

# Harbor Global Leaders Fund

Sands Capital Management, LLC

Subadvisor Since 03/02/2017

<b>Total Net Assets - All Classes</b>	\$68,107,469
<b>Equity Assets:</b>	98.75%
<b>Cash &amp; Other Assets Less Liabilities:</b>	1.25%
<b>Benchmark Name:</b>	MSCI All Country World (ND) Index

## Portfolio Managers



Sunil H. Thakor, CFA



Michael F. Raab, CFA

## Investment Philosophy

Harbor Global Leaders Fund, subadvised by Sands Capital Management, LLC, invests in securities of U.S. and foreign companies that have long-term growth potential, including in developed and emerging markets. Under normal market conditions, the Fund expects to invest in at least three countries, including the United States, and invest at least 40% of its assets in foreign companies. The Fund may invest in companies in any stage of their growth lifecycles, but will focus on companies that the Subadvisor believes are capable of generating sustainable, above average, and relatively stable rates of earnings per share growth and strong free cash flow, typically enabled by above-average rates of return on capital. The Subadvisor seeks investment opportunities in companies that the Subadvisor believes are leaders in their country, industry, or globally in terms of products, services, or execution.

## CHARACTERISTICS & ALLOCATION

As of 03/31/2023

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	42	2,888
Wtd Avg Market Cap (\$Mil)	136,739.50	350,121.30
Median Market Cap (\$Mil)	40,156.00	11,280.00
Price/Book Ratio	5.68	4.41
Adjusted Trailing P/E Ratio	39.60	24.40
% EPS Growth - Past 3 Yr	17.90	21.70
Est 3-5 Yr EPS Growth Rate (%)	18.30	11.60
Return on Equity (%)	14.85	17.71
Beta vs. Fund Benchmark	1.15	
Forecasted P/E Ratio	30.70	20.20

Top 10 Holdings		
	Portfolio %	Benchmark %
Visa Inc. Class A	4.50	0.61
Roper Technologies Inc.	4.45	0.08
Constellation Software	4.38	0.06
Keyence Corporation	4.24	0.16
Liberty Media Corp. Ser	4.24	0.02
AIA Group Limited	4.18	0.21
Cloudflare Inc Class A	3.62	0.03
Chegg Inc.	3.53	0.00
Charter Communications	3.44	0.06
Rentokil Initial plc	3.42	0.03
<b>Total</b>	<b>40.00</b>	<b>1.26</b>

Top 10 Industries		
	Portfolio %	Benchmark %
Software	14.28	6.31
It Services	7.35	1.39
Life Sciences Tools	7.29	1.34
Financial Services	6.55	2.83
Semiconductors	5.91	5.65
Professional Services	4.76	0.91
Aerospace & Defense	4.41	1.50
Entertainment	4.24	1.25
Electronic Equipment	4.24	1.07
Insurance	4.18	3.11
<b>Total</b>	<b>63.21</b>	<b>25.36</b>

Economic Sectors		
	Portfolio %	Benchmark %
Information Technology	31.78	20.28
Financials	17.29	15.41
Industrials	15.20	10.26
Health Care	13.39	12.24
Communication Services	7.68	7.29
Consumer Discretionary	7.18	10.61
Consumer Staples	4.01	7.66
Materials	2.22	4.75
Energy	0.00	4.93
Utilities	0.00	2.93
Real Estate	0.00	2.47

Top 10 Countries		
	Portfolio %	Benchmark %
United States	60.32	60.51
Canada	10.24	2.98
Japan	7.01	5.64
Switzerland	5.79	2.57
Hong Kong	4.18	0.73
Netherlands	3.74	1.17
United Kingdom	3.42	3.77
India	3.05	1.35
Argentina	1.00	0.00
Australia	0.00	1.93
<b>Total</b>	<b>98.75</b>	<b>80.65</b>
<b>Emerging Markets</b>	<b>4.05</b>	<b>10.87</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	70.61
	10.0B - 25.0B	19.55
Mid	5.0B - 10.0B	3.66
	1.0B - 5.0B	5.29
Small	0.0 - 1.0B	0.89





