

# HARBOR CAPITAL APPRECIATION FUND

Jennison Associates LLC

Subadvisor Since 05/01/1990

<b>Total Net Assets - All Classes</b>	\$29,018,506,561
<b>Equity Assets:</b>	98.98%
<b>Cash &amp; Other Assets Less Liabilities:</b>	1.02%
<b>Benchmark Name:</b>	Russell 1000® Growth Index

## Portfolio Managers



Kathleen A.  
McCarragher



Blair A. Boyer



Natasha Kuhlkin



Owuraka Koney

## Investment Philosophy

The Harbor Capital Appreciation Fund invests primarily in equity securities, specifically U.S. companies with market capitalizations of at least \$1 billion at the time of purchase. Through rigorous research, visits, and meetings with top management, the portfolio manager knows these businesses intimately, and only invests in those that the portfolio manager believes have: strong balance sheets and earnings performance, sales momentum and growth outlook, high profitability history or potential, unique market position and a capable and committed management team. The Fund stays fully invested in stocks and does not try to time the market, but instead works toward steady investment growth.

## CHARACTERISTICS & ALLOCATION

As of 09/30/2025

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	48	391	Information Technology	44.21	52.65
Wtd Avg Market Cap (\$Mil)	1,775,482.30	2,018,250.40	Communication Services	17.18	11.49
Median Market Cap (\$Mil)	192,037.00	23,682.00	Consumer Discretionary	15.76	13.20
Price/Book Ratio	17.47	18.54	Health Care	6.23	6.80
Adjusted Trailing P/E Ratio	39.90	38.70	Financials	5.76	6.18
% EPS Growth - Past 3 Yr	38.90	30.30	Industrials	5.40	5.90
Est 3-5 Yr EPS Growth Rate (%)	15.10	13.90	Consumer Staples	2.96	2.42
Return on Equity (%)	28.45	33.14	Utilities	1.48	0.31
Beta vs. Fund Benchmark	1.09		Real Estate	0.00	0.44
Forecasted P/E Ratio	34.70	34.50	Materials	0.00	0.32
			Energy	0.00	0.29

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
NVIDIA Corporation	11.94	13.11	Semiconductors	20.00	20.06
Microsoft Corporation	7.21	11.55	Software	15.83	19.52
Amazon.com Inc.	6.88	4.17	Interactive Media	10.65	8.95
Broadcom Inc.	6.19	4.66	Broadline Retail	7.73	4.31
Apple Inc.	5.85	11.18	Entertainment	6.53	2.43
Meta Platforms Inc Class A	5.55	3.76	Tech Hardware Storage	5.85	11.34
Tesla Inc.	3.78	3.94	Financial Services	4.53	3.80
Netflix Inc.	3.66	1.63	Aerospace & Defense	4.50	1.84
Alphabet Inc. Class C	2.63	2.28	Automobiles	3.78	3.94
Alphabet Inc. Class A	2.47	2.79	Consumer Staples	2.96	1.59
<b>Total</b>	<b>56.14</b>	<b>59.08</b>	<b>Distribution &amp; Retail</b>		
			<b>Total</b>	<b>82.35</b>	<b>77.78</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	98.61
	10.0B - 25.0B	0.37
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00



# Harbor Capital Appreciation Fund



## PERFORMANCE

As of 09/30/2025

### 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	HACAX	411511504	5.11%	13.04%	20.07%	30.71%	12.95%	17.12%	12.77%	12/29/87	0.67	0.72
Investor	HCAIX	411511819	5.02%	12.74%	19.64%	30.25%	12.55%	16.70%	12.35%	11/01/02	1.02	1.07
Retirement	HNACX	411512528	5.13%	13.10%	20.16%	30.82%	13.04%	17.21%	12.80%	03/01/16	0.59	0.64
Russell 1000® Growth Index			10.51%	17.24%	25.53%	31.61%	17.58%	18.83%	12.06%	12/29/87		
S&P 500 Index			8.12%	14.83%	17.60%	24.94%	16.47%	15.30%	11.45%	12/29/87		

The Fund's returns achieved during certain periods shown were unusual and an investor should not expect such performance to be sustained.

