

HARBOR INTERNATIONAL SMALL CAP FUND

Cedar Street Asset Management LLC

Subadvisor Since 05/23/2019

Total Net Assets - All Classes	\$279,432,894
Equity Assets:	98.28%
Cash & Other Assets Less Liabilities:	1.72%
Benchmark Name:	MSCI EAFE Small Cap (ND) Index

Portfolio Managers



Jonathan Brodsky



Waldemar Mozes

Investment Philosophy

The Fund invests primarily in equity securities, principally common and preferred stocks and convertible securities, of foreign companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in the securities of small cap companies. The Subadvisor's investment process utilizes a range of screening and idea sourcing methodologies to shrink the universe of securities to a manageable level. The Subadvisor primarily utilizes bottom-up research to identify companies with attractive valuations, as determined by the Subadvisor, while taking into account macroeconomic considerations.

CHARACTERISTICS & ALLOCATION

As of 06/30/2024

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	64	2,118
Wtd Avg Market Cap (\$Mil)	2,153.60	2,944.80
Median Market Cap (\$Mil)	1,580.00	1,260.00
Price/Book Ratio	1.40	1.58
Adjusted Trailing P/E Ratio	15.30	17.50
% EPS Growth - Past 3 Yr	17.10	22.60
Est 3-5 Yr EPS Growth Rate (%)	8.10	12.70
Return on Equity (%)	9.52	9.86
Beta vs. Fund Benchmark	0.86	
Forecasted P/E Ratio	12.20	15.00

Top 10 Holdings		
	Portfolio %	Benchmark %
Construcciones y Auxili	2.04	0.02
TP ICAP Group plc	1.93	0.07
ESR Group Limited	1.92	0.07
Coats Group plc	1.91	0.06
Fagron SA	1.91	0.05
Transcontinental Inc. C	1.91	0.00
Landis+Gyr Group AG	1.88	0.08
Nakanishi Inc.	1.86	0.04
ZIGUP PLC	1.86	0.05
Huhtamaki Oyj	1.84	0.15
Total	19.06	0.59

Top 10 Industries		
	Portfolio %	Benchmark %
Electronic Equipment	9.87	3.06
Machinery	9.34	7.10
Insurance	6.31	2.22
Containers & Packaging	5.55	1.04
Commercial Serv & Suppl	5.16	2.03
Health Care Equip	5.15	1.46
Chemicals	4.01	3.84
Air Freight & Logistics	3.95	0.49
Distributors	3.34	0.25
Software	3.08	1.85
Total	55.76	23.34

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	29.53	23.33
Information Technology	15.89	9.99
Financials	11.50	12.46
Consumer Discretionary	11.19	12.47
Materials	9.56	9.39
Consumer Staples	7.24	6.19
Health Care	7.06	5.88
Communication Services	2.85	3.72
Real Estate	1.92	10.62
Utilities	1.54	2.63
Energy	0.00	3.32

Top 10 Countries		
	Portfolio %	Benchmark %
Japan	26.10	34.53
United Kingdom	17.51	15.26
France	7.38	3.49
Sweden	5.82	5.57
Switzerland	5.11	4.36
Belgium	5.01	1.23
Canada	3.64	0.00
Finland	3.60	1.27
Spain	3.57	1.76
Italy	3.17	3.41
Total	80.91	70.88
Emerging Markets	1.64	0.10

Market Capitalization		
		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	1.81
Mid	5.0B - 10.0B	3.45
	1.0B - 5.0B	67.50
Small	0.0 - 1.0B	25.50

Harbor International Small Cap Fund



PERFORMANCE

As of 06/30/2024

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	HAISX	411512569	-2.30%	-0.21%	3.10%	-0.12%	6.69%	N/A	7.31%	02/01/16	0.90	1.07
Investor	HIISX	411512544	-2.37%	-0.42%	2.73%	-0.49%	6.29%	N/A	6.92%	02/01/16	1.26	1.43
Retirement	HNISX	411512536	-2.23%	-0.21%	3.18%	-0.05%	6.75%	N/A	7.39%	02/01/16	0.82	0.99
MSCI EAFE Small Cap (ND) Index			-1.84%	0.51%	7.78%	-3.35%	4.19%	N/A	6.14%	02/01/16		

MANAGER COMMENTARY

As of 06/30/2024

"Macroeconomic conditions continue to look broadly favorable for equities in most advanced economies."

