

## Investment Overview

The Fund invests primarily in equity securities, principally common stocks, of mid cap companies that, in the Subadviser's opinion, are out of favor and thus undervalued in the marketplace at the time of purchase and have the potential for appreciation.

## Portfolio Management

### Subadviser:

LSV Asset Management  
Since 09/30/2004

### Portfolio Managers:

Josef Lakonishok, Ph.D.  
Menno Vermeulen, CFA  
Puneet Mansharamani, CFA  
Greg Sleight  
Guy Lakonishok, CFA

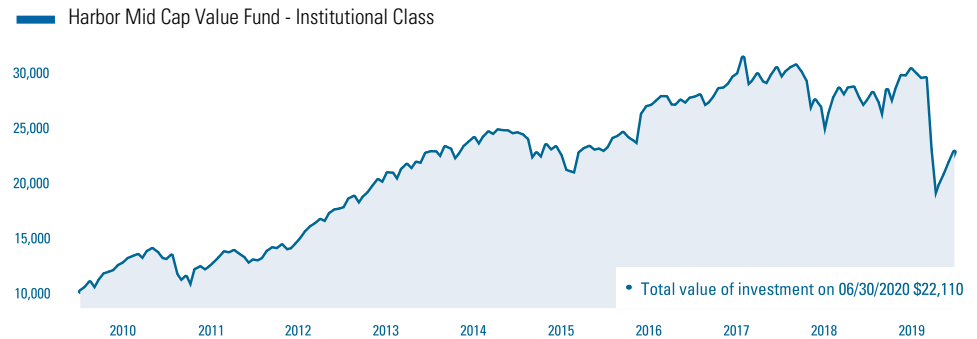
### Investment Risks

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

Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions.

The value of securities selected using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as a whole or securities selected using only fundamental analysis. The factors used in quantitative analysis and the weight placed on those factors may not be predictive of a security's value. In addition, any model may contain flaws or the model may not perform as anticipated.

## Growth of a Hypothetical \$10,000 investment



## Performance

	Three Months	Year to Date	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
<b>Institutional Class</b>	21.95%	-26.50%	-20.43%	-6.81%	-1.55%	8.18%	5.64%
<b>Retirement Class</b>	22.04%	-26.47%	-20.35%	-6.73%	-1.49%	8.22%	5.66%
<b>Administrative Class</b>	21.96%	-26.58%	-20.63%	-7.04%	-1.80%	7.92%	6.74%
<b>Investor Class</b>	21.87%	-26.65%	-20.75%	-7.16%	-1.91%	7.79%	6.61%
Russell Midcap® Value Index	19.95%	-18.09%	-11.81%	-0.54%	3.32%	10.29%	8.39%

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.

The Russell Midcap® Value Index is an unmanaged index generally representative of the U.S. market for medium capitalization value stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap® Value Index and Russell® are trademarks of Frank Russell Company. The Russell Midcap® Value Index since inception return uses 02/28/2002 as the period begin date.

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 potentially 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.

Fund Facts	Institutional Class	Retirement Class	Administrative Class	Investor Class
Ticker	HAMVX	HNMVX	HRMVX	HIMVX
Fund Number	2023	2523	2223	2423
CUSIP	411511835	411512460	411511728	411511736
Inception Date	03/01/2002	03/01/2016	11/01/2002	11/01/2002
12b-1 Fee	None	None	0.25%	0.25%
Total Net Assets (\$MM)	293.074	38.339	6.791	30.291
Redemption Fee	None	None	None	None
Net Expense Ratio	0.86	0.78	1.11	1.23
Gross Expense Ratio	0.89	0.81	1.14	1.26

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 02/28/2021.

### Top Industries



Equity Real Estate Investmen...	10.07%
Insurance	6.71%
Machinery	6.65%
Banks	5.65%
Health Care Providers & Serv...	4.91%
Chemicals	4.90%
Specialty Retail	3.84%
Household Durables	3.69%
Electric Utilities	3.27%
Food Products	3.06%
Total	52.75%

### Top Holdings

	Portfolio %
1. Ameriprise Financial Inc.	1.73%
2. Vistra Energy Corp.	1.71%
3. PPL Corp.	1.61%
4. Kroger Co.	1.53%
5. National Fuel Gas Co.	1.48%
6. Alexion Pharmaceuticals Inc.	1.38%
7. Citizens Financial Group Inc.	1.35%
8. Whirlpool Corp.	1.35%
9. Eastman Chemical Co.	1.32%
10. Lincoln National Corp.	1.30%
Total	14.76%

### Sector Allocation vs. Benchmark

Sector	Portfolio	Russell Midcap® Value Index	Portfolio vs. Benchmark Underweight/Overweight
Financials	20.49%	15.48%	5.01
Consumer Discretionary	13.27%	11.24%	2.03
Industrials	13.16%	16.45%	-3.29
Real Estate	10.07%	11.06%	-0.99
Health Care	8.66%	7.68%	0.99
Materials	8.58%	6.66%	1.92
Utilities	7.85%	9.07%	-1.23
Information Technology	6.80%	9.75%	-2.94
Consumer Staples	6.23%	4.50%	1.73
Energy	2.87%	4.36%	-1.49
Communication Services	1.51%	3.75%	-2.23

### Portfolio Statistics

Number of Securities	151
Adjusted Price to Earnings Ratio	9.18
Annualized Turnover - as of 10/31/2019	11%
Weighted Avg Market Cap (\$MM)	9,118.28
Beta	1.20

### Risk Statistics

	The Fund	Russell Midcap® Value Index
Alpha	-5.33%	0.00%
R-Squared	97.58%	100.00%
Standard Deviation	25.78%	21.22%
Sharpe Ratio	-0.20%	0.01%

#### Definitions:

**Adjusted Price to Earnings (P/E) Ratio** – the closing share price divided by the last 12 months of actual earnings per share. Only P/E's of 2.0 or greater are included. The higher the P/E ratio, the greater expectation there is for growth.

**Alpha** – a fund's risk-adjusted excess return relative to the benchmark.

**Beta** – measures fund volatility relative to the overall market. With a beta for every index at 1.0, a beta under 1.0 means the fund is less volatile and more than 1.0 means the fund is more volatile than the index.

**Duration** – an estimated measure of the price sensitivity of the aggregate market value of a portfolio of debt securities to changes in interest rates.

**R-Squared** – a measure of a fund's returns that are explained by movements in an index. A number lower than 70% suggests fund performance acts less like the index with performance more reflective of the active management of the fund.

**Sharpe Ratio** – measures return vs. risk; a higher number suggests less risk to achieve fund performance.

**Standard Deviation** – a statistical measure of historic volatility of a fund's returns; a higher number suggests greater volatility.

Beta is rolling three year, unless the Fund has a track record of less than three years, in which case it is since inception. All Risk Statistics are Rolling three year. If the Fund does not have a three year track record, the statistics will be listed as N/A.

Certain portfolio and risk statistics are provided by FactSet and Morningstar Direct.

The holdings, sectors or countries shown 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.

**Investors should carefully consider the investment objectives, risks, charges and expenses of a Harbor fund before investing. A summary prospectus or prospectus for this and other information is available at harborfunds.com or by calling 800-422-1050. Read it carefully before investing.**

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