## MANAGER COMMENTARY

As of 09/30/2025

**"The market has shown remarkable resiliency, not only looking past unsettled questions about tariffs, fiscal policy, and geopolitical tensions, but also continuing to move higher in the face of them."**

Jennison Associates, LLC

### Market in Review

U.S. equity markets delivered robust gains in the third quarter of 2025, fueled by continued momentum in the development of artificial intelligence ("AI") and resilient corporate earnings. The Federal Reserve's ("Fed") largely anticipated decision to cut interest rates by 25 basis points provided an additional tailwind to markets at the end of the quarter. Despite policy risks, underlying economic uncertainty, and concerns about valuations, all major indexes finished the third quarter at record highs, reflecting underlying investor confidence and risk appetite.

Broadly, the macro backdrop was supportive during the period. The Fed's federal funds rate cut, the first since September 2024, came amid evidence of a cooling labor market and softer economic data. While more muted, economic indicators remained positive for real gross domestic product and consumer spending. Geopolitical tensions ebbed with the resolution of some tariff uncertainty, but sector leadership and market volatility remained sensitive to headlines, especially in rate-sensitive areas and those exposed to global trade.

Information Technology, led by large-cap constituents, outperformed all other sectors and was the primary contributor to performance. The Communications Services sector also capitalized on persistent investor enthusiasm for Artificial Intelligence ("AI") and related growth themes and, along with Consumer Discretionary, posted strong returns. Underpinning this strength, corporate earnings for the broader market rose year over year, beating analyst expectations and providing support for equity valuations.

As we head into the home stretch of the year, potential economic headwinds and lingering policy uncertainties merit watching. However, the market largely looked past these concerns in the third quarter as the technology-led rally lifted the broader market to historic highs.

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 02/28/2026.

**Performance data shown represents past performance and is no guarantee of future results. Fund 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](http://harborcapital.com) or by calling 800-422-1050.**

# Harbor Capital Appreciation Fund

## MANAGER COMMENTARY

As of 09/30/2025



### Portfolio Performance

During the third quarter, the Harbor Capital Appreciation Fund (Institutional Class, "Fund") returned 5.11%, underperforming its benchmark, the Russell 1000® Growth Index, which returned 10.51%, and the S&P 500 Index, which returned 8.12%.

Security selection in Communication Services, Health Care, Consumer Discretionary, and Information Technology detracted the most from relative performance, while security selection in Consumer Staples added modest value. Although sector allocation effects are residual to our bottom-up process, they weighed on relative returns this period. The underweight to Information Technology was the largest detractor, while the overweight to Communication Services and the absence of exposure to Real Estate contributed positively.

### Contributors & Detractors

Microsoft shares underperformed due to concerns about its relationship with Open AI following the Oracle/Open AI deal announcement. The Fund's underweight position in Microsoft relative to the index contributed positively to relative returns.

Shares of Taiwan Semiconductor were driven higher by strong demand for advanced AI and high-performance computing chips, with the company's leadership in next-generation manufacturing cementing its role in the industry's growth.

Shopify's share price benefited from increased merchant adoption of its payment and AI-powered solutions, ongoing global expansion, and sustained demand for e-commerce value-added services.

Broadcom's stock price benefited from record AI chip orders and rising demand for accelerators from new customers.

Cadence Design Systems benefited from strong demand for AI-powered design solutions, steady growth across core businesses, and the dissipation of China-related headwinds.

Apple's stock price benefited after the company launched a new, higher-priced iPhone lineup that is generating strong early demand. The Fund's underweight position in Apple relative to the index contributed negatively to relative returns.

Netflix experienced a modest pullback during the period, reflecting normal fluctuations following an extended period of outperformance.

Walt Disney shares underperformed the market during the period due to concerns about streaming engagement.

Oracle shares retreated after a strong rally following its Open AI deal.

Vertex Pharmaceuticals lost value following disappointing clinical trial results in one of its pain therapy programs.

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# Harbor Capital Appreciation Fund

## MANAGER COMMENTARY

As of 09/30/2025



### Buys and Sells

We initiated a position in Advanced Micro Devices, a leading provider of high-performance computing and AI solutions. The company's sharpened product roadmap and momentum with major cloud providers highlight its growth prospects. Continued innovation in data center and AI accelerators, broad adoption across premium markets, and disciplined execution position Advanced Micro Devices as a compelling long-term investment in rapidly expanding technology markets.