Cedar Street Asset Management LLC

Market in Review

During the second quarter of 2024, we believe markets were mainly animated by monetary policy decisions and the artificial intelligence ("AI") theme. As economies have slowed and inflation has moderated, major central bankers have conditioned investors to believe that interest rate increases are off the table even as significant interest rate cuts continue to be pushed out. The European Central Bank's ("ECB") recent 0.25% cut in June was even viewed through a "hawkish" prism.

In our view, this perceived interest rate purgatory favored top-down-driven investment factors during the second quarter. The momentum factor continued its year-to-date dominance over other major factors, as quantitative and other macro-oriented traders aggressively allocated capital to this theme. NVIDIA, spurred by growth in AI-related spending, was the most significant contributor to global momentum during the quarter, but other names like Novo Nordisk (a key beneficiary of Ozempic growth) also benefited.

Given the Harbor International Small Cap Fund's ("Fund") valuation-centric and often contrarian approach, its holdings have limited momentum factor exposure. In addition, the Fund primarily consists of small-cap stocks (i.e., 60% of holdings are less than \$2 billion market cap vs. less than 40% for the benchmark). Thematic and retail investors seeking exposure to momentum and AI have aggressively entered ETF and other quant-oriented vehicles (even offering 2x or 3x exposure) that are predominantly large- or mega-cap focused, often funded by sales of other assets, namely small-cap exposure.

As fundamentals-focused investors, we maintain our investment discipline in an environment that has the hallmarks of a historically significant market mania. In the current environment, the silver lining for us is that we have sought to identify very good quality inventory at valuations that we have not experienced in several years. For example, based on our estimates, we believe we have the potential for more attractive growth for the Fund in 2024 than we have seen in the past. In our view, much of this growth is not currently reflected in the Fund's discounted valuation.

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 02/28/2025.

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.

Harbor International Small Cap Fund



MANAGER COMMENTARY

As of 06/30/2024

Performance

The Harbor International Small Cap Fund (Institutional Class) returned -2.30% during the quarter, outperforming its primary benchmark, the MSCI EAFE Small Cap (ND) Index, which returned -1.84%.

In our view, the biggest drivers of most developed economy equity markets during the quarter were quantitative factor dynamics, specifically momentum and low volatility factors at the expense of market cap size and trading liquidity factors. Investors in these factors appeared to be motivated more by a combination of macroeconomic indicators (inflation, monetary policy, currencies, etc.) and all things AI. Given the Fund's predominant exposure to smaller capitalization companies with valuation sensitivity, the Fund lagged its benchmark. Style dynamics (i.e., growth vs. value) did not play much of a role in non-U.S. equities despite the pronounced deviation between the two styles in U.S. large-cap and small-cap stocks.

From a sector perspective, stock selection in Materials and Real Estate was the biggest contributor to performance during the quarter, while stock selection in Information Technology, Industrials, and Utilities was the biggest detractor.

From a geographic perspective, stock selection in Japan and Belgium was the biggest contributor to performance during the quarter, while stock selection in Sweden and the U.K. was the biggest detractor.

Due to continued U.S. dollar strength, currency translation negatively impacted Fund returns by about 0.40% during the quarter.

Contributors & Detractors

One of the Fund's largest contributors to performance in the second quarter was Computer Engineering and Consulting ("CEC"), a Japanese IT consulting business. As a purely domestic service provider, CEC did not benefit from the cheaper yen. The company released solid results in its quarterly earnings, but we believe the bigger news was the company bowing to pressure to reduce the significant cash on its balance sheet (about 40% of the market cap is cash) through a share buyback.

Another top contributor, ESR Group in Hong Kong, also benefited from a positive corporate action. Bloomberg reported that a private equity consortium comprised of Warburg Pincus and the Ontario Municipal Employees' Retirement System was considering a buyout of the fund management group. Given ESR's fund management business and focus on data centers, e-commerce, and logistics hub development – not commercial or residential property development in China – a listing venue change away from Hong Kong could make sense.

