

Harbor Mid Cap Growth Fund

Wellington Management Company LLP

Subadviser Since 09/20/2005

Total Net Assets - All Classes \$474,773,461
Equity Assets: 97.33%
Cash & Other Assets Less Liabilities: 2.67%
Benchmark Name: Russell Midcap® Growth Index

Portfolio Managers



Stephen Mortimer



Mario E. Abularach,
CFA, CMT

Investment Philosophy

The Fund invests primarily in equity securities, namely common and preferred stocks of mid cap companies. The portfolio manager, in analyzing companies for investment, looks for: strong earnings growth, improving operating trends, a superior management team and attractive relative value within the trading market. The Fund stays fully invested in stocks, up to which 25% may be foreign issued, and does not try to time the market, but instead works toward steady investment growth.

CHARACTERISTICS & ALLOCATION

As of 03/31/2021

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	61	358	Consumer Discretionary	31.39	11.15
Wtd Avg Market Cap (\$Mil)	24,068.90	24,448.50	Information Technology	21.44	37.43
Med Cap - # Stocks (\$Mil)	14,210.00	12,548.00	Health Care	20.31	21.73
Price/Book Ratio	13.21	11.69	Industrials	9.25	12.10
Adjusted Trailing P/E Ratio	68.20	46.40	Communication Services	8.41	6.32
% EPS Growth - Past 3 Yr	34.80	28.10	Financials	5.30	3.39
Return on Equity (%)	14.36	18.28	Consumer Staples	2.25	3.56
Beta vs. Fund Benchmark	1.10		Materials	0.00	2.06
Forecasted P/E Ratio	52.70	36.30	Energy	0.00	0.50
Proj. Earnings Growth Rate (%)	25.10	19.10	Utilities	0.00	0.09
			Real Estate	0.00	1.68

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Align Technology, Inc.	4.36	1.25	Software	15.44	18.69
Lululemon Athletica Inc	3.90	1.03	Health Care Equip	10.71	7.20
DraftKings Inc Class A	3.33	0.00	Hotels Rest & Leisure	9.20	2.06
Chipotle Mexican Grill,	3.31	1.17	Specialty Retail	7.86	4.57
CoStar Group, Inc.	3.23	0.95	Interactive Media	6.19	2.20
Workday, Inc. Class A	2.95	0.00	Semiconductors	5.87	6.68
Fair Isaac Corporation	2.90	0.40	Professional Services	5.09	3.80
DexCom, Inc.	2.64	0.00	Textiles Apparel & Lux	3.89	1.07
Match Group, Inc.	2.50	0.91	Biotechnology	3.65	4.70
Lennar Corporation Clas	2.49	0.00	Capital Markets	3.49	2.88
Total	31.61	5.71	Total	71.39	53.85

Market Capitalization		
		Portfolio %
Large	Above 25.0B	40.31
	10.0B - 25.0B	38.84
Mid	5.0B - 10.0B	16.91
	1.0B - 5.0B	3.95
Small	0.0 - 1.0B	0.00



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Performance & Fund Facts

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HAMGX	411511876	0.15%	0.15%	96.55%	27.93%	25.66%	15.75%	8.07%	11/01/00	0.88	0.91
Administrative Investor	HRMGX	411511793	0.16%	0.16%	96.29%	27.65%	25.36%	15.46%	14.11%	11/01/02	1.13	1.16
Investor	HIMGX	411511785	0.17%	0.17%	95.94%	27.48%	25.21%	15.33%	13.97%	11/01/02	1.24	1.27
Retirement	HNMGX	411512510	0.22%	0.22%	96.84%	28.04%	25.76%	15.80%	8.09%	03/01/16	0.80	0.83
Russell Midcap® Growth Index			-0.57%	-0.57%	68.61%	19.41%	18.39%	14.11%	7.67%	11/01/00		

MANAGER COMMENTARY

As of 03/31/2021

“Looking ahead, we believe that the markets are largely anticipating economic recovery. We believe the upside from here will be driven by idiosyncratic reasons rather than sentiment or thematic factors that helped drive markets last year, and we continue to maintain a high bar for inclusion in this Fund.”

