

# Harbor International Fund

Marathon Asset Management LLP

Subadviser Since 08/22/2018

**Total Net Assets - All Classes** \$4,538,643,027  
**Equity Assets:** 98.18%  
**Cash & Other Assets Less Liabilities:** 1.82%  
**Benchmark Name:** MSCI EAFE (ND) Index

## Portfolio Managers

Neil M. Ostrer Charles Carter Nick Longhurst William J. Arah  
 Simon Somerville Michael Nickson, Justin Hill Alex Duffy  
 CFA

## 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 09/30/2021

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	413	845
Wtd Avg Market Cap (\$Mil)	47,185.60	78,445.90
Med Cap - # Stocks (\$Mil)	10,751.00	14,283.00
Price/Book Ratio	2.40	2.68
Adjusted Trailing P/E Ratio	21.90	21.90
% EPS Growth - Past 3 Yr	2.30	1.90
Return on Equity (%)	9.11	10.33
Beta vs. Fund Benchmark	1.03	
Forecasted P/E Ratio	18.40	19.70
Proj. Earnings Growth Rate (%)	19.20	17.70

Top 10 Holdings		
	Portfolio %	Benchmark %
BP p.l.c.	1.72	0.55
Roche Holding Ltd	1.70	1.53
Hitachi,Ltd.	1.67	0.34
Novo Nordisk A/S Class	1.53	0.97
Vestas Wind Systems A/S	1.45	0.24
Barclays PLC	1.22	0.26
HelloFresh SE	1.18	0.09
Flutter Entertainment P	1.13	0.00
Toyota Motor Corp.	1.06	1.13
BNP Paribas SA Class A	1.03	0.43
<b>Total</b>	<b>13.69</b>	<b>5.54</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	8.73	8.68
Insurance	5.26	4.82
Hotels Rest & Leisure	4.63	1.50
Health Care Equip	4.05	2.30
Professional Services	3.96	1.75
Pharmaceuticals	3.82	8.20
Beverages	3.64	2.04
Electrical Equipment	3.63	1.92
Metals & Mining	3.56	2.84
Machinery	3.16	3.15
<b>Total</b>	<b>44.44</b>	<b>37.20</b>

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	22.06	15.75
Financials	17.08	17.12
Consumer Discretionary	15.08	12.77
Health Care	9.83	12.63
Consumer Staples	9.23	10.24
Materials	7.43	7.31
Communication Services	6.99	4.81
Information Technology	6.32	9.58
Energy	3.31	3.48
Utilities	0.48	3.25
Real Estate	0.37	2.93

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	25.35	14.31
Japan	22.67	24.12
France	7.94	11.23
Denmark	5.99	2.62
Germany	5.83	9.10
Switzerland	5.42	9.52
Netherlands	3.19	4.85
Australia	2.90	6.94
Sweden	2.80	3.67
Italy	2.55	2.44
<b>Total</b>	<b>84.64</b>	<b>88.80</b>
<b>Emerging Markets</b>	<b>5.22</b>	<b>0.00</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	47.14
	10.0B - 25.0B	22.90
Mid	5.0B - 10.0B	11.61
	1.0B - 5.0B	15.81
Small	0.0 - 1.0B	0.67



Trusted Partnerships > Trusted Solutions



### Performance & Fund Facts

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	-0.70%	8.83%	28.87%	8.59%	7.41%	7.36%	10.19%	12/29/87	0.77	0.89
Administrative	HRINX	411511652	-0.76%	8.62%	28.55%	8.32%	7.14%	7.09%	8.68%	11/01/02	1.02	1.14
Investor	HIINX	411511645	-0.80%	8.51%	28.39%	8.19%	7.01%	6.96%	8.54%	11/01/02	1.13	1.25
Retirement	HNINX	411512445	-0.69%	8.89%	28.96%	8.67%	7.48%	7.40%	10.20%	03/01/16	0.69	0.81
MSCI EAFE (ND) Index			-0.45%	8.35%	25.73%	7.62%	8.81%	8.10%	5.59%	12/29/87		

## MANAGER COMMENTARY

As of 09/30/2021

**“The September sell-off (particularly in the U.S.) was driven largely by supply-chain issues, coupled with higher inflation, rising bond yields, and the potential for rising interest rates.”**

Marathon Asset Management LLP (Marathon-London)

### Market in Review

For much of the third quarter 2021, most regional markets posted positive performance, only to be wiped out in September.

