

# HARBOR CAPITAL APPRECIATION FUND

Jennison Associates LLC

Subadvisor Since 05/01/1990

**Total Net Assets - All Classes** \$26,157,535,473  
**Equity Assets:** 100.11%  
**Cash & Other Assets Less Liabilities:** -0.11%  
**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 12/31/2023

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	52	443	Information Technology	40.09	43.52
Wtd Avg Market Cap (\$Mil)	868,649.30	1,104,507.90	Consumer Discretionary	23.55	15.79
Median Market Cap (\$Mil)	151,234.00	17,638.00	Communication Services	11.38	11.40
Price/Book Ratio	13.51	12.66	Health Care	10.89	10.63
Adjusted Trailing P/E Ratio	42.90	33.80	Financials	6.91	6.41
% EPS Growth - Past 3 Yr	20.20	21.10	Consumer Staples	3.27	4.14
Est 3-5 Yr EPS Growth Rate (%)	22.90	18.10	Industrials	2.83	5.90
Return on Equity (%)	24.53	28.33	Real Estate	1.19	0.95
Beta vs. Fund Benchmark	1.11		Materials	0.00	0.70
Forecasted P/E Ratio	37.30	29.50	Energy	0.00	0.50
			Utilities	0.00	0.05

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Microsoft Corporation	8.35	11.81	Software	17.39	18.82
Amazon.com Inc.	7.76	5.77	Semiconductors	15.03	10.12
NVIDIA Corporation	6.11	4.96	Broadline Retail	9.75	5.89
Apple Inc.	4.80	11.98	Interactive Media	8.47	9.93
Advanced Micro Devices	3.85	0.57	Pharmaceuticals	6.49	2.70
Tesla Inc.	3.78	2.89	Financial Services	5.88	4.09
Meta Platforms Inc. Cla	3.62	3.30	Tech Hardware Storage	4.80	12.06
Eli Lilly and Company	3.44	2.08	Automobiles	4.21	2.89
Visa Inc. Class A	3.04	1.75	Textiles Apparel & Lux	3.81	0.63
Broadcom Inc.	2.91	2.03	Specialty Retail	3.14	3.28
<b>Total</b>	<b>47.66</b>	<b>47.14</b>	<b>Total</b>	<b>78.97</b>	<b>70.41</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	100.10
	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

# Harbor Capital Appreciation Fund



## PERFORMANCE

As of 12/31/2023

### 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	16.30%	53.74%	53.74%	3.45%	17.91%	14.04%	12.22%	12/29/87	0.67	0.72
Investor	HCAIX	411511819	16.19%	53.20%	53.20%	3.08%	17.48%	13.62%	11.41%	11/01/02	1.03	1.08
Retirement	HNACX	411512528	16.31%	53.86%	53.86%	3.54%	18.00%	14.10%	12.24%	03/01/16	0.59	0.64
Russell 1000® Growth Index			14.16%	42.68%	42.68%	8.86%	19.50%	14.86%	11.30%	12/29/87		
S&P 500 Index			11.69%	26.29%	26.29%	10.00%	15.69%	12.03%	10.92%	12/29/87		

## MANAGER COMMENTARY

As of 12/31/2023

**“Uncertainty about the U.S. economy’s ability to avoid recession remains a focus entering 2024. We believe the evidence suggests slowing growth but not outright recession ahead.”**

Jennison Associates, LLC

### Market in Review

In early December, the U.S. Federal Reserve’s (“Fed”) decision to leave the federal funds rate unchanged included the surprising statement that the pace of inflation had cooled sufficiently, and that the Fed did not anticipate any more rate increases. Markets rallied following the announcement.

During the fourth quarter of 2023, the U.S. economy showed incremental softness in hiring despite the resilience of the labor market; oil prices trended lower; and the average U.S. home price remained at historically high levels, despite a dearth of activity in both existing home sales and new construction throughout 2023.

Economic growth outside the U.S. remained muted. In China, the latest residential real estate setback continued to sap the strength of its post-COVID-19 recovery. Ongoing tensions over access to U.S. and international technology led to new restrictions on the purchase of advanced machinery – notably leading-edge semiconductor manufacturing technology – by Chinese enterprises and government agencies. In Europe, growth remained slightly positive to close the year.

