

Harbor Mid Cap Value Fund

LSV Asset Management

Subadviser Since 09/30/2004

Total Net Assets - All Classes \$466,396,136
Equity Assets: 98.76%
Cash & Other Assets Less Liabilities: 1.24%
Benchmark Name: Russell Midcap® Value Index

Portfolio Managers



Josef Lakonishok,
Ph.D.



Menno Vermeulen,
CFA



Puneet
Mansharamani, CFA



Greg Sleight



Guy Lakonishok,
CFA

Investment Philosophy

The Fund invests primarily in equity securities, common stocks, of mid cap companies that the portfolio manager believes are undervalued in the marketplace at the time of purchase. The portfolio manager's investment strategy uses a quantitative model to evaluate and recommend companies based on the following indicators: fundamental undervaluation, such as low price-to-cash flow ratio or low price-to-earnings ratio, past negative market sentiment, recent momentum, such as high recent stock price performance and control of incremental risk relative to the benchmark index.

CHARACTERISTICS & ALLOCATION

As of 06/30/2021

| Portfolio Characteristics | | | Economic Sectors | | |
|--------------------------------|-----------|-----------|------------------------|-------------|-------------|
| | Portfolio | Benchmark | | Portfolio % | Benchmark % |
| Number of Holdings | 155 | 695 | Financials | 19.67 | 16.11 |
| Wtd Avg Market Cap (\$Mil) | 13,272.40 | 20,776.10 | Consumer Discretionary | 14.77 | 10.91 |
| Med Cap - # Stocks (\$Mil) | 6,913.00 | 11,013.00 | Industrials | 13.89 | 15.96 |
| Price/Book Ratio | 2.15 | 2.89 | Information Technology | 10.67 | 9.72 |
| Adjusted Trailing P/E Ratio | 14.20 | 25.50 | Materials | 9.14 | 7.34 |
| % EPS Growth - Past 3 Yr | 8.00 | 12.60 | Real Estate | 7.65 | 10.55 |
| Return on Equity (%) | 10.70 | 9.95 | Health Care | 7.31 | 8.84 |
| Beta vs. Fund Benchmark | 1.20 | | Consumer Staples | 6.88 | 4.25 |
| Forecasted P/E Ratio | 12.00 | 19.90 | Utilities | 3.97 | 6.99 |
| Proj. Earnings Growth Rate (%) | 14.40 | 12.30 | Communication Services | 2.64 | 4.21 |
| | | | Energy | 2.17 | 5.09 |

| Top 10 Holdings | | | Top 10 Industries | | |
|-------------------------|--------------|-------------|------------------------|--------------|--------------|
| | Portfolio % | Benchmark % | | Portfolio % | Benchmark % |
| HP Inc. | 1.57 | 0.35 | Equity REITS | 7.65 | 9.90 |
| Jazz Pharmaceuticals Pu | 1.38 | 0.15 | Insurance | 7.02 | 5.54 |
| Citizens Financial Grou | 1.38 | 0.23 | Machinery | 6.84 | 5.30 |
| Kroger Co. | 1.37 | 0.40 | Banks | 5.34 | 4.70 |
| Whirlpool Corporation | 1.28 | 0.19 | Health Care Providers | 4.51 | 2.15 |
| Molson Coors Beverage C | 1.27 | 0.14 | Chemicals | 4.48 | 3.41 |
| Fifth Third Bancorp | 1.27 | 0.38 | Household Durables | 4.11 | 1.84 |
| Ally Financial Inc | 1.26 | 0.26 | Specialty Retail | 4.07 | 2.24 |
| Seagate Technology Hold | 1.25 | 0.00 | Containers & Packaging | 3.50 | 2.02 |
| Vistra Corp. | 1.25 | 0.13 | Electronic Equipment | 3.31 | 1.56 |
| Total | 13.28 | 2.23 | Total | 50.83 | 38.66 |

| Market Capitalization | | |
|-----------------------|---------------|-------------|
| | | Portfolio % |
| Large | Above 25.0B | 17.06 |
| | 10.0B - 25.0B | 29.32 |
| Mid | 5.0B - 10.0B | 26.20 |
| | 1.0B - 5.0B | 24.59 |
| Small | 0.0 - 1.0B | 2.81 |



