

# MONEYWATCH

## ADVISORS

S p e c i a l E d i t i o n

**The fishermen know that the sea is dangerous and the storm terrible, but they have never found these dangers sufficient reason for remaining ashore.**

**-Vincent van Gogh**

Fund Highlights

**Harbor International Fund**

Symbol: HAINX

Objective: Long-term Total Return

Fund Type: International

Risk: Aggressive



### What You Own & Why

Over the next several months we will include this 'special edition' along with our usual monthly newsletter. Our goal is to help you be a more informed investor; detailing the assets you own, their investment objectives and why we have chosen them for your portfolio. We invite you to offer feedback and ask us any additional questions you may have.

## Harbor International Fund

The Harbor International Fund purchases shares of companies whose minimum market cap is \$1-billion (market cap is the total number of shares multiplied by the share price). At least 65% of the fund is invested in common and preferred shares of foreign companies. The stability of a country's currency and its political, social and economic culture are analyzed before a country is considered to be a candidate for investment. Once a country has been determined the managers look at the economic and market data and apply their knowledge of each country's culture. A minimum of ten countries will be selected. Then individual companies are evaluated and selected for inclusion within the portfolio. The advisors look for companies whose share price is believed to be trading lower than its actual value.

Harbor International Fund has been in existence since 1987 and has remained one of the premier performers during its existence. Its return has outpaced its peers for several years. The fund has accumulated over \$28-billion dollars in assets and averaged an 11.85% return since its inception. The management recently stated that they were avoiding investments in Japan, optimistic about continued growth in China and avoiding economies with structural problems like Greece, Spain, Portugal, Ireland and Italy. Almost all of the companies in the portfolio cut costs last year and generated lots of cash which decreases their vulnerability and increases the strength of their balance sheets.

Incorporating an international component within your portfolio is critical to achieving a broad diversification. Harbor International Fund has proven itself over the long term which is why we have chosen to include it in most portfolios. Moneywatch determines the percentage of your assets which should be invested in this area and then monitors that number and makes adjustments as necessary.