

Harbor Diversified International All Cap Fund

Marathon Asset Management LLP

Subadviser Since 11/02/2015

Total Net Assets - All Classes	\$1,194,187,071
Equity Assets:	97.86%
Cash & Other Assets Less Liabilities:	2.14%
Benchmark Name:	MSCI All Country World Ex. US (ND) Index

Portfolio Managers

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

Investment Philosophy

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

CHARACTERISTICS & ALLOCATION

As of 06/30/2021

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	479	2,348
Wtd Avg Market Cap (\$Mil)	52,830.30	105,567.30
Med Cap - # Stocks (\$Mil)	8,305.00	10,217.00
Price/Book Ratio	2.23	2.90
Adjusted Trailing P/E Ratio	22.30	25.00
% EPS Growth - Past 3 Yr	1.80	4.90
Return on Equity (%)	9.41	10.87
Beta vs. Fund Benchmark	1.08	
Forecasted P/E Ratio	18.00	19.40
Proj. Earnings Growth Rate (%)	17.30	16.70

Top 10 Holdings		
	Portfolio %	Benchmark %
Taiwan Semiconductor Ma	2.06	1.91
Samsung Electronics Co.	1.65	1.25
Roche Holding Ltd	1.11	0.96
Hitachi,Ltd.	1.05	0.20
BP p.l.c.	1.03	0.32
Eurobank Ergasias Servi	0.96	0.01
Brookfield Asset Manage	0.92	0.24
Vestas Wind Systems A/S	0.90	0.14
Baidu Inc Sponsored ADR	0.87	0.20
Novo Nordisk A/S Class	0.84	0.53
Total	11.39	5.76

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	8.72	10.84
Insurance	5.12	4.27
Metals & Mining	4.25	4.02
Beverages	3.73	1.76
Food Products	3.50	2.59
Hotels Rest & Leisure	3.32	1.21
Industrial Conglomerates	3.22	1.25
Oil Gas & Consumables	3.14	4.46
Semiconductors	3.08	4.64
Pharmaceuticals	2.89	5.46
Total	40.97	40.50

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	19.17	11.73
Financials	18.43	18.53
Consumer Discretionary	13.92	13.74
Consumer Staples	11.62	8.48
Information Technology	8.98	12.83
Communication Services	7.30	6.70
Materials	7.19	8.29
Health Care	6.98	9.17
Energy	3.48	4.50
Real Estate	0.45	2.56
Utilities	0.34	2.94

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	16.08	8.89
Japan	14.10	14.33
Canada	8.03	7.02
France	4.90	7.11
Taiwan	4.90	4.35
South Korea	3.87	4.16
Germany	3.87	5.84
Denmark	3.87	1.59
Switzerland	3.86	6.07
Australia	3.83	4.41
Total	67.31	63.77
Emerging Markets	26.73	29.78

Market Capitalization		
		Portfolio %
Large	Above 25.0B	42.26
	10.0B - 25.0B	20.20
Mid	5.0B - 10.0B	12.75
	1.0B - 5.0B	21.89
Small	0.0 - 1.0B	2.91



Trusted Partnerships > Trusted Solutions



Performance & Fund Facts

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HAIDX	411512593	5.68%	12.04%	43.08%	10.07%	10.90%	N/A	8.35%	11/02/15	0.80	0.93
Administrative	HRIDX	411512585	5.61%	11.90%	42.68%	9.77%	10.62%	N/A	8.08%	11/02/15	1.05	1.18
Investor	HIIDX	411512577	5.56%	11.78%	42.51%	9.64%	10.49%	N/A	7.95%	11/02/15	1.16	1.29
Retirement	HNIDX	411512437	5.68%	11.96%	43.08%	10.13%	10.96%	N/A	8.40%	03/01/16	0.72	0.85
MSCI All Country World Ex. US (ND) Index			5.48%	9.16%	35.72%	9.38%	11.08%	N/A	8.76%	11/02/15		

MANAGER COMMENTARY

As of 06/30/2021

“While there are still risks associated with the virus, the market appears to be cautiously optimistic.”

