

# Harbor Diversified International All Cap Fund

Marathon Asset Management LLP

Subadvisor Since 11/02/2015

<b>Total Net Assets - All Classes</b>	\$766,845,027
<b>Equity Assets:</b>	98.12%
<b>Cash &amp; Other Assets Less Liabilities:</b>	1.88%
<b>Benchmark Name:</b>	MSCI All Country World Ex. US (ND) Index

## Portfolio Managers

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

## Investment Philosophy

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

## CHARACTERISTICS & ALLOCATION

As of 09/30/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	383	2,274
Wtd Avg Market Cap (\$Mil)	42,706.70	70,178.80
Med Cap - # Stocks (\$Mil)	8,243.00	7,382.00
Price/Book Ratio	2.17	2.05
Adjusted Trailing P/E Ratio	15.90	14.50
% EPS Growth - Past 3 Yr	11.10	12.80
Return on Equity (%)	14.92	13.92
Beta vs. Fund Benchmark	1.09	
Forecasted P/E Ratio	14.20	14.10
Proj. Earnings Growth Rate (%)	11.00	10.90

Top 10 Holdings		
	Portfolio %	Benchmark %
AIA Group Limited	1.74	0.51
BP p.l.c.	1.57	0.48
Novo Nordisk A/S Class	1.39	0.85
Roche Holding Ltd Divid	1.33	1.18
PT Bank Central Asia Tb	1.32	0.16
HDFC Bank Limited Spons	1.26	0.00
Taiwan Semiconductor Ma	1.21	1.67
Brookfield Asset Manage	1.03	0.30
Fairfax Financial Holdi	1.02	0.05
Equinor ASA	0.99	0.16
<b>Total</b>	<b>12.86</b>	<b>5.36</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	11.00	12.61
Insurance	6.37	4.47
Metals & Mining	5.90	3.95
Oil Gas & Consumables	4.55	6.10
Machinery	3.48	1.91
Food & Staples Retail	3.48	1.62
Capital Markets	3.42	2.27
It Services	3.19	1.89
Semiconductors	2.95	3.98
Pharmaceuticals	2.94	6.36
<b>Total</b>	<b>47.28</b>	<b>45.16</b>

Economic Sectors		
	Portfolio %	Benchmark %
Financials	22.60	20.53
Industrials	19.91	11.97
Consumer Discretionary	10.43	11.22
Consumer Staples	10.30	9.32
Information Technology	9.59	10.59
Materials	8.42	8.12
Health Care	6.51	9.67
Communication Services	4.84	6.04
Energy	4.66	6.15
Real Estate	0.61	2.34
Utilities	0.25	3.32

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	15.83	9.68
Japan	15.49	14.08
Canada	10.56	8.26
India	5.15	4.49
France	4.79	7.08
China	4.14	8.53
Australia	4.06	4.99
Hong Kong	4.03	1.90
Switzerland	3.61	6.67
Denmark	3.46	1.66
<b>Total</b>	<b>71.12</b>	<b>67.34</b>
<b>Emerging Markets</b>	<b>22.58</b>	<b>29.24</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	42.53
	10.0B - 25.0B	25.52
Mid	5.0B - 10.0B	12.18
	1.0B - 5.0B	18.56
Small	0.0 - 1.0B	1.11



Trusted Partnerships > Trusted Solutions



### 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	HAIDX	411512593	-10.20%	-26.82%	-25.92%	-1.46%	-0.71%	N/A	1.82%	11/02/15	0.80	0.92
Administrative	HRIDX	411512585	-10.23%	-26.94%	-26.04%	-1.68%	-0.95%	N/A	1.58%	11/02/15	1.05	1.17
Investor	HIIDX	411512577	-10.28%	-26.99%	-26.13%	-1.81%	-1.07%	N/A	1.45%	11/02/15	1.16	1.28
Retirement	HNIDX	411512437	-10.20%	-26.82%	-25.86%	-1.38%	-0.63%	N/A	1.89%	03/01/16	0.72	0.84
MSCI All Country World Ex. US (ND) Index			-9.91%	-26.50%	-25.17%	-1.52%	-0.81%	N/A	2.27%	11/02/15		

### MANAGER COMMENTARY

As of 09/30/2022

**“The Fed has been more aggressive than most of its peers, and as a result, the U.S. dollar has strengthened substantially against many currencies, notably the Japanese yen, British pound, and Euro.”**

Marathon Asset Management LLP (Marathon-London)

### Market in Review

For the third quarter in a row, global markets have fallen, following an upswing in the first half of the period. High inflation, recession fears, and ongoing geopolitical uncertainty are all drivers of the current market volatility.