Wellington Management Company LLP

Market in Review

U.S. equities rallied for the fourth consecutive quarter, bolstered by an accelerating vaccine rollout, substantial fiscal and monetary policy tailwinds, and upbeat forecasts for economic growth and earnings. Expectations for a strong rebound in the U.S. economy sparked inflationary fears, contributing to a pro-cyclical rotation, although U.S. Federal Reserve (“Fed”) Chair Jerome Powell indicated that he does not believe inflation will increase substantially or at a sustained rate. The Fed anticipates that interest rates will remain close to zero through 2023. It also raised its median economic growth projection for 2021 to 6.5%, up from 4.2% in December, due to the accelerating vaccine rollout and fiscal stimulus. The Democrats secured slim majorities in both houses of Congress after winning control of the Senate, bolstering President Biden’s prospects of advancing his legislative agenda. Biden signed into law a massive \$1.9 trillion COVID-19 relief bill and introduced an infrastructure package worth approximately \$2.3 trillion, proposing to fund the initiative largely through higher corporate taxes. The plan faces substantial hurdles in Congress amid disagreements among lawmakers about the size and scope of the package and how to pay for it. Corporate earnings remained a bright spot in the U.S. economy, with companies providing upward revisions to their forward earnings estimates along with optimistic commentary and sentiment.

We continue to look for areas of the market and companies where we have a differentiated view of the future versus consensus and have identified a higher upside potential relative to the downside. This is a non-linear environment, which should create more dislocation opportunities for us to take advantage of through our intensive bottom-up fundamental research.

Retirement Class shares commenced operations on March 1, 2016. The performance attributed to the Retirement Class shares prior to that date is that of the Institutional Class shares. Performance prior to March 1, 2016 has not been adjusted to reflect the lower expenses of Retirement Class shares. During this period, Retirement Class shares would have had returns similar to, but somewhat higher than, Institutional Class shares due to the fact that Retirement Class shares represent interests in the same portfolio as Institutional Class shares but are subject to lower expenses.

Performance data shown represents past performance and is no guarantee of future results. Past performance is net of management fees and expenses and reflects reinvested dividends and distributions. Past performance reflects the beneficial effect of any expense waivers or reimbursements, without which returns would have been lower. Investment returns and principal value will fluctuate and when redeemed may be worth more or less than their original cost. Returns for periods less than one year are not annualized. Current performance may be higher or lower and is available through the most recent month end at harborfunds.com or by calling 800-422-1050.



Portfolio Performance

The Harbor Mid Cap Growth Fund (Institutional Class, “Fund”) returned 0.15% during the first quarter of 2021, outperforming its benchmark, the Russell Midcap[®] Growth Index, which returned -0.57%. Sector allocation, a result of our bottom-up stock selection process, was the primary driver of relative outperformance. Allocation effect was driven by our overweight to the Consumer Discretionary sector and underweight to Information Technology, but partially offset by our lack of exposure to Real Estate, underweight to Consumer Staples, and overweight to Communication Services. Stock selection detracted from returns. Weak stock selection in Information Technology and Health Care was partially offset by stock selection in Financials and Consumer Discretionary.

U.S. mid cap growth equities fell modestly during the first quarter, and value stocks significantly outperformed growth stocks. Typically, this is a headwind for our style of investing, but the Fund held up well this quarter, outperforming its benchmark. From a factor perspective, the Fund’s overweight exposure to beta benefited the Fund.

Contributors & Detractors

At the issuer level, our top two relative contributors were out-of-benchmark allocations to Churchill Capital and Thor Industries, while our top two relative detractors were an overweight to Guidewire Software and not owning KLA.

Shares of Churchill Capital (“CCIV”) ended the period higher, after spiking sharply following a report that Lucid Motors, an electric vehicle company, could go public via CCIV. Investors were enthusiastic that Lucid would compete with Tesla. Lucid intends to launch a luxury electric vehicle this spring and broaden its target market by extending its technology to lower-priced vehicles.