We initiated a position in Toast, a leader in cloud-based restaurant technology serving a large, under-penetrated market. Toast provides an integrated platform for point-of-sale, payments, operations, and guest engagement, helping restaurants improve efficiency, streamline workflows, and enhance the customer experience. Expansion into enterprise and international markets, along with a strong recurring revenue model, position Toast for profitable growth potential.

We initiated a position in Oracle, a leader in cloud infrastructure and enterprise software. Strong growth in the cloud and applications is supported by demand, AI innovation, and partnerships such as its OpenAI agreement. With a large installed base and expanding cloud adoption, Oracle is well positioned to capture rising software and infrastructure demand.

We eliminated the position in Trade Desk as slowing growth, coupled with increasing competition and recent management changes, have created greater uncertainty regarding the company's future growth.

We sold the position in Texas Instruments, as the anticipated recovery in analog semiconductor demand has been slower to materialize, resulting in limited incremental changes in capacity utilization.

We eliminated the position in Airbnb over concerns about a slowing growth outlook.

### Overweights and Underweights

Our sector weightings are a direct result of our rigorous, research-driven stock selection process. As of December 31, 2024, the Fund's largest sector exposures were in Information Technology, Consumer Discretionary, and Communication Services. Compared to the Russell 1000® Growth Index, our most significant overweight positions were in Communication Services and Consumer Discretionary, while our largest underweight was in Information Technology. This underweight reflects the exceptionally large benchmark allocations to Apple, Microsoft, and Nvidia, rather than a lack of conviction in the sector itself.

During the quarter, we increased our allocation to the Information Technology sector and reduced our exposure to Health Care stocks. While these changes were primarily driven by our conviction in select companies that best met our investment criteria, they were also influenced by the notable dispersion in asset prices and market movements across sectors.

Importantly, these adjustments do not reflect a top-down view on sector prospects. Instead, they underscore our fundamentally driven, bottom-up investment philosophy, where sector exposures are a byproduct of our rigorous stock selection process and the dynamic nature of market opportunities.

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# Harbor Capital Appreciation Fund

## MANAGER COMMENTARY

As of 09/30/2025



### Outlook

As we begin the final quarter of 2025, many of the uncertainties that have arisen over the last nine months remain in place. The market has shown remarkable resiliency, not only looking past unsettled questions about tariffs, fiscal policy, and geopolitical tensions, but also continuing to move higher in the face of them.

The potential risks posed to revenue and earnings growth have yet to materialize, and for now, the market does not seem to be concerned that there will be much, if any, dampening effect on consumer spending or the broader economy. During the quarter, the United States extended a 90-day tariff truce with China, reducing the risk of immediate broad-based tariff escalation, but future developments regarding resolution of this issue bear monitoring.

In navigating this uncertainty, we continue to adhere to our disciplined investment approach by staying focused on high-quality companies with enduring competitive advantages. We are actively monitoring the evolving environment for new opportunities, while maintaining an emphasis on long-term growth and risk management. The companies in the Fund are selected for their ability to capitalize on multiyear opportunities founded on unique products and innovation, supported by durable competitive moats and positions of market leadership.

## QUARTERLY ATTRIBUTION

As of 09/30/2025

### Best & Worst Performers

Best Performers	Average Weight %	Return %
APPROVIN CORP-CLASS A	0.34	105.25
TESLA INC	2.13	40.00
ALPHABET INC-CL A	2.15	38.07
ALPHABET INC-CL C	2.19	37.42
SHOPIFY INC - CLASS A	0.97	28.83

Worst Performers	Average Weight %	Return %
TRADE DESK INC/THE -CLASS A	0.66	-36.74
NOVO-NORDISK A/S-SPONS ADR	0.33	-31.80
DEXCOM INC	0.74	-22.91
INTUITIVE SURGICAL INC	0.96	-17.70
TOAST INC-CLASS A	0.37	-16.15

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
NVIDIA CORP	18.10	1.90
APPLE INC	24.25	1.17
BROADCOM INC	19.89	1.09
TESLA INC	40.00	0.79
ALPHABET INC-CL C	37.42	0.72
Total		5.67

Greatest Detractors	Return %	Contribution to Return %
NETFLIX INC	-10.47	-0.50
NOVO-NORDISK A/S-SPONS ADR	-31.80	-0.30
TRADE DESK INC/THE -CLASS A	-36.74	-0.29
VERTEX PHARMACEUTICALS INC	-12.03	-0.23
INTUITIVE SURGICAL INC	-17.70	-0.20
Total		-1.53