Stylistically, across all markets (except the emerging markets), growth and quality stocks were ahead of their value counterparts until September and ended roughly in line by the end of the quarter (in a similar vein to markets overall).

The September sell-off (particularly in the U.S.) was driven largely by supply-chain issues, coupled with higher inflation, rising bond yields, and the potential for rising interest rates. These factors negatively impacted growth stocks (large-cap Information Technology stocks in particular).

Emerging markets growth underperformed value throughout the quarter, owing largely to the continued underperformance of Alibaba and Tencent. The targeted interventionist tone of the government in China, pushing much more regulation on these Information Technology giants, has caused Alibaba to halve in value since its peak market cap.

From a market-cap perspective, mid-cap stocks performed in line with large-cap stocks across most major markets apart from emerging markets, where small- and mid-cap stocks outperformed.

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.

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](http://harborcapital.com) or by calling 800-422-1050.



Against this backdrop, the Harbor International Fund (“Fund”) posted positive returns. We believe this is entirely due to successful bottom-up stock selection in Europe despite the various macroeconomic cross currents at play. Equally, the modest out-of-benchmark allocation to emerging markets weighed on portfolio performance.

### Portfolio Performance

In the third quarter of 2021, the Harbor International Fund (Institutional Class) returned -0.70%, slightly underperforming its benchmark, the MSCI EAFE (ND) Index, which returned -0.45%.

Stock selection in Europe, notably the U.K. and France, contributed positively as did the Fund’s underweight allocation to the Pacific ex Japan region, notably Hong Kong.

Conversely, the modest out-of-benchmark allocation to emerging markets, notably China, weighed on relative returns.

### Contributors & Detractors

Energy prices moved sharply higher in the quarter benefiting most producers, including the largest stock in the index, Royal Dutch Shell. Marathon-London preferred other stocks in the sector, several of which were key contributors for the quarter. However, not owning Royal Dutch Shell resulted in a drag on performance.

ASML, the Dutch lithography business in which Marathon-London has an underweight position, provided a drag on performance as it continued benefiting from the global semiconductor chip shortage and outperformed the broader market.

Entain, the U.K.-listed global gaming company, performed well during the quarter following a bid for the business at a 46% premium to the pre-bid share price. The bid is from recently listed U.S. e-sports business DraftKings and is approximately double the sum offered by MGM resorts for the business at the start of the year.

Equinor, the Norwegian energy company previously called Statoil, contributed materially to outperformance as Energy prices rose sharply. We believe that Equinor’s well-thought-out plan of diversifying into renewable energy and carbon capture and storage while gradually managing legacy assets down fits well with Marathon-London’s long-term investment thesis.

### Buys & Sells

Turnover was elevated during the quarter following the arrival of Alex Duffy, and much of the buying and selling activity was dominated by the emerging-market sleeve of the Fund. One notable new position was HDFC Bank. HDFC, a domestic Indian bank, has the potential to grow market share among its retail and SME client base through its strong brand. Other state-owned competitor banks tend to be inefficiently managed with balance sheet restrictions in place. A lack of state ownership, combined with long-term management, means HDFC considers risk in a manner more aligned to the interests of its shareholders.

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### Country Allocation

Alex Duffy joined the firm in June 2021 to manage emerging-market assets. Prior to his arrival, the Fund allowed for limited off-benchmark exposure to Asian emerging markets. Now, this limited off-benchmark allocation has broadened to include a global emerging market opportunity set.

### Outlook

While Marathon-London 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 markets had a weak quarter; however, performance was widely dispersed between the best (Austria: +10.39%) and worst (Germany: -4.26%) performers. Some of the dispersion reflects country-specific factors, but much reflects the relative weights of different sectors and the very small size of some markets in the mix.

The quarter started strong, with positive earnings revisions buoying markets. However, as in North America, worries began to show themselves later in the quarter. Supply-chain issues caused some companies to revise their earnings forecasts downward and increase prices for those goods that they could produce and get to consumers. A shortage of natural gas, caused by low levels of wind needed for electricity generation, led to higher Energy prices. Inflation has risen; however, the European Central Bank considers this a transitory overshoot of its 2% inflation target. Combined, these factors depressed overall market performance by quarter-end.