Currently, the Harbor Capital Appreciation Fund’s (“Fund”) positioning reflects many of the same investment themes as seen over the past 12 months. We continue to own a diversified Fund of companies that we believe will grow faster than the market averages in revenue, cash flow, and earnings, as well as outpace the growth of a broad universe of growth stocks as represented by the Russell 1000® Growth Index.

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.**

# Harbor Capital Appreciation Fund



## MANAGER COMMENTARY

As of 12/31/2023

### Portfolio Performance

During the fourth quarter of 2023, the Harbor Capital Appreciation Fund (Institutional Class) returned 16.30%, outperforming its benchmarks, the Russell 1000® Growth Index, which returned 14.16%, and the S&P 500 Index, which returned 11.69%.

Stock selection within the Information Technology, Industrials, and Consumer Staples sectors added the most value. Stock selection within the Health Care sector, along with an underweight in Information Technology, detracted the most from relative performance.

### Contributors & Detractors

Microsoft contributed to the Fund's performance, with the stock price rising on the potential artificial intelligence ("AI") tailwinds ahead, the stabilization of its personal computer market, and its Azure (cloud computing platform) market share gains. The company continues to innovate and invest for future profitability.

Amazon's Amazon Web Services ("AWS") subsidiary was a strong contributor to Amazon's share performance. Amazon is poised for reacceleration; its e-commerce performance remains robust; and free cash flow is improving.

Argenx shares detracted from Fund performance, declining on the release of disappointing clinical outcomes for one of the products it has in development.

Tesla also detracted from performance. Its shares were down slightly during the quarter — without a major catalyst. However, the stock outperformed for the full year.

### Buys & Sells

We initiated a position in Boeing. After being a laggard since the pandemic, the company is now reaching an inflection point. Production is ramping up on its key 737 and 787 platforms, which should drive free cash flow meaningfully higher. Note: We are watching the circumstances surrounding the grounding of the 737 Max 9 in early 2024 very closely. However, we believe that Boeing offers unique growth potential that is largely independent of the macro environment, given its backlog.

We sold our position in Argenx because the company experienced two setbacks in drug development trials, which called into question our longer-term thesis about the company's pipeline of autoimmune products beyond Vyvgart. We decided to liquidate the holding, which was a small position in the Fund, given the resulting uncertainty and valuation implications.

### Sector Overweights & Underweights

Sector weights are a by-product of our research-based stock selection. At the beginning of the year, the Fund's largest sector overweights/underweights relative to the Russell 1000® Growth Index were in Consumer Discretionary (overweight) and Information Technology (underweight). As of December 31, 2023, the largest sector overweight relative to the index was in Consumer Discretionary. The biggest underweights relative to the benchmark were in Industrials and Information Technology.

**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.**

# Harbor Capital Appreciation Fund



## MANAGER COMMENTARY

As of 12/31/2023

### Outlook

The grudging pace of the U.S. economic slowdown might be the biggest surprise of the year. Consumer resiliency in the face of geopolitical and macroeconomic turbulence is the primary reason, reflecting low unemployment, balance sheet strength, and rising financial asset prices. Uncertainty about the U.S. economy's ability to avoid recession remains a focus entering 2024. We believe the evidence suggests slowing growth but not outright recession ahead. The easing pace of inflation, along with lower borrowing costs, are new tailwinds to activity. Wage rates, one of the last contrary indicators, are no longer rising and, in some cases, entry-level pay is now below the pandemic peak. Finally, corporate profits broadly have favorably weathered the post-pandemic period, despite the demand pull-forward and supply chain disruptions.

Taken together, the past two-plus years encompassed financial market distress driven by historic inflationary pressures and interest rate increases, followed by a rebound in asset prices to levels that, in some cases, reached near peaks. Valuation has played a significant role in both the decline and rebound of asset prices. This period has been challenging, but we note that the Fund holdings have participated meaningfully in the economic recovery. These companies have navigated throughout a difficult environment in strong financial and operational health.

Secular growth opportunities should drive earnings and revenue increases for the Fund holdings ahead of benchmark averages over our investment time horizon. However, much of this potential is now reflected in share prices. Thus, the Fund's long-term growth potential remains favorable, but near-term share price gains should be more measured.