Central banks including the U.S. Federal Reserve (“Fed”), European Central Bank (“ECB”) and Bank of England (“BoE”) continued to raise interest rates seeking to tame inflation but have begun to acknowledge that recessionary risks have heightened. The Fed has been more aggressive than most of its peers, and as a result, the U.S. dollar has strengthened substantially against many currencies, notably the Japanese yen, British pound, and Euro.

One benefit of the recent rise in interest rates is that it should create new opportunities in the markets that have been largely lacking since the global financial crisis.

### Portfolio Performance

During the third quarter of 2022, the Harbor Diversified International All Cap Fund (Institutional Class, “Fund”) returned -10.20%, underperforming its benchmark, the MSCI All Country World Ex. US (ND) Index, which returned -9.91%.

From a regional perspective, stock selection was the largest contributor, especially in Emerging Markets and Europe. Overall, the portfolio’s Emerging Markets allocation was the largest relative contributor for the quarter.

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.**



At the sector level, underweights to Real Estate and Communication Services helped to drive performance, alongside an overweight to Industrials. Although an underweight to the Energy sector diluted this somewhat, the Fund's overall allocation effect was the largest contributor to outperformance. Stock selection was also a positive contributor; although selection in Industrials, Health Care, and Consumer Discretionary detracted, this was outweighed by positive stock selection in Financials, Communication Services, and Information Technology.

### Contributors & Detractors

Zhongsheng Group and AIA Group were top detractors from performance during the quarter.

Chinese auto dealer Zhongsheng suffered through COVID-19-related lockdowns, particularly in Shanghai, which forced the closure of its stores for several months during the first half of 2022, exacerbating the problems created by supply chain challenges in the semiconductor industry. We do not see this as a long-term threat to the business, as the company retains its leading position in premium car sales and services.

AIA is a pan-Asian insurance company with significant exposure to Hong Kong and China. The strength of the U.S. dollar has impacted the business as has the closure of the China/Hong Kong border. AIA remains the leading and best capitalized insurance company in the region, and we believe it has the product suite to continue to take share from its competitors.

Indonesian bank BCA and being underweight Alibaba contributed during the quarter.

BCA has a strong balance sheet and is well placed to capitalize on the modest uptick in economic activity in Indonesia. The excess capital and funding can be redeployed at attractive incremental rates of return, which will drive significant compounding of the company's book value per share.

Alibaba has struggled with slowing growth, soaring inflation and its impact on consumer spending, and related interest rate policy measures in addition to COVID-19 lockdowns in China. The Fund's underweight to the stock — 0% allocation versus the benchmark weight of 0.8% — helped shield the portfolio from Alibaba's fall during the quarter.

### Buys & Sells

The Fund acquired Alfa Laval, a leading global supplier within the key technology areas of heat transfer, separation, and fluid handling. The company has invested in R&D over the past five years, has set an organic growth target of 5%, and has shifted to a more decentralized management system. It benefits from segments with structural growth such as liquified natural gas, rising oil and gas capital expenditure, biofuels, and heat pumps. Overall, this is a well-run business with very strong market positions.

The Fund sold Giant Manufacturing, a Taiwanese bike manufacturer producing conventional and electronic bikes (e-bikes) under original design manufacturer (ODM) and brand models. The business has a high level of insider ownership, and concerns have been raised around succession planning, director remuneration, and balance-sheet management. It has clearly benefited from a strong demand cycle, which has appeared to subside, leaving margins and asset turns at risk of contraction.

### Country Allocation

The purchase of Copa Holdings means that the Fund now has a slight allocation to Panama, which is not a component of the MSCI EAFE universe.

