

Harbor International Core Fund

Ticker: **HAOSX** | July 2023

Strategy Highlights

Quantitative Pioneer. Founded in 1986, Acadian is a Boston-based quantitative equity manager with decades of experience managing international equity strategies.

Multifactor and Adaptable. Acadian’s systematic approach, which is applied across all of its equity strategies, includes more than 100 signals across several factor groups. Acadian takes a long-term approach to investing and believes that its multifaceted, adaptable process produces portfolios that are well positioned to weather a variety of market conditions and achieve consistent risk-adjusted results.

Robust Data. Acadian puts significant resources behind the data that drives its models. It has built an extensive data repository (55 terabytes) and is constantly scouting for new sources of fresh and distinctive information. This breadth of data promotes effective investment insights.

Substantial Investment Resources. Acadian’s team of more than 100 highly qualified investment professionals are an experienced and diverse group. This includes a dedicated team of researchers charged with monitoring signal effectiveness and researching new signals to maintain and improve the model’s alpha potential.

Diversified & Highly Active. The Fund enables diversified non-US equity exposure across styles, geographic regions and market capitalizations. Given the highly active approach of the Fund’s investment team, the Harbor International Core Fund has generally exhibited an active share greater than 80% (vs. the MSCI EAFE Index).

Overview

The Harbor International Core Fund is an actively managed international equity fund that seeks long-term growth of capital and to outperform the MSCI EAFE Index through a proprietary systematic process. Acadian’s team incorporates a robust set of factors with the aim of creating a portfolio well positioned for a variety of investment environments. While the fund focuses primarily on developed-market equities, the all-cap portfolio can include up to 15% in emerging market stocks.

Share Class	Institutional
Fund Number	2044
Net Expense Ratio*	0.85%
Gross Expense Ratio	1.24%
Inception Date	03/01/2019
Manager Name	Acadian Asset Management LLC
Listed Exchange	NYSE
Benchmark	MSCI EAFE (ND) Index
Morningstar Category	Foreign Large Blend

*The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/29/2024.



About The Manager

Founded in 1986, Acadian Asset Management is a pioneer in quantitative investing. Acadian’s Non-US Equity strategy was inceptioned in January 1995 (28+ year track record). In addition to its Boston headquarters, the firm has offices in London, Singapore, Sydney and Tokyo. A team of over 100 investment professionals are dedicated to overseeing and researching the quantitative models that underly its systematic process.

Investment Approach

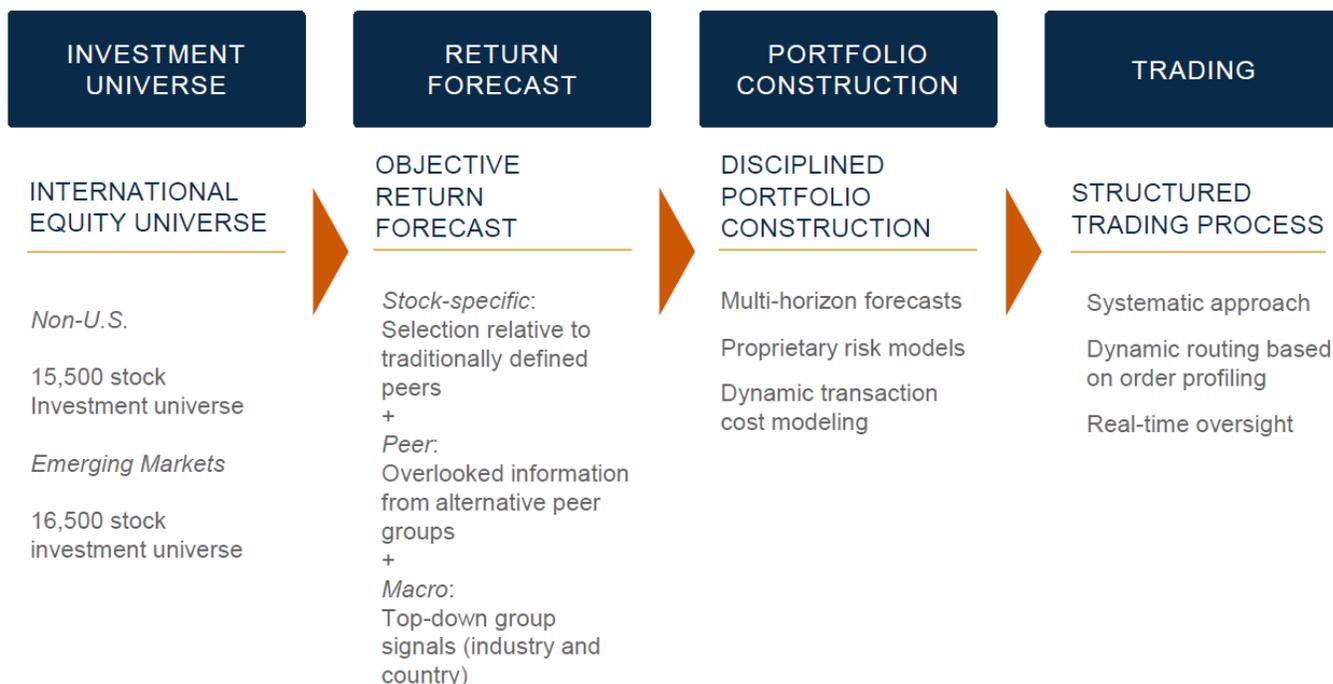
Acadian believes that markets are inefficient because investor decisions are made with incomplete information and are influenced by irrational behavioral biases. Acadian aims to exploit these inefficiencies through an objective and disciplined systematic process.