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 | HAMVX | 411511835 | 4.81% | 25.00% | 63.64% | 7.28% | 9.79% | 10.51% | 8.06% | 03/01/02 | 0.85 | 0.90 |
| Administrative Investor | HRMVX | 411511728 | 4.80% | 24.88% | 63.25% | 7.02% | 9.52% | 10.23% | 9.20% | 11/01/02 | 1.10 | 1.15 |
| Investor | HIMVX | 411511736 | 4.72% | 24.81% | 63.06% | 6.90% | 9.39% | 10.10% | 9.07% | 11/01/02 | 1.21 | 1.26 |
| Retirement | HNMVX | 411512460 | 4.86% | 25.06% | 63.76% | 7.38% | 9.87% | 10.55% | 8.08% | 03/01/16 | 0.77 | 0.82 |
| Russell Midcap® Value Index | | | 5.66% | 19.45% | 53.06% | 11.86% | 11.79% | 11.75% | 10.34% | 03/01/02 | | |

MANAGER COMMENTARY

As of 06/30/2021

“We are invested in companies that are generating strong cash flow and earnings, with many companies returning cash to shareholders through dividends and share buybacks.”

LSV Asset Management

Market in Review

Global equity markets continued to advance in the second quarter of 2021, as the rollout of Covid-19 vaccines and relaxation of restrictions helped support equity markets. U.S. equities posted strong gains as the S&P 500 Index returned 8.55% for the quarter and is now up 15.25% year to date. Small-cap stocks lagged their large-cap counterparts in the quarter, after leading the way in the first quarter. Value stocks trailed growth stocks among mid- and large-cap stocks, after leading the market since late in 2020. Among mid-cap stocks, growth stocks outperformed value by nearly 6% in the quarter, although value stocks have had a significant return advantage since the start of 2021.

U.S. equity markets posted strong gains in the quarter, as the reopening of the economy and strong economic data helped drive equities higher. First quarter gross domestic product (“GDP”) grew by 6.4%, while individual companies reported record earnings. News of a potential bipartisan infrastructure bill, worth about \$1 trillion, to build and update roads and bridges, as well as expand wireless broadband, was well received by investors. While inflation picked up year over year, there was no change in current Federal Reserve (“Fed”) policy. However, the Fed signaled the potential for rate hikes in 2023. The continued accommodative monetary policy also supported equities. The yield on 10-Year Treasuries finished the quarter at 1.45%, down from 1.74% at the beginning of the quarter. All sectors in the Russell Midcap® Value Index posted gains in the quarter, with the exception of Utilities, which was down only slightly. Energy stocks led the way, while Real Estate, Health Care, and Materials also did well. In addition to Utilities, Consumer Staples, Communication Services, and Industrials lagged.

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.



Portfolio Performance

During the second quarter, the Harbor Mid Cap Value Fund (Institutional Class, “Fund”) returned 4.81%, underperforming its benchmark, the Russell Midcap® Value Index, which returned 5.66%. The rebound in growth-oriented stocks had a negative impact on relative results, given the Fund’s deeper-value characteristics.

We take limited sector and industry bets. The Fund’s sector weightings are a residual outcome of our bottom-up stock selection process. During the second quarter, the Fund’s sector allocation had little impact on relative performance, while stock selection detracted somewhat. The Fund’s underweight to Energy and Real Estate, the two top performing sectors, detracted in the quarter. However, this was offset by our underweight to Utilities, which lagged. While stock selection was positive in the Communication Services and Consumer Discretionary sectors, this was offset by poor selection in Industrials and Materials.

