

# Harbor Capital Appreciation Fund

Jennison Associates LLC

Subadvisor Since 05/01/1990

**Total Net Assets - All Classes** \$22,462,869,674  
**Equity Assets:** 100.15%  
**Cash & Other Assets Less Liabilities:** -0.15%  
**Benchmark Name:** Russell 1000® Growth Index

## Portfolio Managers



Kathleen A.  
McCarragher



Blair A. Boyer



Natasha Kuhlkin, CFA

## Investment Philosophy

The 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 03/31/2023

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	61	509	Information Technology	33.11	41.74
Wtd Avg Market Cap (\$Mil)	677,067.90	817,831.50	Consumer Discretionary	25.04	14.37
Median Market Cap (\$Mil)	153,858.00	15,514.00	Health Care	13.57	11.64
Price/Book Ratio	12.45	11.72	Communication Services	9.95	7.12
Adjusted Trailing P/E Ratio	34.70	28.30	Financials	9.55	6.73
% EPS Growth - Past 3 Yr	22.70	22.10	Consumer Staples	3.92	6.00
Est 3-5 Yr EPS Growth Rate (%)	19.40	15.20	Industrials	2.10	8.15
Return on Equity (%)	27.55	33.04	Energy	1.59	1.36
Beta vs. Fund Benchmark	1.14		Real Estate	1.32	1.45
Forecasted P/E Ratio	31.00	27.60	Utilities	0.00	0.04
			Materials	0.00	1.30

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Microsoft Corporation	7.58	11.08	Software	12.98	17.15
Apple Inc.	7.09	12.73	Semiconductors	11.92	8.81
NVIDIA Corporation	6.66	3.37	Broadline Retail	7.42	4.81
Amazon.com Inc.	5.37	4.71	Financial Services	7.33	4.00
Tesla Inc.	4.50	2.75	Tech Hardware Storage	7.09	12.92
Visa Inc. Class A	3.37	1.88	Interactive Media	6.28	5.84
LVMH Moet Hennessy Loui	3.02	0.00	Pharmaceuticals	5.97	2.21
Eli Lilly and Company	2.82	1.21	Textiles Apparel & Lux	5.90	1.03
Mastercard Incorporated	2.69	1.59	Automobiles	5.25	2.77
Alphabet Inc. Class A	2.58	2.79	Specialty Retail	3.89	2.86
<b>Total</b>	<b>45.68</b>	<b>42.11</b>	<b>Total</b>	<b>74.03</b>	<b>62.40</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	100.00
	10.0B - 25.0B	0.00
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00



### 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	18.31%	18.31%	-14.72%	14.27%	10.72%	13.93%	11.66%	12/29/87	0.67	0.72
Administrative Investor	HRCAX	411511827	18.21%	18.21%	-14.93%	13.99%	10.44%	13.65%	10.60%	11/01/02	0.92	0.97
	HCAIX	411511819	18.20%	18.20%	-15.02%	13.86%	10.31%	13.51%	10.44%	11/01/02	1.03	1.08
Retirement	HNACX	411512528	18.32%	18.32%	-14.66%	14.36%	10.80%	13.99%	11.68%	03/01/16	0.59	0.64
Russell 1000® Growth Index			14.37%	14.37%	-10.90%	18.58%	13.66%	14.59%	10.85%	12/29/87		
S&P 500 Index			7.50%	7.50%	-7.73%	18.60%	11.19%	12.24%	10.66%	12/29/87		

## MANAGER COMMENTARY

As of 03/31/2023

**“The equity markets’ positive start to the year reflects a resilient consumer, moderating inflation, corporate profit resiliency, improved CEO confidence, and more favorable valuation levels following last year’s declines.”**

Jennison Associates, LLC

### Market in Review

The first quarter of 2023 delivered a better-than-feared outcome, led by resilient consumer spending amid continued labor market strength. Commodity prices, supply chain pressures, and freight costs all compared favorably to year-end levels.

The U.S. Federal Reserve (“Fed”) moderated its pace of monetary tightening with 0.25% rate hikes in both February and March. Over the one year since the hiking cycle began, the fed funds target rate has risen from 0.25%–0.50% to 4.75%–5.00%, reflecting the Fed’s urgency to re-establish price stability. The benchmark 10-year U.S. Treasury yield ended the quarter little changed from year end.

The collapse of Silicon Valley Bank (“SVB”), the 16th largest U.S. bank by assets, in early March marked the first significant bank failure in over a decade. Unlike the credit-induced collapse of 2008/09, SVB’s failure was triggered by abrupt and significant outflows of customer deposits sparked by the bank’s unexpected attempt to raise equity capital. A stunningly swift loss of confidence ensued, leading to a deposit run at SVB and several other large banks perceived to have similar balance-sheet risks. Regulators moved quickly to close several ailing banks and provide help through additional bank borrowing facilities and assurances around deposit guarantees. These actions bolstered liquidity and helped to restore calm.

