

HARBOR INTERNATIONAL SMALL CAP FUND

Cedar Street Asset Management LLC

Subadvisor Since 05/23/2019

Total Net Assets - All Classes	\$340,502,543
Equity Assets:	98.77%
Cash & Other Assets Less Liabilities:	1.23%
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 Subadvisor's investment process utilizes a range of screening and idea sourcing methodologies to shrink the universe of securities to a manageable level. The Subadvisor primarily utilizes bottom-up research to identify companies with attractive valuations, as determined by the Subadvisor, while taking into account macroeconomic considerations.

CHARACTERISTICS & ALLOCATION

As of 12/31/2023

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	65	2,173
Wtd Avg Market Cap (\$Mil)	2,054.20	2,851.50
Median Market Cap (\$Mil)	1,576.00	1,257.00
Price/Book Ratio	1.41	1.54
Adjusted Trailing P/E Ratio	16.10	17.20
% EPS Growth - Past 3 Yr	12.20	22.50
Est 3-5 Yr EPS Growth Rate (%)	9.50	12.10
Return on Equity (%)	10.70	9.74
Beta vs. Fund Benchmark	0.87	
Forecasted P/E Ratio	12.50	16.20

Top 10 Holdings		
	Portfolio %	Benchmark %
Construcciones y Auxili	2.03	0.02
ISS A/S	1.93	0.12
Genuit Group PLC	1.90	0.05
Huhtamaki Oyj	1.89	0.15
TP ICAP Group plc	1.87	0.07
BOC Aviation Limited	1.86	0.00
Spin Master Corp	1.86	0.00
Resorttrust Inc.	1.83	0.05
Serco Group plc	1.83	0.09
Transcontinental Inc. C	1.81	0.00
Total	18.81	0.55

Top 10 Industries		
	Portfolio %	Benchmark %
Machinery	9.21	6.65
Electronic Equipment	7.78	2.80
Food Products	6.77	2.97
Health Care Equip	6.31	1.50
Insurance	5.68	2.01
Containers & Packaging	5.43	1.02
Commercial Serv & Suppl	5.26	2.01
Distributors	4.89	0.26
Air Freight & Logistics	3.27	0.65
Software	3.05	1.78
Total	57.65	21.65

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	28.90	23.17
Information Technology	14.26	9.93
Financials	12.29	11.66
Consumer Discretionary	11.56	12.84
Consumer Staples	11.52	6.35
Health Care	7.74	6.40
Materials	7.72	9.39
Communication Services	2.99	4.06
Utilities	1.79	2.52
Real Estate	0.00	10.51
Energy	0.00	3.17

Top 10 Countries		
	Portfolio %	Benchmark %
Japan	25.00	33.55
United Kingdom	17.18	15.21
France	8.00	4.02
Australia	5.61	9.58
Switzerland	5.00	4.62
Sweden	4.81	5.81
Canada	3.67	0.00
Finland	3.63	1.24
Netherlands	3.46	1.58
Spain	3.44	1.91
Total	79.80	77.50
Emerging Markets	1.85	0.08

Market Capitalization		
		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	0.00
Mid	5.0B - 10.0B	6.64
	1.0B - 5.0B	66.66
Small	0.0 - 1.0B	25.45

Harbor International Small Cap Fund



PERFORMANCE

As of 12/31/2023

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	HAISX	411512569	10.56%	9.18%	9.18%	5.45%	9.15%	N/A	7.82%	02/01/16	0.93	1.19
Investor	HIISX	411512544	10.51%	8.88%	8.88%	5.10%	8.75%	N/A	7.43%	02/01/16	1.29	1.55
Retirement	HNISX	411512536	10.66%	9.35%	9.35%	5.55%	9.24%	N/A	7.90%	02/01/16	0.85	1.11
MSCI EAFE Small Cap (ND) Index			11.14%	13.16%	13.16%	-0.69%	6.58%	N/A	6.66%	02/01/16		

MANAGER COMMENTARY

As of 12/31/2023

"Although we are encouraged by the path of inflation, we nevertheless believe markets may have gotten ahead of themselves."

