

# Harbor International Growth Fund

Baillie Gifford Overseas Limited

Subadvisor Since 05/21/2013

**Total Net Assets - All Classes** \$315,485,432  
**Equity Assets:** 98.34%  
**Cash & Other Assets Less Liabilities:** 1.66%  
**Benchmark Name:** MSCI All Country World Ex. US (ND) Index

## Portfolio Managers



Iain Campbell



Sophie Earnshaw, CFA



Joe Faraday, CFA



Milena Mileva



Stephen Paice

## Investment Philosophy

The Fund invests at least 65% of assets in equity securities, including common and preferred stocks, of foreign companies that the Fund's Subadvisor believes will experience growth and benefit from sustainable competitive advantages in their markets. The Fund may invest in companies of any size located in, or economically tied to, any country or region outside the U.S., including developed and emerging market countries. Under normal market conditions, the Fund will invest in companies located in at least three countries outside the U.S.

## CHARACTERISTICS & ALLOCATION

As of 09/30/2023

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	89	2,320
Wtd Avg Market Cap (\$Mil)	68,344.00	84,434.50
Median Market Cap (\$Mil)	22,071.00	8,134.00
Price/Book Ratio	4.46	2.17
Adjusted Trailing P/E Ratio	23.60	16.20
% EPS Growth - Past 3 Yr	18.90	22.90
Est 3-5 Yr EPS Growth Rate (%)	19.50	10.50
Return on Equity (%)	18.04	13.94
Beta vs. Fund Benchmark	1.22	
Forecasted P/E Ratio	22.20	15.80

Top 10 Holdings		
	Portfolio %	Benchmark %
Taiwan Semiconductor Ma	3.83	0.00
United Overseas Bank Li	2.51	0.11
Atlas Copco AB Class A	2.44	0.16
ASML Holding NV	2.41	1.04
HDFC Bank Limited	2.24	0.22
Prosus N.V. Class N	2.22	0.20
MercadoLibre Inc.	2.19	0.00
Auto Trader Group PLC	1.95	0.03
Investor AB Class B	1.90	0.15
Sartorius AG Pref	1.86	0.04
<b>Total</b>	<b>23.55</b>	<b>1.95</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Machinery	8.22	2.10
Semiconductors	7.87	4.57
Textiles Apparel & Lux	6.92	2.20
Broadline Retail	6.55	2.05
Consumer Staples Distribution & Retail	5.73	1.46
Interactive Media	5.27	1.70
Financial Services	5.09	1.00
Banks	4.75	12.87
Life Sciences Tools	4.57	0.50
Beverages	3.95	1.69
<b>Total</b>	<b>58.92</b>	<b>30.14</b>

Economic Sectors		
	Portfolio %	Benchmark %
Consumer Discretionary	19.31	11.84
Industrials	17.19	12.98
Information Technology	15.22	11.18
Financials	14.47	21.13
Consumer Staples	13.18	8.34
Health Care	8.61	9.59
Communication Services	6.92	5.48
Materials	2.24	7.76
Energy	1.20	5.97
Utilities	0.00	3.10
Real Estate	0.00	2.03

Top 10 Countries		
	Portfolio %	Benchmark %
Japan	18.71	14.68
United Kingdom	13.11	9.83
Netherlands	7.89	2.77
France	6.11	7.74
United States	6.01	0.02
Sweden	5.66	2.03
India	5.56	4.46
China	5.54	8.21
Germany	4.32	5.34
Hong Kong	4.08	1.47
<b>Total</b>	<b>76.99</b>	<b>55.91</b>
<b>Emerging Markets</b>	<b>17.61</b>	<b>28.04</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	54.06
	10.0B - 25.0B	22.51
Mid	5.0B - 10.0B	15.49
	1.0B - 5.0B	6.15
Small	0.0 - 1.0B	0.14



### 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 %
<b>Institutional</b>	HAIGX	411511801	-10.93%	-1.33%	12.53%	-7.02%	0.50%	2.95%	3.30%	11/01/93	0.85	0.91
<b>Investor</b>	HIIGX	411511629	-11.03%	-1.62%	12.05%	-7.37%	0.12%	2.57%	4.84%	11/01/02	1.21	1.27
<b>Retirement</b>	HNGFX	411512429	-10.91%	-1.26%	12.59%	-6.94%	0.58%	3.01%	3.32%	03/01/16	0.77	0.83
MSCI All Country World Ex. US (ND) Index			-3.77%	5.34%	20.39%	3.74%	2.58%	3.35%	N/A	11/01/93		