Elsewhere, the end of China’s “Zero-COVID” policy led to a recovery of activity and easing travel restrictions to begin the year. The war in Ukraine marked a grim one-year anniversary in late February, though the mild winter mitigated the worst effects of the disruptions in energy supply across northern Europe.

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.**



### Portfolio Performance

During the first quarter of 2023, the Harbor Capital Appreciation Fund (Institutional Class, "Fund") returned 18.31%, outperforming its benchmarks, the Russell 1000<sup>®</sup> Growth Index, which returned 14.37%, and the S&P 500 Index, which returned 7.50%.

Among the benchmark's largest sectors, Information Technology, Communication Services, and Consumer Discretionary outperformed the broad index. Meanwhile, the Health Care sector declined slightly during the period.

Stock selection within the Information Technology and Consumer Discretionary sectors, along with an overweight allocation to Consumer Discretionary and an underweight allocation to Industrials, contributed the most to relative performance. An underweight allocation to Information Technology and an overweight allocation to Health Care detracted the most from relative results.

### Contributors & Detractors

Nvidia contributed to the Fund's performance during the quarter, rising sharply on optimism around the company's growth opportunity as a leader in advanced computer chips that support artificial intelligence ("AI") development.

Tesla also contributed to performance as its share price continued to recover, following the release of strong fourth quarter results and moderating concerns related to CEO Elon Musk's activities outside the company. In addition, China is seeing strong recovery trends.

UnitedHealth detracted from the Fund's performance, as it came under pressure over concerns about 2024 Medicare reimbursement rates. A positive announcement on reimbursement rates at month's end alleviated these concerns.

Eli Lilly experienced profit taking during the quarter, following its strong outperformance in 2022.

### Buys & Sells

We initiated a position in Advanced Micro Devices, which is benefiting from signs that semiconductors are nearing a cyclical bottom and from its growing market share in the advanced computing that supports AI.

We added L'Oréal to the Fund, encouraged by the strength of the company's direct-to-consumer beauty businesses worldwide. The company's success in China is contributing to its above-industry revenue growth and rising market share.

We sold our position in KKR over concerns about its private investment performance and debt levels in the face of rising interest rates.

We exited HubSpot—a smaller, not-yet-profitable company—due primarily to macroeconomic pressures.



## Outlook

The better-than-anticipated start to 2023 does not alter the expectation of moderating U.S. economic activity over the balance of the year. Tighter credit conditions are a likely outcome of recent events in the banking sector. Availability of credit is likely to be constrained, as banks focus on deposit composition and resiliency, against a backdrop of rising costs and the lagging effect of liability repricing that crimps profits. Greater regulatory scrutiny should also be expected, while the status of several institutions that remain in limbo, after falling victim to deposit flight and unrealized losses on bond holdings, further clouds the outlook. The banking failures in March illustrate that the monetary tightening of the past 12 months has created heretofore unrecognized stresses in the system, and suggest a pause in further policy tightening, when combined with the lagging effects of their impact.

Companies are taking more aggressive steps on cost rationalization, expecting a more challenging environment ahead. Head count reductions feature prominently in these plans and are now impacting hiring in sectors beyond technology. Employment strains should begin to ease in the coming months and quarters as a result.

The equity markets' positive start to the year reflects a resilient consumer, moderating inflation, corporate profit resiliency, improved CEO confidence, and more favorable valuation levels following last year's declines. Growth companies began the year with greater valuation compression, and we believe they present a more resilient outlook in the face of a slowing economy. Corporate results from the recently concluded, fourth quarter reporting season revealed positive trends with respect to costs and inventories, and many companies have put the worst of the pandemic's comparisons behind them. Expectations for secular growth companies now reflect renewed stability in revenue growth and profits following last year's adjustments.

