

Harbor International Fund

Marathon Asset Management Limited

Subadvisor Since 08/22/2018

Total Net Assets - All Classes	\$3,293,511,300
Equity Assets:	98.64%
Cash & Other Assets Less Liabilities:	1.36%
Benchmark Name:	MSCI EAFE (ND) Index

Portfolio Managers

Neil M. Ostrer	Charles Carter	Nick Longhurst	William J. Arah
Simon Somerville	Toma Kobayashi	Justin Hill	Alex Duffy

Investment Philosophy

The Fund invests primarily in common and preferred stocks of foreign companies, including limited exposure to 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 350 to 450 companies across Europe, Japan, the Pacific Basin and a limited allocation to emerging markets. 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 12/31/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	368	796
Wtd Avg Market Cap (\$Mil)	46,044.60	76,693.10
Med Cap - # Stocks (\$Mil)	9,511.00	11,843.00
Price/Book Ratio	1.89	2.11
Adjusted Trailing P/E Ratio	14.80	16.40
% EPS Growth - Past 3 Yr	9.60	10.20
Return on Equity (%)	13.23	13.29
Beta vs. Fund Benchmark	1.03	
Forecasted P/E Ratio	14.00	15.00

Top 10 Holdings		
	Portfolio %	Benchmark %
BP p.l.c.	2.49	0.75
Novo Nordisk A/S Class	2.48	1.57
Roche Holding Ltd Divid	1.70	1.55
Equinor ASA	1.44	0.24
Glencore plc	1.34	0.46
Vestas Wind Systems A/S	1.30	0.21
Nippon Telegraph and Te	1.18	0.24
BNP Paribas S.A. Class	1.09	0.44
Barclays PLC	1.08	0.22
Compass Group PLC	1.06	0.29
Total	15.16	5.97

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	10.60	9.74
Insurance	6.60	5.50
Metals & Mining	4.77	3.78
Oil Gas & Consumables	4.77	4.89
Pharmaceuticals	4.49	9.56
Hotels Rest & Leisure	4.20	1.43
Beverages	4.02	2.16
Machinery	4.02	2.85
Professional Services	3.93	1.55
Health Care Equip	3.64	2.04
Total	51.04	43.50

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	21.96	15.08
Financials	20.53	18.67
Consumer Discretionary	10.86	11.15
Health Care	10.00	13.57
Consumer Staples	9.04	10.48
Materials	8.37	7.81
Communication Services	5.98	4.47
Information Technology	5.80	7.81
Energy	4.94	4.95
Real Estate	0.78	2.67
Utilities	0.38	3.47

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	25.12	15.28
Japan	22.80	21.96
France	8.18	11.85
Denmark	6.00	2.98
Switzerland	5.54	10.15
Germany	4.38	8.18
Australia	3.64	7.98
Netherlands	2.65	4.25
Italy	2.44	2.36
Ireland	2.23	0.69
Total	82.98	85.68
Emerging Markets	4.92	0.00

Market Capitalization		
		Portfolio %
Large	Above 25.0B	43.24
	10.0B - 25.0B	25.78
Mid	5.0B - 10.0B	11.82
	1.0B - 5.0B	18.04
Small	0.0 - 1.0B	1.11





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	HAINX	411511306	19.40%	-13.79%	-13.79%	1.60%	1.06%	3.12%	9.36%	12/29/87	0.77	0.88
Administrative	HRINX	411511652	19.30%	-14.03%	-14.03%	1.34%	0.81%	2.86%	7.34%	11/01/02	1.02	1.13
Investor	HIINX	411511645	19.26%	-14.11%	-14.11%	1.23%	0.69%	2.74%	7.20%	11/01/02	1.13	1.24
Retirement	HNINX	411512445	19.42%	-13.71%	-13.71%	1.68%	1.14%	3.18%	9.38%	03/01/16	0.69	0.80
MSCI EAFE (ND) Index			17.34%	-14.45%	-14.45%	0.87%	1.54%	4.67%	4.99%	12/29/87		

MANAGER COMMENTARY

As of 12/31/2022

“Value stocks outperformed growth by a wide margin, reflecting the extreme valuation differentials that have developed between the styles.”

Marathon Asset Management LLP (Marathon-London)

Market in Review

The final quarter of 2022 provided respite for investors following three consecutive quarters of falling markets. All developed markets (as represented by the MSCI World Index) rose, as did 21 of the 25 countries in the MSCI Emerging Markets Index. The rise follows more positive data on inflation as central banks including the U.S. Federal Reserve (“Fed”), the European Central Bank (ECB), and the Bank of England (BoE) increased rates by a smaller increment at their last meetings, slowing the pace at which interest rates are rising. Investors have taken this to mean that the end of the current cycle of rises may be in sight and responded positively.