### 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	HGGAX	411512874	8.44%	8.44%	-14.76%	8.08%	6.80%	9.55%	13.61%	03/01/09	0.86	1.00
Investor	HGGIX	411512858	8.33%	8.33%	-15.08%	7.68%	6.41%	9.15%	13.19%	03/01/09	1.22	1.36
Retirement	HNGIX	411512411	8.44%	8.44%	-14.70%	8.16%	6.88%	9.61%	13.65%	03/01/16	0.78	0.92
MSCI All Country World (ND) Index			7.31%	7.31%	-7.44%	15.36%	6.93%	8.06%	11.40%	03/01/09		

## MANAGER COMMENTARY

As of 03/31/2023

**“Growth’s strength can be attributed to the flight to the perceived safety of big information technology businesses, containment of the banking crises (at least thus far), better-than-feared earnings and consumer data, and the expectation for a dovish Fed pivot later this year.”**

Sands Capital Management, LLC

### Market in Review

Global equities, as measured by the MSCI All Country World Index (ACWI), traded higher in the first quarter of 2023 — the second consecutive quarterly gain for the index, and the longest such streak since mid-2021.

It was an eventful quarter where the U.S. Federal Reserve (“Fed”) remained in focus, along with anxiety about corporate earnings, the banking system, and the economy at large. This interplay of factors resulted in bond volatility not seen since the Great Financial Crisis. Despite this, the MSCI ACWI posted a high-single-digit gain, with 60% of constituents trading higher. Growth equities — in particular, information technology stocks — were a bright spot, as larger-cap technology companies led the gains. Growth equities outperformed value by the widest margin since 2020’s second quarter — and by the third-widest margin since 1999. Growth’s strength can be attributed to the flight to the perceived safety of big information technology businesses, containment of the banking crises (at least thus far), better-than-feared earnings and consumer data, and the expectation for a dovish Fed pivot later this year.

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.**



### Portfolio Performance

During the first quarter, the Harbor Global Leaders Fund (Institutional Class, "Fund") returned 8.44%, outperforming its benchmark, the MSCI All Country World Index, which returned 7.31%.

From a sector perspective, a positive allocation effect drove results. Overall, Information Technology contributed most to relative results, while Consumer Discretionary was the largest detractor. From a regional perspective, positive security selection drove results. Western Europe was the largest relative contributor, while developed Asia was the largest relative detractor.

### Contributors & Detractors

The top individual contributors to investment results were Cloudflare, Formula One, Keyence, Constellation Software, and Shopify.

Shares of Formula One traded higher during the quarter, driven by strong fourth quarter 2022 results. Revenues grew 20% year over year, bolstered by record fan attendance and strong sponsorship and media rights growth. We expect this momentum to continue in 2023, as we forecast 30% growth, with the inaugural Las Vegas Grand Prix as a key contributor.

Separately in January, shares rose following the news that Saudi Arabia's Public Investment Fund (PIF) had explored a bid to buy the racing league from Liberty Media in 2022.\* We view outside buying interest as further validation of our long-term investment case for Formula One.

\*The Fund owns shares of the tracker stock Liberty Media Formula One and has no direct ownership of Liberty Media or its other assets.

The top individual detractors from investment results were Chegg, CoStar Group, AIA, Recruit, and UnitedHealth.

Shares of CoStar Group fell following fourth quarter 2022 results in which the company announced additional 2023 investments in its residential business. This brought planned residential investments to approximately \$450 million and lowered expected corporate margins to 20% from 2022's 30%. While this will likely lower earnings guidance for 2023, we believe CoStar is investing aggressively in organic growth to potentially benefit from the current vulnerability of the industry's incumbents.

Fourth quarter results were strong across metrics with its core business, the CoStar Suite, growing revenues 15% year over year. The company also reported a strong rebound in its multifamily offering, Apartments.com, with bookings up 177% year over year. We continue to believe that CoStar is well positioned to maintain impressive growth and disrupt the commercial and residential real estate industry.

### Buys and Sells

During the first quarter, we purchased Axon. There were no sales.

