

Harbor Disruptive Innovation Fund

Harbor Capital Advisors, Inc.

Manager Since 09/01/2021

Total Net Assets - All Classes	\$69,314,882
Equity Assets:	98.16%
Cash & Other Assets Less Liabilities:	1.84%
Benchmark 1 Name:	S&P 500 Index
Benchmark 2 Name:	Russell 3000® Growth Index

Portfolio Managers



Spenser Lerner, CFA



Kristof Gleich, CFA

Investment Philosophy

The Fund invests primarily in equity securities, principally common and preferred stocks of all cap companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in securities of U.S. domiciled companies. The Fund employs a multi-manager approach to achieve its investment objective. As the Fund's investment advisor, Harbor Capital Advisors, Inc. ("Harbor Capital") assumes responsibility of selecting and overseeing underlying managers for the Fund. Each underlying manager is responsible for submitting a model portfolio to Harbor Capital which the portfolio managers will implement in their discretion. The Fund seeks to invest in companies that are innovative and disruptive. The Fund defines innovation and disruption by those companies that are generating secular growth - that growth is typically tied to accelerating shifts in the global economy. The Fund may invest up to 20% of its total assets in the securities of foreign issuers, including issuers located or doing business in emerging markets.

CHARACTERISTICS & ALLOCATION

As of 09/30/2023

Portfolio Characteristics

	Portfolio	Bench 1	Bench 2
Number of Holdings	98	503	1,530
Wtd Avg Market Cap (\$Mil)	285,547.10	631,031.30	919,037.30
Median Market Cap (\$Mil)	16,275.00	29,997.00	1,990.00
Price/Book Ratio	8.00	6.22	11.38
Adjusted Trailing P/E Ratio	39.60	28.80	31.50
% EPS Growth - Past 3 Yr	22.00	23.20	23.10
Est 3-5 Yr EPS Growth Rate (%)	25.00	13.80	18.30
Return on Equity (%)	6.10	23.62	27.74
Beta vs. Fund Benchmark	1.13		
Forecasted P/E Ratio	37.40	23.00	28.30

Top 10 Holdings

	Portfolio %	Bench 1 %	Bench 2 %
Microsoft Corporation	4.34	6.53	10.67
Amazon.com Inc.	3.76	3.21	5.20
Advanced Micro Devices Inc.	3.36	0.46	0.43
Lam Research Corporation	3.13	0.23	0.36
ServiceNow Inc.	3.07	0.32	0.52
MercadoLibre Inc.	2.88	0.00	0.00
Danaher Corporation	2.33	0.45	0.00
Cadence Design Systems Inc.	2.21	0.18	0.29
Linde plc	2.15	0.51	0.08
Tesla Inc.	2.12	1.92	3.13
Total	29.35	13.81	20.68

Market Capitalization

	Portfolio %
Large	
Above 25.0B	64.04
10.0B - 25.0B	13.93
Mid	
5.0B - 10.0B	6.71
1.0B - 5.0B	7.96
Small	
0.0 - 1.0B	5.50

Economic Sectors

	Portfolio %	Bench 1 %	Bench 2 %
Information Technology	45.69	27.47	40.98
Health Care	19.79	13.36	11.58
Consumer Discretionary	14.68	10.70	15.60
Financials	7.17	12.83	6.48
Communication Services	4.45	8.87	11.11
Industrials	3.05	8.28	6.56
Materials	2.15	2.47	0.84
Consumer Staples	1.18	6.54	4.26
Energy	0.00	4.74	0.81
Real Estate	0.00	2.38	0.87
Utilities	0.00	2.40	0.11

Top 10 Industries

	Portfolio %	Bench 1 %	Bench 2 %
Software	24.22	10.11	17.55
Semiconductors	14.71	7.38	9.17
Biotechnology	10.25	2.11	2.98
Broadline Retail	6.64	3.30	5.33
IT Services	6.15	1.23	1.56
Hotels Rest & Leisure	5.39	2.15	2.97
Financial Services	5.21	4.35	4.09
Life Sciences Tools	4.73	1.56	1.33
Health Care Equip	3.27	2.60	1.72
Interactive Media	2.92	5.90	9.73
Total	83.49	40.69	56.43



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	HAMGX	411511876	-9.14%	13.35%	11.19%	-10.05%	2.44%	7.81%	4.92%	11/01/00	0.83	0.91
Investor	HIMGX	411511785	-9.28%	12.82%	10.69%	-10.40%	2.06%	7.42%	9.58%	11/01/02	1.19	1.27
Retirement	HNMGX	411512510	-9.21%	13.43%	11.29%	-9.97%	2.52%	7.88%	4.94%	03/01/16	0.75	0.83
S&P 500 Index			-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%	6.95%	11/01/00		
Russell 3000® Growth Index			-3.34%	23.77%	26.63%	7.54%	11.70%	13.94%	6.80%	11/01/00		

MANAGER COMMENTARY

As of 09/30/2023

“All the while, we remain encouraged by the quality of the businesses in which we invest on behalf of our clients and will remain focused on allocating capital prudently in this turbulent market environment.”

