

Harbor Core Plus Fund

Quarterly Commentary & Attribution

Subadvisor (since 02/02/2022):

Income Research + Management

Portfolio Manager(s):

James E. Gubitosi	Ginny Schiappa
Bill O'Neill	Jake Remley
Rachel Campbell	Matt Walker
Mike Sheldon	Wesly Pate

Benchmark 1 Name: Bloomberg US Aggregate Bond Index

Investment Philosophy:

The Harbor Core Plus Fund invests primarily in investment-grade and non-investment-grade U.S. dollar-denominated fixed income securities. Fixed income instruments include bonds, debt securities, and other similar instruments issued by various public- or private-sector entities. The strategy approach is grounded in detailed bottom-up research and emphasizes careful security selection.

Harbor Core Plus Fund

PERFORMANCE

As of 09/30/2026



Average Annual Returns

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Current 30-Day Yield %	Current 30-Day Un-Sub Yield %	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HABDX	411511108	-3.52%	-2.58%	-1.71%	4.60%	-0.18%	1.76%	5.45%	5.45%	5.82%	12/29/87	0.38	0.38
Retirement	HBFRX	411512189	-3.50%	-2.61%	-1.63%	4.71%	-0.05%	1.84%	5.52%	5.52%	5.85%	06/01/18	0.30	0.30
Bloomberg US Aggregate Bond Index			-3.51%	-2.91%	-1.84%	4.06%	-0.64%	1.14%			5.19%	12/29/87		

MANAGER COMMENTARY

As of 09/30/2026

“Looking ahead, economic strength may face a more demanding test from higher-for-longer rates, persistent inflation, and an increasingly complex geopolitical backdrop.”

Income Research + Management

Market in Review

In the third quarter of 2026, the economy continued to showcase its resilience with unemployment just over 4%, continued Artificial Intelligence (“AI”) driven capital expenditures, and solid consumer spending. However, inflation and geopolitical risks increasingly tested that strength. As the U.S.-Iran conflict entered its seventh month, disruptions to global oil supplies broadened and diesel prices reached \$6.39 per gallon. Higher commodity prices contributed to inflation that remained well above the U.S. Federal Reserve’s (“Fed”) 2% target; the Consumer Price Index grew 3.4% year over year; and the Personal Consumption Expenditures Index increased by 3.0% year over year. Against this backdrop, the Fed increased the federal funds target range by 0.25% to 3.75%–4.00%, marking the first policy action since cutting rates in December 2025. Although Fed Chair Warsh has downplayed forward guidance, the Committee’s September Summary of Economic Projection suggested one additional 0.25% hike by year-end and no change in 2027. Investors, however, anticipate between three and four increases next year. The market’s reassessment reinforced growing expectations that rates could remain elevated for longer and intensified concerns about federal financing needs, as higher borrowing costs added pressure to the growing deficit and national debt supply. Treasury yields increased across the curve, with the 30-year Treasury rate surpassing 5.60% for the first time since 2002.

Retirement Class shares commenced operations on June 1, 2018. The performance attributed to the Retirement Class shares prior to that date is that of the Institutional Class shares. Performance prior to June 1, 2018 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..

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 or by calling 800-422-1050.

Harbor Core Plus Fund

MANAGER COMMENTARY

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Portfolio Performance

During the third quarter, the Harbor Core Plus Bond Fund (Institutional Class, "Fund") returned -3.52%, in line with its benchmark, the Bloomberg US Aggregate Bond Index ("Index"), which returned -3.51%.

The Fund's performance relative to the Index was driven primarily by security selection within Financials and an overweight to securitized sectors.

The investment-grade ("IG") and high-yield ("HY") corporate markets remained stable for much of the quarter as solid corporate fundamentals, persistent fund inflows, and robust demand helped investors absorb heavy issuance. IG borrowers issued more than \$509 billion and set monthly issuance records in July, August, and September, while HY issuance was comparatively subdued at roughly \$69 billion. The market tone weakened late in September as investors reassessed the implications of elevated rates. Lower-quality issuers, particularly CCC-rated companies, proved more sensitive to softer market sentiment and rising market volatility. IG and HY corporate spreads ended at their widest levels of the quarter, widening from 0.74% to 0.80% and from 2.70% to 3.11%, respectively.

Performance varied across the securitized market. Asset-backed securities ("ABS") outperformed as their shorter-duration profile mitigated interest rate sensitivity, while credit concerns were limited. Although higher long-term rates were a headwind for non-agency commercial mortgage-backed securities ("CMBS"), attractive and stable fundamentals across most collateral types supported the sector. Agency MBS underperformed Treasuries as rising rates, greater volatility, and the prospect of additional duration extension weighed on relative performance.