Axon is a leading provider of public-safety technology, including body cameras, software, and the TASER electroshock device. Axon's mission is to "protect life, capture truth, and accelerate justice." The company is the sole manufacturer of the TASER and the world's leading provider of body cameras. Demand for Axon's safety solutions is both secular and countercyclical, in our view. The company benefits from the secular shift toward safer and more accountable

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policing, and demand is likely to be durable in recessionary periods, when crime tends to rise and governments tend to increase spending. While its hardware and software can be purchased separately, they are increasingly sold as a bundle, resulting in highly visible and recurring revenue with long-duration contracts. Over the next decade, we expect hardware to become a smaller part of Axon's overall business, with the higher-margin software component becoming a more meaningful revenue driver.

### Outlook

We believe that business quality is more vital than ever, given the uncertainty around inflation, growth, and, more recently, signs of stress in the global financial system.

With an explicit emphasis on earnings resilience and a diversity of growth drivers, we believe the opportunity for the Fund is incredibly attractive. The Fund seeks to emphasize businesses with high degrees of earnings stability, predictability, and visibility. These qualities lead to businesses that have the potential to reduce downside risk while still producing favorable upside capture. The result is a Fund, that as of the end of the first quarter, exhibits faster estimated forward sales and earnings growth, higher historical free cash flow conversion and return on invested capital, and half of the current leverage of the benchmark. These results are enabled, in our view, by investing in leading quality businesses with deep competitive moats and strong underlying economics. Furthermore, we view the valuation and relative growth setup as attractive. With strategists, such as Goldman Sachs, calling for low- to mid-single-digit earnings growth in 2023 and 2024 — with risks to the downside due to banking system stress — our holdings could benefit from their higher growth profile bolstered by secular drivers. We maintain confidence in our philosophy that seeking businesses that can sustain above-average growth over three or more years can result in attractive long-term investment results.



### Best & Worst Performers

Best Performers	Average Weight %	Return %
Zur Rose Group AG	0.88	67.13
Shopify Inc. Class A	2.53	38.12
Cloudflare Inc Class A	3.47	36.39
Liberty Media Corp. Series C Liberty Formula	4.03	25.18
Entegris Inc.	3.02	25.14

Worst Performers	Average Weight %	Return %
Chegg Inc.	3.27	-35.50
Recruit Holdings Co. Ltd.	1.61	-13.15
MonotaRO Co. Ltd.	1.55	-11.54
CoStar Group Inc.	3.66	-10.91
UnitedHealth Group Incorporated	1.62	-10.64

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Cloudflare Inc Class A	36.39	1.07
Liberty Media Corp. Series C Liberty For	25.18	0.95
Keyence Corporation	24.52	0.90
Constellation Software Inc.	21.94	0.86
Shopify Inc. Class A	38.12	0.82
<b>Total</b>		<b>4.60</b>

Greatest Detractors	Return %	Contribution to Return %
Chegg Inc.	-35.50	-1.41
CoStar Group Inc.	-10.91	-0.41
AIA Group Limited	-5.33	-0.24
Recruit Holdings Co. Ltd.	-13.15	-0.21
UnitedHealth Group Incorporated	-10.64	-0.20
<b>Total</b>		<b>-2.47</b>

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Quarterly Attribution:  
Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	8.29	7.02	1.27
Currency Contribution	0.17	0.29	-0.12
<b>Total Return</b>	<b>8.46</b>	<b>7.31</b>	<b>1.16</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	30.47	18.97	11.50	20.13	22.20	-2.07	5.69	3.89	1.62	-0.59
Consumer Staples	3.85	7.71	-3.87	22.99	3.19	19.80	0.76	0.27	0.20	0.70	0.89
Health Care	13.90	12.54	1.35	3.01	-1.71	4.73	0.45	-0.20	-0.11	0.71	0.61
Energy	0.00	5.25	-5.25	0.00	-3.10	3.10	0.00	-0.17	0.58	0.00	0.58
Materials	2.26	4.99	-2.74	17.68	5.31	12.37	0.36	0.29	0.05	0.27	0.32
Financials	17.94	16.75	1.19	1.52	-0.68	2.19	0.29	-0.11	-0.10	0.38	0.28
Utilities	0.00	2.97	-2.97	0.00	-0.68	0.68	0.00	-0.01	0.26	0.00	0.26
Real Estate	0.00	2.57	-2.57	0.00	0.50	-0.50	0.00	0.02	0.18	0.00	0.18
Communication Services	7.71	7.12	0.59	15.49	17.15	-1.66	1.18	1.17	0.06	-0.13	-0.07
Industrials	14.79	10.43	4.37	3.59	6.44	-2.85	0.57	0.66	-0.04	-0.44	-0.48
Consumer Discretionary	6.91	10.71	-3.80	-12.90	14.70	-27.61	-0.86	1.49	-0.20	-2.12	-2.32
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>8.46</b>	<b>7.31</b>	<b>1.16</b>	<b>8.46</b>	<b>7.31</b>	<b>2.37</b>	<b>-1.21</b>	<b>1.16</b>