Marathon Asset Management LLP (Marathon-London)

Market in Review

During the second quarter of 2021, the mood changed regarding inflation as the U.S. Federal Reserve (“Fed”) signalled that it expects to hike interest rates in 2023. This change in the Fed’s previously dovish tone comes earlier than forecast. Reasons for the change include new economic projections predicated on stronger economic recovery, faster growth, lower unemployment, and consequently, higher inflation.

In the short term, this has caused some turbulence for investors who had only recently begun investing their money in assets that tend to perform well when prices rise, such as commodities and value stocks. Until April 2021, they had been performing particularly well following the vaccine rollout.

The Fund has historically demonstrated a bias toward smaller capitalization companies with a weighted average market cap persistently below that of the benchmark.

Collectively, Europe and emerging markets accounted for around 70% of the Fund’s total allocation, but investments in the two regions yielded markedly different results. The small/mid-cap bias in Europe (as well as Japan) detracted from relative performance, whereas the small-cap bias in emerging markets contributed to the Fund’s returns.

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

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



In Europe, some small- and mid-cap stocks were subjects of the “reflation trade,” and therefore, were subject to the whims of the market as investor momentum eased following the Fed’s pivot to a more hawkish tone. The overweight to smaller companies within the Fund’s European sleeve, therefore – at least in the short term – detracted from the Fund’s relative performance.

Returns from countries within emerging markets varied widely. The Americas performed strongly in general, while Asian emerging markets performed poorly. Due to Marathon’s bottom-up stock selection approach, we selected investments for the portfolio with a bias towards the Americas and away from China. Brazil, for example, had the strongest performing market during the quarter, while China underperformed the broader emerging markets.

Marathon-London recognizes that macro-level events in the short term will temporarily affect relative performance. We continue, however, to stand by our bottom-up stock selection approach, focusing on the fundamentals and economics of the businesses we invest in.

Portfolio Performance

During the quarter, the Harbor Diversified International All-Cap Fund (Institutional Class, “Fund”) returned 5.68%, outperforming its benchmark, the MSCI All Country World Ex. US (ND) Index (“Index”), which returned 5.48%.

Stock selection within emerging markets – most notably in Mexico and Chile – contributed to relative returns. The Fund’s underweight to China contributed positively, while stock selection in India and Taiwan detracted from relative returns.

Stock selection in Europe, particularly in Germany, contributed to relative performance, while stock selection in the U.K., Ireland, and Denmark, detracted from relative performance.

Contributors & Detractors

Sud Americana de Vapores, a Chilean maritime cargo company, contributed to the Fund’s performance. The company ended the quarter very strongly as shipping rates surged upward from late April. Populations that emerged from lockdowns and similar measures imposed worldwide also strengthened relative performance.

The Brazil-listed insurer, Porto Seguro, also contributed to relative performance as it had a particularly good quarter after publishing surprisingly strong financial results over the past year. The market responded well to news of a new acquisition. The company also handed over its pet insurance business to its main competitor in exchange for a substantial stake in the combined business; this news was also well received.

Flutter Entertainment, the U.K.-based international sports betting and gaming company, underperformed over the quarter, detracting from relative performance. Most of the fall occurred in the wake of the company’s Annual General Meeting and results announcements. While results were solid as the share price traded at high multiples – above consensus expectations – we believe it’s possible the news was already discounted by the market as some investors chose to take profits.

HomeServe, the U.K.-based subscription home repair business, had a poor quarter, which detracted from relative returns. Despite earnings meeting expectations and improved guidance for the year ahead, investors reacted negatively to the falling number of U.K. clients subscribing to the company’s products.

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Buys & Sells

Within Europe, a position was initiated in Holcim, the world's largest cement company, during the quarter. Following implementation of a post-merger empire-building strategy, new management is rationalizing the group, focusing on the less competitive cement markets, and on diversifying into higher-margin building materials. The company's focus has moved from top-line growth to return on invested capital and free cash flow.

Asaleo, an Australian personal care and hygiene company, was acquired by a Swedish competitor, Essity, at a 40% premium, which was reflected in December's results.

Country Allocation

There were neither material country-allocation nor exposure-to-developing-markets changes during the quarter. Please note, trading to account for the recent portfolio manager changes did not begin until July 2021. Thus, any changes to the country and developing market allocations will be reflected in the reporting for the third quarter of 2021.

