

Harbor International Fund

Marathon Asset Management LLP

Subadvisor Since 08/22/2018

Total Net Assets - All Classes \$2,862,466,733
Equity Assets: 98.23%
Cash & Other Assets Less Liabilities: 1.77%
Benchmark Name: MSCI EAFE (ND) Index

Portfolio Managers

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

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 09/30/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	380	799
Wtd Avg Market Cap (\$Mil)	39,545.70	65,950.50
Med Cap - # Stocks (\$Mil)	8,243.00	10,388.00
Price/Book Ratio	1.83	2.01
Adjusted Trailing P/E Ratio	14.10	15.20
% EPS Growth - Past 3 Yr	7.90	9.00
Return on Equity (%)	12.69	13.16
Beta vs. Fund Benchmark	1.01	
Forecasted P/E Ratio	13.00	14.70
Proj. Earnings Growth Rate (%)	11.10	9.90

Top 10 Holdings		
	Portfolio %	Benchmark %
BP p.l.c.	2.49	0.76
Novo Nordisk A/S Class	2.18	1.36
Roche Holding Ltd Divid	2.11	1.89
Equinor ASA	1.56	0.26
Nippon Telegraph and Te	1.30	0.26
Glencore plc	1.26	0.43
Compass Group PLC	1.09	0.29
Kirin Holdings Company	1.08	0.10
Barclays PLC	1.07	0.22
Vestas Wind Systems A/S	0.99	0.15
Total	15.13	5.72

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	10.17	9.12
Insurance	5.30	5.05
Oil Gas & Consumables	4.81	4.88
Pharmaceuticals	4.63	9.62
Metals & Mining	4.39	3.45
Beverages	4.36	2.32
Hotels Rest & Leisure	4.10	1.44
Professional Services	3.70	1.63
Machinery	3.68	2.82
Health Care Equip	3.66	2.14
Total	48.80	42.47

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	22.29	15.08
Financials	18.74	17.63
Consumer Discretionary	10.28	10.97
Consumer Staples	10.25	11.28
Health Care	10.04	13.85
Materials	8.15	7.50
Communication Services	6.39	4.79
Information Technology	5.93	7.92
Energy	4.97	4.93
Real Estate	0.79	2.79
Utilities	0.40	3.39

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	24.78	15.48
Japan	23.85	22.69
France	7.59	11.35
Switzerland	5.83	10.77
Denmark	5.45	2.64
Germany	4.14	7.58
Australia	3.59	8.00
Netherlands	2.74	4.11
Sweden	2.60	3.42
Italy	2.07	2.27
Total	82.64	88.31
Emerging Markets	5.07	0.00

Market Capitalization		
		Portfolio %
Large	Above 25.0B	38.91
	10.0B - 25.0B	26.17
Mid	5.0B - 10.0B	11.97
	1.0B - 5.0B	21.46
Small	0.0 - 1.0B	1.47



Trusted Partnerships > Trusted Solutions



Average Annual Returns

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HAINX	411511306	-10.43%	-27.80%	-27.34%	-1.26%	-2.04%	2.08%	8.87%	12/29/87	0.77	0.88
Administrative	HRINX	411511652	-10.48%	-27.94%	-27.53%	-1.51%	-2.28%	1.82%	6.49%	11/01/02	1.02	1.13
Investor	HIINX	411511645	-10.49%	-27.99%	-27.59%	-1.62%	-2.39%	1.70%	6.35%	11/01/02	1.13	1.24
Retirement	HNINX	411512445	-10.40%	-27.74%	-27.27%	-1.18%	-1.96%	2.13%	8.89%	03/01/16	0.69	0.80
MSCI EAFE (ND) Index			-9.36%	-27.09%	-25.13%	-1.83%	-0.84%	3.67%	4.55%	12/29/87		

MANAGER COMMENTARY

As of 09/30/2022

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

Marathon Asset Management LLP (Marathon-London)

Market in Review

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

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

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

Retirement Class shares commenced operations on March 1, 2016. The performance attributed to the Retirement Class shares prior to that date is that of the Institutional Class shares. Performance prior to March 1, 2016 has not been adjusted to reflect the lower expenses of Retirement Class shares. During this period, Retirement Class shares would have had returns similar to, but somewhat higher than, Institutional Class shares due to the fact that Retirement Class shares represent interests in the same portfolio as Institutional Class shares but are subject to lower expenses.