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Quarterly Attribution:

Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Canada	9.62	3.05	6.58	23.27	4.31	18.96	2.10	0.14	-0.21	1.75	1.54
Switzerland	5.76	2.55	3.20	25.52	6.72	18.80	1.20	0.18	-0.02	0.95	0.94
United Kingdom	3.03	3.86	-0.83	19.71	6.11	13.60	0.61	0.24	0.01	0.41	0.43
Australia	0.00	1.99	-1.99	0.00	2.67	-2.67	0.00	0.06	0.09	0.00	0.09
China	0.00	3.61	-3.61	0.00	4.96	-4.96	0.00	0.22	0.09	0.00	0.09
Brazil	0.00	0.56	-0.56	0.00	-3.18	3.18	0.00	-0.02	0.06	0.00	0.06
South Africa	0.00	0.40	-0.40	0.00	-0.58	0.58	0.00	0.00	0.03	0.00	0.03
Saudi Arabia	0.00	0.44	-0.44	0.00	0.08	-0.08	0.00	0.00	0.03	0.00	0.03
Norway	0.00	0.18	-0.18	0.00	-7.17	7.17	0.00	-0.02	0.03	0.00	0.03
Thailand	0.00	0.24	-0.24	0.00	-1.71	1.71	0.00	0.00	0.02	0.00	0.02
United Arab Emirates	0.00	0.14	-0.14	0.00	-7.54	7.54	0.00	-0.01	0.02	0.00	0.02
Finland	0.00	0.25	-0.25	0.00	-0.34	0.34	0.00	0.00	0.02	0.00	0.02
Malaysia	0.00	0.17	-0.17	0.00	-3.60	3.60	0.00	-0.01	0.02	0.00	0.02
Japan	7.13	5.51	1.62	6.73	6.19	0.55	0.51	0.33	-0.03	0.05	0.02
Turkey	0.00	0.07	-0.07	0.00	-9.42	9.42	0.00	-0.01	0.01	0.00	0.01
Israel	0.00	0.18	-0.18	0.00	0.83	-0.83	0.00	0.00	0.01	0.00	0.01
Kuwait	0.00	0.10	-0.10	0.00	-3.74	3.74	0.00	0.00	0.01	0.00	0.01
Qatar	0.00	0.11	-0.11	0.00	-0.68	0.68	0.00	0.00	0.01	0.00	0.01
Poland	0.00	0.08	-0.08	0.00	-0.99	0.99	0.00	0.00	0.01	0.00	0.01
Philippines	0.00	0.08	-0.08	0.00	2.44	-2.44	0.00	0.00	0.00	0.00	0.00
Belgium	0.00	0.26	-0.26	0.00	6.27	-6.27	0.00	0.02	0.00	0.00	0.00
Colombia	0.00	0.01	-0.01	0.00	-13.48	13.48	0.00	0.00	0.00	0.00	0.00
Indonesia	0.00	0.21	-0.21	0.00	5.98	-5.98	0.00	0.01	0.00	0.00	0.00
Austria	0.00	0.05	-0.05	0.00	2.57	-2.57	0.00	0.00	0.00	0.00	0.00
Portugal	0.00	0.06	-0.06	0.00	3.42	-3.42	0.00	0.00	0.00	0.00	0.00
Chile	0.00	0.06	-0.06	0.00	5.24	-5.24	0.00	0.00	0.00	0.00	0.00
Egypt	0.00	0.01	-0.01	0.00	-3.62	3.62	0.00	0.00	0.00	0.00	0.00
Hungary	0.00	0.02	-0.02	0.00	2.87	-2.87	0.00	0.00	0.00	0.00	0.00
Singapore	0.00	0.38	-0.38	0.00	6.99	-6.99	0.00	0.03	0.00	0.00	0.00
New Zealand	0.00	0.05	-0.05	0.00	8.02	-8.02	0.00	0.00	0.00	0.00	0.00
Peru	0.00	0.03	-0.03	0.00	8.26	-8.26	0.00	0.00	0.00	0.00	0.00
Greece	0.00	0.04	-0.04	0.00	15.75	-15.75	0.00	0.01	0.00	0.00	0.00
Czech Republic	0.00	0.02	-0.02	0.00	32.98	-32.98	0.00	0.01	0.00	0.00	0.00
Ireland	0.00	0.28	-0.28	0.00	13.35	-13.35	0.00	0.04	-0.02	0.00	-0.02
Sweden	0.00	0.87	-0.87	0.00	9.53	-9.53	0.00	0.08	-0.02	0.00	-0.02
South Korea	0.00	1.32	-1.32	0.00	9.58	-9.58	0.00	0.13	-0.03	0.00	-0.03
Mexico	0.00	0.28	-0.28	0.00	20.34	-20.34	0.00	0.05	-0.03	0.00	-0.03
Denmark	0.00	0.75	-0.75	0.00	12.38	-12.38	0.00	0.09	-0.04	0.00	-0.04
Italy	0.00	0.63	-0.63	0.00	14.66	-14.66	0.00	0.09	-0.05	0.00	-0.05
Spain	0.00	0.65	-0.65	0.00	15.66	-15.66	0.00	0.09	-0.05	0.00	-0.05
Argentina	1.03	0.00	1.03	-2.47	0.00	-2.47	-0.04	0.00	-0.11	0.00	-0.11
India	3.13	1.49	1.64	-2.54	-6.35	3.81	-0.10	-0.10	-0.23	0.12	-0.11
Taiwan	0.00	1.64	-1.64	0.00	14.75	-14.75	0.00	0.23	-0.12	0.00	-0.12
Germany	0.00	2.18	-2.18	0.00	14.69	-14.69	0.00	0.30	-0.15	0.00	-0.15
Netherlands	4.00	1.15	2.84	5.08	16.65	-11.57	0.18	0.18	0.24	-0.43	-0.18