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### 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.

The Canadian market fell by -7.90% during the quarter, as the Bank of Canada hiked rates in close coordination with the U.S. As elsewhere, inflation in Canada has remained high, and the cycle of rate increases is likely to dampen demand across the economy and may make life difficult in the “housing-focused” banking industry. At the same time, the global economic outlook has darkened, and demand for the country’s commodities has at least plateaued, if not fallen substantially to date, knocking the air out of some valuations that inflated in the first quarter.

European equities, as measured by the MSCI Europe Index, returned -10.2% during the quarter. Looking to the underlying countries, all recorded a decline for the second quarter in a row. These ranged from Ireland’s comparatively modest -5.50% to Norway’s -15.30%.

The conflict in Ukraine continues to buffet the continent both economically and politically. Energy costs remain an issue for the entire region, which was, overall, highly dependent upon Russian oil and gas. Europe is now desperately trying to replace Russian energy supplies from other sources. The situation was exacerbated when Nord Stream 1, the main natural gas pipeline, was closed for maintenance in July and August before both it and its twin, Nord Stream 2, sustained explosions, effectively crippling them, in the last days of the quarter. The cause of the explosions is still a matter of conjecture, and the effect has been to cut Europe off from the possibility of Russian gas supplies this winter.

In the U.K., political change was afoot. The new government enacted a “fiscal event” with a focus on stimulating growth. The changes were some of the most material ever announced, including energy subsidies and unfunded tax cuts. The markets reacted badly as the pound plunged and the Bank of England intervened to stabilize long-bond yields. It is worth remembering that the U.K. market is more multinational than most, and that Marathon’s positions are less domestically focused than average. As a result, the recent currency weakness may be beneficial for the Fund’s holdings.

In Japan, the MSCI Japan Index returned -7.70%; the TOPIX returned -6.90%. Market declines were largely the result of continuing weakness of the yen, which fell further in the wake of the U.S. Federal Reserve’s latest rate increases. The slide in the yen has been so severe that the Ministry of Finance intervened directly in currency markets, the first such direct intervention in support of the yen since 1998. The Bank of Japan is the last major developed market central bank not to have raised rates this year, and it is the only one to maintain a negative interest rate. Inflation readings in Japan are now ticking up, however, and expectations are that it may rise further.

In common with all regions, Pacific markets fell during the quarter, with the MSCI Pacific ex-Japan Index recording a -8.80% return. In a reversal from the last quarter, Singapore, Australia, and New Zealand outperformed the index average while Hong Kong fell sharply. The mainland Chinese market plunged over fears of rising interest rates in the property-centric market and a rise in COVID-19 infections. While Hong Kong has begun to relax restrictions itself, should the government in Beijing order further measures nationally it is likely that Hong Kong would also be subject to them.

Emerging markets, as measured by the MSCI Emerging Markets Index, fell by -11.60% during the third quarter. As usual, this performance masks large regional and country-specific dispersion — but China, the largest index constituent, was the second-worst performing market in the index (after Poland).

The EM Americas markets rose, bouncing back following a precipitous decline in the previous quarter. Brazil performed strongly, as opinion polls for the upcoming general election narrowed and inflation and growth improved. Colombia was a notable outlier, however, falling sharply as the prices of some of its main commodities fell.

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The Emerging European markets continue to be hit hard by the conflict in Ukraine. Not only has this led to enormous numbers of refugees, but a substantial amount of trade has been curtailed and resources diverted to support the Ukraine defense effort. Turkey was the best-performing market in the index. Despite inflation of over 80%, the country has cut interest rates twice during the quarter and growth rates are high following poor performance in recent years. South Africa lagged over concerns about power supplies as energy price inflation remains high.

In EM Asia, India and Indonesia performed well with both delivering positive returns following improvements in local conditions, while the export-centric markets of Korea and Taiwan suffered as the global outlook worsened.