Cedar Street Asset Management LLC

Market in Review

From a macro perspective, the fourth quarter of 2023 was an almost mirror image of the third quarter, with the most notable macro drivers – monetary policy, currency, crude oil prices – moving sharply in the opposite direction relative to the previous quarter.

Broadly, inflation readings in most developed economies continued to moderate during the quarter, even as economic growth remained resilient and labor markets remained tight. The Federal Reserve ("Fed") and most major central banks chose to stand pat on additional rate hikes. In our view, markets interpreted these moves favorably, sending both equities and bonds sharply higher in most developed markets to close out 2023. Although we are encouraged by the path of inflation, we nevertheless believe markets may have gotten ahead of themselves. Anticipation of aggressive rate cuts in 2024 manifested themselves during the quarter, as most major developed markets finished 2023 with 10-year government bond yields below year-end 2022 levels (the U.S. 10-year Treasury yield ended 0.004% points higher).

Likewise, the Japanese yen ("JPY") reversed its third quarter slide, appreciating by about 6% during the fourth quarter of 2023. In conjunction with anticipated rate cuts in the U.S. and initial signals of rate hikes by the Bank of Japan, interest rate bets and capital flows appeared to spark new interest in the JPY. Translation effects from Japanese equities positively impacted the portfolio's performance during the quarter.

Crude oil prices also completed their round trip in the fourth quarter, with Brent prices falling 19% to \$77.04 and not far from the third quarter's start of \$74.90. Despite likely OPEC+ manipulation, oil price impacts on global inflation were likely muted during 2023, in our view. Our limited exposure to crude oil benefited the Harbor International Small Cap Fund ("Fund") during the quarter.

We believe sharp market reversals – such as those experienced in the second half of 2023 – are indications of unsettled markets seeking more solid footing.

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 05/31/2024.

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

Harbor International Small Cap Fund



MANAGER COMMENTARY

As of 12/31/2023

Portfolio Performance

The Harbor International Small Cap Fund (Institutional Class) returned 10.56% during the quarter, slightly underperforming its primary benchmark, the MSCI EAFE Small Cap (ND) Index, which returned 11.14%. Style and market cap dynamics were a mixed bag and largely reflected regional or country-specific dynamics. For example, in non-U.S. developed markets, growth-style equities largely outperformed value-style equities, and larger-cap names mostly outperformed smaller-cap names. In the U.S., small cap and value outperformed large cap and growth. We believe much of this performance was driven by ETF flows coinciding with rapidly changing interest rate bets.

From a sector perspective, stock selection in Health Care and Industrials were the biggest contributors to performance during the quarter, while stock selection in Information Technology and allocation effects in Real Estate (currently no exposure) were the biggest detractors for the portfolio during the quarter.

From a geographic perspective, both stock selection and allocation effects in Japan, as well as stock selection in Hong Kong, were the biggest contributors to performance during the quarter. Meanwhile, stock selection in Sweden and France were the biggest detractors from performance for the Fund during the quarter.

We also note that for the fourth quarter and for all of 2023, the positive returns generated by the MSCI EAFE Small Cap Index were almost 60% weighted to companies with market capitalizations of \$2 billion or above. In fact, returns below this threshold were basically flat for the year. In contrast, the Fund is approximately 60% weighted to companies that have less than \$2 billion in market cap and generated fairly consistent returns across the market cap spectrum. In our view, the size factor was the biggest source of underperformance in 2023.

Contributors & Detractors

The Fund's largest detractor during the quarter was Criteo, a French ad-tech firm serving customers globally. In announcing third quarter results, management scrapped its 2025 revenue target because the nature of some customer contracts would change. Our thesis remains unchanged. The company is in the midst of a major strategic shift, and some changing customer dynamics are inevitable. We continue to have confidence in the CEO's ability to navigate the current environment, and if her team is unable to execute as a standalone enterprise, we believe there is a strong possibility of external strategic interest in the company's retail media platform.

One of the biggest contributors to performance during the fourth quarter was Tinexta, an Italian business services company offering digital and secure document delivery services to businesses and individuals. During the quarter, Tinexta acquired a consulting business in France, ABF Group, which could accelerate its operations in that country. Tinexta paid approximately 10x EBITDA for a business growing +20% and EBITDA margins greater than 40%. We believe Tinexta shares were underperforming on growth concerns, but the acquisition has reinvigorated confidence in the company's strategy.