Value stocks outperformed growth by a wide margin, reflecting the extreme valuation differentials that have developed between the styles. In terms of size, mid-cap stocks outperformed both their larger and smaller peers globally; however, there were marked differences in the impact of the size between markets.

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, the Harbor International Fund (Institutional Class, "Fund") returned 19.40%, outperforming its benchmark, the MSCI EAFE (ND) Index, which returned 17.34%.

From a regional perspective, performance was driven by stock selection, particularly in Europe. An underweight to the Middle East also helped the portfolio over the period. Positive stock selection effects in emerging markets were offset by negative currency effects, most notably from China and India.

At the sector level, outperformance was driven by stock selection in Consumer Discretionary and Financials, while stock selection in Energy and Industrials weighed on performance. The portfolio's underweight to Utilities also detracted from returns.

Contributors & Detractors

Vestas, the Danish wind turbine manufacturer, performed strongly amid a surge in renewable energy demand in the wake of the global energy crisis. Multiple energy assessments were released in December, with the International Energy Agency's Renewables 2022 report projecting a sharp acceleration in installations of renewable power over the coming years.

Not holding Nestlé in the Fund benefited returns as the company struggled with ongoing cost inflation. While Nestlé has, so far, been able to pass on price increases to the consumer, the company experienced more demand elasticity in the second half of the year. Further, third-quarter results revealed negative real internal growth rates and slightly negative volume growth, prompting concerns around the company's ability to continue to withstand the effects of inflation.

Kirin Holdings, a Japanese integrated beverages company, detracted from performance over the quarter. In addition to soaring inflation, Japan's beer market continues to contract as the population ages and young people opt to drink less alcohol. The company is, however, seeing strong performance in North America and has announced plans to continue to expand business in the region.

Not holding TotalEnergies detracted from Fund performance. The French oil and gas giant performed well over the quarter announcing record third-quarter profits in October, as it benefited from higher average liquefied natural gas (LNG) prices. Positive results were largely attributed to the company's integrated business model, and it expects performance of its gas, LNG, and power-trading activities to remain high.

Buys & Sells

We purchased Rexel and Melrose Industries. Rexel specializes in multichannel distribution for the Energy sector, connecting organizations with electrical products and solutions. The company has benefited from an increasing global focus on sustainability and higher energy prices. In addition, excess demand for electrical products is likely to continue as digitalization and environmental, social, and governance (ESG) considerations accelerate, further bolstering Rexel's ability to benefit from inflation. Marathon believes that the value of the company is misunderstood, creating an investment opportunity.

Melrose Industries is a global business focusing on the acquisition and performance improvement of manufacturing businesses. Its main subsidiaries include Brush Turbogenerators, GKN, and Nortek. Aerospace accounts for the largest part of the company, with revenues diversified between three divisions: engines, civil, and defense. As aerospace demand continues to recover to 2019 levels, the company is expected to hit targets and significantly increase profitability.

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Swedish Match, the multinational tobacco company, exited the Fund following a takeover by Philip Morris International. Jafco Group, the largest (and only listed) venture capital company in Japan, was sold following a gradual reduction in Marathon's holding that began in the first half of 2021. The relative valuation of Jafco became less attractive versus its peers as the competitive landscape intensified and the prospect of an IPO pipeline became unclear. Although macroeconomic uncertainty led to a share-price collapse in early 2022, Marathon was able to take advantage of Jafco's high share price in 2021.

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.

European equities, as measured by the MSCI Europe Index, rose by 19.4% during the quarter. As usual, headline numbers masked significant dispersion with the best-performing markets, Denmark and Austria, returning more than 31%, and the worst, Switzerland, returning 10.41%. Gains were concentrated in the more economically sensitive areas of the market like Energy, Financials, and Consumer Discretionary, while more defensive names underperformed. Value outperformed growth, and small- and mid-caps outperformed large-caps, but the differences were muted when compared to other regions.

Positive performance can be attributed to investors hoping that inflation may have peaked. The headline rate in the Eurozone fell to 10.1% in November from 10.6% the previous month, and the ECB reduced the rate at which it increased interest rates to 0.50% at its last meeting, from 0.75% previously. The same pattern was seen in the U.K., however, both the ECB and the BoE have been vocal in stating that rates have not peaked yet.