## QUARTERLY ATTRIBUTION

As of 09/30/2022

### Best & Worst Performers

Best Performers	Average Weight %	Return %
Havells India Limited	0.43	19.21
Porto Seguro S.A.	0.43	17.78
B3 SA - Brasil Bolsa Balcao	0.58	15.76
Grupo Financiero Banorte SAB de CV Class O	0.50	15.68
PT Bank Central Asia Tbk	1.11	15.38

Worst Performers	Average Weight %	Return %
Zhongsheng Group Holdings Ltd.	0.53	-43.38
Fresenius Medical Care AG & Co. KGaA	0.29	-42.89
Weichai Power Co. Ltd. Class H	0.55	-38.54
Shenzhou International Group Holdings Limited	0.47	-34.51
adidas AG	0.26	-33.99

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
PT Bank Central Asia Tbk	15.38	0.14
B3 SA - Brasil Bolsa Balcao	15.76	0.07
X 5 RETAIL GROUP NV REGS GDR DEPOSITORY	916.20	0.07
Grupo Financiero Banorte SAB de CV Class	15.68	0.06
Havells India Limited	19.21	0.06
<b>Total</b>		<b>0.40</b>

Greatest Detractors	Return %	Contribution to Return %
AIA Group Limited	-22.66	-0.43
Zhongsheng Group Holdings Ltd.	-43.38	-0.27
Taiwan Semiconductor Manufacturing Co. L	-16.59	-0.22
Weichai Power Co. Ltd. Class H	-38.54	-0.22
Shenzhou International Group Holdings Li	-34.51	-0.18
<b>Total</b>		<b>-1.32</b>

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### Quarterly Attribution:

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

06/30/2022 - 09/30/2022

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	-3.70	-4.85	1.15
Currency Contribution	-5.38	-5.06	-0.32
<b>Total Return</b>	<b>-9.08</b>	<b>-9.91</b>	<b>0.83</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
Financials	21.94	20.31	1.63	-6.16	-7.92	1.76	-1.50	-1.71	0.03	0.38	0.41
Information Technology	9.93	11.18	-1.24	-10.41	-12.14	1.73	-1.00	-1.33	0.03	0.17	0.20
Communication Services	5.06	6.23	-1.17	-14.46	-16.49	2.03	-0.71	-1.04	0.08	0.11	0.20
Real Estate	0.47	2.41	-1.95	-1.46	-14.52	13.06	-0.02	-0.36	0.09	0.07	0.16
Materials	7.98	7.94	0.03	-6.40	-7.86	1.46	-0.51	-0.64	0.00	0.12	0.12
Consumer Staples	10.01	9.09	0.92	-5.79	-6.40	0.60	-0.57	-0.56	0.03	0.05	0.09
Energy	4.49	6.02	-1.53	-4.12	-6.31	2.18	-0.25	-0.43	-0.06	0.09	0.04
Utilities	0.29	3.43	-3.14	-23.26	-10.93	-12.33	-0.06	-0.39	0.03	-0.04	0.00
Industrials	19.96	12.16	7.79	-9.42	-8.21	-1.22	-1.87	-0.98	0.13	-0.24	-0.11
Health Care	6.55	9.77	-3.21	-14.48	-10.91	-3.58	-0.87	-0.95	0.02	-0.24	-0.21
Consumer Discretionary	11.12	11.46	-0.34	-15.29	-13.11	-2.18	-1.72	-1.51	0.02	-0.26	-0.24
[Cash]	2.20	0.00	2.20	-0.16	0.00	-0.16	0.00	0.00	0.18	0.00	0.18
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-9.08</b>	<b>-9.91</b>	<b>0.83</b>	<b>-9.08</b>	<b>-9.91</b>	<b>0.61</b>	<b>0.22</b>	<b>0.83</b>