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# Harbor Capital Appreciation Fund

## ATTRIBUTION

As of 09/30/2025

Quarterly Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	5.23	10.51	-5.28
Currency Contribution	0.00	0.00	0.00
<b>Total Return</b>	<b>5.23</b>	<b>10.51</b>	<b>-5.28</b>

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	0.00	0.47	-0.47	0.00	-6.10	6.10	0.00	-0.03	0.08	0.00	0.08
Energy	0.00	0.29	-0.29	0.00	-3.96	3.96	0.00	-0.01	0.04	0.00	0.04
Materials	0.00	0.33	-0.33	0.00	1.91	-1.91	0.00	0.01	0.03	0.00	0.03
Industrials	5.71	5.84	-0.13	5.01	5.45	-0.44	0.28	0.32	0.00	-0.02	-0.03
Consumer Staples	3.45	2.52	0.93	-1.68	-4.26	2.58	-0.05	-0.12	-0.13	0.10	-0.04
Utilities	1.49	0.32	1.17	2.08	1.12	0.96	0.02	0.00	-0.11	0.01	-0.10
Financials	7.13	6.37	0.76	-2.96	-0.46	-2.51	-0.19	-0.02	-0.06	-0.20	-0.26
Consumer Discretionary	16.06	13.40	2.67	4.82	10.10	-5.28	0.78	1.35	-0.01	-0.84	-0.85
Information Technology	40.39	52.20	-11.81	13.02	14.51	-1.49	5.04	7.44	-0.47	-0.58	-1.05
Health Care	7.71	6.69	1.02	-11.67	2.80	-14.47	-0.99	0.18	-0.16	-1.21	-1.37
Communication Services	17.76	11.58	6.18	1.83	11.79	-9.96	0.33	1.39	0.07	-1.80	-1.74
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>5.23</b>	<b>10.51</b>	<b>-5.28</b>	<b>5.23</b>	<b>10.51</b>	<b>-0.73</b>	<b>-4.55</b>	<b>-5.28</b>

Trailing 1 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	20.90	25.53	-4.63
Currency Contribution	0.10	0.00	0.10
<b>Total Return</b>	<b>21.00</b>	<b>25.53</b>	<b>-4.53</b>

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	5.36	4.94	0.42	36.47	18.02	18.46	1.90	1.05	-0.03	0.89	0.86
Consumer Staples	3.60	3.26	0.34	13.72	-4.06	17.77	0.57	-0.18	-0.17	0.75	0.58
Real Estate	0.00	0.51	-0.51	0.00	-10.04	10.04	0.00	-0.07	0.21	0.00	0.21
Materials	0.00	0.54	-0.54	0.00	-4.97	4.97	0.00	-0.05	0.18	0.00	0.18
Communication Services	18.09	12.80	5.28	35.02	38.62	-3.61	6.01	4.59	0.63	-0.52	0.10
Energy	0.00	0.41	-0.41	0.00	10.05	-10.05	0.00	0.05	0.05	0.00	0.05
Utilities	0.80	0.27	0.53	9.89	58.82	-48.93	0.27	0.16	0.04	-0.16	-0.12
Financials	7.55	6.76	0.79	12.81	17.52	-4.71	0.91	1.28	-0.01	-0.34	-0.35
Information Technology	37.51	48.91	-11.40	31.49	31.62	-0.14	11.21	15.68	-1.01	-0.13	-1.14
Consumer Discretionary	17.60	14.61	3.00	16.09	25.77	-9.67	2.62	3.67	0.20	-1.71	-1.51
Health Care	8.89	7.01	1.88	-21.39	-4.31	-17.07	-2.51	-0.66	-0.78	-1.89	-2.67
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>21.00</b>	<b>25.53</b>	<b>-4.53</b>	<b>21.00</b>	<b>25.53</b>	<b>-1.41</b>	<b>-3.12</b>	<b>-4.53</b>

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



# Harbor Capital Appreciation Fund



## ATTRIBUTION

As of 09/30/2025

Trailing 3 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	126.76	127.98	-1.22
Currency Contribution	1.41	0.00	1.41
<b>Total Return</b>	<b>128.17</b>	<b>127.98</b>	<b>0.19</b>