## MANAGER COMMENTARY

As of 09/30/2023

**“Looking at the Fund in broad terms, the main themes that emerge from it include the online revolution, the rise of affluence, the use of technology in industry, and shifts in the world’s demographics.”**

Baillie Gifford Overseas Limited

### Market in Review

During the third quarter of 2023, there have been increasingly clear signs that inflation is easing, although price increases remain at high levels. This trend has been particularly clear in the U.S. but has also been seen in the Eurozone and the U.K. The central banks in the U.S. and the U.K. have recently paused their long sequence of rate increases. Market participants are aware that the peak may not have been reached yet, and expectations are generally for rates to decrease at a slower rate than when they rose. Reflecting this, and in anticipation of likely higher future levels of government debt issuance, bond yields have continued to increase.

Inflation is rising in Japan, and expectations of higher rates there are increasing. Core prices rose 3.1% in August year on year. The level of price increases has been quite stable, so that Japan has finally been able to sustain the rate of inflation. Investors in Japan appear to be unconvinced that the Bank of Japan will act rapidly to raise interest rates, given its view that supply-side effects are largely responsible for inflation. The yen has been weak as a result. Banks and exporters have both performed strongly recently. Reform measures by the Tokyo Stock Exchange have been driving corporate reform at some companies that previously had been slower to embrace reform.

China weakness continues. The quarter saw attempted stimulus through reduced reserve requirements for banks. Although industrial production has continued to grow at a modest pace, the residential property market appears to be in decline, and investment in property has been falling.

Value has been outperforming growth quite strongly. This has been especially evident in Japan. Elsewhere, long-duration equities have been hit particularly hard. These macro-level events have not changed our outlook: Our primary focus is on individual businesses rather than top-down considerations.

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 02/29/2024.

**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.**



### Fund Performance

During the quarter, the Harbor International Growth Fund (Institutional Class, “Fund”) returned -10.93%, underperforming its benchmark, the MSCI All Country World Ex. US (ND) Index, which returned -3.77%. As usual, we would emphasize our view that performance over such a short period is not meaningful. Our investment time horizon is five years and beyond — and we would suggest that our performance should be assessed over such longer periods.

All regions detracted from relative performance, led by Europe and Developed Asia.

From the point of view of sectors, the main detractors included Financials, Consumer Discretionary, and Information Technology. The sectors that contributed most positively included Communication Services and Utilities (the latter is a sector to which the Fund has no exposure).

Growth businesses (as defined by the style versions of the MSCI ACWI ex-US index) underperformed their value counterparts during the quarter, a trend also seen over the 12-month period from September 2022 to September 2023.

### Contributors & Detractors

The main detractors from relative performance included Adyen and Richemont.

Adyen is a global payment processing company, listed in the Netherlands. Growth has slowed, and competition has been tougher in the U.S. The company’s management remains optimistic that these challenges are temporary, driven by some U.S. customers opting for lower-cost options. We have spent time with the management team. An important consideration for us is that the business has been growing strongly and is investing in its growth opportunity. The market does not currently recognize that growth, but we believe this will change over time.

Richemont of Switzerland is a luxury group best known for its Cartier brand. Its first quarter sales were below expectations, reflecting weakness in the U.S. and the slow recovery in China. On the positive side, the jewelry segment grew ahead of expectations and may benefit further from an acceleration in Chinese outbound travel. We believe that the company’s portfolio of luxury brands, strong family alignment, and significant pricing power will continue to drive growth in the future.

The largest individual contributors to relative performance included MakeMyTrip and MercadoLibre.

MakeMyTrip, an Indian online travel agency, reported strong results during the quarter. Bookings for premium hotels and flights have exceeded pre-pandemic levels, and those for budget hotels are recovering well. The company’s market share in domestic air travel is stable at approximately 30%, and its strong cash position means that it may be able to consider share buybacks in due course.

MercadoLibre, which operates e-commerce platforms across Latin America, reported strong results. Gross merchandise value growth was strong in all countries, led by Mexico — now its second-largest market— where the company has been taking share from Amazon.