Contributors and Detractors

Top contributors included the following:

FREDDIE MAC INTEREST-ONLY FHR 5385 IA: The spread on this interest-only bond tightened by 1.42% over the quarter.

BROOKFIELD FINANCE INC BNCN 6.3 55: After spreads widened in the first quarter due to concerns over exposure to private credit, this bond's spread continued to rebound, tightening by 0.10% in the third quarter. This issuer was a top contributor in the second quarter as well.

AMERICAN EXPRESS AXP 6.45 PERP: This perpetual bond was issued in August 2026. Its spread tightened by 0.43% through the end of the quarter. American Express' strong credit-card fund performance and credit-card ABS issuance have supported the bond's performance.

GINNIE MAE POOL GN 785777: The spread tightened by 0.10% for this agency fixed-rate pass-through.

JP MORGAN MORTGAGE TRUST JPMMT 2025-5MPR A1D: The spread tightened by 0.35% for this non-agency collateralized mortgage obligation ("CMO").

Top detractors included the following:

BEIGNET INVESTOR LLC RPLDCI 6.581 49: There were no project-specific headwinds; however, broader headwinds affected AI and hyperscaler issuers. This bond's spread widened by 0.33% over the quarter.

CROSS 2026-NQM9 A1: The spread widened by 0.48% for this non-agency CMO.

DBALT 2007-AR2 A1: The spread widened by 0.25% for this non-agency CMO.

NRG ENERGY INC NRG 6 36: This HY bond's spread was pressured during the quarter as the issuer brought new HY and IG debt to the market. The bond's spread widened by 0.35%.

FANNIE MAE INTEREST-ONLY FNR 2017-70 AS: This interest-only bond underperformed the overall CMO sector for the quarter.

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Harbor Core Plus Fund

MANAGER COMMENTARY

As of 09/30/2026



Positioning

We strive to remain duration neutral and curve neutral to the benchmark.

Positive contributors to relative performance included an overall overweight to securitized, particularly within the RMBS, CMBS, and ABS sectors. Security selection within the RMBS and Financial sectors was also particularly additive. Detractors from relative performance included an underweight to Treasuries and an overweight to agency RMBS securities, as well as security selection within Industrials.

The Fund's security selection within the AAA and BAA credit buckets, as well as overweights to the AAA and BAA credit buckets, contributed to relative performance. On the other hand, security selection within the AA credit bucket was the main detractor from relative performance.

The Fund's out-of-benchmark allocation to RMBS was additive to relative performance, and the allocation to Small Business Administration loans was net neutral.

We invest exclusively in U.S. dollar-denominated, fixed-income securities.

Buys and Sells

During the quarter, we purchased FN FA3610 in the secondary market at a spread of 0.34% versus the Treasury curve. The purchase screened attractive relative to peers.

We purchased CROSS 2026-NQM9 A1 in the primary market at a spread of 1.30% versus the Treasury curve. The purchase screened attractive relative to peers.

We purchased CROSS 2026-NQM10 A1 in the primary market at a spread of 1.30% versus the Treasury curve. The purchase screened attractive relative to peers.

We sold WFCM 2018-C48 A5 as an opportunistic sale due to relative value and Fund portfolio extension.

We sold AMSR 2024-SFR1 A as an opportunistic sale due to relative value and Fund portfolio extension.

We sold AYR 2.85 28 as an opportunistic sale due to relative value and Fund portfolio extension.

Sector Overweights and Underweights

Entering the third quarter of 2026, the largest overweight within the Fund was in the securitized sectors, while the largest underweight was in Treasuries, reflecting our view on the relative attractiveness of spread product, specifically within securitized sectors. During the quarter, we deepened our underweight to Treasuries by 0.73%, increasing the underweight to 29.77%. The Fund increased its securitized overweight to 27.48%, an increase of 1.47%. This increase in the securitized overweight was driven by increasing our overweights to agency fixed-rate pass-throughs by 1.33%, as well as increasing our overweight to non-agency CMOs by 1.08%. These increases within securitized were partially offset by decreasing our allocation to non-agency CMBS, as well as collateralized loan obligations and auto ABS. We increased our overweight to credit to 3.12%, an increase of 0.51%. This increase in relative exposure was driven by additions within Industrials, specifically the communications subsector.

Harbor Core Plus Fund

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Country Allocations

The Fund's country allocation relative to the benchmark did not change during the quarter. IR+M invests exclusively in U.S. dollar-denominated, fixed-income securities. With that said, consistent with our bottom-up approach, we will opportunistically purchase Yankee issues when we believe they are attractive on a relative value basis.