Japan was the best performing major market for the period, with the TOPIX returning 4.8% and the Nikkei 225 returning 2.3%. In fact, the market hit a notable milestone during the quarter, with the Nikkei finally surpassing its previous peak after more than 31 years. Interestingly, the dynamics of the market were nearly opposite those of most other regions—treading water for the first two months before (comparatively) soaring in September.

The Pacific ex-Japan region performed poorly during the third quarter, strongly influenced by Hong Kong's decline. Although not in the index, much of the explanation for the decline lies with China. (See the emerging markets section below for details.)

In Australia, the economy was hit by further COVID-19-related lockdowns and restrictions which caused many businesses to shut down or reduce production (though shares in the locally listed Domino's Pizza franchise benefited!). At the same time bottlenecks in global supply chains hit the country's listed commodities producers.

Emerging Markets were the weakest global market segment, with the MSCI Emerging Markets (ND) Index returning -8.09% during the period. Once again, performance was highly differentiated between markets, with more than 42% separating the best (Argentina) and worst (Brazil) performers. However, it was the precipitous decline in the Chinese market that set the tone for the region and the global index this quarter.

Contributing to the weakness was financial trouble at China's second largest property developer, Evergrande, which missed a payment on some of its USD-denominated debt. Though not yet technically in default, the fear of contagion from such a large default upset markets.

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### Best & Worst Performers

Best Performers	Average Weight %	Return %
Rolls-Royce Holdings plc	0.30	38.28
NTT DATA Corporation	0.47	24.74
Nordic Entertainment Group AB Class B	0.31	22.91
Equinor ASA	0.73	21.13
Dai-ichi Life Holdings, Inc.	0.63	20.95

Worst Performers	Average Weight %	Return %
Logitech International S.A.	0.32	-25.93
Adecco Group AG	0.54	-25.88
Anheuser-Busch InBev SA/NV	0.32	-21.02
Just Eat Takeaway.com N.V.	0.30	-20.88
BHP Group Ltd	0.38	-20.70

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Novo Nordisk A/S Class B	16.04	0.21
Entain PLC	19.10	0.16
Equinor ASA	21.13	0.15
Dai-ichi Life Holdings, Inc.	20.95	0.12
Barclays PLC	9.32	0.10
<b>Total</b>		<b>0.74</b>

Greatest Detractors	Return %	Contribution to Return %
Adecco Group AG	-25.88	-0.16
GN Store Nord A/S	-20.59	-0.15
Intertek Group plc	-11.60	-0.12
adidas AG	-15.38	-0.10
Fresenius Medical Care AG & Co. KGaA	-15.08	-0.10
<b>Total</b>		<b>-0.63</b>

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### Quarterly Attribution:

#### Harbor International Fund vs. MSCI EAFE (ND) Index

06/30/2021 - 09/30/2021

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	1.91	1.32	0.60
Currency Contribution	-1.77	-1.76	-0.01
<b>Total Return</b>	<b>0.14</b>	<b>-0.45</b>	<b>0.59</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	16.41	16.79	-0.38	4.98	1.75	3.24	0.78	0.29	0.01	0.50	0.51
Communication Services	7.18	4.77	2.40	1.55	-4.14	5.68	0.10	-0.21	-0.10	0.42	0.32
Consumer Discretionary	15.20	12.75	2.45	-1.28	-3.60	2.33	-0.18	-0.46	-0.07	0.36	0.29
Utilities	0.55	3.42	-2.87	-5.86	-4.59	-1.27	-0.02	-0.15	0.12	0.00	0.11
Real Estate	0.39	2.99	-2.60	5.99	-3.08	9.07	0.02	-0.09	0.07	0.03	0.10
Materials	7.77	7.81	-0.04	-4.64	-5.74	1.10	-0.35	-0.41	-0.01	0.09	0.08
Consumer Staples	9.20	10.37	-1.17	-2.99	-3.44	0.45	-0.29	-0.35	0.04	0.03	0.07
Energy	2.97	3.11	-0.15	9.86	8.72	1.14	0.28	0.26	-0.02	0.03	0.01
Health Care	10.34	12.63	-2.29	-2.01	0.46	-2.47	-0.19	0.07	-0.01	-0.25	-0.27
Industrials	22.39	15.78	6.61	-0.53	1.28	-1.80	-0.10	0.18	0.12	-0.39	-0.27
Information Technology	6.49	9.57	-3.09	1.41	5.02	-3.61	0.07	0.42	-0.15	-0.23	-0.38
[Cash]	1.11	0.00	1.11	-0.24	0.00	-0.24	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.14</b>	<b>-0.45</b>	<b>0.59</b>	<b>0.14</b>	<b>-0.45</b>	<b>-0.01</b>	<b>0.59</b>	<b>0.59</b>