Harbor Capital Advisors, Inc.

Market in Review

The third quarter of 2023 provided mixed results for U.S. equity markets, with indexes initially surpassing the highs of the year, before reversing course to end the quarter lower. The U.S. Federal Reserve’s (“Fed”) policy trajectory was a central focus during the period, as investors broadly expected a pause in rate hikes, which was confirmed in September. Over the course of the quarter, there was also growing acceptance of the Fed’s higher-for-longer mantra leading to the swift rise in longer-dated yields. Questions also began to percolate about the health of the consumer and the durability of their spending power, given the rise in the price of oil, planned resumption of student loan payments, dramatically higher borrowing costs, and the exhaustion of COVID-19-era savings. Consequently, cracks began to emerge in the key pillars of the argument supporting a soft landing, which drove a shift in risk tolerances toward quality, shorter-duration equities.

Portfolio Performance

During the quarter, the Harbor Disruptive Innovation Fund (Institutional Class, “Fund”) returned -9.14%, underperforming its primary benchmark, the S&P 500 Index, which returned -3.27%, and the Russell 3000® Growth Index, which returned -3.34%.

The Fund underperformed in all of the major innovations sectors including Health Care, Communication Services, and Information Technology. Adyen was a stock-specific name that detracted from performance but also brought the whole Financials sector lower.

From a factor lens, the Fund’s overweight to beta and underweight profitability negatively impacted results. The negative drivers more than offset an overweight to the growth factor, which helped during the quarter.

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 02/29/2024.

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.



Contributors & Detractors

One of the top absolute contributors during the quarter was Progressive Corp, an insurance company. The stock price regained losses from earlier in the year when the company announced plans to improve pricing and profitability. The thesis did not change when it fell earlier in the year or after its recovery in the quarter.

One of the bottom absolute contributors in the quarter was Adyen, a payment services company that reported increased price pressure and slower growth expectations in the quarter. Adyen's long-term opportunity remains appealing, more so at a much lower price, and added to the position after the decline.

Buys & Sells

During the quarter, we purchased Datadog Inc., a monitoring and analytics software platform. We believe Datadog provides a strong combination of growth and margins at scale. Fears of cloud infrastructure optimization and a well-telegraphed margin reset have created a favorable risk/reward for what we view as an "A" asset.

During the quarter, we sold our position in NextEra Energy, Inc., an electric power and energy infrastructure company. We exited our position over concerns about the impact of rates on renewables growth and utility valuations.

Outlook

Looking ahead, we are incrementally more cautious today than we were three months ago as the evolving macro backdrop increasingly warrants a more balanced posture between growth and durability. Historical precedents suggest a low likelihood of a so-called soft landing, with the more likely outcome being a period of slowing economic growth, both in the U.S. and around the globe. Disinflationary trends, once pointed to as evidence of the soft-landing scenario playing out, are being offset by rising borrowing costs, the exhaustion of surplus consumer savings, and a restrictive lending posture by U.S. banks. All the while, we remain encouraged by the quality of the businesses in which we invest on behalf of our clients and will remain focused on allocating capital prudently in this turbulent market environment.



Best & Worst Performers

Best Performers	Average Weight %	Return %
SPLUNK INC	1.00	37.86
ATLASSIAN CORP-CL A	0.79	20.08
OKTA INC	1.00	17.53
ELI LILLY & CO	0.83	14.77
REPARE THERAPEUTICS INC	0.39	14.18

Worst Performers	Average Weight %	Return %
FARFETCH LTD-CLASS A	0.83	-65.40
ADYEN NV	1.39	-56.81
MASIMO CORP	0.37	-46.28
INSULET CORP	0.46	-44.69
KYMERA THERAPEUTICS INC	0.26	-39.54

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
SPLUNK INC	37.86	0.35
MERCADOLIBRE INC	7.03	0.14
ALPHABET INC-CL A	9.32	0.14
OKTA INC	17.53	0.13
ATLASSIAN CORP-CL A	20.08	0.13
Total		0.89