One of the Fund's largest detractors during the quarter was TomTom, a Dutch mapping services provider. The company announced solid sales growth during its recent earnings release and made good progress in continuing to shift away from consumer devices. However, weaker-than-expected automotive shipments and higher engineering development costs limited margins and earnings growth. We continue to support the company's efforts and anticipate an improving earnings environment to coincide with an improvement in the automotive cycle.

Spin Master, a Canadian toy and children's media company, was another detractor during the quarter. Toy industry headwinds, combined with weak performance from a newly acquired business unit, caused the company to miss quarterly earnings. Despite these challenges, the company has a unique, content-driven strategy, a strong lineup of holiday season releases, and a very solid balance sheet to weather potential storms.

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Harbor International Small Cap Fund



MANAGER COMMENTARY

As of 06/30/2024

Buys & Sells

During the quarter, we initiated a position in Hays, a global staffing business listed in London. Trading at its lowest level since the 2016 Brexit vote, market sentiment is poor due to overall U.K. market malaise, a challenging employee cost environment, and limited growth catalysts from key geographies such as Germany and Australia. The company has taken corrective action to resize the overall staffing base for the current environment. As volumes return with economic activity, we anticipate the company's return-on-equity (return on equity ("ROE") is a measure of financial performance calculated by dividing net income by shareholders' equity) profile to revert to mean levels and bring valuation multiples back to previous cyclical levels.

We also initiated a position in Nippon Express, a Japanese logistics business. Due to a combination of input cost pressures and wage increases, the company has seen an erosion in its ROE following a post-COVID-19 bump, causing valuation multiples to regress nearly to pandemic lows. When rates and economic activity resume, the company's ROE should benefit. In addition, we see potential additional upside to ROE from either the sale of or more efficient operations of non-core real estate assets. The company has come under increasing political pressure to raise its long-run ROE to above 10%.

During the quarter, we exited our position in Virgin Money UK. The bank received a buyout offer from Nationwide Building Society that we believed undervalued the potential future opportunities for the business, and we were not in favor of a sale. However, news reports suggest Richard Branson, a major shareholder in the bank, is facing a liquidity crunch and favors the deal. With no competing bids imminent, we exited our position.

We also exited our position in Bapcor, an Australian auto parts supplier. The company is dealing with a complex restructuring and volatility in its executive ranks. Rumors suggest private equity could make a bid for the group, but we see little scope for significant upside from the current share price.

Domestic & International Funds

Entering the year, the most significant sector overweight allocations were Information Technology and Industrials, and the most significant underweights were Real Estate, Energy, and Materials. As always, the Fund's sector allocations are a product of bottom-up stock selection consistent with our value-oriented philosophy and reflect broad opportunities available to us rather than any active sector allocation bet.

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Harbor International Small Cap Fund



MANAGER COMMENTARY

As of 06/30/2024

Outlook

Macroeconomic conditions continue to look broadly favorable for equities in most advanced economies. In Europe, gross domestic product ("GDP") growth has mostly recovered from a Ukraine war slump and seems to be reaccelerating in many places. Thanks to tourism and a relatively weak euro, the services sector is leading gains. Even manufacturing levels have stabilized. According to the ECB, the unemployment rate (~6.4% in April 2024, the latest available) is at its lowest level since the start of the euro. With inflation coming closer to target levels, the ECB has lowered its policy rate.

Although stock market returns rarely correlate to GDP growth, the current macro backdrop appears broadly favorable for earnings growth in Europe, especially from smaller companies that tend to benefit from improving economies. Unlike their U.S. counterparts, European smaller-cap companies tend to have lower overall debt levels and higher overall profitability. We would also highlight that the U.K. and France both had consequential elections in early July. Specific policy pronouncements have yet to be implemented, but the winning campaigns seemed to favor localization over globalization, suggesting some potential for direct or indirect fiscal stimulus.