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

06/30/2021 - 09/30/2021

**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	25.28	14.33	10.95	1.53	-0.30	1.83	0.41	-0.01	0.04	0.45	0.49
France	8.01	11.39	-3.38	3.10	-1.96	5.06	0.25	-0.20	0.04	0.40	0.44
Italy	2.41	2.45	-0.04	5.59	-1.08	6.67	0.14	-0.02	0.00	0.16	0.16
Norway	1.24	0.62	0.62	14.15	5.20	8.96	0.17	0.03	0.04	0.11	0.14
Hong Kong	1.47	3.09	-1.62	-12.15	-9.41	-2.74	-0.18	-0.29	0.15	-0.04	0.11
Germany	6.07	9.31	-3.24	-4.65	-4.26	-0.39	-0.27	-0.38	0.12	-0.02	0.10
Australia	3.32	7.00	-3.67	-2.88	-3.03	0.15	-0.09	-0.20	0.09	0.00	0.09
India	0.96	0.00	0.96	8.72	0.00	8.72	0.08	0.00	0.08	0.00	0.08
Sweden	2.92	3.79	-0.87	-0.39	-2.15	1.76	0.00	-0.07	0.01	0.05	0.06
Finland	0.93	1.08	-0.15	2.01	-3.13	5.15	0.02	-0.03	0.00	0.05	0.05
Ireland	0.76	0.72	0.04	5.35	-0.02	5.37	0.04	0.00	0.00	0.04	0.04
Spain	1.67	2.38	-0.71	-2.61	-3.26	0.65	-0.04	-0.07	0.02	0.01	0.03
Indonesia	0.06	0.00	0.06	16.05	0.00	16.05	0.01	0.00	0.02	0.00	0.02
Japan	22.04	23.31	-1.27	4.89	4.56	0.32	0.92	0.89	-0.06	0.08	0.01
United States	0.08	0.00	0.08	7.69	0.00	7.69	0.01	0.00	0.01	0.00	0.01
Mexico	0.02	0.00	0.02	6.27	0.00	6.27	0.00	0.00	0.00	0.00	0.00
Malaysia	0.04	0.00	0.04	7.39	0.00	7.39	0.00	0.00	0.00	0.00	0.00
Colombia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Singapore	0.87	1.08	-0.22	0.35	-0.01	0.37	0.00	0.00	0.00	0.00	0.00
Russia	0.06	0.00	0.06	-0.96	0.00	-0.96	0.00	0.00	0.00	0.00	0.00
Canada	0.04	0.00	0.04	-14.81	0.00	-14.81	-0.01	0.00	0.00	0.00	0.00
Portugal	0.00	0.19	-0.19	0.00	3.63	-3.63	0.00	0.01	-0.01	0.00	-0.01
Thailand	0.10	0.00	0.10	9.92	0.00	9.92	-0.01	0.00	-0.01	0.00	-0.01
New Zealand	0.13	0.24	-0.11	-3.53	1.83	-5.36	0.00	0.00	0.00	-0.01	-0.01
Peru	0.07	0.00	0.07	-11.04	0.00	-11.04	-0.01	0.00	-0.01	0.00	-0.01
Brazil	0.03	0.00	0.03	-16.24	0.00	-16.24	-0.01	0.00	-0.01	0.00	-0.01
Israel	0.00	0.61	-0.61	0.00	2.77	-2.77	0.00	0.02	-0.02	0.00	-0.02
Belgium	0.32	0.92	-0.60	-21.02	-5.64	-15.38	-0.07	-0.05	0.03	-0.06	-0.03
South Africa	0.25	0.00	0.25	-8.43	0.00	-8.43	-0.04	0.00	-0.03	0.00	-0.03
Taiwan	1.32	0.00	1.32	-3.77	0.00	-3.77	-0.05	0.00	-0.06	0.00	-0.06
Austria	0.72	0.20	0.52	-12.75	10.39	-23.15	-0.09	0.02	0.05	-0.16	-0.11
Denmark	6.28	2.69	3.59	-1.56	2.64	-4.20	-0.07	0.07	0.11	-0.25	-0.14
South Korea	0.95	0.00	0.95	-13.44	0.00	-13.44	-0.15	0.00	-0.15	0.00	-0.15
China	1.32	0.00	1.32	-14.75	0.00	-14.75	-0.20	0.00	-0.19	0.00	-0.19
Switzerland	5.88	9.85	-3.97	-8.49	-3.28	-5.22	-0.47	-0.28	0.11	-0.32	-0.20
Netherlands	3.28	4.74	-1.46	-4.51	3.12	-7.63	-0.14	0.12	-0.03	-0.26	-0.29
[Cash]	1.11	0.00	1.11	-0.24	0.00	-0.24	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.14</b>	<b>-0.45</b>	<b>0.59</b>	<b>0.14</b>	<b>-0.45</b>	<b>0.37</b>	<b>0.22</b>	<b>0.59</b>