Over the quarter, the Fund's absolute weight of Yankees decreased to 8.70%.

Outlook

Looking ahead, economic strength may face a more demanding test from higher-for-longer rates, persistent inflation, and an increasingly complex geopolitical backdrop. Growth has become more dependent on a narrow set of supports, particularly higher-income consumers and the AI investment cycle, which have helped offset weaknesses elsewhere. Whether these forces can continue to absorb elevated borrowing costs, higher energy prices, and growing infrastructure demands may be a defining question in the quarters ahead. These uncertainties can take on added importance with credit valuations near historically tight levels, leaving less room for error even as attractive yields and strong demand remain supportive. In this environment, we believe disciplined security selection, ample liquidity, and avoiding uncompensated risks may prove more valuable than attempting to predict the next market-moving event.

TOP 10 HOLDINGS

As of 09/30/2026

Top 10 Holdings	
	Portfolio %
US TREASURY N/B	1.93
US TREASURY N/B	1.58
US TREASURY N/B	1.34
US TREASURY N/B	1.13
US TREASURY N/B	1.12
US TREASURY N/B	1.05
US TREASURY N/B	1.01
US TREASURY N/B	1.00
US TREASURY N/B	0.95
US TREASURY N/B	0.92
Total	12.02

Holdings are subject to change. Current holdings can be found at harborcapital.com.

Harbor Core Plus Fund

ATTRIBUTION

As of 09/30/2026

Harbor Core Plus Fund - Quarterly Attribution

	Portfolio Return (Gross of Fee)	Bloomberg Aggregate Index Return	Return Difference
3Q 2026	-3.47%	-3.51%	0.04%

Market Term Structure		Asset Allocation		Security Selection		Price and Intraday		Total
0.07%		-0.03%		0.00%		0.00%		0.04%
Duration	0.07	Finance	0.01%	Finance	0.06%	Pricing	0.00%	
Shape	0.01	Industrial	0.00%	Industrial	-0.03%	Intraday	0.00%	
Other	-0.01	Utility	0.00%	Utility	-0.01%			
		ABS	0.04%	ABS	-0.02%			
		CMBS	0.03%	CMBS	-0.01%			
		MBS	-0.02%	MBS	0.01%			
		Agency	0.00%	Agency	0.00%			
		Municipal	0.00%	Municipal	0.00%			
		Non-corporate	0.00%	Non-corporate	0.00%			
		Treasury	-0.09%	Treasury	0.00%			
		Other	0.00%	Other	0.00%			

WHAT WORKED

- The Harbor Core Plus Bond Fund outperformed the Bloomberg Aggregate Index in the 3rd quarter.
- A broad overweight to Securitized products, particularly within CMBS and ABS sectors.
- Security selection within Financials, also meaningfully aided relative returns, particularly within the Brokerage sub-sector.
- Top performers to Security Selection: an Agency Fixed Rate Pass Through, Brookfield Finance Inc, American Express Co

WHAT DIDN'T WORK

- The portfolio's underweight to Treasuries was the largest detractor from relative performance.
- Security selection within Industrials, particularly within the Communications, Consumer Cyclical and Healthcare sub-sector, was a drag on relative outperformance.
- The portfolio's overweight to Agency RMBS also detracted from returns.
- Bottom performers to Security Selection: Beignet Investors LLC, Non Agency CMOs

Source: Income Research + Management

Due to rounding, percentages may not sum to 100.

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



Harbor Core Plus Fund



ATTRIBUTION

As of 09/30/2026

Harbor Core Plus Fund – 1 Year Attribution

	Portfolio Return (Gross of Fee)	Bloomberg Aggregate Index Return	Return Difference
1 Year	-1.35%	-1.84%	0.49%

Market Term Structure	Asset Allocation		Security Selection		Price and Intraday		Total
0.14%	0.14%		0.23%		-0.01%		0.49%
Duration	0.09%	Finance	0.02%	Finance	0.08%	Pricing	0.02%
Shape	0.07%	Industrial	0.01%	Industrial	0.08%	Intraday	-0.03%
Other	-0.02%	Utility	0.00%	Utility	0.02%		
		ABS	0.06%	ABS	0.01%		
		CMBS	0.08%	CMBS	-0.01%		
		MBS	-0.04%	MBS	0.03%		
		Agency	0.00%	Agency	0.02%		
		Municipal	-0.01%	Municipal	0.00%		
		Non-corporate	-0.01%	Non-corporate	0.00%		
		Treasury	0.03%	Treasury	0.00%		
		Other	0.00%	Other	0.00%		