### Quarterly Attribution:

06/30/2022 - 09/30/2022

### Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Hong Kong	3.75	3.53	0.22	-13.54	-21.29	7.75	-0.54	-0.78	-0.01	0.31	0.30
Indonesia	1.11	0.57	0.54	15.38	7.77	7.61	0.14	0.03	0.09	0.07	0.16
Ireland	1.11	0.36	0.75	4.62	-5.50	10.12	0.02	-0.02	0.02	0.13	0.15
South Korea	1.75	3.35	-1.60	-16.00	-16.40	0.40	-0.28	-0.56	0.11	0.00	0.11
Mexico	1.03	0.62	0.41	2.85	-5.45	8.30	0.01	-0.04	0.02	0.07	0.10
Japan	15.14	14.14	1.00	-7.29	-7.67	0.38	-1.15	-1.14	0.02	0.06	0.08
Russia	0.08	0.00	0.08	916.16	0.00	916.16	0.07	0.00	0.08	0.00	0.08
Norway	1.22	0.52	0.70	-6.60	-15.30	8.70	-0.09	-0.08	-0.05	0.11	0.07
Italy	1.23	1.38	-0.14	-3.12	-8.63	5.51	-0.04	-0.12	0.00	0.07	0.07
China	5.00	7.94	-2.94	-27.20	-21.73	-5.47	-1.46	-1.82	0.37	-0.32	0.06
Taiwan	3.59	4.23	-0.64	-14.05	-14.47	0.42	-0.50	-0.63	0.04	0.01	0.05
Spain	0.99	1.49	-0.50	-11.10	-14.06	2.96	-0.11	-0.21	0.02	0.03	0.05
Canada	10.51	8.19	2.32	-7.90	-7.94	0.04	-0.84	-0.67	0.05	0.00	0.05
Singapore	0.92	0.95	-0.03	3.78	-1.50	5.28	0.03	-0.02	0.00	0.04	0.04
Austria	0.35	0.11	0.24	-3.35	-15.24	11.89	-0.01	-0.02	-0.01	0.04	0.03
Poland	0.00	0.17	-0.17	0.00	-25.09	25.09	0.00	-0.04	0.03	0.00	0.03
Finland	0.60	0.62	-0.02	-3.37	-7.23	3.86	-0.03	-0.04	0.00	0.02	0.02
United Kingdom	16.02	9.79	6.23	-10.33	-10.76	0.43	-1.61	-1.02	-0.05	0.08	0.02
Panama	0.15	0.00	0.15	5.83	0.00	5.83	-0.01	0.00	0.02	0.00	0.02
Belgium	0.21	0.61	-0.40	-14.71	-13.25	-1.46	-0.03	-0.08	0.01	0.00	0.01
Philippines	0.00	0.22	-0.22	0.00	-13.59	13.59	0.00	-0.03	0.01	0.00	0.01
Brazil	1.20	1.54	-0.34	14.99	8.54	6.45	0.09	0.09	-0.06	0.06	0.01
Czech Republic	0.00	0.04	-0.04	0.00	-19.15	19.15	0.00	-0.01	0.00	0.00	0.00
Colombia	0.00	0.05	-0.05	0.00	-18.46	18.46	0.00	-0.01	0.00	0.00	0.00
Peru	0.67	0.07	0.60	-8.58	-0.91	-7.67	-0.06	0.00	0.05	-0.05	0.00
Hungary	0.00	0.05	-0.05	0.00	-14.96	14.96	0.00	-0.01	0.00	0.00	0.00
Portugal	0.00	0.15	-0.15	0.00	-11.03	11.03	0.00	-0.02	0.00	0.00	0.00
Netherlands	2.34	2.66	-0.32	-10.87	-10.71	-0.16	-0.23	-0.26	0.01	-0.01	0.00
Argentina	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kenya	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pakistan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New Zealand	0.11	0.12	0.00	-9.00	-8.63	-0.37	-0.01	-0.01	0.00	0.00	0.00
United States	0.00	0.00	0.00	-36.11	0.00	-36.11	0.00	0.00	0.00	0.00	0.00
Egypt	0.00	0.02	-0.02	0.00	-1.30	1.30	0.00	0.00	0.00	0.00	0.00
Greece	0.00	0.07	-0.07	0.00	-7.48	7.48	0.00	-0.01	0.00	0.00	0.00
Sweden	1.64	2.15	-0.51	-8.85	-8.82	-0.03	-0.13	-0.16	0.00	0.00	-0.01
South Africa	3.39	1.03	2.36	-10.96	-12.31	1.35	-0.35	-0.12	-0.07	0.06	-0.01
Kuwait	0.00	0.25	-0.25	0.00	-5.53	5.53	0.00	-0.02	-0.01	0.00	-0.01
Malaysia	0.00	0.44	-0.44	0.00	-7.08	7.08	0.00	-0.03	-0.01	0.00	-0.01
Australia	4.02	5.02	-1.01	-6.32	-6.74	0.41	-0.28	-0.36	-0.04	0.02	-0.02
Chile	0.00	0.17	-0.17	0.00	3.19	-3.19	0.00	0.00	-0.02	0.00	-0.02
Turkey	0.00	0.09	-0.09	0.00	16.30	-16.30	0.00	0.01	-0.02	0.00	-0.02
United Arab Emirates	0.00	0.39	-0.39	0.00	-2.49	2.49	0.00	-0.01	-0.03	0.00	-0.03
Israel	0.00	0.51	-0.51	0.00	-1.93	1.93	0.00	-0.02	-0.04	0.00	-0.04
Thailand	0.00	0.58	-0.58	0.00	-2.90	2.90	0.00	-0.02	-0.04	0.00	-0.04
Qatar	0.00	0.33	-0.33	0.00	3.06	-3.06	0.00	0.01	-0.04	0.00	-0.04
France	4.83	7.02	-2.19	-9.43	-8.84	-0.58	-0.43	-0.59	-0.02	-0.03	-0.05
Switzerland	3.54	6.55	-3.01	-7.32	-7.54	0.22	-0.23	-0.46	-0.07	0.01	-0.07
India	4.86	4.13	0.74	2.30	6.50	-4.20	0.06	0.17	0.11	-0.18	-0.07
Saudi Arabia	0.00	1.32	-1.32	0.00	-0.12	0.12	0.00	-0.01	-0.12	0.00	-0.12
Denmark	3.65	1.70	1.95	-15.47	-12.27	-3.20	-0.53	-0.19	-0.05	-0.12	-0.16
Germany	2.77	4.75	-1.99	-20.05	-12.59	-7.47	-0.55	-0.58	0.05	-0.22	-0.17
[Cash]	2.20	0.00	2.20	-0.16	0.00	-0.16	0.00	0.00	0.18	0.00	0.18
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-9.08</b>	<b>-9.91</b>	<b>0.83</b>	<b>-9.08</b>	<b>-9.91</b>	<b>0.55</b>	<b>0.28</b>	<b>0.83</b>