Expense ratio information is as of the Fund’s current prospectus, as supplemented. Gross expenses are the Fund’s total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2023.

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



Portfolio Performance

During the third quarter, the Harbor International Fund (Institutional Class, "Fund") returned -10.43%, underperforming its benchmark, the MSCI EAFE (ND) Index, which returned -9.36%.

At the regional level, stock selection was the largest contributor to outperformance, most notably in Europe and Japan, while currency effects detracted. The Fund's allocation to emerging markets also diluted returns for the period.

At the sector level, the Fund's allocation effect was the largest contributor to performance; an underweight to Utilities and Real Estate versus the benchmark benefited performance. Stock selection in both Financials and Materials also contributed, while stock selection in Health Care was the top detractor.

Contributors & Detractors

Fresenius Medical Care and GN Store Nord were top detractors.

Fresenius Medical Care has been hit by a severe labor shortage, which has forced it to stop taking on new patients at 500 of its 2,600 clinics. In effect this means that roughly a quarter of new patients for 2022 are being turned away. In addition, the product business is suffering from consumable cost inflation.

GN Store Nord's hearing business has delivered organic growth via the acquisition of Lively, but the company has been hit by lockdowns in China, deteriorating consumer sentiment in the U.S., and higher freight and raw material costs.

British firms BP and GSK were top contributors.

BP, the oil and gas giant, continued to perform well during the quarter due to extended soaring energy prices. BP has transformed recently into to an integrated energy company that is trying to help solve the energy "trilemma" — the world's need for secure, affordable, and cleaner energy. It will address those needs by providing oil and gas but will also invest to accelerate the energy transition. Management appears impressive, and the stock is cheaper than both European and U.S. peers.

British pharmaceutical and biotechnology company GSK performed badly during the quarter, and thus the Fund's underweight benefited relative performance. The company has experienced slowing growth in both vaccines and specialty medicines. In addition, litigations over GSK's Zantac have drawn from performance. The heartburn drug was pulled from the U.S. market in 2020 for risks of being carcinogenic.

Buys & Sells

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

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.



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

Country Allocation

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

Outlook

While Marathon does not attempt to position the Fund according to forecasts for the future, we do recognize and comment on the market environment across the various regions of the Fund.

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

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

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

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

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

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.



Emerging markets, as measured by the MSCI Emerging Markets Index, fell by -11.60% during the third quarter. As usual, this performance masks large regional and country-specific dispersion — but China, the largest index constituent, was the second-worst performing market in the index (after Poland). The EM Americas markets rose, bouncing back following a precipitous decline in the previous quarter. Brazil performed strongly, as opinion polls for the upcoming general election narrowed and inflation and growth improved. Colombia was a notable outlier, however, falling sharply as the prices of some of its main commodities fell.

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

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



Best & Worst Performers

Best Performers	Average Weight %	Return %
Toyo Seikan Group Holdings Ltd.	0.32	17.78
DBS Group Holdings Ltd	0.43	10.31
Flutter Entertainment Plc	0.85	9.75
UniCredit S.p.A.	0.59	8.11
Toyo Suisan Kaisha Ltd.	0.36	6.35

Worst Performers	Average Weight %	Return %
GN Store Nord A/S	0.32	-49.47
Fresenius Medical Care AG & Co. KGaA	0.47	-42.89
adidas AG	0.40	-33.99
HelloFresh SE	0.44	-33.93
Demant A/S	0.48	-33.50