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**Quarterly Attribution:**

Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

**Country Attribution**

France	0.00	3.14	-3.14	0.00	14.62	-14.62	0.00	0.43	-0.22	0.00	-0.22
United States	59.72	60.13	-0.41	6.84	7.59	-0.75	4.23	4.55	0.01	-0.47	-0.46
Hong Kong	4.41	0.73	3.68	-5.33	-2.39	-2.93	-0.24	-0.01	-0.38	-0.16	-0.54
Cash	2.18	0.00	2.18	1.08	0.00	1.08	0.02	0.00	-0.12	0.00	-0.12
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>8.46</b>	<b>7.31</b>	<b>1.16</b>	<b>8.46</b>	<b>7.31</b>	<b>-1.08</b>	<b>2.24</b>	<b>1.16</b>

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**Trailing 1 Year Attribution:**  
Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

**Performance**

	Portfolio	Benchmark	Active
Return Ex Currency	-12.92	-5.61	-7.32
Currency Contribution	-1.70	-1.83	0.13
<b>Total Return</b>	<b>-14.62</b>	<b>-7.44</b>	<b>-7.18</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	15.56	16.44	-0.89	-4.10	-10.72	6.62	-0.29	-1.72	-0.10	0.95
Real Estate	0.00	2.67	-2.67	0.00	-19.81	19.81	0.00	-0.65	0.32	0.00	0.32
Materials	0.94	4.88	-3.94	22.91	-9.42	32.32	0.45	-0.52	0.12	0.11	0.23
Utilities	0.00	3.07	-3.07	0.00	-6.42	6.42	0.00	-0.26	-0.04	0.00	-0.04
Industrials	15.74	10.06	5.68	-6.72	-1.54	-5.18	-0.54	0.03	0.32	-0.54	-0.21
Energy	0.00	5.19	-5.19	0.00	6.49	-6.49	0.00	0.29	-0.62	0.00	-0.62
Consumer Staples	3.80	7.77	-3.96	-16.12	0.06	-16.18	-0.80	0.04	-0.19	-0.72	-0.91
Communication Services	8.40	7.42	0.98	-25.79	-15.46	-10.33	-2.66	-1.43	-0.07	-0.99	-1.07
Health Care	17.07	12.66	4.41	-12.98	-4.18	-8.81	-2.48	-0.22	0.48	-1.63	-1.15
Information Technology	29.84	19.00	10.83	-15.13	-7.26	-7.87	-5.00	-1.44	0.05	-2.36	-2.30
Consumer Discretionary	6.60	10.83	-4.24	-41.42	-12.02	-29.40	-3.41	-1.56	0.10	-2.64	-2.54
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-14.62</b>	<b>-7.44</b>	<b>-7.18</b>	<b>-14.62</b>	<b>-7.44</b>	<b>0.63</b>	<b>-7.82</b>	<b>-7.18</b>

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Trailing 1 Year Attribution:  
Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

### Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Canada	8.87	3.13	5.74	-2.91	-13.09	10.19	0.36	-0.47	-0.32	0.97	0.65
India	2.98	1.55	1.43	9.64	-12.17	21.81	0.39	-0.22	-0.07	0.54	0.47
Hong Kong	4.23	0.76	3.47	1.95	-4.26	6.21	-0.02	-0.05	0.12	0.20	0.32
Australia	1.74	1.95	-0.21	-3.50	-8.98	5.48	-0.09	-0.22	0.07	0.22	0.29
United Kingdom	3.04	3.81	-0.77	6.95	-0.84	7.78	0.29	-0.01	-0.04	0.19	0.15
Taiwan	0.00	1.63	-1.63	0.00	-13.72	13.72	0.00	-0.35	0.10	0.00	0.10
Brazil	0.00	0.60	-0.60	0.00	-18.68	18.68	0.00	-0.12	0.06	0.00	0.06