### Trailing 1 Year Attribution:

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

09/30/2021 - 09/30/2022

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	-13.61	-13.93	0.32
Currency Contribution	-11.48	-11.24	-0.24
<b>Total Return</b>	<b>-25.09</b>	<b>-25.17</b>	<b>0.08</b>

#### Sector Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Information Technology	10.70	12.14	-1.44	-30.46	-39.27	8.81	-3.23	-4.91	0.20	1.10	1.29
Financials	21.13	20.11	1.02	-17.96	-18.34	0.38	-3.91	-3.81	0.06	0.12	0.17
Real Estate	0.33	2.45	-2.12	-17.41	-29.78	12.37	-0.05	-0.76	0.09	0.06	0.16
Energy	3.95	5.52	-1.57	7.24	-5.07	12.31	-0.13	-0.53	-0.26	0.31	0.05
Communication Services	5.51	6.27	-0.76	-33.31	-31.95	-1.36	-1.78	-2.09	0.07	-0.10	-0.03
Materials	8.71	8.30	0.41	-22.67	-21.10	-1.57	-2.11	-1.90	0.05	-0.16	-0.11
Industrials	19.60	12.16	7.44	-28.63	-28.63	0.00	-5.61	-3.40	-0.24	0.00	-0.25
Utilities	0.29	3.26	-2.97	-38.82	-15.85	-22.98	-0.11	-0.57	-0.25	-0.07	-0.32
Consumer Discretionary	11.36	11.54	-0.18	-35.25	-32.46	-2.79	-4.06	-3.75	0.09	-0.41	-0.32
Consumer Staples	9.81	8.69	1.12	-22.48	-16.73	-5.75	-2.04	-1.37	0.06	-0.53	-0.47
Health Care	6.68	9.57	-2.89	-31.01	-23.51	-7.50	-2.00	-2.06	-0.08	-0.50	-0.58
[Cash]	1.94	0.00	1.94	0.48	0.00	0.48	-0.06	0.00	0.48	0.00	0.48
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-25.09</b>	<b>-25.17</b>	<b>0.08</b>	<b>-25.09</b>	<b>-25.17</b>	<b>0.26</b>	<b>-0.18</b>	<b>0.08</b>