Another top contributor, Elders, saw its shares spike after delivering better-than-expected results and guidance. Elders had been one of the most heavily shorted names in Australia in 2023 on concerns of a management change and impending El Niño weather impacts on Australian farmers, in our view. With the current CEO reasserting control and muted weather impacts to the summer farming season, short interest has mostly evaporated, in our view, and the price has crept higher.

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Harbor International Small Cap Fund



MANAGER COMMENTARY

As of 12/31/2023

Buys & Sells

Tosoh is the largest producer of caustic soda in Japan. Relying on its scale advantage, Tosoh has the lowest cost structure and best profitability among its peers. The stock had come under pressure due to the lingering effects of COVID-19 on its main input costs, depressing profitability to lower levels than in past cycles, in our view. We anticipate these input costs will mean revert and return Tosoh to more normalized levels of profitability. Meanwhile, Tosoh is also actively growing its specialty chemical business, which already accounts for 40% of the company's operating profit thanks to higher revenue growth rates and better pricing/margins. We believe the improving margin picture could result in a spin-off of the caustic soda business in favor of the specialty chemicals segment.

During the quarter, we exited Atresmedia, a Spanish media company that produces and distributes TV and movie content. Atresmedia has executed very well in a tough environment. Despite continued audience share gains relative to peers, advertising spending for TV and radio in Spain has remained challenging. However, Atresmedia's content production and media streaming businesses have continued to experience growth. We exited our position due to valuation and relative opportunities.

Domestic and International Funds

Entering the year, the most significant sector overweight allocations were Consumer Staples and Technology, and the most significant underweight allocations were Real Estate (no exposure) and Materials. During the quarter, Industrials, Consumer Staples, and Information Technology were the largest overweights, while Real Estate, Energy, and Materials were the most significant underweights. As always, the Fund's sector allocations are a product of bottom-up stock selection consistent with our value-oriented philosophy and reflect broad opportunities available to us rather than any active sector allocation bet.

Outlook

In our view, the euphoria reflected in most developed economy capital markets at the end of 2023 may prove fleeting. Much of what sparked the global year-end rally was the Fed's signal of a monetary policy "pivot" in 2024. Bond markets are now pricing in more than six 0.25% interest rate cuts in 2024, roughly double what the Fed's dot plot forecast implies. Given current economic conditions (employment, GDP growth, etc.) and the political considerations of the U.S. presidential election in November 2024, we believe the Fed is unlikely to cut as aggressively as current market predictions indicate.

On a relative basis, we believe non-U.S. developed equity markets are better positioned for outperformance than U.S. equity markets for several reasons. From a valuation perspective, we believe that U.S. equities are global outliers, trading at close to peak multiples. The S&P 500 Index trades at 23x earnings and 4.5x book value versus a market like the U.K., trading at 11x earnings and 1.7x book value. These peak multiples also coincide with record-level margin forecasts for the S&P 500, largely due to the concentrated earnings power of the Magnificent Seven tech platform stocks. In contrast, we believe most non-U.S. developed markets are neither priced at peak levels nor are they experiencing peak margins and heroic growth expectations.

From a macro perspective, we believe currency could also become a tailwind for non-U.S. equities if U.S. rate hikes are paused, as they appear to be. Meanwhile, the \$34 trillion in U.S. national debt, the Fed's continued quantitative tightening, the potential for rate hikes in Japan, and China's potential fiscal stimulus programs could all slow or perhaps even reverse capital flows to the U.S. from other countries, in our view, thereby weakening the U.S. dollar.

Given geopolitical risks and macroeconomic volatility, we believe investors could seek greater diversification, increasing capital flows to the Fund's markets.