Shares of Guidewire Software declined during the month despite the company reporting strong fiscal second quarter results above consensus. The upside was driven by stronger license sales. Revenue rose 3.8% year-over-year and was highlighted by subscription revenue growth of 34.6%. However, the company reported a soft, third quarter fiscal outlook but raised its full-year guidance to reflect the second quarter upside.

Buys & Sells

In terms of Fund positioning, at the end of last year, the Investment Team leaned into stocks that we anticipated would benefit from economic recovery, given the approval and distribution of vaccines in several countries.

One of the stocks we purchased during the quarter included fast-casual restaurant chain Chipotle Mexican Grill. Although Chipotle withstood the COVID-19 environment last year better than many peers, we believe the company should continue to post strong results for a number of reasons, including their robust and accelerating loyalty program with 18 million members, a strong menu-innovation pipeline, and growing digital sales revenue.

Outlook

Markets posted positive returns during the quarter, driven by a combination of expansionary monetary and fiscal policies and optimism around the efficacy of COVID-19 vaccines. The Russell Midcap[®] Growth Index experienced broad strength across sectors led by Real Estate and Energy.

Looking ahead, we believe that the markets are largely anticipating economic recovery. We believe the upside from here will be driven by idiosyncratic reasons rather than sentiment or thematic factors that helped drive markets last year, and we continue to maintain a high bar for inclusion in this Fund.

Performance data shown represents past performance and is no guarantee of future results. Past performance is net of management fees and expenses and reflects reinvested dividends and distributions. Past performance reflects the beneficial effect of any expense waivers or reimbursements, without which returns would have been lower. Investment returns and principal value will fluctuate and when redeemed may be worth more or less than their original cost. Returns for periods less than one year are not annualized. Current performance may be higher or lower and is available through the most recent month end at harborfunds.com or by calling 800-422-1050.



We continue to look for areas of the market and companies where we have a differentiated view of the future versus consensus and have identified a higher upside potential relative to the downside. This is a non-linear environment, which should create more dislocation opportunities for us to take advantage of, through our intensive, bottom-up fundamental research.

QUARTERLY ATTRIBUTION

As of 03/31/2021

Best & Worst Performers

Best Performers	Average Weight %	Return %
Churchill Capital Corp. IV Units Cons of 1 Sh A + 1/5 Wt	0.32	322.62
Thor Industries, Inc.	2.23	45.34
Polaris Inc.	1.34	40.86
Lennar Corporation Class A	2.05	33.19
DraftKings Inc Class A	3.32	31.72

Worst Performers	Average Weight %	Return %
Novavax, Inc.	0.26	-31.43
MultiPlan Corp Class A	0.97	-30.54
Apellis Pharmaceuticals, Inc.	0.42	-24.98
Kodiak Sciences, Inc.	0.99	-22.82
Ascendis Pharma A/S Sponsored ADR	0.61	-22.72

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Churchill Capital Corp. IV Units Cons of	322.62	0.95
Thor Industries, Inc.	45.34	0.85
DraftKings Inc Class A	31.72	0.82
Lennar Corporation Class A	33.19	0.62
Polaris Inc.	40.86	0.44
Total		3.68

Greatest Detractors	Return %	Contribution to Return %
Splunk Inc.	-21.22	-0.54
Guidewire Software, Inc.	-21.05	-0.53
Spotify Technology SA	-14.84	-0.43
RingCentral, Inc. Class A	-21.40	-0.37
Paycom Software, Inc.	-18.17	-0.35
Total		-2.22

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Harbor Mid Cap Growth Fund

ATTRIBUTION
As of 03/31/2021



Quarterly Attribution:

Harbor Mid Cap Growth Fund vs. Russell Midcap® Growth

1/1/2021 - 3/31/2021

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-0.07	-0.57	0.50
Currency Contribution	-0.01	0.00	-0.01
Total Return	-0.08	-0.57	0.49

