	0.00	-0.01
Portugal	0.00	0.05	-0.05	0.00	0.20	-0.20	0.00	0.00	-0.01	0.00	-0.01
Qatar	0.00	0.12	-0.12	0.00	-6.89	6.89	0.00	-0.02	-0.01	0.00	-0.01
Italy	0.00	0.57	-0.57	0.00	-14.36	14.36	0.00	-0.07	-0.02	0.00	-0.02
Kuwait	0.00	0.09	-0.09	0.00	10.07	-10.07	0.00	0.00	-0.02	0.00	-0.02
Malaysia	0.00	0.17	-0.17	0.00	-5.78	5.78	0.00	-0.01	-0.02	0.00	-0.02
Norway	0.00	0.19	-0.19	0.00	-7.02	7.02	0.00	-0.02	-0.02	0.00	-0.02
United Arab Emirates	0.00	0.15	-0.15	0.00	-6.18	6.18	0.00	-0.02	-0.02	0.00	-0.02
Indonesia	0.00	0.21	-0.21	0.00	3.59	-3.59	0.00	0.00	-0.03	0.00	-0.03
Mexico	0.00	0.25	-0.25	0.00	-2.02	2.02	0.00	0.00	-0.03	0.00	-0.03
Turkey	0.00	0.04	-0.04	0.00	90.42	-90.42	0.00	0.03	-0.03	0.00	-0.03
Thailand	0.00	0.22	-0.22	0.00	4.97	-4.97	0.00	0.01	-0.04	0.00	-0.04
Saudi Arabia	0.00	0.48	-0.48	0.00	-5.07	5.07	0.00	-0.06	-0.05	0.00	-0.05
South Africa	0.00	0.41	-0.41	0.00	-3.88	3.88	0.00	-0.02	-0.05	0.00	-0.05
Spain	0.00	0.58	-0.58	0.00	-7.28	7.28	0.00	-0.04	-0.06	0.00	-0.06
Denmark	0.00	0.66	-0.66	0.00	-4.84	4.84	0.00	0.00	-0.07	0.00	-0.07
Argentina	0.70	0.00	0.70	-12.94	0.00	-12.94	-0.16	0.00	-0.09	0.00	-0.09
Brazil	0.00	0.59	-0.59	0.00	14.15	-14.15	0.00	0.05	-0.14	0.00	-0.14
Canada	7.86	3.14	4.72	-21.05	-12.87	-8.18	-1.51	-0.44	0.07	-0.53	-0.46

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**Trailing 1 Year Attribution:**

Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

**Country Attribution**

United Kingdom	2.99	3.79	-0.80	-21.78	-4.84	-16.94	-0.59	-0.19	-0.09	-0.46	-0.55
Singapore	0.28	0.36	-0.08	-55.77	-11.14	-44.63	-0.99	-0.04	0.01	-0.89	-0.88
Netherlands	1.60	1.05	0.55	-64.49	-27.63	-36.86	-1.44	-0.30	-0.07	-0.89	-0.96
South Korea	1.76	1.33	0.43	-64.24	-29.36	-34.88	-2.02	-0.48	-0.19	-0.80	-0.99
Japan	7.32	5.45	1.87	-37.22	-16.65	-20.57	-3.18	-1.01	0.07	-1.68	-1.61
Switzerland	4.10	2.52	1.58	-61.74	-18.32	-43.42	-3.27	-0.45	0.00	-2.35	-2.35
United States	59.40	61.28	-1.88	-28.41	-19.84	-8.57	-15.91	-11.67	0.05	-4.80	-4.74
Cash	1.95	0.00	1.95	13.79	0.00	13.79	0.07	0.00	0.26	0.00	0.26
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-29.08</b>	<b>-18.36</b>	<b>-10.72</b>	<b>-29.08</b>	<b>-18.36</b>	<b>0.53</b>	<b>-11.25</b>	<b>-10.72</b>

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### 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.

Since the Fund typically invests in a limited number of companies, an adverse event affecting a particular company may hurt the Fund's performance more than if it had invested in a larger number of companies.

### Benchmarks

The MSCI All Country World Index (ND) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging 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.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share. EPS Growth Rate is calculated by subtracting the initial EPS from the final EPS and dividing the change in EPS by the initial EPS. The Adjusted Trailing P/E (Price/ Ratio is the closing stock price divided by the sum of the last 12 months actual EPS. The Forecast P/E Ratio is the closing stock price divided by the sum of the next 4 quarters estimated EPS. All P/E, ROE and P/B statistics are calculated as weighted medians.

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

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

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

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

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.**

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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.