Harbor International Small Cap Fund



QUARTERLY ATTRIBUTION

As of 12/31/2023

Best & Worst Performers

Best Performers	Average Weight %	Return %
JEOL LTD	1.42	46.97
ELDERS LTD	1.44	41.21
TINEXTA SPA	1.56	36.60
ANRITSU CORP	1.17	34.90
EIKEN CHEMICAL CO LTD	1.47	32.43

Worst Performers	Average Weight %	Return %
BAPCOR LTD	1.48	-13.87
CRITEO SA-SPON ADR	1.53	-13.29
QOL HOLDINGS CO LTD	1.60	-5.55
NORMA GROUP SE	1.39	-4.70
ARIAKE JAPAN CO LTD	1.35	-3.10

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
TINEXTA SPA	36.60	0.55
ELDERS LTD	41.21	0.54
JEOL LTD	46.97	0.53
GENUIT GROUP PLC	27.90	0.49
ASR NEDERLAND NV	25.43	0.47
Total		2.58

Greatest Detractors	Return %	Contribution to Return %
CRITEO SA-SPON ADR	-13.29	-0.29
BAPCOR LTD	-13.87	-0.27
AUSTRIA TECHNOLOGIE & SYSTEM	-2.79	-0.10
QOL HOLDINGS CO LTD	-5.55	-0.10
NORMA GROUP SE	-4.70	-0.08
Total		-0.84

Harbor International Small Cap Fund



ATTRIBUTION

As of 12/31/2023

Quarterly Attribution:

Harbor International Small Cap Fund vs MSCI All Country World (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	5.51	5.49	0.02
Currency Contribution	5.07	5.65	-0.57
Total Return	10.58	11.14	-0.56

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
	Health Care	7.69	6.38	1.31	19.21	11.31	7.90	1.48	0.70	0.01	0.58
Industrials	27.76	22.83	4.93	12.20	11.39	0.81	3.41	2.58	0.03	0.22	0.25
Energy	0.03	3.17	-3.14	-4.76	3.96	-8.72	-0.04	0.11	0.21	0.01	0.22
Materials	6.95	9.44	-2.48	14.12	11.58	2.54	1.04	1.09	-0.01	0.18	0.17
Financials	12.03	11.98	0.05	12.02	10.43	1.58	1.55	1.30	-0.03	0.19	0.16
Utilities	1.85	2.53	-0.67	10.53	12.88	-2.35	0.20	0.34	-0.01	-0.06	-0.06
Consumer Staples	12.11	6.59	5.52	8.10	7.44	0.65	1.04	0.52	-0.19	0.07	-0.12
Communication Services	3.58	4.20	-0.62	1.11	10.59	-9.48	-0.05	0.44	0.01	-0.37	-0.36
Consumer Discretionary	11.78	12.94	-1.17	5.19	8.73	-3.55	0.51	1.12	0.02	-0.40	-0.38
Information Technology	13.58	9.61	3.98	10.14	13.92	-3.78	1.41	1.30	0.12	-0.54	-0.42
Real Estate	0.00	10.31	-10.31	0.00	15.87	-15.87	0.00	1.63	-0.48	0.00	-0.48
Total	100.00	100.00	0.00	10.58	11.14	-0.56	10.58	11.14	-0.43	-0.13	-0.56