### Buys & Sells

The Fund established a new holding in Air Liquide, an industrial gases business, during the quarter. In our view, this industry is particularly attractive, given the use of long-term contracts, the presence of high entry barriers, the fact that gases are often a small cost but an essential input to many industrial processes, and strong cash flow generation. Air Liquide holds approximately a quarter of the global market. The business generates strong returns, and we believe that long-term growth will be driven by increasing capital expenditure linked to reshoring and decarbonization. We have a high regard for the company’s culture and its management team.

During the quarter, we sold the Fund’s holding in Meituan, the Chinese online food delivery and travel agency business. We have had mounting concerns about the competitive landscape and the long-term potential economics of the business (notably capital requirements and potential margins), in addition to the regulatory overhang.

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.



### Overweights and Underweights

The largest sector overweight and underweight positions changed modestly during the quarter. Our sector weightings are largely a factor of the stocks that we select for the Fund rather than an indication of our view of the attractiveness of the sectors themselves.

The size of the overweight position in Consumer Discretionary decreased following the sale of the Fund's positions in Zalando and Meituan; the overweight in Consumer Staples decreased following the sale of the Fund's position in Pigeon; and the overweight in Industrials decreased following the sale of the Fund's position in Nibe.

The underweight position in Materials decreased following the purchase of a holding in Air Liquide. The underweight position in Financials decreased following the purchase of a holding in Hong Kong Exchanges and Clearing.

### Country Allocation

The Fund's larger country allocations relative to the benchmark changed modestly during the quarter.

At the end of June 2023, the most overweight country positions were the Netherlands, Sweden, and Japan. At the end of September 2023, the most overweight country positions were the Netherlands, Sweden, and Japan.

At the end of June 2023, the main underweight country positions were Canada, France, and Switzerland. At the end of September 2023, the most underweight country positions were Canada, Taiwan, and China. This modest change partly reflects the purchase of holdings in Air Liquide (France) and Soitec (France) and the sale of Meituan (China) and LONGi (China).

### Outlook

The investment team takes a long-term view when selecting stocks for the Fund. The market and economic conditions seen during the recent quarter have not changed this.

We continue to construct the Fund on a stock-by-stock basis and have been able to identify a steady stream of attractive growth businesses for possible inclusion in the Fund. These companies have come from an eclectic mix of geographies and sectors, as evidenced by the new purchases for the Fund this quarter, and we expect this to continue. Looking at the Fund in broad terms, the main themes that emerge from it include the online revolution, the rise of affluence, the use of technology in industry, and shifts in the world's demographics. While we do not take a thematic approach in constructing the Fund, these areas are indicative of the drivers of the future growth of the companies we currently hold.

We are confident that we have assembled a Fund of high-quality, sensibly managed businesses that are well placed to weather a challenging business environment, but which are also agile and ambitious enough to seize opportunities for growth over the long term.



### Best & Worst Performers

Best Performers	Average Weight %	Return %
MAKEMYTRIP LTD	0.56	50.19
LY CORP	0.64	16.18
UBISOFT ENTERTAINMENT	0.43	15.34
UNITED SPIRITS LTD	1.15	9.08
COCHLEAR LTD	1.05	8.80

Worst Performers	Average Weight %	Return %
FARFETCH LTD-CLASS A	0.25	-65.40
ADYEN NV	1.23	-56.81
AUTO1 GROUP SE	0.44	-30.81
SYSMEX CORP	1.23	-29.16
CIE FINANCIERE RICHEMO-A REG	2.19	-26.35

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
MAKEMYTRIP LTD	50.19	0.20
COCHLEAR LTD	8.80	0.08
MERCADOLIBRE INC	7.03	0.08
UNITED SPIRITS LTD	9.08	0.07
LY CORP	16.18	0.07
<b>Total</b>		<b>0.50</b>

Greatest Detractors	Return %	Contribution to Return %
ADYEN NV	-56.81	-0.91
CIE FINANCIERE RICHEMO-A REG	-26.35	-0.60
TAIWAN SEMICONDUCTOR-SP ADR	-13.54	-0.49
ASML HOLDING NV	-18.01	-0.46
SHISEIDO CO LTD	-21.69	-0.46
<b>Total</b>		<b>-2.92</b>