## QUARTERLY ATTRIBUTION

As of 12/31/2023

### Best & Worst Performers

Best Performers	Average Weight %	Return %
CROWDSTRIKE HOLDINGS INC - A	1.11	52.54
ADVANCED MICRO DEVICES	3.10	43.37
ARM HOLDINGS PLC	0.44	40.41
BROADCOM INC	2.58	35.01
UBER TECHNOLOGIES INC	2.02	33.88

Worst Performers	Average Weight %	Return %
ARGENX SE - ADR	0.55	-24.15
TRADE DESK INC/THE -CLASS A	0.70	-7.92
DR ING HC F PORSCHE AG	0.48	-6.33
AIRBNB INC-CLASS A	0.70	-0.78
TESLA INC	4.22	-0.70

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
MICROSOFT CORP	19.34	1.67
AMAZON.COM INC	19.53	1.53
ADVANCED MICRO DEVICES	43.37	1.25
NVIDIA CORP	13.86	1.12
BROADCOM INC	35.01	0.83
<b>Total</b>		<b>6.39</b>

Greatest Detractors	Return %	Contribution to Return %
TESLA INC	-0.70	-0.18
ARGENX SE - ADR	-24.15	-0.17
AIRBNB INC-CLASS A	-0.78	-0.06
ASTRAZENECA PLC-SPONS ADR	-0.55	-0.04
DR ING HC F PORSCHE AG	-6.33	-0.03
<b>Total</b>		<b>-0.48</b>

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

# Harbor Capital Appreciation Fund



## ATTRIBUTION

As of 12/31/2023

### Quarterly Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

#### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	16.28	14.16	2.11
Currency Contribution	0.15	0.00	0.15
<b>Total Return</b>	<b>16.43</b>	<b>14.16</b>	<b>2.27</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
Information Technology	38.92	43.32	-4.40	22.39	17.75	4.64	8.63	7.73	-0.15	1.77	1.62
Industrials	2.33	5.83	-3.51	35.78	13.05	22.73	0.75	0.73	0.08	0.43	0.51
Consumer Staples	3.14	4.15	-1.01	19.67	10.28	9.39	0.59	0.41	0.05	0.30	0.34
Communication Services	11.18	11.55	-0.37	12.86	11.30	1.56	1.44	1.27	0.02	0.18	0.19
Energy	0.00	0.55	-0.55	0.00	-2.46	2.46	0.00	-0.02	0.10	0.00	0.10
Real Estate	0.87	0.90	-0.03	33.66	23.93	9.73	0.28	0.21	0.00	0.07	0.07
Financials	6.90	6.43	0.46	12.20	11.95	0.25	0.83	0.75	-0.01	0.02	0.01
Utilities	0.00	0.05	-0.05	0.00	23.89	-23.89	0.00	0.01	-0.01	0.00	-0.01
Materials	0.00	0.67	-0.67	0.00	17.67	-17.67	0.00	0.12	-0.03	0.00	-0.03
Consumer Discretionary	23.93	15.68	8.25	12.61	12.62	-0.02	3.05	2.01	-0.14	-0.01	-0.16
Health Care	12.26	10.88	1.38	7.12	9.08	-1.96	0.85	0.93	-0.11	-0.23	-0.34
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>16.43</b>	<b>14.16</b>	<b>2.27</b>	<b>16.43</b>	<b>14.16</b>	<b>-0.25</b>	<b>2.51</b>	<b>2.27</b>

### Trailing 1 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

#### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	54.74	42.68	12.06
Currency Contribution	0.24	0.00	0.24
<b>Total Return</b>	<b>54.97</b>	<b>42.68</b>	<b>12.30</b>