Contributors & Detractors

Navient Corporation was one of the top contributors to the Fund’s performance during the second quarter. Navient is a leading provider of education-loan management and business-processing solutions for education, health care, and government clients at the federal, state, and local levels. Navient returned 36% in the second quarter after returning nearly 50% in the first quarter. Navient has a history of positive earnings surprises, and the first quarter was no exception. Navient reported earnings per share of \$1.71 compared to the consensus estimate of just \$0.78. Management also increased guidance for the full year. We continue to hold Navient in the Fund. The stock remains attractive on our valuation measures and also has strong recent momentum.

DICK’S Sporting Goods was another top contributor to the Fund during the second quarter. DICK’S operates as a sporting goods retailer primarily in the eastern and central U.S. Shares of DICK’S returned 32% in the quarter after beating first-quarter earnings expectations and significantly increasing full-year guidance. Results were positively impacted by the reopening across the country, as both physical-store and e-commerce sales showed strong growth. The company also announced buybacks, which was viewed positively by investors. We continue to hold DICK’S in the Fund, but we did trim our position, given the strong recent performance.

Meritor, Inc. detracted from performance during the second quarter. Meritor manufactures and sells integrated systems, modules, and components to original equipment manufacturers and the aftermarket for transportation and industrial companies. Meritor’s stock price returned -20% during the second quarter, even though the company slightly beat earnings estimates. However, the stock has advanced more than 200% over the last five years. We continue to hold Meritor in the Fund as the stock remains attractive on our valuation metrics.

Two of the Fund’s airline holdings detracted from the Fund’s performance in the second quarter. Both JetBlue Airways and Alaska Air Group struggled, as airlines were down over 10% on average during the quarter—one of the worst performing industries in the benchmark. Both JetBlue and Alaska Air had recovered all of their share price losses from early 2020 by the beginning of the second quarter 2021. However, the continued, slow recovery of air travel early this year weighed on shares. While expectations are that air travel will continue to recover in the second half of 2021, first-half results remained sluggish. We continue to hold both JetBlue and Alaska Air in the Fund, although we trimmed our position in JetBlue in the second quarter.

Buys & Sells

During the quarter, we added Aflac, which provides supplemental life and health insurance. With the addition of Aflac, the Fund is slightly overweight insurance companies, which look attractive on our stock- ranking model. Aflac ranks highly from a valuation standpoint on several earnings measures—both trailing- and forward-earnings measures that we emphasize. The company pays a dividend of 2.4%, which is above average. In addition, the company has been aggressively buying back shares, which we view as a positive signal. Price momentum over the trailing year is above average, and we are seeing improvement in our measures of operating momentum.

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.



We sold our position in semiconductor manufacturer Cirrus Logic in the Information Technology sector. While Cirrus Logic continues to generate good cash flow, the stock has become less attractive on other valuation metrics, particularly trailing- and forward-earnings measures. The company has not been returning cash to shareholders, either through dividends or significant stock buybacks. Cirrus Logic has done well over a longer period of time (5-7 years), which has a negative impact on the model ranking, as we prefer companies that have had relatively poor past performance. In addition, recent price and operating momentums have been poor, which also have a negative impact on the model ranking. The combination of poor recent momentum, deteriorating valuation, and above-average past performance reduced the overall rank of the stock, and Cirrus Logic became a candidate for sale in the second quarter.

Outlook

While value stocks in general and the Harbor Mid Cap Value Fund, in particular, have done well since the start of the year, value stocks experienced a reversal in June, when growth stocks regained their leadership as the 'recovery trade' slowed. However, we remain very optimistic about the prospects for value and the Fund. Valuations for the Fund remain very attractive, as the Fund is trading at approximately a 40% discount to the Russell Midcap® Value Index, which is at the higher end of historical discounts for the Fund. However, the Fund is not only cheap, but we are invested in companies that are generating strong cash flow and earnings, with many companies returning cash to shareholders through dividends and share buybacks. In addition, the Fund is currently yielding 2.2% in a low interest-rate environment. We are able to find many attractive stocks across multiple sectors, particularly among the Financials, Consumer Discretionary, and Consumer Staples sectors.