The Japanese market performed strongly with the MSCI Japan Index returning 13.2%. The yen strengthened sharply against the dollar from 30-year lows reached in October. Value outperformed growth, however, from a size perspective large-cap outperformed small- and mid-cap stocks in a reversal of the trend seen in most other regions.

Inflation in Japan has not been as extreme as elsewhere; however, Japan has long been a low-inflation country. Therefore, the latest reading of 3.8% in November was surprisingly high and higher than anything seen since 1981. The Bank of Japan (BoJ) finally, and very unexpectedly, altered policy during the quarter, widening the yield range within which 10-year Japanese government bonds are permitted to trade, effectively a type of monetary tightening. Financial markets appear to have viewed it as such, but for Japan this is a positive as it may indicate that the country is moving away from the deflationary era that has dogged it for over 30 years.

Returns in Pacific ex-Japan were strong, with the MSCI Pacific ex-Japan Index returning 15.7%. New Zealand was the standout market, returning 24.51%. Hong Kong benefited from the relaxation of COVID-19 measures both in the territory and in mainland China. The anticipated reopening of the border between the two is key to the enclave's recovery. Australia did well, in part, due to the market's high exposure to more economically sensitive value stocks, particularly Materials companies, and from the steady and predictable pace of interest rate rises over the year. With a return of 10.46%, Singapore was the worst performer in the region.

Emerging markets, as measured by the MSCI Emerging Markets Index, rose by 9.7% over the final quarter of 2022. As is often the case among heterogeneous markets, this headline figure masks large variations between the best- and worst-performing markets. Yet even by emerging markets standards the dispersion was extreme. Returns ranged from Turkey's 62.86% to Qatar's -15.29%—a 78.2% gap. Much of the return from emerging markets was a result of the U.S. Fed slowing the pace of interest rate rises, indicating that an end to the current hiking cycle may be in sight. This optimism faded in December as the Fed reiterated its inflation-fighting stance.

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By subregion, Emerging Asia was the best performer, with most markets rising following the easing of COVID-19 restrictions in China. However, the market's response has been muted by the extraordinarily rapid spread of the virus and the resulting rise in hospitalizations. It remains to be seen whether the relaxation in measures is permanent.

Performance within Emerging EMEA was more variable but can broadly be split between the Gulf markets, which were the worst performers, as energy prices continued to moderate, and the rest. The Qatari, Saudi Arabian, and UAE markets all fell. Conversely, most European and African markets rose rapidly with Turkey, Poland, Hungary, Greece, and Egypt as the top-five performers. This robust performance is related, in part, to the fall in energy prices and to the withdrawal of some of these markets from reliance on Russian gas imports. Turkey's performance reflected both another rate cut by the central bank and the announcement that—in the face of inflation hitting 85% in October—the easing cycle was now at an end.

The Emerging Americas were weaker, largely because of Brazil, the largest market in the subregion, where stocks had risen during the previous quarter on an increased potential for a victory by idiosyncratic but market-friendly Jair Bolsonaro in the presidential race. This did not happen, and the market trod water as a result.



Best & Worst Performers

Best Performers	Average Weight %	Return %
Vestas Wind Systems A/S	1.11	55.45
CTS Eventim AG & Co. KGaA	0.25	52.70
Stabilus SE	0.30	51.27
Resona Holdings Inc.	0.87	50.26
Bank of Ireland Group Plc	0.86	47.22

Worst Performers	Average Weight %	Return %
Teleperformance SA	0.26	-7.01
Toyo Suisan Kaisha Ltd.	0.36	-6.13
DCC Plc	0.30	-5.26
Roche Holding Ltd Dividend Right Cert.	1.89	-4.45
Air Water Inc.	0.36	-1.41

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Novo Nordisk A/S Class B	34.19	0.71
BP p.l.c.	19.45	0.53
Vestas Wind Systems A/S	55.45	0.52
Resona Holdings Inc.	50.26	0.38
Bank of Ireland Group Plc	47.22	0.36
Total		2.50

Greatest Detractors	Return %	Contribution to Return %
Roche Holding Ltd Dividend Right Cert.	-4.45	-0.07
Dowa Holdings Co. Ltd.	-12.28	-0.02
Havells India Limited	-19.79	-0.02
Koninklijke Philips N.V.	-4.65	-0.02
Penta-Ocean Construction Co. Ltd.	-6.75	-0.02
Total		-0.15

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	9.57	8.72	0.85
Currency Contribution	8.69	8.62	0.07
Total Return	18.26	17.34	0.92