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Information Technology	35.62	41.95	-6.33	93.64	65.08	28.56	28.45	25.57	-1.89	8.11	6.22
Industrials	2.22	7.07	-4.84	124.42	21.28	103.14	2.03	1.41	1.53	1.87	3.40
Consumer Staples	3.43	5.11	-1.68	38.67	4.91	33.76	1.32	0.22	0.94	1.35	2.29
Health Care	12.62	11.45	1.17	21.73	12.62	9.11	2.66	1.27	-0.71	1.53	0.82
Communication Services	10.60	9.43	1.18	64.25	64.72	-0.47	6.47	5.06	0.40	-0.03	0.37
Materials	0.00	0.98	-0.98	0.00	25.22	-25.22	0.00	0.22	0.28	0.00	0.28
Consumer Discretionary	24.44	15.13	9.31	49.53	52.60	-3.07	12.43	7.46	0.99	-0.77	0.23
Utilities	0.00	0.05	-0.05	0.00	4.22	-4.22	0.00	0.00	0.02	0.00	0.02
Real Estate	1.10	1.19	-0.09	5.36	10.46	-5.10	0.00	0.10	0.07	-0.12	-0.06
Energy	0.75	0.96	-0.21	-6.54	1.71	-8.25	-0.30	-0.17	-0.08	-0.01	-0.10
Financials	8.83	6.69	2.13	16.85	22.43	-5.58	1.90	1.54	-0.58	-0.56	-1.14
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>54.97</b>	<b>42.68</b>	<b>12.30</b>	<b>54.97</b>	<b>42.68</b>	<b>0.92</b>	<b>11.38</b>	<b>12.30</b>

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

# Harbor Capital Appreciation Fund



## ATTRIBUTION

As of 12/31/2023

Trailing 3 Year Attribution:  
Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	13.88	29.01	-15.13
Currency Contribution	-0.54	0.00	-0.54
<b>Total Return</b>	<b>13.34</b>	<b>29.01</b>	<b>-15.68</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
Health Care	9.19	11.07	-1.88	41.92	22.47	19.44	4.59	3.59	-0.41	2.00	1.59
Consumer Staples	4.16	5.03	-0.88	31.98	16.89	15.10	0.67	0.69	0.58	0.16	0.74
Materials	0.00	1.03	-1.03	0.00	9.15	-9.15	0.00	0.01	0.21	0.00	0.21
Utilities	0.00	0.04	-0.04	0.00	21.61	-21.61	0.00	0.01	0.00	0.00	0.00
Energy	0.65	0.74	-0.09	18.80	141.14	-122.34	0.13	0.30	-0.31	0.22	-0.10
Real Estate	0.70	1.62	-0.92	-4.78	6.85	-11.63	-0.31	0.05	-0.09	-0.07	-0.16
Industrials	2.32	6.87	-4.56	23.91	29.97	-6.06	0.77	1.94	-0.04	-0.58	-0.61
Financials	10.34	7.07	3.28	-13.87	1.59	-15.45	-0.99	0.36	-1.05	-1.76	-2.81
Consumer Discretionary	26.26	16.29	9.98	3.78	4.46	-0.69	-3.59	-1.06	-2.87	-0.02	-2.89
Communication Services	13.00	10.19	2.82	-13.84	10.31	-24.16	-2.99	1.36	-0.33	-4.83	-5.16
Information Technology	32.73	40.07	-7.34	38.31	58.25	-19.94	14.99	21.77	-1.67	-5.23	-6.90
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>13.34</b>	<b>29.01</b>	<b>-15.68</b>	<b>13.34</b>	<b>29.01</b>	<b>-5.56</b>	<b>-10.11</b>	<b>-15.68</b>

Trailing 5 Year Attribution:  
Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	136.60	143.69	-7.09
Currency Contribution	-0.50	0.00	-0.50
<b>Total Return</b>	<b>136.09</b>	<b>143.69</b>	<b>-7.60</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	24.41	15.65	8.76	186.05	118.58	67.48	32.63	18.79	-3.76	16.55	12.79
Consumer Staples	4.05	5.15	-1.10	147.49	71.51	75.97	4.45	4.42	2.29	2.38	4.66
Health Care	9.60	12.19	-2.59	81.36	78.10	3.26	10.39	13.29	0.36	2.10	2.46
Materials	0.01	1.15	-1.14	4.75	75.79	-71.04	-0.01	1.18	0.87	-0.09	0.79
Real Estate	0.82	1.94	-1.12	40.75	54.72	-13.97	0.73	1.73	0.76	-0.11	0.65
Energy	0.40	0.57	-0.17	25.37	114.19	-88.82	0.22	0.32	-0.11	0.37	0.26
Utilities	0.00	0.02	-0.02	0.00	47.32	-47.32	0.00	0.01	0.01	0.00	0.01
Industrials	3.36	7.87	-4.51	47.59	79.99	-32.41	-0.09	7.20	3.05	-4.47	-1.41
Financials	11.83	7.92	3.91	77.90	83.05	-5.15	15.84	10.30	-2.98	0.86	-2.12
Communication Services	13.96	10.73	3.23	64.98	107.31	-42.33	14.50	14.67	-0.72	-9.80	-10.52
Information Technology	30.94	36.82	-5.88	228.86	278.58	-49.72	57.30	71.78	-5.52	-10.09	-15.61
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>136.09</b>	<b>143.69</b>	<b>-7.60</b>	<b>136.09</b>	<b>143.69</b>	<b>-5.30</b>	<b>-2.30</b>	<b>-7.60</b>