Acadian’s quantitative models systematically evaluate individual stocks based on their value, quality, growth, and technical attributes. Those stock-specific inputs are combined with peer group and macro signals to construct a risk/return forecast for each security in the universe. It is a fundamental belief of the firm that combining factors, rather than relying on one or two, will help lead to more consistent performance over time.

Acadian recognizes that signals can grow stale and believes that it must continually evolve in order to preserve its alpha generating capabilities. Accordingly, the firm continues to invest in the research necessary to keep its models fresh. A dedicated team of researchers oversee this integral aspect of Acadian’s approach. This team’s focus is on monitoring the existing set of predictive variables and searching for new ideas to potentially increase the model’s return forecasting ability. This entails continual analysis of portfolio returns and factor behavior, research into potential new factors, and efforts to enhance the overall structure of the investment process in terms of factor weightings and methodology.

Investment Process

State-of-the-art technology and data analysis allow Acadian to evaluate and project expected returns, risk, and transaction costs for 43,500 stocks globally. Their investment insights are applied to generate a predicted market-relative return forecast for every investible stock in the universe after each regional market cycle close.

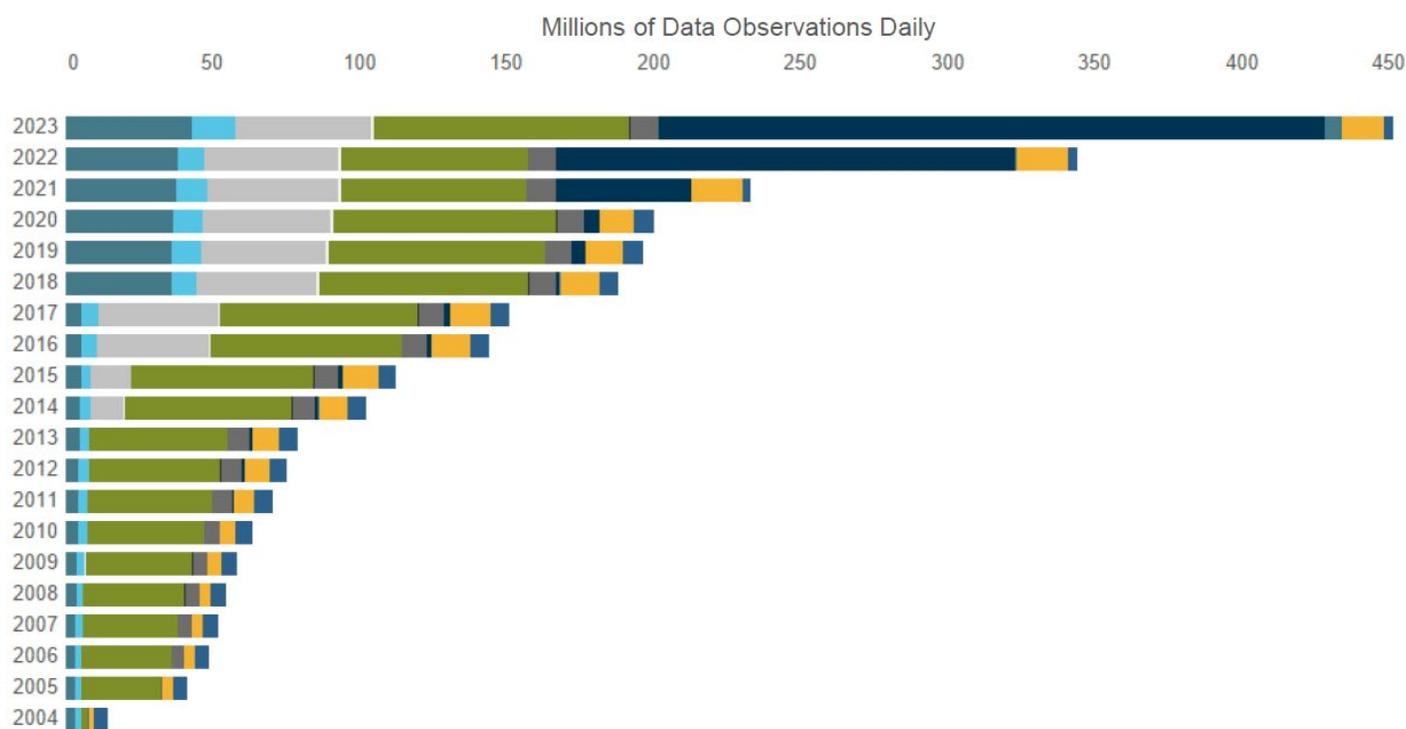




The models base their forecasts on more than 100 different signals, synthesizing qualitative and quantitative information systematically. The signals are grouped into approximately twenty distinct proprietary Acadian aggregate factors that they label as Value, Growth, Quality and Technical. These bottom-up signals are then combined with peer-group and top-down models to generate stock-level forecasts.

A proprietary portfolio optimization system combines return, transaction costs, and risk forecasts with the objective of producing a portfolio with the highest expected returns relative to risk, net of transaction costs, with the aim of creating a diversified risk-aware portfolio positioned to succeed under a variety of market climates.