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Small Cap Fund



ATTRIBUTION

As of 12/31/2023

Quarterly Attribution:
Harbor International Small Cap 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
Japan	24.73	33.61	-8.89	9.64	7.45	2.19	2.32	2.46	0.38	0.54	0.92
Hong Kong	1.11	1.67	-0.56	30.10	-0.64	30.74	0.31	-0.03	0.05	0.33	0.38
Denmark	1.84	2.00	-0.17	23.81	9.70	14.11	0.46	0.19	0.01	0.24	0.25
Israel	0.00	2.80	-2.80	0.00	6.26	-6.26	0.00	0.14	0.15	0.00	0.15
Italy	3.09	3.53	-0.44	21.84	15.78	6.06	0.69	0.58	-0.05	0.18	0.13
Switzerland	5.15	4.52	0.63	16.02	13.99	2.03	0.86	0.62	0.01	0.10	0.11
United Kingdom	16.55	14.96	1.59	13.23	13.26	-0.03	2.36	2.04	0.06	0.00	0.06
New Zealand	0.00	0.78	-0.78	0.00	3.92	-3.92	0.00	0.02	0.06	0.00	0.06
Canada	3.31	0.00	3.31	12.55	0.00	12.55	0.39	0.00	0.06	0.00	0.06
Spain	3.95	2.02	1.93	11.11	10.38	0.74	0.49	0.23	0.04	0.02	0.05
Norway	0.00	2.39	-2.39	0.00	9.19	-9.19	0.00	0.21	0.04	0.00	0.04
Australia	5.04	9.66	-4.62	13.66	12.38	1.28	0.74	1.13	-0.03	0.06	0.03
Netherlands	3.37	1.56	1.81	12.35	14.15	-1.79	0.46	0.23	0.06	-0.05	0.01
Finland	3.60	1.26	2.34	14.46	19.23	-4.77	0.53	0.24	0.18	-0.17	0.01
Portugal	0.00	0.34	-0.34	0.00	7.70	-7.70	0.00	0.03	0.01	0.00	0.01
Luxembourg	0.00	0.19	-0.19	0.00	6.88	-6.88	0.00	0.01	0.01	0.00	0.01
Malta	0.00	0.09	-0.09	0.00	3.26	-3.26	0.00	0.00	0.01	0.00	0.01
Singapore	2.90	1.98	0.92	7.72	7.02	0.70	0.24	0.13	-0.04	0.02	-0.02
China	1.76	0.00	1.76	9.57	0.00	9.57	0.16	0.00	-0.03	0.00	-0.03
Belgium	3.30	1.41	1.89	11.53	16.43	-4.90	0.42	0.24	0.11	-0.17	-0.06
Austria	0.17	0.96	-0.80	-2.79	18.37	-21.16	-0.10	0.18	-0.06	-0.07	-0.13
Ireland	1.56	0.30	1.26	-0.34	11.63	-11.97	0.02	0.04	0.02	-0.18	-0.16
Germany	2.94	4.78	-1.84	3.60	12.51	-8.91	0.09	0.61	-0.02	-0.27	-0.29
France	8.01	3.85	4.16	1.25	8.47	-7.22	-0.01	0.34	-0.13	-0.61	-0.74
Sweden	5.01	5.33	-0.31	3.10	28.56	-25.46	0.11	1.51	-0.08	-1.21	-1.29
Cash	2.62	0.00	2.62	0.77	0.00	0.77	0.03	0.00	-0.13	0.00	-0.13
Total	100.00	100.00	0.00	10.58	11.14	-0.56	10.58	11.14	0.59	-1.15	-0.56

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Small Cap Fund



ATTRIBUTION

As of 12/31/2023

Trailing 1 Year Attribution:
Harbor International Small Cap Fund vs MSCI All Country World (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	9.44	12.82	-3.38
Currency Contribution	1.28	0.35	0.93
Total Return	10.71	13.16	-2.45

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
	Real Estate	0.00	10.38	-10.38	0.00	5.09	-5.09	0.00	0.58	0.90	0.00
Energy	1.26	2.90	-1.64	53.05	15.87	37.18	0.91	0.46	0.02	0.83	0.84
Health Care	7.08	6.51	0.57	14.67	7.09	7.58	1.26	0.44	0.08	0.60	0.68
Consumer Staples	11.89	6.36	5.53	15.55	9.56	5.99	2.01	0.65	-0.14	0.72	0.58
Communication Services	4.17	4.16	0.02	6.38	13.09	-6.71	0.40	0.52	0.03	-0.12	-0.09
Utilities	1.75	2.72	-0.98	0.13	11.83	-11.71	0.02	0.33	0.02	-0.23	-0.21
Materials	6.42	9.47	-3.05	2.86	10.78	-7.93	0.33	1.09	0.07	-0.49	-0.42
Industrials	25.25	23.21	2.04	13.13	15.17	-2.04	3.21	3.45	-0.01	-0.50	-0.51
Financials	11.38	11.73	-0.35	8.64	15.95	-7.31	1.17	1.88	-0.04	-0.80	-0.84
Information Technology	14.43	9.65	4.78	6.62	20.63	-14.01	1.29	1.85	0.59	-2.00	-1.42
Consumer Discretionary	11.24	12.88	-1.64	0.73	15.27	-14.54	-0.12	1.88	-0.14	-1.50	-1.64
Total	100.00	100.00	0.00	10.71	13.16	-2.45	10.71	13.16	1.05	-3.50	-2.45

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Harbor International Small Cap Fund