### Trailing 1 Year Attribution:

#### Harbor International Fund vs. MSCI EAFE (ND) Index

09/30/2020 - 09/30/2021

#### Performance

	Portfolio	Benchmark	Active
Return ex Currency	30.48	27.20	3.27
Currency Contribution	-0.54	-1.47	0.94
<b>Total Return</b>	<b>29.94</b>	<b>25.73</b>	<b>4.21</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
Health Care	10.46	12.63	-2.17	16.07	9.70	6.38	1.56	1.20	0.32	0.62	0.95
Communication Services	7.75	5.13	2.62	31.25	16.16	15.10	2.61	0.95	-0.16	1.05	0.89
Consumer Discretionary	14.99	12.53	2.46	37.22	32.24	4.98	5.31	3.93	0.18	0.58	0.75
Utilities	0.70	3.69	-2.98	-4.91	4.25	-9.16	0.11	0.32	0.58	0.03	0.61
Materials	7.10	7.89	-0.79	35.07	25.18	9.90	2.16	2.04	-0.10	0.58	0.48
Consumer Staples	9.68	10.70	-1.03	10.61	8.67	1.94	1.22	1.03	0.17	0.27	0.44
Industrials	23.31	15.64	7.68	29.25	28.50	0.75	7.09	4.40	0.22	0.22	0.44
Real Estate	0.41	3.05	-2.64	24.22	20.19	4.03	0.09	0.65	0.15	0.02	0.18
Energy	2.86	3.14	-0.28	63.28	62.78	0.50	1.44	1.65	-0.14	0.06	-0.08
Financials	14.95	16.74	-1.78	47.60	44.50	3.10	6.09	6.81	-0.45	0.36	-0.10
Information Technology	6.84	8.87	-2.03	32.84	35.57	-2.73	2.27	2.75	-0.18	0.00	-0.18
[Cash]	0.95	0.00	0.95	-0.19	0.00	-0.19	-0.01	0.00	-0.18	0.00	-0.18
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>29.94</b>	<b>25.73</b>	<b>4.21</b>	<b>29.94</b>	<b>25.73</b>	<b>0.42</b>	<b>3.78</b>	<b>4.21</b>