Outlook

Forward-looking expectations can behave erratically in a pandemic, which is why Marathon does not engage in economic forecasting. Instead, we comment on the market environment across the Fund.

European markets rose again during the quarter, gaining 7.4% based on the Index, with the gradual lifting of COVID-19 restrictions. While there are still risks associated with the virus, the market appears to be cautiously optimistic. In contrast to the previous six months, the Health Care and Real Estate sectors were the strongest performers. Energy and Financials moved to the bottom of the performance table alongside Utilities. Cyclical sectors lost some of their luster, while defensive sectors gained some ground during the quarter.

The MSCI Emerging Markets Index held strongly, returning 5.1% during the quarter. The standout performer was the Americas, returning 15%; however, the region contained both the best performing (Brazil returning 22.9%) and worst performing (Chile with -14.2%) countries. Asian emerging markets, the Index's largest segment, were sluggish during the quarter, returning 3.8% on average.

Meanwhile, Japanese equities declined slightly over the second quarter, with the Tokyo Stock Price Index ("TOPIX") falling by 0.8% and the broader Nikkei 225 by 1.6% over the quarter in U.S. dollar terms. The fall reflects a substantial downgrading of Gross Domestic Product ("GDP") growth expectations due to renewed COVID-19 safety measures.

The Pacific ex-Japan region posted a positive return of 4.8% over the quarter, based on the MSCI Pacific ex Japan Index, in U.S. dollar terms. Returns were highly differentiated, however, with Australia performing strongly, Hong Kong less so, Singapore close to flat, and New Zealand lagging once again, producing a negative return over the quarter.

The Canadian market put in strong performance in the second quarter, returning slightly over 10%, according to the MSCI Canada Index.

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Best & Worst Performers

Best Performers	Average Weight %	Return %
Compania Sud Americana de Vapores S.A.	0.34	66.36
Spin Master Corp	0.33	39.48
Fluidra, S.A.	0.29	38.61
Alfa, S.A.B. de C.V. Class A	0.26	34.79
ALS Ltd.	0.28	34.34

Worst Performers	Average Weight %	Return %
Anglo American Platinum Limited	0.29	-20.74
HomeServe plc	0.43	-20.34
Kasikornbank Public Co. Ltd.(Alien Mkt)	0.35	-19.59
Flutter Entertainment Plc	0.74	-15.11
Obayashi Corporation	0.25	-13.39

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Hitachi,Ltd.	26.56	0.22
HelloFresh SE	30.06	0.19
Porto Seguro S.A.	32.69	0.19
Compania Sud Americana de Vapores S.A.	66.36	0.18
Novo Nordisk A/S Class B	23.38	0.17
Total		0.95

Greatest Detractors	Return %	Contribution to Return %
Flutter Entertainment Plc	-15.11	-0.12
HomeServe plc	-20.34	-0.10
Kasikornbank Public Co. Ltd.(Alien Mkt)	-19.59	-0.08
Anglo American Platinum Limited	-20.74	-0.06
Baidu Inc Sponsored ADR Class A	-6.27	-0.06
Total		-0.42

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Quarterly Attribution:

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

03/31/2021 - 06/30/2021

Performance

	Portfolio	Benchmark	Active
Return ex Currency	4.98	4.75	0.23
Currency Contribution	0.91	0.73	0.19
Total Return	5.89	5.48	0.42

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
Industrials	19.51	11.84	7.67	6.63	4.53	2.09	1.34	0.54	-0.06	0.40	0.34
Consumer Staples	11.46	8.49	2.97	8.90	7.66	1.24	1.00	0.64	0.06	0.13	0.19
Communication Services	7.40	6.91	0.50	4.22	1.46	2.77	0.33	0.11	-0.02	0.20	0.18
Health Care	6.84	9.00	-2.16	12.93	9.85	3.08	0.85	0.85	-0.09	0.20	0.10
Utilities	0.38	3.13	-2.75	-13.31	-0.37	-12.93	-0.06	0.00	0.15	-0.06	0.10
Real Estate	0.45	2.59	-2.14	6.25	2.51	3.74	0.03	0.07	0.06	0.02	0.08
Financials	18.39	18.91	-0.52	4.62	4.31	0.30	0.88	0.84	0.00	0.06	0.06
Consumer Discretionary	14.14	13.57	0.57	4.69	4.76	-0.06	0.70	0.65	-0.01	0.00	-0.01
Energy	3.39	4.47	-1.08	7.43	8.43	-1.00	0.26	0.36	-0.03	-0.03	-0.06
Materials	7.34	8.47	-1.13	2.48	6.39	-3.91	0.21	0.55	-0.03	-0.26	-0.29
Information Technology	9.06	12.62	-3.57	3.80	6.98	-3.18	0.37	0.86	-0.06	-0.27	-0.33
[Cash]	1.65	0.00	1.65	-0.90	0.00	-0.90	0.00	0.00	0.06	0.00	0.06
Total	100.00	100.00	0.00	5.89	5.48	0.42	5.89	5.48	0.03	0.39	0.42