Quarterly Attribution:  
Harbor International Growth Fund vs MSCI All Country World Ex. US (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-8.28	-1.37	-6.91
Currency Contribution	-1.96	-2.41	0.44
<b>Total Return</b>	<b>-10.24</b>	<b>-3.77</b>	<b>-6.47</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
	Communication Services	6.50	5.50	1.00	2.07	-4.92	6.99	0.10	-0.27	-0.01	0.43
Utilities	0.00	3.17	-3.17	0.00	-7.89	7.89	0.00	-0.25	0.13	0.00	0.13
Real Estate	0.00	2.03	-2.03	0.00	-1.12	1.12	0.00	-0.03	-0.05	0.00	-0.05
Materials	1.50	7.86	-6.36	-13.32	-3.43	-9.89	-0.23	-0.27	-0.02	-0.17	-0.18
Consumer Staples	13.67	8.53	5.14	-10.10	-6.38	-3.72	-1.38	-0.54	-0.13	-0.50	-0.62
Energy	1.24	5.66	-4.42	-1.20	8.93	-10.12	-0.01	0.47	-0.52	-0.11	-0.63
Industrials	17.33	13.19	4.14	-9.15	-5.71	-3.44	-1.56	-0.75	-0.08	-0.61	-0.69
Health Care	9.20	9.58	-0.38	-12.37	-2.82	-9.55	-1.14	-0.29	0.01	-0.88	-0.88
Information Technology	15.26	11.58	3.68	-13.87	-8.71	-5.16	-2.05	-1.00	-0.16	-0.84	-1.00
Consumer Discretionary	20.96	12.11	8.84	-10.81	-5.56	-5.24	-2.24	-0.68	-0.15	-1.05	-1.20
Financials	13.63	20.79	-7.17	-12.42	-0.72	-11.70	-1.73	-0.17	-0.20	-1.60	-1.80
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-10.24</b>	<b>-3.77</b>	<b>-6.47</b>	<b>-10.24</b>	<b>-3.77</b>	<b>-1.15</b>	<b>-5.32</b>	<b>-6.47</b>