QUARTERLY ATTRIBUTION

As of 06/30/2024

Best & Worst Performers

Best Performers	Average Weight %	Return %
SOLVAY SA	1.21	31.23
COMPUTER ENGINEER & CONSULT	1.51	29.54
ESR GROUP LTD	1.77	24.28
FUJI SEAL INTERNATIONAL INC	1.68	12.35
MORGAN ADVANCED MATERIALS PL	1.23	10.90

Worst Performers	Average Weight %	Return %
TOMTOM NV	1.35	-29.36
QOL HOLDINGS CO LTD	1.25	-20.50
METAWATER CO LTD	1.51	-20.07
SPIN MASTER CORP-SUB VTG SHR	1.66	-19.31
OPTEX GROUP CO LTD	1.40	-18.85

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
COMPUTER ENGINEER & CONSULT	29.54	0.40
ESR GROUP LTD	24.28	0.36
SOLVAY SA	31.23	0.31
FUJI SEAL INTERNATIONAL INC	12.35	0.18
ZIGUP PLC	10.56	0.17
Total		1.41

Greatest Detractors	Return %	Contribution to Return %
TOMTOM NV	-29.36	-0.50
SPIN MASTER CORP-SUB VTG SHR	-19.31	-0.36
METAWATER CO LTD	-20.07	-0.33
OPTEX GROUP CO LTD	-18.85	-0.30
ARJO AB - B SHARES	-17.93	-0.29
Total		-1.79

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Harbor International Small Cap Fund



ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:
Harbor International Small Cap Fund vs MSCI EAFE Small Cap (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-0.75	0.08	-0.82
Currency Contribution	-1.51	-1.92	0.42
Total Return	-2.25	-1.84	-0.41

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
	Real Estate	1.77	10.20	-8.43	24.28	-4.84	29.12	0.36	-0.50	0.25	0.46
Materials	9.08	9.76	-0.68	3.38	-3.25	6.63	0.29	-0.31	0.00	0.59	0.60
Communication Services	2.87	3.95	-1.08	2.46	-2.95	5.40	0.07	-0.11	0.01	0.16	0.17
Consumer Discretionary	12.24	12.69	-0.44	-5.14	-5.58	0.44	-0.61	-0.74	0.02	0.07	0.09
Health Care	6.43	5.78	0.66	-0.14	0.02	-0.15	0.00	0.00	0.02	0.00	0.01
Energy	0.00	3.24	-3.24	0.00	3.88	-3.88	0.00	0.12	-0.18	0.00	-0.18
Consumer Staples	7.43	6.29	1.14	-7.74	-4.04	-3.70	-0.54	-0.25	-0.04	-0.25	-0.29
Financials	12.15	12.46	-0.32	-1.10	1.92	-3.02	-0.06	0.27	-0.02	-0.35	-0.37
Utilities	1.66	2.55	-0.88	-16.05	5.55	-21.61	-0.26	0.13	-0.04	-0.36	-0.40
Industrials	28.22	23.39	4.83	-3.23	-1.66	-1.56	-0.92	-0.39	0.01	-0.46	-0.45
Information Technology	15.34	9.71	5.63	-3.80	-0.30	-3.50	-0.64	-0.05	0.08	-0.54	-0.47
Total	100.00	100.00	0.00	-2.25	-1.84	-0.41	-2.25	-1.84	0.27	-0.68	-0.41

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Harbor International Small Cap Fund



ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:

Harbor International Small Cap Fund vs MSCI EAFE Small Cap (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
Japan	24.93	34.07	-9.14	-2.99	-5.77	2.78	-0.71	-2.06	0.33	0.74	1.07
Belgium	4.73	1.29	3.43	9.94	-0.26	10.19	0.44	0.00	0.06	0.43	0.49
Hong Kong	2.92	1.57	1.35	17.73	3.28	14.45	0.45	0.05	0.03	0.42	0.44
Germany	2.99	4.50	-1.51	-0.44	-7.78	7.34	0.00	-0.33	0.08	0.24	0.32
Switzerland	4.98	4.35	0.63	4.44	-0.76	5.20	0.22	-0.04	0.02	0.25	0.27
Singapore	3.10	1.98	1.13	2.66	-0.90	3.56	0.07	-0.03	0.01	0.11	0.11
Israel	0.00	2.82	-2.82	0.00	-4.26	4.26	0.00	-0.12	0.07	0.00	0.07
New Zealand	0.00	0.63	-0.63	0.00	-3.70	3.70	0.00	-0.03	0.01	0.00	0.01
Ireland	0.01	0.31	-0.30	-2.88	-3.57	0.69	0.00	-0.01	0.00	0.00	0.00
Malta	0.00	0.10	-0.10	0.00	2.35	-2.35	0.00	0.00	0.00	0.00	0.00
Luxembourg	0.00	0.20	-0.20	0.00	2.31	-2.31	0.00	0.00	-0.01	0.00	-0.01
Portugal	0.00	0.33	-0.33	0.00	2.89	-2.89	0.00	0.01	-0.02	0.00	-0.02
China	1.72	0.00	1.72	-3.44	0.00	-3.44	-0.05	0.00	-0.02	0.00	-0.02
Austria	0.00	0.96	-0.96	0.00	1.86	-1.86	0.00	0.02	-0.04	0.00	-0.04
Finland	3.41	1.23	2.18	-5.99	3.28	-9.26	-0.19	0.04	0.11	-0.30	-0.19
Spain	3.59	2.00	1.59	-0.78	9.10	-9.89	-0.03	0.21	0.16	-0.35	-0.19
Canada	3.35	0.00	3.35	-8.15	0.00	-8.15	-0.29	0.00	-0.22	0.00	-0.22
Italy	3.00	3.49	-0.49	-7.41	-0.19	-7.22	-0.19	0.01	-0.01	-0.21	-0.22
United Kingdom	17.40	14.95	2.45	-0.18	2.01	-2.19	0.03	0.29	0.12	-0.37	-0.25
France	7.40	3.77	3.64	-8.82	-8.53	-0.29	-0.64	-0.32	-0.23	-0.03	-0.26
Denmark	1.73	2.25	-0.52	-4.42	7.87	-12.29	-0.08	0.18	-0.05	-0.21	-0.26
Australia	2.99	9.45	-6.46	-7.22	-1.03	-6.19	-0.31	-0.10	-0.05	-0.26	-0.31
Netherlands	3.20	1.56	1.64	-13.67	-5.73	-7.94	-0.48	-0.08	-0.04	-0.31	-0.35
Norway	0.00	2.55	-2.55	0.00	12.76	-12.76	0.00	0.31	-0.35	0.00	-0.35
Sweden	5.74	5.68	0.06	-8.89	2.38	-11.26	-0.55	0.14	0.00	-0.66	-0.66
Cash	2.82	0.00	2.82	2.83	0.00	2.83	0.04	0.00	0.16	0.00	0.16
Total	100.00	100.00	0.00	-2.25	-1.84	-0.41	-2.25	-1.84	0.37	-0.77	-0.41

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Small Cap Fund



ATTRIBUTION

As of 06/30/2024

Trailing 1 Year Attribution:
Harbor International Small Cap Fund vs MSCI EAFE Small Cap (ND) Index

	Portfolio	Benchmark	Active
Return Ex Currency	8.00	12.18	-4.17
Currency Contribution	-3.40	-4.39	0.99
Total Return	4.60	7.78	-3.19

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
	Materials	7.87	9.48	-1.61	14.83	3.44	11.39	1.15	0.36	0.06	0.90
Health Care	6.08	6.18	-0.10	15.99	1.75	14.25	1.12	0.08	0.07	0.86	0.92
Real Estate	0.71	10.20	-9.49	-2.49	1.58	-4.07	0.02	0.20	0.50	0.14	0.64
Consumer Staples	10.18	6.42	3.76	8.69	4.47	4.22	1.32	0.34	0.00	0.53	0.53
Utilities	1.76	2.48	-0.72	22.33	11.47	10.86	0.45	0.26	0.00	0.22	0.22
Communication Services	3.37	4.08	-0.71	4.04	6.18	-2.14	-0.03	0.27	0.03	-0.20	-0.17
Energy	0.38	3.13	-2.75	3.20	26.78	-23.59	0.12	0.72	-0.28	-0.04	-0.32
Financials	11.92	12.08	-0.16	16.78	23.23	-6.45	2.22	2.71	-0.05	-0.58	-0.63
Consumer Discretionary	12.04	12.89	-0.85	-4.10	2.40	-6.50	-0.61	0.28	0.03	-0.72	-0.69
Industrials	27.65	23.12	4.53	1.15	8.48	-7.33	0.37	1.92	0.08	-2.04	-1.96
Information Technology	15.06	9.92	5.14	-10.73	6.46	-17.19	-1.70	0.61	-0.04	-2.83	-2.87
Total	100.00	100.00	0.00	4.60	7.78	-3.19	4.60	7.78	0.57	-3.75	-3.19

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Harbor International Small Cap Fund