### Trailing 1 Year Attribution:

09/30/2021 - 09/30/2022

#### Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Japan	14.81	14.23	0.58	-23.18	-29.30	6.12	-3.45	-4.22	0.00	0.92	0.93
Canada	9.93	7.93	2.00	-5.68	-13.06	7.38	-0.96	-1.18	0.20	0.57	0.77
South Korea	1.80	3.54	-1.74	-33.33	-40.73	7.41	-0.72	-1.59	0.30	0.12	0.41
Ireland	0.80	0.39	0.40	-5.02	-38.91	33.88	-0.03	-0.15	-0.03	0.29	0.26
Norway	1.08	0.47	0.60	3.49	-20.74	24.23	-0.03	-0.12	0.01	0.23	0.24
Russia	0.40	0.45	-0.04	-92.40	-100.00	7.60	-0.68	-0.95	0.43	-0.21	0.22
Hong Kong	3.66	3.24	0.42	-25.08	-32.30	7.22	-1.00	-1.13	-0.04	0.26	0.22
South Africa	3.33	1.02	2.31	-17.35	-19.20	1.84	-0.57	-0.20	0.13	0.07	0.19
Indonesia	1.02	0.50	0.52	16.51	14.34	2.17	0.10	0.04	0.17	0.02	0.19
Netherlands	2.48	2.86	-0.37	-34.34	-38.14	3.80	-0.81	-1.04	0.08	0.09	0.17
Sweden	1.74	2.27	-0.53	-33.10	-35.68	2.58	-0.53	-0.77	0.07	0.04	0.12
Mexico	0.72	0.61	0.12	8.68	-7.45	16.12	0.01	-0.04	0.00	0.10	0.10
Poland	0.00	0.20	-0.20	0.00	-51.93	51.93	0.00	-0.11	0.06	0.00	0.06
Finland	0.60	0.63	-0.02	-15.19	-25.01	9.82	-0.08	-0.14	0.00	0.06	0.06
Peru	0.74	0.07	0.67	-14.35	2.98	-17.33	-0.14	0.00	0.15	-0.10	0.05
Belgium	0.20	0.59	-0.38	-19.08	-27.35	8.27	-0.04	-0.16	0.01	0.02	0.02
Taiwan	4.35	4.47	-0.12	-31.28	-30.53	-0.75	-1.33	-1.53	0.09	-0.07	0.02
Hungary	0.00	0.06	-0.06	0.00	-54.34	54.34	0.00	-0.04	0.02	0.00	0.02
Panama	0.04	0.00	0.04	5.83	0.00	5.83	-0.01	0.00	0.02	0.00	0.02
Philippines	0.00	0.22	-0.22	0.00	-26.31	26.31	0.00	-0.07	0.00	0.00	0.00
Argentina	0.00	0.01	-0.01	0.00	-7.48	7.48	0.00	0.00	0.00	0.00	0.00
Greece	0.02	0.07	-0.05	-2.03	-25.17	23.14	0.00	-0.02	0.00	0.00	0.00
Egypt	0.00	0.02	-0.02	0.00	-28.77	28.77	0.00	-0.01	0.00	0.00	0.00
Pakistan	0.00	0.00	0.00	0.00	2.15	-2.15	0.00	0.00	0.00	0.00	0.00
Colombia	0.00	0.05	-0.05	0.00	-23.60	23.60	0.00	-0.01	0.00	0.00	0.00
Kenya	0.01	0.00	0.01	-13.56	0.00	-13.56	0.00	0.00	0.00	0.00	0.00
Czech Republic	0.00	0.04	-0.04	0.00	-9.85	9.85	0.00	-0.01	-0.01	0.00	-0.01
New Zealand	0.12	0.13	-0.01	-40.83	-33.38	-7.45	-0.05	-0.04	0.00	-0.01	-0.01
United States	0.01	0.00	0.01	-92.56	0.00	-92.56	-0.01	0.00	-0.01	0.00	-0.01
Portugal	0.00	0.13	-0.13	0.00	-12.94	12.94	0.00	-0.02	-0.02	0.00	-0.02
Israel	0.00	0.46	-0.46	0.00	-21.84	21.84	0.00	-0.10	-0.02	0.00	-0.02
Austria	0.39	0.13	0.26	-34.36	-40.94	6.58	-0.13	-0.05	-0.03	0.02	-0.02
Spain	1.02	1.48	-0.46	-27.84	-25.63	-2.21	-0.27	-0.37	0.00	-0.02	-0.02
Turkey	0.00	0.08	-0.08	0.00	3.78	-3.78	0.00	0.00	-0.02	0.00	-0.02
Chile	0.00	0.14	-0.14	0.00	0.61	-0.61	0.00	-0.01	-0.03	0.00	-0.03