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

03/31/2021 - 06/30/2021

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
China	2.50	10.79	-8.29	1.93	1.37	0.56	0.05	0.16	0.36	0.01	0.37
Mexico	3.41	0.55	2.86	15.44	9.14	6.30	0.50	0.05	0.10	0.19	0.29
Germany	3.84	5.92	-2.08	10.68	4.70	5.98	0.40	0.29	0.01	0.21	0.22
Chile	0.74	0.15	0.59	30.57	-14.19	44.75	0.21	-0.02	-0.11	0.31	0.20
Brazil	2.24	1.50	0.74	27.64	22.91	4.73	0.53	0.31	0.12	0.08	0.19
Italy	1.47	1.55	-0.08	8.75	3.64	5.10	0.13	0.06	0.00	0.07	0.07
Canada	7.97	6.92	1.05	9.90	10.04	-0.14	0.80	0.68	0.05	0.00	0.05
Greece	1.56	0.04	1.53	8.58	8.18	0.40	0.13	0.00	0.04	0.00	0.05
Spain	1.05	1.56	-0.51	10.27	5.31	4.96	0.10	0.09	0.00	0.05	0.04
Norway	0.80	0.39	0.41	8.53	4.87	3.66	0.07	0.02	0.00	0.03	0.03
Austria	0.47	0.12	0.34	13.38	11.50	1.88	0.06	0.01	0.02	0.01	0.03
Switzerland	3.58	5.88	-2.30	16.04	11.53	4.50	0.54	0.65	-0.13	0.15	0.02
Malaysia	0.08	0.41	-0.33	-6.91	-2.46	-4.45	-0.01	-0.01	0.03	0.00	0.02
New Zealand	0.12	0.15	-0.03	4.71	-5.12	9.83	0.01	-0.01	0.00	0.01	0.02
Denmark	3.87	1.54	2.33	8.92	13.06	-4.15	0.34	0.19	0.16	-0.15	0.01
Ireland	0.44	0.44	0.00	5.99	2.41	3.58	0.02	0.01	0.00	0.01	0.01
Kenya	0.17	0.00	0.17	15.94	0.00	15.94	0.02	0.00	0.01	0.00	0.01
South Africa	2.39	1.16	1.23	2.45	-1.45	3.91	0.07	-0.01	-0.08	0.09	0.01
Philippines	0.23	0.19	0.03	12.06	7.55	4.52	0.03	0.01	0.00	0.01	0.01
Czech Republic	0.15	0.03	0.12	13.86	14.56	-0.70	0.02	0.00	0.01	0.00	0.01
Peru	0.00	0.06	-0.06	0.00	-8.78	8.78	0.00	-0.01	0.01	0.00	0.01
Portugal	0.00	0.11	-0.11	0.00	-0.87	0.87	0.00	0.00	0.01	0.00	0.01
Qatar	0.00	0.20	-0.20	0.00	2.21	-2.21	0.00	0.00	0.01	0.00	0.01
United States	0.82	0.00	0.82	5.50	0.00	5.50	0.05	0.00	0.00	0.00	0.00
Indonesia	0.37	0.36	0.01	-3.95	-5.14	1.20	-0.01	-0.02	0.00	0.00	0.00
Egypt	0.00	0.02	-0.02	0.00	-9.23	9.23	0.00	0.00	0.00	0.00	0.00
Australia	3.93	4.47	-0.54	6.91	6.87	0.05	0.28	0.30	0.00	0.00	0.00
Israel	0.00	0.37	-0.37	0.00	5.09	-5.09	0.00	0.02	0.00	0.00	0.00
Cyprus	0.08	0.00	0.08	8.55	0.00	8.55	0.01	0.00	0.00	0.00	0.00