Acadian' recognizes that data is critical to the effectiveness of its models. It has a team dedicated to scrubbing data and constantly searching for new sources. Currently, Acadian's models incorporate data from over 40 sources, including regulatory authorities, company websites, media sources, and industry trade organizations not available in standard vendor offerings.



Source: Acadian Asset Management LLC.

Prior to trading, all portfolios are independently reviewed by members of both Acadian's Portfolio Management and Portfolio Construction and Trading teams to confirm that the portfolio meets its specific objectives and risk parameters.



Important Information

All investments involve risk including the possible loss of principal. Stock prices can fall because of weakness in the broad market, a particular industry, or specific holdings. At times, a growth investing style may be out of favor with investors which could cause growth securities to underperform value or other equity securities. Foreign securities may be subject to greater risks than investing only in the U.S. These risks are more severe for securities of issuers in emerging market region and may be more volatile and less liquid due to currency fluctuation, political instability, government sanctions, social and economic risks. Foreign currencies can decline in value and can adversely affect the dollar value of an investment. Investing entails risks and there can be no assurance that any investment will achieve profits or avoid incurring losses. Diversification does not assure a profit or protect against loss in a declining market.

The **MSCI EAFE Index** is an unmanaged index generally representative of major overseas stock markets. These unmanaged indices do not reflect fees and expenses and are not available for direct investment.

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.

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.

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