ATTRIBUTION

As of 06/30/2024

Trailing 1 Year Attribution:

Harbor International Small Cap Fund vs MSCI EAFE Small Cap (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
United Kingdom	16.44	14.86	1.58	22.02	13.41	8.61	3.63	1.94	0.17	1.24	1.41
Belgium	3.67	1.38	2.29	25.88	2.29	23.59	0.95	0.06	-0.09	0.83	0.74
Hong Kong	1.76	1.62	0.15	14.83	-6.06	20.89	0.22	-0.13	0.07	0.28	0.34
Ireland	1.01	0.30	0.71	30.32	13.52	16.80	0.36	0.04	0.09	0.16	0.24
Switzerland	4.85	4.49	0.36	5.55	2.04	3.50	0.47	0.09	0.03	0.20	0.23
Australia	4.55	9.57	-5.02	10.36	8.43	1.93	0.73	0.72	-0.01	0.20	0.19
Germany	3.03	4.78	-1.75	-11.29	-8.18	-3.11	-0.42	-0.34	0.28	-0.12	0.16
New Zealand	0.00	0.73	-0.73	0.00	-10.75	10.75	0.00	-0.10	0.14	0.00	0.14
Israel	0.00	2.84	-2.84	0.00	5.11	-5.11	0.00	0.12	0.08	0.00	0.08
Spain	3.75	1.97	1.78	18.71	28.39	-9.68	0.71	0.56	0.35	-0.32	0.03
Singapore	2.93	1.98	0.96	-0.05	-4.49	4.45	0.00	-0.12	-0.12	0.14	0.01
Malta	0.00	0.10	-0.10	0.00	14.77	-14.77	0.00	0.01	-0.01	0.00	-0.01
Luxembourg	0.00	0.20	-0.20	0.00	24.81	-24.81	0.00	0.04	-0.03	0.00	-0.03
Portugal	0.00	0.32	-0.32	0.00	24.27	-24.27	0.00	0.08	-0.05	0.00	-0.05
France	8.17	3.87	4.31	-1.63	-8.90	7.27	-0.20	-0.34	-0.71	0.66	-0.05
China	1.72	0.00	1.72	-6.49	0.00	-6.49	-0.13	0.00	-0.24	0.00	-0.24
Austria	0.31	0.95	-0.64	-18.92	17.09	-36.02	-0.29	0.17	-0.11	-0.17	-0.28
Norway	0.00	2.44	-2.44	0.00	24.28	-24.28	0.00	0.54	-0.39	0.00	-0.39
Netherlands	3.36	1.66	1.70	-6.98	3.08	-10.06	-0.17	0.08	-0.03	-0.36	-0.39
Finland	3.32	1.24	2.08	-6.93	9.65	-16.57	-0.10	0.13	0.12	-0.55	-0.43
Canada	3.40	0.00	3.40	-7.87	0.00	-7.87	-0.31	0.00	-0.57	0.00	-0.57
Denmark	1.74	2.14	-0.40	-17.70	20.41	-38.11	-0.22	0.40	-0.02	-0.66	-0.68
Sweden	5.11	5.41	-0.30	-0.93	16.05	-16.99	-0.12	0.98	0.00	-0.93	-0.93
Italy	2.95	3.48	-0.53	-14.57	22.35	-36.92	-0.35	0.78	-0.07	-1.09	-1.16
Japan	24.93	33.69	-8.75	-1.14	6.50	-7.64	-0.30	2.09	0.21	-1.96	-1.75
Cash	2.99	0.00	2.99	6.04	0.00	6.04	0.15	0.00	0.21	0.00	0.21
Total	100.00	100.00	0.00	4.60	7.78	-3.19	4.60	7.78	-0.06	-3.13	-3.19

Performance data shown represents past performance and is no guarantee of future results.

Harbor International Small Cap Fund



IMPORTANT INFORMATION

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 cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

Benchmarks

The MSCI EAFE Small Cap (ND) Index is an equity index which captures small cap representation across developed market countries around the world, excluding the U.S. and Canada. 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 or call 800-422-1050. Read it carefully before investing.

Cedar Street Asset Management, LLC is a third party subadvisor to the Harbor International Small Cap Fund.

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Harbor International Small Cap Fund



IMPORTANT INFORMATION

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.