## QUARTERLY ATTRIBUTION

As of 03/31/2023

### Best & Worst Performers

Best Performers	Average Weight %	Return %
NVIDIA Corporation	5.78	90.10
Meta Platforms Inc. Class A	0.83	76.12
Tesla Inc.	3.86	68.42
Roblox Corp. Class A	0.36	58.05
MercadoLibre Inc.	1.87	55.76

Worst Performers	Average Weight %	Return %
Northrop Grumman Corp.	0.59	-15.07
UnitedHealth Group Incorporated	2.13	-10.54
Schlumberger N.V.	1.93	-7.73
Abbott Laboratories	0.53	-7.35
Home Depot Inc.	1.34	-5.90

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
NVIDIA Corporation	90.10	3.89
Tesla Inc.	68.42	1.80
Apple Inc.	27.11	1.70
Microsoft Corporation	20.52	1.30
Amazon.com Inc.	22.96	1.27
<b>Total</b>		<b>9.97</b>

Greatest Detractors	Return %	Contribution to Return %
UnitedHealth Group Incorporated	-10.54	-0.32
Eli Lilly and Company	-5.82	-0.25
Northrop Grumman Corp.	-15.07	-0.15
Schlumberger N.V.	-7.73	-0.14
Danaher Corporation	-4.94	-0.08
<b>Total</b>		<b>-0.94</b>

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](http://harborcapital.com) or by calling 800-422-1050.

**Quarterly Attribution:**  
Harbor Capital Appreciation Fund vs Russell 1000® Growth

**Performance**

	Portfolio	Benchmark	Active
Return Ex Currency	18.48	14.37	4.11
Currency Contribution	0.13	0.00	0.13
<b>Total Return</b>	<b>18.61</b>	<b>14.37</b>	<b>4.24</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 Discretionary	24.79	14.34	10.45	24.78	20.88	3.90	5.95	2.89	0.69	0.93	1.62
Information Technology	29.65	39.69	-10.04	34.36	24.87	9.49	9.35	9.33	-1.03	2.49	1.47
Industrials	2.41	8.61	-6.20	13.20	4.48	8.71	0.31	0.40	0.66	0.23	0.89
Consumer Staples	4.18	6.23	-2.06	8.97	1.95	7.01	0.39	0.13	0.30	0.28	0.58
Materials	0.00	1.40	-1.40	0.00	2.74	-2.74	0.00	0.05	0.17	0.00	0.17
Communication Services	10.10	7.03	3.07	19.93	21.03	-1.10	2.01	1.48	0.18	-0.12	0.06
Utilities	0.00	0.05	-0.05	0.00	-3.85	3.85	0.00	0.00	0.01	0.00	0.01
Financials	10.75	7.29	3.46	6.44	4.01	2.43	0.92	0.36	-0.31	0.26	-0.04
Energy	1.93	1.52	0.41	-7.73	-8.25	0.52	-0.14	-0.13	-0.12	0.03	-0.08
Real Estate	1.49	1.58	-0.09	-3.55	2.01	-5.56	-0.03	0.05	0.02	-0.10	-0.09
Health Care	14.28	12.26	2.01	-0.61	-1.18	0.57	-0.15	-0.17	-0.39	0.09	-0.31
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>18.61</b>	<b>14.37</b>	<b>4.24</b>	<b>18.61</b>	<b>14.37</b>	<b>0.15</b>	<b>4.09</b>	<b>4.24</b>

**Trailing 1 Year Attribution:**  
Harbor Capital Appreciation Fund vs Russell 1000® Growth

**Performance**

	Portfolio	Benchmark	Active
Return Ex Currency	-14.17	-10.90	-3.27
Currency Contribution	0.01	0.00	0.01
<b>Total Return</b>	<b>-14.16</b>	<b>-10.90</b>	<b>-3.27</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
Financials	10.94	6.97	3.97	-4.60	-8.61	4.02	0.08	-0.46	0.17	0.34	0.51
Health Care	12.41	11.54	0.87	0.23	-5.97	6.20	0.63	-0.07	-0.25	0.62	0.36
Energy	1.63	1.33	0.31	20.84	2.90	17.94	0.21	0.08	-0.13	0.25	0.12
Materials	0.00	1.31	-1.31	0.00	-9.92	9.92	0.00	-0.10	0.00	0.00	0.00
Utilities	0.00	0.05	-0.05	0.00	3.20	-3.20	0.00	0.00	0.00	0.00	0.00
Real Estate	1.37	1.68	-0.31	-16.48	-15.27	-1.21	-0.27	-0.29	-0.10	-0.05	-0.16
Consumer Staples	4.49	6.01	-1.52	-12.57	-1.02	-11.54	-0.72	0.01	0.05	-0.58	-0.53
Industrials	1.94	8.04	-6.11	-15.76	-1.68	-14.08	-0.23	0.13	-0.49	-0.26	-0.75
Consumer Discretionary	27.60	15.61	12.00	-20.62	-23.57	2.95	-7.80	-5.15	-1.70	0.86	-0.84
Communication Services	9.91	8.01	1.90	-30.86	-24.97	-5.89	-4.25	-2.77	-0.26	-0.91	-1.17
Information Technology	28.43	39.46	-11.03	-8.92	-6.28	-2.64	-1.86	-2.27	-0.42	-0.75	-1.17
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-14.16</b>	<b>-10.90</b>	<b>-3.27</b>	<b>-14.16</b>	<b>-10.90</b>	<b>-2.79</b>	<b>-0.47</b>	<b>-3.27</b>

Past performance is not a guarantee of future results.