WHAT WORKED

- The Harbor Core Plus Bond Fund outperformed the Bloomberg Aggregate Index during the last 1-year period.
- The portfolio's overweight to spread product, particularly within securitized, such as CMBS and ABS, contributed to returns versus the index.
- Security selection within credit also meaningfully aided relative returns, particularly within Financials and Industrials.
- Out of index allocations to Small Business Administration loans and RMBS securities.
- Top performers to Security Selection: Brookfield Finance Inc, Corebridge Financial Inc, Ford Motor Credit Co

WHAT DIDN'T WORK

- The portfolio's underweight to non-corporates, particularly within sovereign bonds, detracted from relative returns.
- The portfolio's overweight to Agency RMBS was also a drag on relative returns, as well as security selection within the sector.
- Bottom performers to Security Selection: Oracle Corp, Beignet Investor LLC, Charter Communications

Source: Income Research + Management

Due to rounding, percentages may not sum to 100.

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Harbor Core Plus Fund

IMPORTANT INFORMATION



Risks

There is no guarantee that the investment objective of the Fund will be achieved. Fixed income investments are affected by interest rate changes and the creditworthiness of the issues held by the Fund. As interest rates rise, the values of fixed income securities held by the Fund are likely to decrease and reduce the value of the Fund's portfolio. There may be a greater risk that the Fund could lose money due to prepayment and extension risks because the Fund invests, at times, in mortgage-related and/or asset backed securities.

Benchmarks

The Bloomberg US Aggregate Bond Index is an unmanaged index of investment-grade fixed-rate debt issues with maturities of at least one year. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Disclosures

All data except for performance, and yields is provided by the subadvisor.

Current 30-Day Yields are for the Institutional Class and represent the average annualized income dividend over the last 30 days excluding gains and losses as defined by the SEC. Current 30-Day Yield is the Current 30-Day Subsidized SEC Yield and reflects reimbursements or waivers of fees currently in effect. Current 30-Day Yield-Unsub is the Current 30-Day Unsubsidized SEC Yield and does not reflect reimbursements or waivers of fees currently in effect.

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, expenses and other statistics may change at any time and may differ from those shown.

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).

Credit quality breakdown is based on ratings from Moody's, Standard and Poor's and Fitch. In cases where two or all three credit rating agencies have assigned credit ratings to the same security, the highest rating is used. In cases where only one rating agency has assigned a credit rating to a security, that rating is used. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Securities that receive no rating from an independent agency have been categorized as 'not rated.' Certain unrated securities (such as derivatives) are not reflected in the data shown. U.S. Treasury and U.S. Agency securities appear under the category U.S. Government/Agency. The credit quality of securities in the Fund's portfolio does not apply to the stability or safety of the Fund. The Fund itself has not been rated by an independent rating agency.

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

All data for this attribution analysis is provided by Income Research + Management.

Market Term Structure Components (%)

Duration - the contribution to relative return due to the difference between the portfolio's and the index's overall duration, assuming a parallel change in interest rates. The basic formula is the (difference in duration between the portfolio and the index) multiplied by the total return of the reference Treasury.

Shape - the contribution to relative return due to the difference between the portfolio's and the index's duration profiles. The basic formula is the [(difference of each key rate duration between the portfolio and the index) multiplied by the total return of the respective key rate Treasury] minus the Duration and Other effects.

Other - the contribution to relative return due to the cumulative differences in carry, rolldown, and convexity.

Asset Allocation - the contribution to relative return due to portfolio's sector overweight or underweight compared to the index. The basic formula is the (difference between the portfolio and index sector weights) multiplied by the (difference between the index sector excess return and the index total excess return).

Security Selection - the contribution to relative return due to the portfolio's security selection compared to the index. The basic formula is (the difference in sector excess return between the portfolio and the index) multiplied by the portfolio sector weight.

Price & Intraday Components (%)

Pricing - the contribution to relative return due to changes in the relative prices for securities held in common with the index. IR+M uses ICE as a pricing source for the majority of its portfolios, while indices typically use their own internally calculated prices.

Intraday - the contribution to relative return due to the implementation impact from executing trades. It is generally the performance cost from the differences between execution price of traded positions and the end-of-day prices used for daily valuation.

Performance attribution returns are percentages (%). The IR+M attribution model is a proprietary model that uses data from multiple analytical sources to estimate portfolio attribution and does not claim that outputs are exact measurements. IR+M used the Brinson-Fachler methodology in their attribution calculations.

Definitions

Duration is a commonly used measure of the sensitivity of the price of a debt security, or the aggregate market value of a portfolio of debt securities, to change in interest rates. Securities with a longer duration are more sensitive to changes in interest rates and generally have more volatile prices than securities of comparable quality with a shorter duration.