QUARTERLY ATTRIBUTION

As of 06/30/2021

Best & Worst Performers

| Best Performers | Average Weight % | Return % |
|-----------------------------|------------------|----------|
| Navient Corp | 0.82 | 36.25 |
| Devon Energy Corporation | 0.62 | 35.15 |
| Dick's Sporting Goods, Inc. | 0.85 | 32.06 |
| Amkor Technology, Inc. | 0.28 | 31.30 |
| VEREIT, Inc. | 0.54 | 26.23 |

| Worst Performers | Average Weight % | Return % |
|--------------------------------|------------------|----------|
| Meritor, Inc. | 0.76 | -20.39 |
| JetBlue Airways Corporation | 0.35 | -17.50 |
| Wabash National Corporation | 0.33 | -14.53 |
| Alaska Air Group, Inc. | 0.57 | -12.86 |
| United Airlines Holdings, Inc. | 0.37 | -9.12 |

Contributors & Detractors

| Greatest Contributors | Return % | Contribution to Return % |
|---------------------------------|----------|--------------------------|
| Dick's Sporting Goods, Inc. | 32.06 | 0.24 |
| Navient Corp | 36.25 | 0.24 |
| Textron Inc. | 22.66 | 0.24 |
| AMC Networks Inc. Class A | 25.66 | 0.22 |
| Seagate Technology Holdings PLC | 15.45 | 0.20 |
| Total | | 1.14 |

| Greatest Detractors | Return % | Contribution to Return % |
|---|----------|--------------------------|
| Meritor, Inc. | -20.39 | -0.17 |
| Hartford Financial Services Group, Inc. | -6.72 | -0.08 |
| Alaska Air Group, Inc. | -12.86 | -0.07 |
| AGCO Corporation | -6.73 | -0.06 |
| Cummins Inc. | -5.41 | -0.05 |
| Total | | -0.43 |

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.

Harbor Mid Cap Value Fund

ATTRIBUTION

As of 06/30/2021



Quarterly Attribution:

Harbor Mid Cap Value Fund vs. Russell Midcap® Value

03/31/2021 - 06/30/2021

Performance

| | Portfolio | Benchmark | Active |
|-----------------------|-------------|-------------|--------------|
| Return ex Currency | 5.01 | 5.66 | -0.65 |
| Currency Contribution | 0.00 | 0.00 | 0.00 |
| Total Return | 5.01 | 5.66 | -0.65 |

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 |
| Utilities | 3.67 | 7.05 | -3.38 | 3.23 | -0.16 | 3.40 | 0.10 | -0.01 | 0.19 | 0.10 | 0.29 |
| Communication Services | 2.42 | 4.01 | -1.59 | 11.63 | 2.81 | 8.83 | 0.27 | 0.12 | 0.06 | 0.18 | 0.24 |
| Information Technology | 10.08 | 9.23 | 0.85 | 6.29 | 4.27 | 2.01 | 0.60 | 0.41 | 0.04 | 0.14 | 0.18 |
| Consumer Discretionary | 14.85 | 12.40 | 2.45 | 5.16 | 4.65 | 0.51 | 0.82 | 0.61 | -0.02 | 0.11 | 0.09 |
| Financials | 19.58 | 16.34 | 3.23 | 6.37 | 6.65 | -0.27 | 1.21 | 1.08 | 0.02 | -0.06 | -0.04 |
| Health Care | 7.54 | 7.36 | 0.18 | 7.26 | 8.09 | -0.83 | 0.53 | 0.58 | -0.01 | -0.08 | -0.09 |
| Consumer Staples | 6.78 | 3.76 | 3.02 | 2.07 | 2.30 | -0.23 | 0.12 | 0.09 | -0.12 | -0.02 | -0.15 |
| Energy | 2.18 | 4.30 | -2.12 | 13.08 | 14.83 | -1.75 | 0.26 | 0.56 | -0.16 | -0.03 | -0.19 |
| Real Estate | 7.13 | 10.10 | -2.97 | 9.52 | 10.32 | -0.79 | 0.60 | 0.98 | -0.13 | -0.07 | -0.20 |
| Materials | 9.34 | 7.98 | 1.36 | 4.14 | 7.44 | -3.30 | 0.40 | 0.58 | 0.03 | -0.29 | -0.26 |
| Industrials | 14.62 | 17.46 | -2.84 | 0.11 | 3.64 | -3.53 | 0.12 | 0.67 | 0.06 | -0.45 | -0.40 |
| [Cash] | 1.81 | 0.00 | 1.81 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | -0.12 | 0.00 | -0.12 |
| Total | 100.00 | 100.00 | 0.00 | 5.01 | 5.66 | -0.65 | 5.01 | 5.66 | -0.17 | -0.47 | -0.65 |