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	10.68	11.20	-0.52	22.80	17.82	4.98	2.38	2.01	-0.01	0.52
Financials	19.80	17.93	1.87	25.44	23.91	1.53	4.85	4.12	0.12	0.28	0.40
Health Care	9.97	13.60	-3.63	15.48	14.19	1.29	1.58	1.94	0.12	0.13	0.25
Communication Services	6.17	4.58	1.59	15.07	10.05	5.02	0.96	0.49	-0.12	0.32	0.20
Real Estate	0.76	2.63	-1.87	14.12	11.03	3.09	0.10	0.27	0.12	0.02	0.15
Consumer Staples	9.39	10.66	-1.27	9.96	10.63	-0.67	0.92	1.13	0.07	-0.07	-0.01
Materials	8.28	7.63	0.65	20.03	20.75	-0.72	1.65	1.53	0.03	-0.07	-0.03
Information Technology	5.92	8.11	-2.19	13.14	14.90	-1.76	0.81	1.26	0.07	-0.12	-0.05
Industrials	21.90	15.24	6.66	18.17	19.02	-0.85	4.05	2.92	0.11	-0.18	-0.07
Utilities	0.38	3.37	-2.99	13.19	19.43	-6.24	0.06	0.64	-0.06	-0.02	-0.09
Energy	5.14	5.05	0.09	15.41	19.78	-4.37	0.86	1.03	0.00	-0.23	-0.23
Total	100.00	100.00	0.00	18.26	17.34	0.92	18.26	17.34	0.33	0.59	0.92



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

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
United Kingdom	25.25	15.43	9.82	18.95	16.98	1.97	4.89	2.66	-0.03	0.50	0.47
Switzerland	5.69	10.34	-4.65	12.15	10.41	1.74	0.76	1.14	0.33	0.11	0.44
Denmark	5.65	2.78	2.87	30.51	31.60	-1.09	1.62	0.81	0.38	-0.04	0.34
Ireland	2.20	0.70	1.50	30.96	18.15	12.81	0.65	0.13	0.02	0.26	0.27
Israel	0.00	0.79	-0.79	0.00	0.38	-0.38	0.00	0.02	0.14	0.00	0.14
Italy	2.30	2.36	-0.06	32.52	26.36	6.16	0.71	0.62	-0.01	0.13	0.11
Singapore	0.81	1.50	-0.69	15.06	10.46	4.60	0.12	0.14	0.04	0.04	0.08
Australia	3.58	7.91	-4.33	15.97	15.91	0.06	0.57	1.25	0.06	0.00	0.07
Finland	1.02	1.02	0.00	22.59	16.32	6.27	0.23	0.17	0.00	0.06	0.06
China	1.26	0.00	1.26	19.85	0.00	19.85	0.20	0.00	0.04	0.00	0.04
Peru	0.14	0.00	0.14	35.92	0.00	35.92	0.05	0.00	0.02	0.00	0.02
South Africa	0.58	0.00	0.58	21.67	0.00	21.67	0.12	0.00	0.02	0.00	0.02
South Korea	0.68	0.00	0.68	18.44	0.00	18.44	0.13	0.00	0.01	0.00	0.01
Sweden	2.39	3.43	-1.04	18.49	18.14	0.35	0.49	0.66	0.00	0.01	0.01
Austria	0.59	0.18	0.41	22.06	31.07	-9.01	0.14	0.05	0.05	-0.05	0.00
Canada	0.09	0.00	0.09	22.34	0.00	22.34	0.02	0.00	0.00	0.00	0.00
Hong Kong	1.82	2.85	-1.03	18.49	18.21	0.28	0.29	0.41	0.00	0.00	0.00
Malaysia	0.00	0.00	0.00	0.80	0.00	0.80	0.00	0.00	0.00	0.00	0.00
Mexico	0.23	0.00	0.23	15.63	0.00	15.63	0.04	0.00	0.00	0.00	0.00
Panama	0.08	0.00	0.08	24.12	0.00	24.12	0.02	0.00	0.00	0.00	0.00
Portugal	0.00	0.23	-0.23	0.00	17.23	-17.23	0.00	0.04	0.00	0.00	0.00
Russia	0.02	0.00	0.02	38.99	0.00	38.99	0.01	0.00	0.00	0.00	0.00
Russian Federation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Thailand	0.05	0.00	0.05	10.03	0.00	10.03	0.00	0.00	0.00	0.00	0.00
United States	0.00	0.00	0.00	-65.91	0.00	-65.91	0.00	0.00	0.00	0.00	0.00
Belgium	0.34	1.00	-0.66	31.14	22.55	8.59	0.10	0.22	-0.03	0.03	-0.01
Taiwan	0.56	0.00	0.56	14.60	0.00	14.60	0.07	0.00	-0.01	0.00	-0.01
New Zealand	0.09	0.18	-0.09	9.04	24.51	-15.47	0.01	0.04	-0.01	-0.01	-0.02
France	8.09	11.74	-3.65	24.20	22.19	2.01	1.96	2.61	-0.18	0.15	-0.03
Brazil	0.29	0.00	0.29	1.82	0.00	1.82	0.01	0.00	-0.05	0.00	-0.05
Indonesia	0.21	0.00	0.21	-1.88	0.00	-1.88	0.00	0.00	-0.05	0.00	-0.05
Norway	1.93	0.79	1.14	13.76	16.92	-3.16	0.29	0.14	0.00	-0.06	-0.07
Japan	22.85	22.10	0.75	13.12	13.23	-0.11	2.94	2.87	-0.03	-0.05	-0.08
India	0.95	0.00	0.95	7.70	0.00	7.70	0.09	0.00	-0.10	0.00	-0.10
Spain	1.66	2.40	-0.74	18.34	22.90	-4.56	0.30	0.54	-0.04	-0.07	-0.11
Netherlands	2.68	4.26	-1.58	14.83	21.01	-6.18	0.41	0.88	-0.04	-0.18	-0.22
Germany	4.31	8.01	-3.70	23.14	24.57	-1.43	1.00	1.94	-0.26	-0.06	-0.32
Cash	1.59	0.00	1.59	2.10	0.00	2.10	0.03	0.00	-0.12	0.00	-0.12
Total	100.00	100.00	0.00	18.26	17.34	0.92	18.26	17.34	-0.10	1.02	0.92