Quarterly Attribution:  
Harbor International Growth Fund vs MSCI All Country World Ex. US (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
Singapore	2.39	0.92	1.47	3.90	-0.16	4.06	0.07	0.00	0.05	0.09	0.14
South Korea	0.00	3.48	-3.48	0.00	-6.62	6.62	0.00	-0.24	0.09	0.00	0.09
Australia	2.57	4.66	-2.09	-1.59	-3.37	1.79	-0.04	-0.16	-0.01	0.05	0.04
Poland	0.00	0.23	-0.23	0.00	-12.66	12.66	0.00	-0.03	0.02	0.00	0.02
Mexico	0.94	0.76	0.18	-4.40	-6.49	2.08	-0.04	-0.05	-0.01	0.02	0.01
Finland	0.00	0.56	-0.56	0.00	-5.63	5.63	0.00	-0.03	0.01	0.00	0.01
Chile	0.00	0.15	-0.15	0.00	-9.76	9.76	0.00	-0.01	0.01	0.00	0.01
Saudi Arabia	0.00	1.17	-1.17	0.00	-4.41	4.41	0.00	-0.05	0.01	0.00	0.01
South Africa	0.00	0.90	-0.90	0.00	-4.64	4.64	0.00	-0.04	0.01	0.00	0.01
New Zealand	0.00	0.13	-0.13	0.00	-8.87	8.87	0.00	-0.01	0.01	0.00	0.01
Belgium	1.37	0.62	0.75	-1.68	-0.18	-1.50	-0.02	0.00	0.03	-0.02	0.01
Greece	0.00	0.13	-0.13	0.00	-7.82	7.82	0.00	-0.01	0.01	0.00	0.01
Spain	0.00	1.67	-1.67	0.00	-3.85	3.85	0.00	-0.06	0.00	0.00	0.00
Thailand	0.00	0.55	-0.55	0.00	-4.50	4.50	0.00	-0.03	0.00	0.00	0.00
Philippines	0.00	0.18	-0.18	0.00	-3.84	3.84	0.00	-0.01	0.00	0.00	0.00
Peru	0.00	0.08	-0.08	0.00	-3.97	3.97	0.00	0.00	0.00	0.00	0.00
Colombia	0.00	0.03	-0.03	0.00	0.14	-0.14	0.00	0.00	0.00	0.00	0.00
Czech Republic	0.00	0.04	-0.04	0.00	0.97	-0.97	0.00	0.00	0.00	0.00	0.00
Indonesia	0.00	0.56	-0.56	0.00	-3.37	3.37	0.00	-0.02	0.00	0.00	0.00
Kuwait	0.00	0.23	-0.23	0.00	-2.74	2.74	0.00	-0.01	0.00	0.00	0.00
Hungary	0.00	0.07	-0.07	0.00	0.51	-0.51	0.00	0.00	0.00	0.00	0.00
Austria	0.00	0.12	-0.12	0.00	-0.08	0.08	0.00	0.00	0.00	0.00	0.00
Egypt	0.00	0.02	-0.02	0.00	15.32	-15.32	0.00	0.00	0.00	0.00	0.00
Qatar	0.00	0.26	-0.26	0.00	0.06	-0.06	0.00	0.00	-0.01	0.00	-0.01
Italy	0.00	1.66	-1.66	0.00	-1.99	1.99	0.00	-0.03	-0.03	0.00	-0.03
Malaysia	0.00	0.39	-0.39	0.00	4.49	-4.49	0.00	0.01	-0.03	0.00	-0.03
Israel	0.00	0.42	-0.42	0.00	4.97	-4.97	0.00	0.02	-0.03	0.00	-0.03
United Arab Emirates	0.00	0.37	-0.37	0.00	6.11	-6.11	0.00	0.02	-0.03	0.00	-0.03
Sweden	5.54	2.02	3.52	-5.01	-5.60	0.59	-0.25	-0.11	-0.07	0.02	-0.05
Ireland	0.00	0.61	-0.61	0.00	6.51	-6.51	0.00	0.03	-0.05	0.00	-0.05
Turkey	0.00	0.19	-0.19	0.00	32.71	-32.71	0.00	0.05	-0.06	0.00	-0.06
Norway	0.00	0.43	-0.43	0.00	11.59	-11.59	0.00	0.05	-0.06	0.00	-0.06
China	6.84	8.17	-1.33	-4.30	-2.76	-1.54	-0.31	-0.25	-0.03	-0.06	-0.08
India	5.21	4.19	1.02	0.83	2.72	-1.88	-0.06	0.11	0.03	-0.13	-0.10
Brazil	1.51	1.53	-0.02	-9.91	-3.63	-6.27	-0.14	-0.05	0.00	-0.10	-0.10
Germany	5.00	5.47	-0.47	-11.67	-7.72	-3.95	-0.47	-0.42	0.02	-0.15	-0.13
Denmark	1.05	2.05	-1.00	-10.81	2.35	-13.16	-0.10	0.04	-0.06	-0.14	-0.20
Hong Kong	3.28	1.54	1.74	-14.58	-11.08	-3.50	-0.47	-0.18	-0.10	-0.11	-0.22
Taiwan	3.86	4.23	-0.37	-13.54	-7.38	-6.16	-0.49	-0.31	0.02	-0.26	-0.24
Portugal	1.67	0.14	1.54	-18.26	-8.57	-9.69	-0.30	-0.01	-0.07	-0.17	-0.25
United States	5.93	0.02	5.92	-8.07	-2.70	-5.37	-0.50	0.00	0.14	-0.39	-0.26
United Kingdom	12.76	9.66	3.10	-4.39	-1.59	-2.79	-0.62	-0.16	0.07	-0.35	-0.28
Canada	3.47	7.53	-4.06	-14.15	-4.04	-10.11	-0.50	-0.31	0.01	-0.36	-0.35
France	5.46	7.88	-2.42	-14.99	-6.98	-8.01	-0.91	-0.54	0.06	-0.51	-0.45
Switzerland	3.17	6.48	-3.31	-25.16	-5.36	-19.81	-0.82	-0.35	0.06	-0.70	-0.65



Quarterly Attribution:  
Harbor International Growth Fund vs MSCI All Country World Ex. US (ND) Index

Country Attribution

Netherlands	8.48	2.89	5.59	-20.44	-13.58	-6.87	-1.79	-0.40	-0.56	-0.66	-1.22
Japan	18.79	14.63	4.16	-12.62	-1.59	-11.03	-2.40	-0.25	0.10	-2.08	-1.99
Cash	0.73	0.00	0.73	2.04	0.00	2.04	0.01	0.00	0.03	0.00	0.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-10.24</b>	<b>-3.77</b>	<b>-6.47</b>	<b>-10.24</b>	<b>-3.77</b>	<b>-0.10</b>	<b>-6.37</b>	<b>-6.47</b>