Trailing 1 Year Attribution:

Harbor Mid Cap Value Fund vs. Russell Midcap® Value

06/30/2020 - 06/30/2021

Performance

| | Portfolio | Benchmark | Active |
|-----------------------|--------------|--------------|--------------|
| Return ex Currency | 65.44 | 53.08 | 12.36 |
| Currency Contribution | 0.00 | 0.00 | 0.00 |
| Total Return | 65.44 | 53.08 | 12.36 |

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 Discretionary | 14.80 | 12.20 | 2.60 | 92.53 | 68.98 | 23.55 | 12.77 | 8.07 | 0.51 | 2.57 | 3.08 |
| Financials | 19.59 | 15.60 | 3.99 | 77.30 | 67.78 | 9.53 | 14.49 | 9.81 | 0.61 | 1.50 | 2.12 |
| Industrials | 14.37 | 17.38 | -3.01 | 69.32 | 56.80 | 12.52 | 10.45 | 9.96 | -0.02 | 1.84 | 1.82 |
| Communication Services | 2.23 | 4.11 | -1.88 | 145.71 | 66.11 | 79.59 | 2.80 | 2.64 | -0.04 | 1.35 | 1.31 |
| Information Technology | 8.32 | 9.36 | -1.04 | 70.06 | 52.84 | 17.21 | 5.48 | 4.98 | 0.22 | 1.06 | 1.28 |
| Utilities | 5.15 | 8.01 | -2.86 | 15.40 | 14.37 | 1.03 | 1.00 | 1.62 | 1.22 | -0.12 | 1.09 |
| Materials | 8.85 | 7.43 | 1.43 | 78.00 | 74.08 | 3.92 | 7.00 | 5.12 | 0.49 | 0.60 | 1.09 |
| Real Estate | 8.24 | 10.20 | -1.96 | 52.03 | 41.86 | 10.17 | 4.14 | 4.16 | 0.15 | 0.89 | 1.05 |
| Health Care | 8.37 | 7.66 | 0.71 | 45.98 | 39.09 | 6.88 | 4.33 | 3.27 | 0.07 | 0.56 | 0.63 |
| Energy | 2.34 | 4.01 | -1.67 | 64.71 | 73.69 | -8.97 | 1.16 | 2.34 | -0.03 | -0.17 | -0.19 |
| Consumer Staples | 6.57 | 4.06 | 2.51 | 25.89 | 24.69 | 1.20 | 1.80 | 1.11 | -0.61 | 0.06 | -0.55 |
| [Cash] | 1.18 | 0.00 | 1.18 | 0.07 | 0.00 | 0.07 | 0.00 | 0.00 | -0.36 | 0.00 | -0.36 |
| Total | 100.00 | 100.00 | 0.00 | 65.44 | 53.08 | 12.36 | 65.44 | 53.08 | 2.21 | 10.14 | 12.36 |

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. The value of securities selected using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as a whole or securities selected using only fundamental analysis. The factors used in quantitative analysis and the weight placed on those factors may not be predictive of a security's value. In addition, any model may contain flaws or the model may not perform as anticipated. Stocks of mid cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

Disclosures

The Russell Midcap® Value Index is an unmanaged index generally representative of the U.S. market for medium capitalization value stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap® Value Index and Russell® are trademarks of Frank Russell Company.

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.

LSV Asset Management is an independent subadviser to the Harbor Mid Cap Value Fund.

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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.