South Africa	0.00	0.40	-0.40	0.00	-20.56	20.56	0.00	-0.09	0.06	0.00	0.06
Saudi Arabia	0.00	0.48	-0.48	0.00	-19.02	19.02	0.00	-0.12	0.05	0.00	0.05
United Arab Emirates	0.00	0.15	-0.15	0.00	-28.43	28.43	0.00	-0.06	0.03	0.00	0.03
Norway	0.00	0.19	-0.19	0.00	-21.65	21.65	0.00	-0.05	0.03	0.00	0.03
Israel	0.00	0.19	-0.19	0.00	-20.60	20.60	0.00	-0.04	0.02	0.00	0.02
Qatar	0.00	0.12	-0.12	0.00	-22.61	22.61	0.00	-0.04	0.02	0.00	0.02
Poland	0.00	0.07	-0.07	0.00	-20.14	20.14	0.00	-0.01	0.01	0.00	0.01
Colombia	0.00	0.02	-0.02	0.00	-39.20	39.20	0.00	-0.01	0.01	0.00	0.01
Malaysia	0.00	0.17	-0.17	0.00	-10.90	10.90	0.00	-0.02	0.01	0.00	0.01
Philippines	0.00	0.08	-0.08	0.00	-13.71	13.71	0.00	-0.02	0.01	0.00	0.01
Kuwait	0.00	0.10	-0.10	0.00	-11.27	11.27	0.00	-0.01	0.00	0.00	0.00
Peru	0.00	0.03	-0.03	0.00	-12.17	12.17	0.00	0.00	0.00	0.00	0.00
Hungary	0.00	0.02	-0.02	0.00	-12.06	12.06	0.00	0.00	0.00	0.00	0.00
Sweden	0.00	0.85	-0.85	0.00	-7.24	7.24	0.00	-0.05	0.00	0.00	0.00
Egypt	0.00	0.01	-0.01	0.00	-2.64	2.64	0.00	0.00	0.00	0.00	0.00
Austria	0.00	0.05	-0.05	0.00	-5.68	5.68	0.00	0.00	0.00	0.00	0.00
Cayman Islands	0.00	0.01	-0.01	0.00	1.60	-1.60	0.00	0.00	0.00	0.00	0.00
Chile	0.00	0.06	-0.06	0.00	-3.03	3.03	0.00	0.00	0.00	0.00	0.00
Czech Republic	0.00	0.02	-0.02	0.00	10.34	-10.34	0.00	0.00	0.00	0.00	0.00
New Zealand	0.00	0.05	-0.05	0.00	2.14	-2.14	0.00	0.00	0.00	0.00	0.00
Portugal	0.00	0.06	-0.06	0.00	1.28	-1.28	0.00	0.00	0.00	0.00	0.00
Greece	0.00	0.03	-0.03	0.00	14.80	-14.80	0.00	0.01	-0.01	0.00	-0.01
Finland	0.00	0.25	-0.25	0.00	-4.17	4.17	0.00	-0.01	-0.01	0.00	-0.01
Belgium	0.00	0.24	-0.24	0.00	-2.18	2.18	0.00	0.00	-0.01	0.00	-0.01
Thailand	0.00	0.23	-0.23	0.00	-0.94	0.94	0.00	0.00	-0.01	0.00	-0.01
Singapore	0.00	0.37	-0.37	0.00	-3.09	3.09	0.00	-0.01	-0.02	0.00	-0.02
Indonesia	0.00	0.22	-0.22	0.00	0.21	-0.21	0.00	-0.01	-0.02	0.00	-0.02
Turkey	0.00	0.05	-0.05	0.00	52.82	-52.82	0.00	0.02	-0.02	0.00	-0.02
Mexico	0.00	0.26	-0.26	0.00	8.55	-8.55	0.00	0.04	-0.04	0.00	-0.04
Ireland	0.00	0.23	-0.23	0.00	18.75	-18.75	0.00	0.05	-0.05	0.00	-0.05
China	0.00	3.43	-3.43	0.00	-5.75	5.75	0.00	-0.30	-0.05	0.00	-0.05
Italy	0.00	0.58	-0.58	0.00	9.06	-9.06	0.00	0.07	-0.08	0.00	-0.08
France	1.55	2.87	-1.32	-5.33	8.79	-14.12	0.03	0.36	-0.31	0.22	-0.09
Spain	0.00	0.60	-0.60	0.00	11.88	-11.88	0.00	0.08	-0.10	0.00	-0.10
Denmark	0.00	0.68	-0.68	0.00	14.24	-14.24	0.00	0.12	-0.13	0.00	-0.13
Germany	0.00	1.98	-1.98	0.00	2.24	-2.24	0.00	0.11	-0.18	0.00	-0.18
Argentina	0.95	0.00	0.95	-15.09	0.00	-15.09	-0.21	0.00	-0.19	0.00	-0.19
Netherlands	2.14	1.06	1.09	-36.81	2.12	-38.93	-0.52	0.06	0.19	-0.78	-0.58