**Trailing 1 Year Attribution:**  
Harbor International Growth Fund vs MSCI All Country World Ex. US (ND) Index

**Performance**

	Portfolio	Benchmark	Active
Return Ex Currency	10.09	16.71	-6.62
Currency Contribution	3.21	3.68	-0.48
<b>Total Return</b>	<b>13.30</b>	<b>20.39</b>	<b>-7.09</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
	Communication Services	6.60	5.75	0.86	29.33	12.98	16.35	1.64	0.78	-0.03	0.99
Real Estate	0.00	2.15	-2.15	0.00	4.61	-4.61	0.00	0.12	0.38	0.00	0.38
Utilities	0.00	3.23	-3.23	0.00	11.45	-11.45	0.00	0.44	0.30	0.00	0.30
Information Technology	13.82	11.10	2.73	28.56	29.45	-0.89	3.03	2.94	0.29	-0.33	-0.04
Materials	0.79	8.09	-7.31	-37.02	16.08	-53.10	-0.43	1.46	0.41	-0.69	-0.28
Energy	0.86	5.80	-4.94	-3.45	27.17	-30.63	-0.02	1.58	-0.29	-0.17	-0.46
Consumer Staples	12.82	8.79	4.03	7.29	9.02	-1.73	0.78	0.93	-0.48	-0.24	-0.72
Consumer Discretionary	22.66	11.73	10.93	15.13	22.76	-7.63	3.71	2.48	0.33	-1.41	-1.08
Industrials	16.98	12.84	4.14	15.53	27.93	-12.40	2.57	3.40	0.31	-2.10	-1.79
Financials	14.15	20.85	-6.70	8.62	22.09	-13.47	1.45	4.54	-0.12	-1.83	-1.95
Health Care	10.59	9.66	0.92	-3.44	17.13	-20.57	0.54	1.72	0.07	-2.33	-2.26
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>13.30</b>	<b>20.39</b>	<b>-7.09</b>	<b>13.30</b>	<b>20.39</b>	<b>1.01</b>	<b>-8.10</b>	<b>-7.09</b>