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	36.89	44.99	-8.10	235.25	192.12	43.13	69.17	74.81	-5.03	11.00	5.97
Industrials	3.57	6.04	-2.47	206.00	87.78	118.23	4.93	6.61	1.59	2.66	4.24
Consumer Staples	3.47	4.30	-0.84	94.75	27.28	67.47	3.64	2.27	0.94	3.13	4.08
Energy	0.41	0.71	-0.30	39.66	44.66	-5.00	0.97	0.33	-0.03	1.05	1.02
Materials	0.00	0.79	-0.79	0.00	56.99	-56.99	0.00	0.70	0.64	0.00	0.64
Communication Services	13.82	11.12	2.71	176.80	185.09	-8.29	19.20	16.60	1.24	-0.77	0.47
Real Estate	0.59	0.88	-0.29	-8.75	18.82	-27.57	-0.25	0.28	0.31	-0.47	-0.16
Utilities	0.27	0.13	0.13	9.89	255.46	-245.57	0.27	0.28	-0.04	-0.31	-0.35
Health Care	11.07	9.65	1.42	37.91	41.39	-3.48	8.69	6.99	-2.58	1.26	-1.32
Financials	8.17	6.64	1.53	75.11	91.78	-16.67	8.58	6.99	-0.13	-1.37	-1.50
Consumer Discretionary	21.25	14.75	6.50	59.22	83.62	-24.40	12.87	12.11	-5.30	-6.27	-11.57
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>128.17</b>	<b>127.98</b>	<b>0.19</b>	<b>128.17</b>	<b>127.98</b>	<b>-9.72</b>	<b>9.92</b>	<b>0.19</b>

Trailing 5 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	91.26	124.69	-33.43
Currency Contribution	-0.40	0.00	-0.40
<b>Total Return</b>	<b>90.86</b>	<b>124.69</b>	<b>-33.83</b>

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
Consumer Staples	3.82	4.52	-0.70	108.41	39.26	69.14	3.11	2.52	1.08	2.15	3.23
Materials	0.00	0.86	-0.86	0.00	36.37	-36.37	0.00	0.27	0.74	0.00	0.74
Industrials	3.10	6.17	-3.07	105.95	97.84	8.11	4.04	6.33	0.41	-0.17	0.24
Real Estate	0.49	1.28	-0.79	-20.26	10.37	-30.63	-0.73	0.07	0.47	-0.32	0.16
Energy	0.39	0.59	-0.20	18.80	296.38	-277.58	0.20	0.64	-0.41	0.36	-0.05
Utilities	0.16	0.09	0.07	9.89	331.31	-321.43	0.27	0.28	-0.05	-0.26	-0.30
Health Care	9.24	10.19	-0.95	41.06	47.56	-6.51	7.72	9.67	-1.69	1.27	-0.42
Financials	9.38	6.92	2.46	26.15	55.44	-29.29	3.28	4.93	-2.12	-3.37	-5.49
Communication Services	14.25	11.12	3.13	88.95	135.86	-46.91	12.28	15.13	0.87	-7.30	-6.44
Consumer Discretionary	23.64	15.66	7.99	53.86	69.59	-15.73	6.90	8.56	-5.64	-2.36	-8.00
Information Technology	34.95	42.60	-7.65	158.99	207.36	-48.38	53.63	76.29	-4.78	-12.10	-16.87
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>90.86</b>	<b>124.69</b>	<b>-33.83</b>	<b>90.86</b>	<b>124.69</b>	<b>-11.74</b>	<b>-22.09</b>	<b>-33.83</b>

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

# Harbor Capital Appreciation Fund



## IMPORTANT INFORMATION

### Fund 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. 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. Since the Fund may hold foreign securities, it may be subject to greater risks than funds invested only in the U.S. These risks are more severe for securities of issuers in emerging market regions.

### Benchmarks

The Russell 1000® Growth Index is an unmanaged index generally representative of the U.S. market for larger capitalization growth stocks. The Standard & Poor's 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. These unmanaged indices do not reflect fees and expenses and are not available for direct investment. The Russell 1000® Growth Index and Russell® are trademarks of Frank Russell Company.

### 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](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

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# Harbor Capital Appreciation 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.