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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-5.55	-7.00	1.45
Currency Contribution	-8.12	-7.45	-0.67
Total Return	-13.67	-14.45	0.78

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	6.03	8.24	-2.21	-23.53	-32.37	8.84	-1.58	-3.00	0.53	0.63
Financials	19.49	17.73	1.76	0.80	-4.57	5.37	0.32	-0.72	0.17	0.91	1.08
Consumer Discretionary	10.58	11.31	-0.73	-18.88	-22.23	3.35	-2.07	-2.70	0.08	0.42	0.50
Materials	8.33	7.74	0.59	-7.21	-10.26	3.05	-0.75	-1.00	0.05	0.20	0.24
Real Estate	0.51	2.81	-2.30	-3.02	-20.89	17.87	0.01	-0.74	0.12	0.11	0.23
Industrials	22.04	15.29	6.75	-19.24	-20.57	1.33	-4.24	-3.12	-0.41	0.31	-0.10
Utilities	0.43	3.44	-3.01	-28.26	-12.45	-15.81	-0.14	-0.49	-0.06	-0.07	-0.13
Consumer Staples	9.53	10.60	-1.07	-14.99	-13.05	-1.94	-1.49	-1.41	-0.01	-0.19	-0.21
Energy	4.60	4.59	0.01	17.37	27.67	-10.30	0.49	0.93	0.00	-0.36	-0.36
Communication Services	6.76	4.76	2.00	-22.18	-17.20	-4.98	-1.70	-0.92	0.01	-0.41	-0.40
Health Care	10.17	13.48	-3.31	-23.66	-11.41	-12.25	-2.48	-1.29	-0.11	-1.31	-1.42
Total	100.00	100.00	0.00	-13.67	-14.45	0.78	-13.67	-14.45	0.55	0.24	0.78