**Trailing 1 Year Attribution:**  
Harbor International Growth Fund vs MSCI All Country World Ex. US (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
Canada	2.82	7.70	-4.88	53.40	11.49	41.91	1.04	1.09	0.54	1.02	1.56
Australia	2.63	4.86	-2.23	40.93	15.08	25.86	0.82	0.80	0.11	0.66	0.77
United Kingdom	11.90	9.82	2.08	29.59	25.41	4.18	2.94	2.49	0.12	0.36	0.49
Sweden	5.77	2.13	3.64	28.29	20.71	7.58	1.68	0.51	-0.05	0.50	0.45
Saudi Arabia	0.00	1.17	-1.17	0.00	-5.87	5.87	0.00	-0.07	0.37	0.00	0.37
Switzerland	3.48	6.51	-3.03	18.23	16.01	2.22	0.71	1.10	0.18	0.15	0.33
Brazil	1.35	1.50	-0.14	38.19	15.25	22.94	0.44	0.23	0.06	0.27	0.32
Taiwan	3.63	4.13	-0.50	28.78	21.78	7.00	0.82	0.76	0.08	0.12	0.20
United States	5.94	0.01	5.92	24.83	64.63	-39.80	1.41	0.01	3.05	-2.86	0.19
South Africa	0.00	0.97	-0.97	0.00	6.67	-6.67	0.00	0.12	0.14	0.00	0.14
Qatar	0.00	0.27	-0.27	0.00	-17.84	17.84	0.00	-0.06	0.14	0.00	0.14
Finland	0.00	0.61	-0.61	0.00	0.56	-0.56	0.00	0.04	0.13	0.00	0.13
Thailand	0.00	0.58	-0.58	0.00	0.05	-0.05	0.00	0.02	0.13	0.00	0.13
Indonesia	0.00	0.55	-0.55	0.00	1.50	-1.50	0.00	0.00	0.12	0.00	0.12
Israel	0.00	0.45	-0.45	0.00	2.05	-2.05	0.00	0.02	0.10	0.00	0.10
United Arab Emirates	0.00	0.37	-0.37	0.00	2.23	-2.23	0.00	0.01	0.08	0.00	0.08
Malaysia	0.00	0.41	-0.41	0.00	5.25	-5.25	0.00	0.03	0.07	0.00	0.07
Kuwait	0.00	0.25	-0.25	0.00	-1.90	1.90	0.00	0.00	0.06	0.00	0.06
Portugal	1.55	0.14	1.41	22.81	9.67	13.14	0.36	0.02	-0.15	0.19	0.05
Singapore	2.78	0.95	1.83	19.19	11.55	7.64	0.57	0.11	-0.17	0.21	0.03
Chile	0.00	0.16	-0.16	0.00	3.26	-3.26	0.00	0.01	0.03	0.00	0.03
New Zealand	0.00	0.13	-0.13	0.00	15.22	-15.22	0.00	0.02	0.01	0.00	0.01
Norway	0.00	0.45	-0.45	0.00	19.90	-19.90	0.00	0.10	0.01	0.00	0.01
Philippines	0.00	0.20	-0.20	0.00	17.74	-17.74	0.00	0.04	0.00	0.00	0.00
Colombia	0.00	0.03	-0.03	0.00	15.88	-15.88	0.00	0.01	0.00	0.00	0.00
Czech Republic	0.00	0.05	-0.05	0.00	35.72	-35.72	0.00	0.01	-0.01	0.00	-0.01
Egypt	0.00	0.02	-0.02	0.00	48.43	-48.43	0.00	0.01	-0.01	0.00	-0.01
Peru	0.00	0.08	-0.08	0.00	29.89	-29.89	0.00	0.02	-0.01	0.00	-0.01
Cayman Islands	0.00	0.01	-0.01	0.00	42.12	-42.12	0.00	0.02	-0.01	0.00	-0.01
Austria	0.00	0.12	-0.12	0.00	40.17	-40.17	0.00	0.04	-0.02	0.00	-0.02
Hungary	0.00	0.06	-0.06	0.00	75.87	-75.87	0.00	0.03	-0.03	0.00	-0.03
Greece	0.00	0.11	-0.11	0.00	70.64	-70.64	0.00	0.05	-0.04	0.00	-0.04
Poland	0.00	0.21	-0.21	0.00	59.06	-59.06	0.00	0.09	-0.06	0.00	-0.06
Turkey	0.00	0.17	-0.17	0.00	74.89	-74.89	0.00	0.09	-0.07	0.00	-0.07
Ireland	0.00	0.55	-0.55	0.00	42.14	-42.14	0.00	0.18	-0.10	0.00	-0.10
Belgium	1.12	0.63	0.49	10.14	22.03	-11.89	0.03	0.15	-0.07	-0.08	-0.14
Mexico	0.81	0.73	0.09	10.52	33.65	-23.13	0.08	0.23	0.01	-0.18	-0.17
South Korea	0.13	3.36	-3.23	6.55	26.22	-19.66	0.02	0.84	-0.15	-0.11	-0.26
Spain	0.00	1.63	-1.63	0.00	44.29	-44.29	0.00	0.62	-0.34	0.00	-0.34
Hong Kong	4.57	1.88	2.68	4.38	1.69	2.69	0.45	0.03	-0.50	0.14	-0.36
India	5.24	4.00	1.24	8.65	10.10	-1.45	0.32	0.41	-0.27	-0.12	-0.39
Italy	0.00	1.59	-1.59	0.00	53.67	-53.67	0.00	0.72	-0.45	0.00	-0.45
Denmark	0.61	1.92	-1.31	21.98	53.87	-31.90	0.09	0.83	-0.45	-0.01	-0.46
Netherlands	8.59	2.85	5.74	13.52	27.03	-13.52	1.25	0.76	0.35	-1.06	-0.71
Germany	5.32	5.40	-0.08	9.63	35.52	-25.89	0.76	1.77	0.12	-1.25	-1.13



**Trailing 1 Year Attribution:**

Harbor International Growth Fund vs MSCI All Country World Ex. US (ND) Index

**Country Attribution**

China	7.18	8.32	-1.13	-12.27	3.36	-15.63	-1.00	0.25	0.12	-1.34	-1.22
France	5.02	7.83	-2.81	4.35	34.48	-30.13	0.12	2.50	-0.32	-1.68	-2.00
Japan	18.86	14.19	4.67	0.91	25.92	-25.01	0.36	3.35	0.24	-4.99	-4.75
Cash	0.72	0.00	0.72	5.69	0.00	5.69	0.03	0.00	-0.15	0.00	-0.15
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>13.30</b>	<b>20.39</b>	<b>-7.09</b>	<b>13.30</b>	<b>20.39</b>	<b>0.85</b>	<b>-7.94</b>	<b>-7.09</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.

### 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.

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](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

**Baillie Gifford Overseas Limited is an independent subadvisor to the Harbor International Growth 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.

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.