ATTRIBUTION

As of 12/31/2023

Trailing 1 Year Attribution:
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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
France	9.17	3.86	5.30	21.51	12.92	8.60	1.97	0.50	0.11	0.91	1.02
Switzerland	4.84	4.66	0.18	29.86	16.06	13.80	1.57	0.76	0.05	0.64	0.68
Belgium	3.02	1.46	1.55	31.10	11.95	19.15	0.88	0.20	0.00	0.50	0.50
Spain	3.93	1.96	1.97	27.83	18.50	9.33	1.03	0.38	0.11	0.37	0.47
Israel	0.00	2.70	-2.70	0.00	-1.29	1.29	0.00	-0.07	0.41	0.00	0.41
Hong Kong	0.99	1.89	-0.89	15.09	-8.75	23.84	0.14	-0.18	0.19	0.19	0.38
Ireland	1.59	0.28	1.31	31.76	26.14	5.62	0.53	0.07	0.18	0.14	0.32
Norway	0.00	2.35	-2.35	0.00	5.60	-5.60	0.00	0.13	0.18	0.00	0.18
New Zealand	0.00	0.95	-0.95	0.00	0.91	-0.91	0.00	-0.01	0.13	0.00	0.13
Malta	0.00	0.10	-0.10	0.00	-7.11	7.11	0.00	-0.01	0.02	0.00	0.02
Liechtenstein	0.00	0.00	0.00	0.00	-56.17	56.17	0.00	0.00	0.00	0.00	0.00
Mexico	0.00	0.00	0.00	2.32	0.00	2.32	0.00	0.00	0.00	0.00	0.00
Luxembourg	0.00	0.21	-0.21	0.00	22.15	-22.15	0.00	0.04	-0.02	0.00	-0.02
Italy	3.15	3.51	-0.36	28.27	30.93	-2.65	1.03	1.02	-0.04	0.01	-0.03
Portugal	0.00	0.31	-0.31	0.00	26.94	-26.94	0.00	0.08	-0.04	0.00	-0.04
China	0.89	0.00	0.89	1.45	0.00	1.45	-0.07	0.00	-0.17	0.00	-0.17
Finland	2.46	1.36	1.10	1.05	11.75	-10.70	0.20	0.19	0.06	-0.27	-0.21
Denmark	1.57	2.13	-0.57	-8.63	11.68	-20.31	-0.04	0.24	-0.01	-0.28	-0.30
Austria	0.84	0.96	-0.12	-14.74	19.35	-34.09	-0.28	0.19	-0.06	-0.26	-0.33
Sweden	4.67	5.38	-0.70	9.80	18.99	-9.20	0.51	1.16	0.03	-0.45	-0.42
Germany	4.08	4.90	-0.81	-0.59	16.08	-16.67	0.23	0.80	0.13	-0.55	-0.43
Australia	4.23	9.83	-5.60	-15.05	7.17	-22.22	-0.37	0.68	0.47	-0.91	-0.43
Canada	3.22	0.00	3.22	-3.46	0.00	-3.46	-0.09	0.00	-0.53	0.00	-0.53
Netherlands	3.31	1.90	1.41	1.53	17.68	-16.15	0.01	0.34	0.07	-0.60	-0.53
United Kingdom	14.69	15.07	-0.39	10.22	16.32	-6.10	1.99	2.49	0.11	-0.73	-0.63
Singapore	2.98	2.05	0.93	-13.30	4.73	-18.04	-0.43	0.09	-0.06	-0.67	-0.73
Japan	25.23	32.18	-6.95	6.56	13.33	-6.77	1.68	4.08	0.21	-1.71	-1.50
Cash	5.14	0.00	5.14	4.03	0.00	4.03	0.23	0.00	-0.28	0.00	-0.28
Total	100.00	100.00	0.00	10.71	13.16	-2.45	10.71	13.16	-0.21	-2.24	-2.45

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Small Cap Fund



IMPORTANT INFORMATION

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.

Benchmarks

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.

The Standard & Poor's 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. These unmanaged indices do not reflect fees and expenses and are not available for direct investment.

Disclosures

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

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

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

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

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

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

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

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

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

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

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

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Harbor International Small Cap Fund



IMPORTANT INFORMATION

Attribution Disclosures

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

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

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

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

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

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

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

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

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

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

Definitions

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

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

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

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

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

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

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

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

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

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

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