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

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Japan	22.81	22.35	0.46	-7.72	-16.65	8.93	-2.26	-4.32	-0.02	1.95	1.93
Ireland	1.77	0.69	1.08	17.53	-29.95	47.48	0.45	-0.23	-0.11	0.73	0.62
Netherlands	2.96	4.30	-1.34	-21.35	-27.63	6.28	-1.34	-1.24	0.25	0.20	0.45
Norway	1.82	0.78	1.04	16.60	-7.02	23.62	0.19	-0.09	0.03	0.36	0.39
Sweden	2.60	3.51	-0.91	-23.81	-28.41	4.60	-0.61	-1.01	0.16	0.14	0.30
Finland	0.96	1.00	-0.04	0.34	-15.28	15.62	0.05	-0.13	0.00	0.14	0.14
Singapore	0.88	1.45	-0.57	8.06	-10.99	19.05	0.05	-0.18	-0.01	0.15	0.14
Israel	0.00	0.76	-0.76	0.00	-26.67	26.67	0.00	-0.22	0.10	0.00	0.10
South Africa	0.60	0.00	0.60	-1.96	0.00	-1.96	-0.02	0.00	0.07	0.00	0.07
India	0.94	0.00	0.94	-9.44	0.00	-9.44	-0.07	0.00	0.05	0.00	0.05
Indonesia	0.19	0.00	0.19	8.87	0.00	8.87	0.01	0.00	0.04	0.00	0.04
Mexico	0.17	0.00	0.17	11.51	0.00	11.51	0.04	0.00	0.03	0.00	0.03
Belgium	0.33	0.96	-0.63	-0.04	-12.49	12.45	0.01	-0.10	-0.02	0.04	0.02
China	1.36	0.00	1.36	-13.40	0.00	-13.40	0.00	0.00	0.02	0.00	0.02
Peru	0.14	0.00	0.14	4.17	0.00	4.17	0.00	0.00	0.02	0.00	0.02
Malaysia	0.03	0.00	0.03	-12.21	0.00	-12.21	0.00	0.00	0.01	0.00	0.01
Panama	0.03	0.00	0.03	31.35	0.00	31.35	0.02	0.00	0.01	0.00	0.01
Thailand	0.05	0.00	0.05	2.34	0.00	2.34	0.00	0.00	0.01	0.00	0.01
Brazil	0.18	0.00	0.18	-0.27	0.00	-0.27	-0.01	0.00	0.00	0.00	0.00
Canada	0.08	0.00	0.08	-12.46	0.00	-12.46	-0.01	0.00	0.00	0.00	0.00
Hong Kong	1.72	2.98	-1.26	3.19	-4.71	7.90	-0.05	-0.34	-0.12	0.11	-0.01
United States	0.01	0.00	0.01	-97.40	0.00	-97.40	-0.03	0.00	-0.02	0.00	-0.02
Austria	0.59	0.20	0.39	-23.31	-26.41	3.10	-0.13	-0.06	-0.04	0.00	-0.03
New Zealand	0.11	0.19	-0.08	-36.32	-13.62	-22.70	-0.05	-0.03	0.00	-0.03	-0.03
Portugal	0.00	0.22	-0.22	0.00	0.20	-0.20	0.00	0.00	-0.03	0.00	-0.03
Russia	0.02	0.00	0.02	-71.67	0.00	-71.67	-0.03	0.00	-0.03	0.00	-0.03
Russian Federation	0.02	0.00	0.02	-100.00	0.00	-100.00	-0.10	0.00	-0.09	0.00	-0.09
South Korea	0.73	0.00	0.73	-27.11	0.00	-27.11	-0.26	0.00	-0.10	0.00	-0.10
Switzerland	5.78	10.34	-4.56	-22.51	-18.32	-4.19	-1.30	-1.85	0.17	-0.26	-0.10
Taiwan	0.68	0.00	0.68	-28.69	0.00	-28.69	-0.29	0.00	-0.10	0.00	-0.10
Spain	1.60	2.38	-0.78	-14.16	-7.28	-6.88	-0.20	-0.15	-0.05	-0.10	-0.15
Denmark	5.70	2.69	3.01	-14.08	-4.84	-9.24	-0.71	0.00	0.27	-0.50	-0.23
Italy	2.24	2.32	-0.08	-25.16	-14.36	-10.80	-0.53	-0.27	0.00	-0.29	-0.29
France	7.93	11.48	-3.55	-17.36	-13.34	-4.02	-1.11	-1.16	-0.03	-0.33	-0.36
Germany	4.64	8.09	-3.45	-34.17	-22.34	-11.83	-1.90	-1.77	0.26	-0.64	-0.38
Australia	3.42	7.80	-4.38	-3.59	-4.51	0.92	-0.23	-0.50	-0.43	0.03	-0.41
United Kingdom	25.38	15.52	9.86	-14.52	-4.84	-9.68	-3.55	-0.80	1.00	-2.38	-1.38
Cash	1.53	0.00	1.53	-2.96	0.00	-2.96	-0.03	0.00	0.19	0.00	0.19
Total	100.00	100.00	0.00	-13.67	-14.45	0.78	-13.67	-14.45	-0.07	0.86	0.78

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.

Benchmarks

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

Disclosures

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

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

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

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 next4quarters 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 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.

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.

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