Japan	14.39	14.78	-0.38	-0.56	-0.28	-0.28	-0.05	-0.05	0.03	-0.03	0.00
Pakistan	0.00	0.01	-0.01	0.00	-6.65	6.65	0.00	0.00	0.00	0.00	0.00
Argentina	0.00	0.04	-0.04	0.00	5.79	-5.79	0.00	0.00	0.00	0.00	0.00
Finland	0.57	0.65	-0.08	11.22	10.83	0.40	0.06	0.07	0.00	0.00	0.00
Belgium	0.24	0.60	-0.36	14.84	9.23	5.61	0.03	0.05	-0.01	0.01	0.00
Turkey	0.08	0.08	0.00	-3.14	-0.48	-2.66	0.00	0.00	0.00	0.00	0.00
Kuwait	0.00	0.16	-0.16	0.00	9.52	-9.52	0.00	0.01	-0.01	0.00	-0.01
Sweden	1.87	2.31	-0.45	4.83	5.47	-0.64	0.10	0.13	0.01	-0.01	-0.01
Hungary	0.00	0.07	-0.07	0.00	14.81	-14.81	0.00	0.01	-0.01	0.00	-0.01
United Arab Emirates	0.00	0.19	-0.19	0.00	11.18	-11.18	0.00	0.02	-0.01	0.00	-0.01
Singapore	1.28	0.67	0.61	1.98	0.47	1.51	0.03	0.00	-0.03	0.02	-0.01
Poland	0.00	0.21	-0.21	0.00	18.67	-18.67	0.00	0.04	-0.03	0.00	-0.03
Russia	0.48	0.98	-0.49	16.55	14.03	2.52	0.07	0.13	-0.04	0.01	-0.03
Colombia	0.26	0.05	0.22	-8.50	-2.90	-5.60	-0.02	0.00	-0.02	-0.02	-0.03
Saudi Arabia	0.00	0.86	-0.86	0.00	10.04	-10.04	0.00	0.08	-0.04	0.00	-0.04
South Korea	4.05	4.09	-0.05	3.49	4.83	-1.35	0.16	0.19	-0.01	-0.03	-0.04
Netherlands	2.10	2.71	-0.61	5.13	7.30	-2.17	0.12	0.20	-0.01	-0.05	-0.05
Thailand	0.63	0.54	0.10	-9.59	-4.87	-4.72	-0.08	-0.03	-0.01	-0.04	-0.06
Hong Kong	1.43	2.70	-1.27	4.17	7.11	-2.94	0.06	0.17	-0.03	-0.05	-0.07
France	4.91	7.13	-2.22	8.96	9.07	-0.12	0.44	0.64	-0.07	-0.01	-0.08
Taiwan	4.90	6.63	-1.73	3.87	7.09	-3.23	0.19	0.29	0.02	-0.17	-0.15
India	2.27	2.97	-0.70	-0.82	6.91	-7.74	-0.01	0.20	-0.01	-0.17	-0.18
United Kingdom	16.61	9.04	7.57	2.15	5.97	-3.82	0.44	0.55	0.06	-0.61	-0.55
[Cash]	1.65	0.00	1.65	-0.90	0.00	-0.90	0.00	0.00	0.06	0.00	0.06
Total	100.00	100.00	0.00	5.89	5.48	0.42	5.89	5.48	0.47	-0.06	0.42



Trailing 1 Year Attribution:

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

06/30/2020 - 06/30/2021

Performance

	Portfolio	Benchmark	Active
Return ex Currency	36.75	29.99	6.76
Currency Contribution	7.95	5.73	2.22
Total Return	44.70	35.72	8.98