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**Trailing 1 Year Attribution:**

Harbor Global Leaders Fund vs MSCI All Country World (ND) Index

**Country Attribution**

Switzerland	4.40	2.53	1.87	-35.48	-6.83	-28.65	-1.18	-0.15	0.03	-1.04	-1.02
Japan	7.22	5.43	1.79	-19.91	-5.23	-14.69	-1.70	-0.35	0.05	-1.10	-1.05
South Korea	1.13	1.31	-0.18	-59.49	-14.41	-45.07	-1.91	-0.24	-0.20	-0.89	-1.08
United States	59.69	61.14	-1.45	-17.35	-8.92	-8.43	-10.16	-5.30	0.01	-4.97	-4.97
Cash	2.06	0.00	2.06	8.60	0.00	8.60	0.10	0.00	0.25	0.00	0.25
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-14.62</b>	<b>-7.44</b>	<b>-7.18</b>	<b>-14.62</b>	<b>-7.44</b>	<b>-0.84</b>	<b>-6.34</b>	<b>-7.18</b>

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### 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.

Since the Fund typically invests in a limited number of companies, an adverse event affecting a particular company may hurt the Fund's performance more than if it had invested in a larger number of companies.

### Benchmarks

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

### Disclosures

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

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

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

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.**

**Sands Capital Management, LLC is an independent subadvisor to the Harbor Global Leaders 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.