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	28.98	10.73	18.25	10.69	6.77	3.92	2.63	0.73	1.36	0.83	2.19
Financials	4.41	3.36	1.05	42.94	-1.76	44.70	1.34	-0.05	0.07	1.37	1.45
Consumer Staples	2.87	3.40	-0.53	13.51	0.50	13.01	0.25	0.04	-0.17	0.30	0.13
Utilities	0.00	0.10	-0.10	0.00	1.27	-1.27	0.00	0.00	-0.01	0.00	-0.01
Materials	0.00	2.00	-2.00	0.00	1.05	-1.05	0.00	0.03	-0.03	0.00	-0.03
Communication Services	9.45	6.78	2.67	-3.23	-4.09	0.86	-0.48	-0.32	-0.14	0.09	-0.04
Energy	0.00	0.47	-0.47	0.00	19.61	-19.61	0.00	0.08	-0.09	0.00	-0.09
Real Estate	0.00	1.50	-1.50	0.00	22.26	-22.26	0.00	0.28	-0.29	0.00	-0.29
Industrials	8.63	11.69	-3.06	-5.69	0.55	-6.24	-0.38	0.12	-0.05	-0.51	-0.55
Information Technology	23.15	38.02	-14.87	-8.66	-3.25	-5.41	-2.18	-1.33	0.35	-1.31	-0.96
Health Care	20.47	21.96	-1.48	-6.72	-0.87	-5.85	-1.25	-0.14	0.08	-1.23	-1.15
[Cash]	2.03	0.00	2.03	0.06	0.00	0.06	0.00	0.00	-0.14	0.00	-0.14
Total	100.00	100.00	0.00	-0.08	-0.57	0.49	-0.08	-0.57	0.95	-0.46	0.49

Trailing 1 Year Attribution:

Harbor Mid Cap Growth Fund vs. Russell Midcap® Growth

3/31/2020-3/31/2021

Performance

	Portfolio	Benchmark	Active
Return ex Currency	93.88	68.61	25.27
Currency Contribution	0.21	0.00	0.21
Total Return	94.08	68.61	25.47

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	21.82	11.62	10.20	145.23	86.36	58.87	22.92	10.24	1.17	7.72	8.89
Health Care	24.03	21.05	2.98	76.07	63.35	12.72	22.01	13.11	0.88	3.48	4.36
Communication Services	8.51	5.70	2.81	184.09	115.10	68.99	10.70	4.82	1.15	3.13	4.29
Consumer Staples	3.84	3.74	0.10	126.62	28.04	98.59	4.45	1.39	0.07	3.12	3.19
Information Technology	25.21	36.55	-11.33	74.63	74.49	0.15	24.09	25.96	-0.31	2.87	2.56
Financials	5.31	3.70	1.60	123.87	48.56	75.31	5.06	2.15	0.18	1.93	2.11
Materials	0.00	2.22	-2.22	0.00	46.09	-46.09	0.00	1.11	0.95	0.00	0.95
Industrials	8.51	13.06	-4.55	48.47	57.30	-8.83	4.84	8.18	1.20	-0.28	0.92
Real Estate	0.00	1.76	-1.76	0.00	72.02	-72.02	0.00	1.07	0.84	0.00	0.84
Utilities	0.00	0.07	-0.07	0.00	22.68	-22.68	0.00	0.02	0.34	0.00	0.34
Energy	0.00	0.53	-0.53	0.00	108.03	-108.03	0.00	0.56	0.17	0.00	0.17
[Cash]	2.77	0.00	2.77	0.02	0.00	0.02	0.00	0.00	-3.13	0.00	-3.13
Total	100.00	100.00	0.00	94.08	68.61	25.47	94.08	68.61	3.51	21.97	25.47

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. Stocks of mid cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies. 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.

Disclosures

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

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2022.

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

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

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

The mean/median long term growth rate for Projected Earnings Growth Rate is the expected growth over the next 3-5 years calculated by FactSet from data provided by brokers. The Adjusted Trailing P/E (Price/Earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS. The Forecast P/E Ratio is the closing stock price divided by the sum of the next 4 quarters estimated EPS. All P/E, ROE and P/B statistics are calculated as weighted medians.

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

Views expressed herein are drawn from commentary provided to Harbor by the 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 Harbor fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit harborfunds.com or call 800-422-1050. Read it carefully before investing.

Wellington Management Company LLP is an independent subadvisor to the Harbor Mid Cap Growth Fund.

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Attribution Disclosures

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

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

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

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

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

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

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

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

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

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

Definitions

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