Singapore	1.12	0.86	0.25	-22.42	-22.15	-0.28	-0.23	-0.18	-0.02	-0.02	-0.04
Malaysia	0.00	0.42	-0.42	0.00	-15.88	15.88	0.00	-0.07	-0.04	0.00	-0.04
Kuwait	0.00	0.21	-0.21	0.00	6.43	-6.43	0.00	0.00	-0.06	0.00	-0.06
Australia	3.90	4.79	-0.89	-15.65	-16.37	0.72	-0.73	-0.86	-0.09	0.02	-0.07
United Arab Emirates	0.00	0.36	-0.36	0.00	5.10	-5.10	0.00	-0.02	-0.08	0.00	-0.08
Qatar	0.00	0.28	-0.28	0.00	12.73	-12.73	0.00	0.01	-0.09	0.00	-0.09
Thailand	0.00	0.53	-0.53	0.00	-6.85	6.85	0.00	-0.05	-0.09	0.00	-0.09
China	4.86	8.05	-3.19	-41.82	-33.95	-7.87	-2.29	-2.88	0.37	-0.48	-0.11
Italy	1.47	1.47	0.00	-38.86	-28.47	-10.38	-0.55	-0.40	0.01	-0.18	-0.17
Brazil	0.69	1.43	-0.73	-18.12	4.31	-22.43	-0.14	0.00	-0.21	-0.04	-0.25
Germany	3.16	5.24	-2.09	-50.26	-37.15	-13.11	-1.72	-1.91	0.27	-0.53	-0.26
Saudi Arabia	0.00	1.18	-1.18	0.00	1.87	-1.87	0.00	-0.06	-0.27	0.00	-0.27
France	5.04	7.15	-2.11	-30.27	-23.94	-6.33	-1.43	-1.57	-0.01	-0.32	-0.33
India	4.83	3.79	1.04	-20.43	-9.94	-10.49	-0.87	-0.36	0.10	-0.46	-0.36
Denmark	3.70	1.68	2.02	-34.32	-23.51	-10.81	-1.27	-0.36	0.05	-0.43	-0.39
Switzerland	3.63	6.46	-2.83	-21.74	-16.53	-5.21	-0.73	-1.01	-0.23	-0.18	-0.41
United Kingdom	16.38	9.61	6.77	-27.34	-14.08	-13.26	-4.33	-1.39	0.73	-2.06	-1.33
[Cash]	1.94	0.00	1.94	0.48	0.00	0.48	-0.06	0.00	0.48	0.00	0.48
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-25.09</b>	<b>-25.17</b>	<b>0.08</b>	<b>-25.09</b>	<b>-25.17</b>	<b>2.37</b>	<b>-2.30</b>	<b>0.08</b>

## Risks

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

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

## Benchmarks

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

## 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.

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

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.**

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

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**Attribution Disclosures**

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

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

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

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

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

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

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

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

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

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

**Definitions**

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