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

# Harbor Capital Appreciation Fund



## IMPORTANT INFORMATION

### Fund Risks

There is no guarantee that the investment objective of the Fund will be achieved. Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions. At times, a growth investing style may be out of favor with investors which could cause growth securities to underperform value or other equity securities. Since the Fund may hold foreign securities, it may be subject to greater risks than funds invested only in the U.S. These risks are more severe for securities of issuers in emerging market regions.

### Benchmarks

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

### Disclosures

All holdings-related data is provided by FactSet. Because FactSet relies on external sources for its data, that data may differ slightly from actual values maintained by Harbor Funds.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

Beta is a rolling three year, unless the Fund has a track record of less than three years, in which case it is a rolling one year.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

Views expressed herein are drawn from commentary provided to Harbor by the subadvisor and may not be reflective of their current opinions or future actions, are subject to change without prior notice, and should not be considered investment advice.

This information should not be considered as a recommendation to purchase or sell a particular security. The weightings, holdings, industries, sectors, countries, and returns mentioned may change at any time and may not represent current or future investments.

As a result of changing market conditions, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

**Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit [harborcapital.com](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

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

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# Harbor Capital Appreciation Fund



## IMPORTANT INFORMATION

### Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

Active Currency Contribution is the Currency Contribution of the portfolio minus the Currency Contribution of the benchmark.

Allocation Effect is the portion of portfolio excess return that is attributable to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the average percent capitalization of the portfolio's group minus the average percent cap of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark.

Average Weight is the dollar value (price times the shares held) of the security or group, divided by the total dollar value of the entire portfolio displayed as a percentage. It is calculated as the simple arithmetic average of daily values.

Contribution to Return is the contribution of a security or group to the overall portfolio return. It is calculated as the security weight multiplied by the daily security return linked daily across the reporting period.

Currency Contribution is Total Return in USD subtracting out the Local Returns.

Local Returns are the Total Return of the portfolio or benchmark using the local currency.

Selection Effect is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's security selection effect equals the average weight of the benchmark's group times the total return of the portfolio's group minus the total return of the benchmark's group.

Total Effect is the sum of Allocation Effect and Selection Effect. The total effect represents the opportunity cost of what was done in a group relative to the overall portfolio. It is not just the difference between percent contribution in the portfolio and benchmark. At the overall portfolio level, the two numbers are equal. At the group level, they can be different.

Total Return is the price change of a security or group including dividends accrued over the report period (or the in-portfolio return) which includes only the time period that each security was in the portfolio.

### Definitions

Beta is a measure of systematic risk, or the sensitivity of a fund to movements in the benchmark. A beta of 1 implies that the expected movement of a fund's return would match that of the benchmark used to measure beta.

Median Market Cap: The median size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Weighted Average Market Capitalization: The average size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

The Est 3-5 Yr EPS Growth (%) is the estimated growth of earnings per share over the next 3-5 years, using pre-calculated mean long-term EPS growth rate estimates, which are calculated using each individual broker's methodology, from FactSet, First Call, I/B/E/S Consensus, and Reuters. Forward looking estimates may not come to pass.

% EPS Growth - Past 3 Year: Earnings per share refers to the bottom-line measure of a company's profitability defined as net income divided by the number of outstanding shares.

The Adjusted Trailing P/E (price-to-earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS.

Forecasted P/E Ratio: a measure of the P/E (price-to-earnings) ratio using forecasted earnings for the P/E calculation.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

The Price/Book (price-to-book) Ratio evaluates a firm's market value relative to its book value.

All P/E, ROE and P/B statistics are calculated as weighted medians.