Greatest Detractors	Return %	Contribution to Return %
ADYEN NV	-56.81	-1.05
FARFETCH LTD-CLASS A	-65.40	-0.86
BLOCK INC	-33.51	-0.67
ASML HOLDING NV	-17.98	-0.38
DEXCOM INC	-27.40	-0.37
Total		-3.32



Quarterly Attribution:
Harbor Disruptive Innovation Fund vs S&P 500 Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-8.80	-3.27	-5.52
Currency Contribution	-0.17	0.00	-0.17
Total Return	-8.97	-3.27	-5.69

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	2.72	8.44	-5.73	1.69	-5.16	6.86	0.02	-0.43	0.11	0.18	0.28
Real Estate	0.00	2.47	-2.47	0.00	-8.90	8.90	0.00	-0.22	0.13	0.00	0.13
Utilities	0.36	2.53	-2.17	-22.26	-9.25	-13.01	-0.09	-0.24	0.12	-0.05	0.07
Materials	2.06	2.47	-0.41	-1.97	-4.76	2.79	-0.05	-0.12	0.01	0.06	0.06
Consumer Staples	1.06	6.62	-5.56	-16.20	-5.97	-10.23	-0.18	-0.40	0.14	-0.12	0.02
Consumer Discretionary	14.12	10.65	3.47	-6.25	-4.80	-1.44	-0.93	-0.52	-0.02	-0.17	-0.19
Communication Services	4.87	8.66	-3.79	2.15	3.07	-0.93	0.09	0.23	-0.21	-0.06	-0.27
Energy	0.00	4.39	-4.39	0.00	12.22	-12.22	0.00	0.48	-0.61	0.00	-0.61
Information Technology	44.54	27.78	16.76	-6.48	-5.64	-0.83	-2.81	-1.51	-0.43	-0.36	-0.80
Financials	7.43	12.67	-5.23	-23.94	-1.13	-22.81	-1.93	-0.17	-0.11	-1.80	-1.91
Health Care	20.67	13.33	7.35	-14.95	-2.65	-12.30	-3.12	-0.37	0.01	-2.58	-2.57
Total	100.00	100.00	0.00	-8.97	-3.27	-5.69	-8.97	-3.27	-0.78	-4.92	-5.69

Quarterly Attribution:
Harbor Disruptive Innovation Fund vs Russell 3000® Growth Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-8.80	-3.35	-5.45
Currency Contribution	-0.17	0.00	-0.17
Total Return	-8.97	-3.35	-5.62

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	2.72	6.71	-4.00	1.69	-3.62	5.31	0.02	-0.24	0.01	0.14	0.15
Real Estate	0.00	0.96	-0.96	0.00	-11.16	11.16	0.00	-0.11	0.08	0.00	0.08
Materials	2.06	0.87	1.19	-1.97	-6.93	4.96	-0.05	-0.06	-0.04	0.10	0.06
Consumer Staples	1.06	4.36	-3.30	-16.20	-6.56	-9.63	-0.18	-0.30	0.10	-0.11	-0.02
Utilities	0.36	0.13	0.23	-22.26	-12.19	-10.06	-0.09	-0.02	-0.02	-0.04	-0.06
Energy	0.00	0.78	-0.78	0.00	16.49	-16.49	0.00	0.11	-0.14	0.00	-0.14
Information Technology	44.54	41.41	3.13	-6.48	-5.98	-0.49	-2.81	-2.41	-0.11	-0.22	-0.33
Consumer Discretionary	14.12	15.83	-1.71	-6.25	-3.31	-2.94	-0.93	-0.54	0.01	-0.39	-0.38
Communication Services	4.87	10.82	-5.95	2.15	5.03	-2.89	0.09	0.47	-0.45	-0.16	-0.61
Financials	7.43	6.48	0.96	-23.94	-0.42	-23.52	-1.93	-0.04	0.03	-1.84	-1.81
Health Care	20.67	11.65	9.03	-14.95	-1.61	-13.34	-3.12	-0.21	0.12	-2.79	-2.67
Total	100.00	100.00	0.00	-8.97	-3.35	-5.62	-8.97	-3.35	-0.32	-5.31	-5.62

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. Since the Fund may hold foreign securities, it may be subject to greater risks than funds invested only in the U.S. Investing in REITs will subject the Fund to additional risk. 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.

Benchmarks

The Standard & Poor's 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. The Russell 3000[®] Growth Index measures the performance of the broad growth segment of the US equity universe. It includes Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. These unmanaged indices do not reflect fees and expenses and are not available for direct investment. The Russell 3000[®] 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 or call 800-422-1050. Read it carefully before investing.

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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.

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.