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
Industrials	19.90	11.75	8.14	48.56	40.57	7.99	9.70	4.73	0.51	1.31	1.82
Health Care	7.83	9.62	-1.79	26.76	15.19	11.56	2.12	1.54	0.38	0.95	1.33
Communication Services	7.95	7.27	0.69	42.30	24.91	17.39	3.51	1.94	0.04	1.27	1.30
Financials	15.91	18.16	-2.25	47.95	40.69	7.26	7.32	7.14	0.06	1.02	1.08
Consumer Discretionary	13.99	13.65	0.34	51.66	44.60	7.06	7.17	6.03	0.18	0.60	0.78
Utilities	0.51	3.29	-2.78	15.88	14.54	1.34	0.21	0.61	0.61	0.16	0.77
Energy	2.87	4.42	-1.55	48.58	34.76	13.82	1.37	1.40	0.28	0.40	0.68
Information Technology	9.61	12.09	-2.48	66.40	56.51	9.89	6.09	6.12	-0.28	0.90	0.61
Consumer Staples	11.71	9.00	2.71	26.67	19.13	7.54	3.38	1.86	-0.38	0.92	0.54
Real Estate	0.47	2.65	-2.18	15.09	22.26	-7.17	0.08	0.63	0.36	0.03	0.39
Materials	7.53	8.10	-0.57	50.31	49.36	0.94	3.77	3.72	0.03	0.10	0.13
[Cash]	1.73	0.00	1.73	-11.76	0.00	-11.76	0.00	0.00	-0.44	0.00	-0.44
Total	100.00	100.00	0.00	44.70	35.72	8.98	44.70	35.72	1.33	7.66	8.98



Trailing 1 Year Attribution:

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

06/30/2020 - 06/30/2021

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
United Kingdom	16.10	8.81	7.29	40.47	31.29	9.18	6.80	2.75	-0.22	1.49	1.28
Switzerland	3.59	6.14	-2.55	43.48	24.32	19.15	1.53	1.53	0.35	0.64	0.99
China	2.65	11.97	-9.33	46.07	26.09	19.98	1.21	3.63	0.50	0.42	0.92
Denmark	4.56	1.55	3.01	49.41	44.17	5.23	2.51	0.68	0.22	0.44	0.66
Canada	7.47	6.57	0.90	55.13	45.84	9.29	3.87	2.82	0.11	0.54	0.65
Germany	3.98	5.92	-1.94	48.54	31.79	16.75	1.88	1.91	0.08	0.54	0.62
United States	1.15	0.00	1.15	91.08	0.00	91.08	1.06	0.00	0.60	0.00	0.60
South Africa	2.11	1.11	1.00	71.56	39.89	31.68	1.35	0.44	0.10	0.48	0.58
France	4.73	6.93	-2.20	54.80	40.79	14.01	2.52	2.77	-0.06	0.58	0.51
Chile	0.59	0.16	0.43	132.99	23.42	109.58	0.59	0.04	-0.03	0.47	0.44
Italy	1.30	1.50	-0.20	67.70	36.64	31.05	0.83	0.55	0.04	0.33	0.37
Taiwan	4.83	4.02	0.81	71.68	70.46	1.22	3.13	2.38	0.26	0.10	0.36
Spain	0.76	1.52	-0.75	62.06	30.67	31.39	0.42	0.49	0.06	0.20	0.26
Greece	1.33	0.04	1.29	56.87	31.97	24.90	0.67	0.01	-0.02	0.26	0.24
Thailand	0.60	0.56	0.04	36.24	7.01	29.22	0.25	0.04	0.03	0.20	0.23
Norway	0.76	0.37	0.39	69.26	49.64	19.62	0.48	0.17	0.06	0.14	0.20
Finland	0.65	0.65	0.00	62.96	34.70	28.26	0.40	0.22	0.03	0.16	0.19
Malaysia	0.10	0.46	-0.37	11.03	3.76	7.26	0.02	0.04	0.13	0.03	0.16
New Zealand	0.11	0.18	-0.07	94.62	-5.02	99.64	0.09	0.00	0.04	0.11	0.15
Ireland	0.30	0.44	-0.14	102.37	39.58	62.79	0.23	0.18	0.00	0.14	0.15
Austria	0.43	0.11	0.32	74.14	70.89	3.25	0.28	0.07	0.11	0.02	0.13
Brazil	2.31	1.48	0.83	44.80	46.55	-1.75	1.07	0.64	0.09	0.03	0.12
Russia	0.59	0.92	-0.33	61.96	38.64	23.32	0.31	0.33	-0.02	0.13	0.11
Belgium	0.24	0.61	-0.36	47.25	28.50	18.75	0.12	0.18	0.04	0.06	0.10
Philippines	0.23	0.22	0.02	33.07	14.33	18.74	0.10	0.04	0.03	0.06	0.09
Hong Kong	1.46	2.30	-0.84	40.98	35.27	5.70	0.59	0.75	0.01	0.08	0.09
Indonesia	0.47	0.40	0.07	13.59	7.61	5.97	0.13	0.05	0.01	0.06	0.07
Israel	0.00	0.38	-0.38	0.00	22.46	-22.46	0.00	0.09	0.07	0.00	0.07
Mexico	2.81	0.52	2.29	37.88	55.86	-17.98	1.13	0.27	0.45	-0.38	0.07
Qatar	0.00	0.22	-0.22	0.00	15.13	-15.13	0.00	0.04	0.06	0.00	0.06
Peru	0.06	0.07	0.00	25.82	9.63	16.19	0.03	0.01	0.03	0.01	0.05
Czech Republic	0.15	0.03	0.12	51.52	52.11	-0.59	0.07	0.01	0.03	0.02	0.05
Portugal	0.00	0.11	-0.11	0.00	11.43	-11.43	0.00	0.01	0.04	0.00	0.04
Poland	0.00	0.21	-0.21	0.00	26.72	-26.72	0.00	0.06	0.03	0.00	0.03
Egypt	0.00	0.03	-0.03	0.00	-13.41	13.41	0.00	0.00	0.03	0.00	0.03
Cyprus	0.09	0.00	0.09	49.27	0.00	49.27	0.04	0.00	0.03	0.00	0.03
Argentina	0.00	0.04	-0.04	0.00	28.56	-28.56	0.00	0.01	0.02	0.00	0.02
Pakistan	0.00	0.01	-0.01	0.00	13.15	-13.15	0.00	0.00	0.02	0.00	0.02
Kuwait	0.00	0.09	-0.09	0.00	19.01	-19.01	0.00	0.03	0.01	0.00	0.01
Hungary	0.00	0.06	-0.06	0.00	46.07	-46.07	0.00	0.03	0.01	0.00	0.01
South Korea	4.06	3.89	0.17	63.12	66.20	-3.08	2.41	2.23	0.08	-0.07	0.01
Colombia	0.30	0.05	0.25	18.27	17.97	0.31	0.09	0.01	-0.01	0.03	0.01
United Arab Emirates	0.00	0.17	-0.17	0.00	50.36	-50.36	0.00	0.08	0.00	0.00	0.00
Turkey	0.11	0.10	0.01	-30.47	-13.01	-17.46	-0.05	-0.02	0.00	-0.01	-0.01
Singapore	1.04	0.67	0.37	26.65	28.68	-2.03	0.26	0.19	0.00	-0.01	-0.01
Kenya	0.17	0.00	0.17	9.84	0.00	9.84	0.00	0.00	-0.04	0.00	-0.04
Saudi Arabia	0.00	0.80	-0.80	0.00	49.26	-49.26	0.00	0.35	-0.05	0.00	-0.05
Australia	4.22	4.39	-0.17	34.87	39.64	-4.77	1.60	1.68	0.04	-0.13	-0.10
Sweden	1.93	2.16	-0.24	42.77	53.85	-11.08	0.85	1.08	0.01	-0.17	-0.17
India	2.22	2.72	-0.50	45.92	56.36	-10.43	1.06	1.36	-0.08	-0.10	-0.18
Japan	15.53	15.68	-0.16	22.91	24.84	-1.93	4.08	4.22	0.03	-0.36	-0.33
Netherlands	2.20	2.68	-0.48	28.18	49.62	-21.44	0.69	1.25	-0.02	-0.39	-0.41
[Cash]	1.73	0.00	1.73	-11.76	0.00	-11.76	0.00	0.00	-0.49	0.00	-0.49
Total	100.00	100.00	0.00	44.70	35.72	8.98	44.70	35.72	2.84	6.14	8.98

Risks

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

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

Disclosures

The MSCI 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.

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2022.

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

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

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

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

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

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

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

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

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

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

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

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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.