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Flutter Entertainment Plc	9.75	0.04
Toyo Seikan Group Holdings Ltd.	17.78	0.04
UniCredit S.p.A.	8.11	0.04
BP p.l.c.	3.70	0.03
DBS Group Holdings Ltd	10.31	0.03
Total		0.18

Greatest Detractors	Return %	Contribution to Return %
Fresenius Medical Care AG & Co. KGaA	-42.89	-0.24
Rightmove plc	-21.47	-0.20
GN Store Nord A/S	-49.47	-0.17
Barclays PLC	-12.22	-0.16
Demant A/S	-33.50	-0.16
Total		-0.93

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.



Quarterly Attribution:

Harbor International Fund vs. MSCI EAFE (ND) Index

06/30/2022 - 09/30/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-3.03	-3.59	0.56
Currency Contribution	-6.10	-5.77	-0.34
Total Return	-9.13	-9.36	0.22

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	18.53	17.50	1.03	-6.80	-9.57	2.78	-1.41	-1.79	0.00	0.52	0.51
Materials	7.87	7.36	0.51	-4.74	-8.87	4.13	-0.41	-0.68	0.00	0.32	0.32
Real Estate	0.60	2.86	-2.26	-5.00	-13.07	8.07	-0.04	-0.38	0.08	0.07	0.15
Energy	4.79	4.70	0.09	-2.59	-5.02	2.43	-0.22	-0.29	0.01	0.10	0.11
Utilities	0.47	3.50	-3.03	-23.26	-13.34	-9.92	-0.10	-0.49	0.12	-0.05	0.07
Consumer Staples	9.99	10.99	-1.01	-6.52	-7.09	0.57	-0.64	-0.76	-0.02	0.05	0.03
Information Technology	6.05	8.05	-2.01	-8.34	-8.30	-0.04	-0.50	-0.65	-0.01	-0.01	-0.02
Communication Services	6.69	4.90	1.79	-14.35	-13.73	-0.62	-0.93	-0.66	-0.08	-0.04	-0.12
Industrials	22.85	15.18	7.67	-9.68	-8.31	-1.37	-2.11	-1.24	0.09	-0.32	-0.23
Consumer Discretionary	10.58	11.20	-0.62	-12.40	-9.89	-2.51	-1.38	-1.13	-0.01	-0.26	-0.27
Health Care	10.13	13.73	-3.61	-14.81	-10.50	-4.31	-1.38	-1.29	0.03	-0.45	-0.42
[Cash]	1.45	0.00	1.45	-2.56	0.00	-2.56	-0.02	0.00	0.08	0.00	0.08
Total	100.00	100.00	0.00	-9.13	-9.36	0.22	-9.13	-9.36	0.30	-0.08	0.22



Quarterly Attribution:

06/30/2022 - 09/30/2022

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Ireland	1.79	0.58	1.20	5.30	-5.50	10.80	0.04	-0.04	0.03	0.20	0.23
Hong Kong	1.85	3.12	-1.27	-10.97	-16.97	6.00	-0.22	-0.55	0.11	0.12	0.22
India	0.97	0.00	0.97	3.20	0.00	3.20	0.02	0.00	0.11	0.00	0.11
Japan	23.43	22.60	0.83	-7.29	-7.67	0.39	-1.81	-1.86	0.01	0.10	0.11
Italy	1.96	2.20	-0.24	-3.09	-8.63	5.54	-0.06	-0.20	0.00	0.11	0.11
Spain	1.56	2.38	-0.82	-10.44	-14.06	3.63	-0.16	-0.35	0.04	0.06	0.10
Norway	1.95	0.84	1.11	-6.60	-15.30	8.70	-0.16	-0.14	-0.08	0.18	0.10
Brazil	0.21	0.00	0.21	15.00	0.00	15.00	0.01	0.00	0.05	0.00	0.05
Indonesia	0.20	0.00	0.20	15.38	0.00	15.38	0.02	0.00	0.05	0.00	0.05
Austria	0.55	0.17	0.37	-3.35	-15.24	11.89	-0.02	-0.03	-0.02	0.06	0.04
Finland	0.96	0.99	-0.03	-3.34	-7.23	3.89	-0.04	-0.07	0.00	0.03	0.04
Mexico	0.18	0.00	0.18	2.74	0.00	2.74	0.00	0.00	0.02	0.00	0.02
Belgium	0.33	0.97	-0.64	-14.71	-13.25	-1.46	-0.05	-0.12	0.02	0.00	0.02
Russia	0.01	0.00	0.01	916.16	0.00	916.16	0.01	0.00	0.01	0.00	0.01
Netherlands	2.98	4.25	-1.27	-10.89	-10.71	-0.17	-0.30	-0.42	0.03	-0.02	0.01
United Kingdom	25.20	15.65	9.56	-10.25	-10.76	0.51	-2.55	-1.66	-0.13	0.14	0.01
Portugal	0.00	0.24	-0.24	0.00	-11.03	11.03	0.00	-0.03	0.00	0.00	0.00
Panama	0.03	0.00	0.03	5.83	0.00	5.83	0.00	0.00	0.00	0.00	0.00
Malaysia	0.04	0.00	0.04	-1.33	0.00	-1.33	0.00	0.00	0.00	0.00	0.00
Canada	0.07	0.00	0.07	-9.43	0.00	-9.43	-0.01	0.00	0.00	0.00	0.00
Peru	0.12	0.00	0.12	-8.58	0.00	-8.58	-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
Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Thailand	0.05	0.00	0.05	-9.68	0.00	-9.68	-0.01	0.00	0.00	0.00	0.00
New Zealand	0.10	0.19	-0.08	-9.00	-8.63	-0.37	-0.01	-0.02	0.00	0.00	0.00
United States	0.00	0.00	0.00	-36.11	0.00	-36.11	0.00	0.00	0.00	0.00	0.00
Sweden	2.60	3.44	-0.83	-8.91	-8.82	-0.09	-0.20	-0.27	0.00	-0.01	-0.01
South Africa	0.61	0.00	0.61	-10.94	0.00	-10.94	-0.06	0.00	-0.01	0.00	-0.01
Singapore	0.88	1.51	-0.63	2.87	-1.50	4.37	0.02	-0.03	-0.05	0.04	-0.01
Taiwan	0.64	0.00	0.64	-14.04	0.00	-14.04	-0.09	0.00	-0.03	0.00	-0.03
South Korea	0.69	0.00	0.69	-15.91	0.00	-15.91	-0.12	0.00	-0.05	0.00	-0.05
Israel	0.00	0.82	-0.82	0.00	-1.93	1.93	0.00	-0.03	-0.06	0.00	-0.06
France	7.67	11.22	-3.55	-9.43	-8.84	-0.58	-0.69	-0.96	-0.02	-0.04	-0.06
Switzerland	5.74	10.47	-4.74	-7.33	-7.54	0.21	-0.37	-0.74	-0.09	0.02	-0.08
Australia	3.56	8.03	-4.47	-6.26	-6.74	0.48	-0.26	-0.59	-0.12	0.02	-0.10
China	1.43	0.00	1.43	-20.70	0.00	-20.70	-0.31	0.00	-0.18	0.00	-0.18
Germany	4.39	7.60	-3.20	-20.02	-12.59	-7.44	-0.88	-0.93	0.10	-0.35	-0.25
Denmark	5.78	2.72	3.06	-15.48	-12.27	-3.22	-0.85	-0.30	-0.09	-0.19	-0.28
[Cash]	1.45	0.00	1.45	-2.56	0.00	-2.56	-0.02	0.00	0.08	0.00	0.08
Total	100.00	100.00	0.00	-9.13	-9.36	0.22	-9.13	-9.36	-0.24	0.47	0.22



Trailing 1 Year Attribution:

Harbor International Fund vs. MSCI EAFE (ND) Index

09/30/2021 - 09/30/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-12.58	-11.11	-1.47
Currency Contribution	-14.24	-14.02	-0.22
Total Return	-26.82	-25.13	-1.69

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	6.17	8.64	-2.47	-32.09	-38.91	6.82	-2.01	-3.38	0.38	0.46	0.84
Financials	18.49	17.53	0.96	-20.15	-22.06	1.91	-3.81	-3.94	0.04	0.33	0.37
Real Estate	0.40	2.87	-2.47	-24.50	-29.08	4.58	-0.10	-0.87	0.08	0.05	0.13
Materials	8.17	7.70	0.47	-20.96	-21.27	0.31	-1.88	-1.84	0.03	0.01	0.04
Industrials	22.76	15.42	7.33	-30.05	-31.49	1.44	-6.81	-4.83	-0.45	0.33	-0.12
Energy	4.16	4.15	0.01	-1.07	6.03	-7.10	-0.37	-0.09	0.01	-0.22	-0.21
Utilities	0.46	3.47	-3.01	-38.82	-20.04	-18.79	-0.18	-0.74	-0.15	-0.08	-0.23
Communication Services	7.01	4.80	2.21	-32.18	-28.63	-3.54	-2.24	-1.40	-0.06	-0.26	-0.32
Consumer Discretionary	10.87	11.57	-0.70	-36.25	-32.33	-3.92	-4.08	-3.80	0.09	-0.54	-0.45
Consumer Staples	9.69	10.52	-0.83	-23.50	-17.40	-6.10	-2.13	-1.79	-0.06	-0.56	-0.63
Health Care	10.33	13.33	-3.00	-31.20	-19.95	-11.26	-3.13	-2.45	-0.18	-1.13	-1.31
[Cash]	1.50	0.00	1.50	-5.76	0.00	-5.76	-0.07	0.00	0.19	0.00	0.19
Total	100.00	100.00	0.00	-26.82	-25.13	-1.69	-26.82	-25.13	-0.08	-1.61	-1.69



Trailing 1 Year Attribution:

09/30/2021 - 09/30/2022

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Japan	22.65	22.62	0.02	-23.15	-29.30	6.15	-5.39	-6.88	0.07	1.40	1.46
Netherlands	3.09	4.54	-1.45	-32.07	-38.14	6.08	-0.96	-1.70	0.24	0.18	0.42
Norway	1.70	0.75	0.95	3.38	-20.74	24.11	-0.07	-0.19	0.01	0.36	0.37
Ireland	1.33	0.63	0.71	-6.51	-38.91	32.40	-0.11	-0.25	-0.09	0.44	0.35
Sweden	2.72	3.61	-0.89	-33.17	-35.68	2.51	-0.85	-1.25	0.11	0.07	0.18
Singapore	0.91	1.37	-0.46	-4.91	-22.15	17.24	-0.05	-0.30	-0.02	0.13	0.11
Finland	0.95	1.00	-0.05	-15.10	-25.01	9.92	-0.13	-0.23	0.00	0.09	0.09
Hong Kong	1.64	2.99	-1.35	-15.32	-22.25	6.93	-0.32	-0.72	-0.04	0.10	0.06
Indonesia	0.18	0.00	0.18	16.51	0.00	16.51	0.02	0.00	0.06	0.00	0.06
India	0.95	0.00	0.95	-19.56	0.00	-19.56	-0.17	0.00	0.05	0.00	0.05
South Africa	0.59	0.00	0.59	-17.29	0.00	-17.29	-0.11	0.00	0.04	0.00	0.04
Belgium	0.32	0.93	-0.61	-19.08	-27.35	8.27	-0.06	-0.26	0.01	0.03	0.04
Mexico	0.12	0.00	0.12	13.82	0.00	13.82	0.00	0.00	0.04	0.00	0.04
Brazil	0.12	0.00	0.12	-18.14	0.00	-18.14	-0.03	0.00	0.02	0.00	0.02
Canada	0.08	0.00	0.08	-7.36	0.00	-7.36	-0.01	0.00	0.01	0.00	0.01
Peru	0.13	0.00	0.13	-14.35	0.00	-14.35	-0.03	0.00	0.01	0.00	0.01
Thailand	0.05	0.00	0.05	0.23	0.00	0.23	0.00	0.00	0.01	0.00	0.01
Malaysia	0.04	0.00	0.04	-10.56	0.00	-10.56	0.00	0.00	0.01	0.00	0.01
Panama	0.01	0.00	0.01	5.83	0.00	5.83	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
New Zealand	0.11	0.20	-0.09	-40.83	-33.38	-7.45	-0.05	-0.07	0.01	-0.01	0.00
Spain	1.59	2.35	-0.77	-27.06	-25.63	-1.44	-0.41	-0.61	0.00	-0.02	-0.02
United States	0.01	0.00	0.01	-92.69	0.00	-92.69	-0.02	0.00	-0.02	0.00	-0.02
Austria	0.61	0.21	0.40	-34.35	-40.94	6.59	-0.20	-0.09	-0.05	0.03	-0.02
Portugal	0.00	0.21	-0.21	0.00	-12.94	12.94	0.00	-0.03	-0.02	0.00	-0.02
Israel	0.00	0.73	-0.73	0.00	-21.84	21.84	0.00	-0.17	-0.02	0.00	-0.02
Taiwan	0.77	0.00	0.77	-30.87	0.00	-30.87	-0.24	0.00	-0.03	0.00	-0.03
South Korea	0.74	0.00	0.74	-34.65	0.00	-34.65	-0.29	0.00	-0.07	0.00	-0.07
China	1.41	0.00	1.41	-31.85	0.00	-31.85	-0.48	0.00	-0.09	0.00	-0.09
Russia	0.07	0.00	0.07	-92.42	0.00	-92.42	-0.12	0.00	-0.11	0.00	-0.11
Italy	2.31	2.34	-0.03	-38.90	-28.47	-10.43	-0.89	-0.66	0.01	-0.28	-0.27
Australia	3.36	7.61	-4.26	-14.85	-16.37	1.52	-0.65	-1.42	-0.37	0.04	-0.33
Germany	4.96	8.33	-3.37	-50.23	-37.15	-13.08	-2.74	-3.11	0.43	-0.83	-0.40
France	7.93	11.37	-3.44	-30.26	-23.94	-6.32	-2.31	-2.61	-0.02	-0.51	-0.53
Denmark	5.79	2.67	3.12	-34.33	-23.51	-10.82	-2.00	-0.59	0.06	-0.66	-0.60
Switzerland	5.83	10.26	-4.44	-21.49	-16.53	-4.97	-1.19	-1.65	-0.35	-0.26	-0.62
United Kingdom	25.45	15.28	10.17	-27.25	-14.08	-13.17	-6.88	-2.34	1.10	-3.14	-2.04
[Cash]	1.50	0.00	1.50	-5.76	0.00	-5.76	-0.07	0.00	0.19	0.00	0.19
Total	100.00	100.00	0.00	-26.82	-25.13	-1.69	-26.82	-25.13	1.18	-2.87	-1.69

Risks

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

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

Benchmarks

The MSCI 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.

Disclosures

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

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

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

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

Return on Equity (ROE) is the measure of a company's net income divided by its shareholders' equity.

Price-to-Book (P/B) Ratio compares a company's market value to its book value. The market value of a company is its share price multiplied by the number of outstanding shares. The book value is the net assets of a company.

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

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

The views expressed herein may not be reflective of current opinions, are subject to change without prior notice, and should not be considered investment advice.

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

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

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

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

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

Marathon Asset Management LLP is an independent subadvisor to the Harbor International Fund.

Distributed by Harbor Funds Distributors, Inc.

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.