### Trailing 3 Year Attribution:

#### Harbor Capital Appreciation Fund vs Russell 1000® Growth

##### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	53.09	66.73	-13.64
Currency Contribution	-0.18	0.00	-0.18
<b>Total Return</b>	<b>52.92</b>	<b>66.73</b>	<b>-13.81</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 Discretionary	26.17	16.28	9.89	94.76	56.46	38.30	14.77	8.63	-2.16	9.47	7.31
Health Care	8.24	11.80	-3.55	39.67	46.16	-6.50	4.03	7.87	1.09	-0.13	0.96
Consumer Staples	4.15	5.10	-0.96	57.00	51.96	5.04	1.52	2.52	0.64	-0.17	0.48
Real Estate	0.61	1.78	-1.18	-5.03	17.12	-22.15	-0.07	0.58	0.54	-0.15	0.39
Materials	0.00	1.06	-1.06	0.00	35.85	-35.85	0.00	0.44	0.34	0.00	0.34
Utilities	0.00	0.03	-0.03	0.00	35.91	-35.91	0.00	0.01	0.00	0.00	0.00
Energy	0.56	0.57	-0.01	17.29	278.32	-261.03	0.19	0.33	-0.53	0.36	-0.16
Financials	11.42	7.52	3.90	35.67	33.73	1.94	6.98	4.51	-1.73	0.82	-0.90
Industrials	2.47	6.77	-4.30	-0.65	63.25	-63.89	0.60	4.05	-0.04	-2.17	-2.20
Communication Services	14.33	10.57	3.77	3.19	30.98	-27.78	3.72	5.76	-0.69	-6.40	-7.09
Information Technology	31.35	38.53	-7.19	73.94	108.91	-34.97	21.14	32.03	-2.21	-10.70	-12.91
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>52.92</b>	<b>66.73</b>	<b>-13.81</b>	<b>52.92</b>	<b>66.73</b>	<b>-4.75</b>	<b>-9.07</b>	<b>-13.81</b>

### Trailing 5 Year Attribution:

#### Harbor Capital Appreciation Fund vs Russell 1000® Growth

##### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	73.20	89.70	-16.50
Currency Contribution	-0.71	0.00	-0.71
<b>Total Return</b>	<b>72.48</b>	<b>89.70</b>	<b>-17.21</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 Discretionary	23.87	15.58	8.29	129.95	73.01	56.94	20.37	11.98	-2.64	13.28	10.64
Consumer Staples	4.20	5.36	-1.16	84.60	66.90	17.70	2.55	3.33	0.76	0.31	1.08
Materials	0.15	1.36	-1.22	-12.01	30.61	-42.62	-0.36	0.67	0.80	-0.23	0.57
Real Estate	0.72	2.01	-1.29	24.42	44.18	-19.76	0.45	1.25	0.36	0.04	0.40
Utilities	0.00	0.02	-0.02	0.00	38.22	-38.22	0.00	0.01	0.00	0.00	0.00
Energy	0.52	0.59	-0.07	-15.37	43.75	-59.12	-0.35	-0.21	-0.19	0.17	-0.01
Health Care	9.37	12.50	-3.13	50.82	63.01	-12.20	4.68	10.15	0.28	-0.75	-0.47
Financials	12.83	8.36	4.48	57.01	55.59	1.42	10.67	7.20	-1.79	0.84	-0.95
Industrials	4.00	8.79	-4.79	-31.33	39.90	-71.23	-2.21	2.49	2.30	-5.06	-2.76
Communication Services	14.88	11.21	3.67	3.51	38.86	-35.35	4.70	7.91	-1.32	-9.29	-10.61
Information Technology	28.81	34.24	-5.43	132.73	179.69	-46.95	31.91	44.94	-3.57	-11.67	-15.24
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>72.48</b>	<b>89.70</b>	<b>-17.21</b>	<b>72.48</b>	<b>89.70</b>	<b>-4.85</b>	<b>-12.36</b>	<b>-17.21</b>

Past performance is not a guarantee of future results.

### 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<sup>®</sup> 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<sup>®</sup> Growth Index and Russell<sup>®</sup> 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.**

**Jennison Associates LLC is an independent subadvisor to the Harbor Capital Appreciation Fund and CIT.**

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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.