### Trailing 1 Year Attribution:

### Harbor International Fund vs. MSCI EAFE (ND) Index

09/30/2020 - 09/30/2021

#### 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	25.19	14.17	11.03	34.28	31.20	3.08	8.51	4.27	0.61	0.69	1.30
Germany	6.04	9.35	-3.31	29.78	16.48	13.30	1.76	1.61	0.26	0.73	0.99
Switzerland	5.50	9.63	-4.13	19.66	14.45	5.22	1.10	1.45	0.53	0.29	0.82
France	7.59	11.16	-3.56	49.32	34.06	15.26	3.38	3.71	-0.30	0.90	0.60
Italy	2.20	2.42	-0.21	69.15	33.39	35.76	1.25	0.79	-0.01	0.56	0.55
Ireland	0.62	0.71	-0.08	136.31	21.84	114.47	0.45	0.17	0.01	0.34	0.36
Hong Kong	1.24	3.26	-2.03	29.35	15.02	14.33	0.28	0.60	0.14	0.16	0.29
India	0.88	0.00	0.88	56.63	0.00	56.63	0.46	0.00	0.24	0.00	0.24
Taiwan	1.67	0.00	1.67	37.81	0.00	37.81	0.70	0.00	0.22	0.00	0.22
Norway	1.22	0.61	0.62	55.15	45.43	9.72	0.58	0.24	0.11	0.09	0.20
South Korea	1.50	0.00	1.50	25.34	0.00	25.34	0.68	0.00	0.19	0.00	0.19
Finland	0.90	1.05	-0.14	32.81	16.61	16.20	0.29	0.17	0.02	0.14	0.16
New Zealand	0.11	0.27	-0.16	87.24	-2.29	89.53	0.07	0.00	0.05	0.08	0.13
Spain	1.39	2.42	-1.03	46.95	31.36	15.59	0.50	0.78	-0.12	0.18	0.06
Indonesia	0.06	0.00	0.06	45.64	0.00	45.64	0.07	0.00	0.05	0.00	0.05
Thailand	0.20	0.00	0.20	41.91	0.00	41.91	0.10	0.00	0.03	0.00	0.03
China	1.38	0.00	1.38	20.87	0.00	20.87	0.39	0.00	0.03	0.00	0.03
Philippines	0.03	0.00	0.03	33.85	0.00	33.85	0.03	0.00	0.02	0.00	0.02
Belgium	0.36	0.96	-0.60	5.70	18.84	-13.14	0.06	0.21	0.04	-0.02	0.02
Portugal	0.00	0.17	-0.17	0.00	19.53	-19.53	0.00	0.03	0.02	0.00	0.02
Mexico	0.00	0.00	0.00	6.27	0.00	6.27	0.00	0.00	0.01	0.00	0.01
United States	0.11	0.00	0.11	26.53	0.00	26.53	0.03	0.00	0.01	0.00	0.01
Russia	0.01	0.00	0.01	-0.96	0.00	-0.96	0.00	0.00	0.01	0.00	0.01
Singapore	0.68	1.07	-0.39	36.03	29.98	6.05	0.16	0.31	-0.02	0.02	0.00
Canada	0.01	0.00	0.01	-14.81	0.00	-14.81	-0.01	0.00	0.00	0.00	0.00
Colombia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Austria	0.68	0.19	0.50	38.18	98.20	-60.01	0.24	0.13	0.26	-0.26	0.00
Peru	0.02	0.00	0.02	-11.04	0.00	-11.04	-0.01	0.00	0.00	0.00	0.00
Brazil	0.01	0.00	0.01	-16.24	0.00	-16.24	-0.01	0.00	0.00	0.00	0.00
Israel	0.00	0.60	-0.60	0.00	28.37	-28.37	0.00	0.17	-0.01	0.00	-0.01
Malaysia	0.05	0.00	0.05	-0.16	0.00	-0.16	0.00	0.00	-0.01	0.00	-0.01
South Africa	0.06	0.00	0.06	-8.43	0.00	-8.43	-0.04	0.00	-0.02	0.00	-0.02
Japan	22.93	24.47	-1.54	21.70	22.07	-0.37	5.06	5.40	0.11	-0.14	-0.03
Sweden	2.92	3.58	-0.66	27.36	31.38	-4.01	0.80	1.06	-0.02	-0.12	-0.13
Denmark	6.61	2.52	4.08	19.83	28.32	-8.49	1.50	0.67	-0.08	-0.30	-0.39
Australia	3.52	7.05	-3.53	22.25	31.69	-9.43	0.79	2.17	-0.22	-0.27	-0.50
Netherlands	3.33	4.35	-1.02	20.22	46.46	-26.24	0.77	1.77	-0.11	-0.70	-0.81
[Cash]	0.95	0.00	0.95	-0.19	0.00	-0.19	-0.01	0.00	-0.19	0.00	-0.19
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>29.94</b>	<b>25.73</b>	<b>4.21</b>	<b>29.94</b>	<b>25.73</b>	<b>1.85</b>	<b>2.36</b>	<b>4.21</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.

## Disclosures

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.

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 02/28/2022.

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

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

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

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

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

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

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 subadviser to the Harbor International 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.

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.