

# HARBOR CAPITAL APPRECIATION FUND

Jennison Associates LLC

Subadvisor Since 05/01/1990

**Total Net Assets - All Classes** \$28,838,787,437  
**Equity Assets:** 99.71%  
**Cash & Other Assets Less Liabilities:** 0.29%  
**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 03/31/2024

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	51	440	Information Technology	41.60	43.96
Wtd Avg Market Cap (\$Mil)	1,023,905.20	1,215,368.10	Consumer Discretionary	20.42	14.94
Median Market Cap (\$Mil)	159,457.00	19,254.00	Communication Services	12.83	12.05
Price/Book Ratio	13.12	13.12	Health Care	11.53	10.65
Adjusted Trailing P/E Ratio	47.90	38.10	Financials	6.59	6.39
% EPS Growth - Past 3 Yr	26.80	27.30	Consumer Staples	3.17	4.07
Est 3-5 Yr EPS Growth Rate (%)	21.10	17.20	Industrials	2.74	5.83
Return on Equity (%)	28.04	33.86	Real Estate	0.83	0.82
Beta vs. Fund Benchmark	1.12		Materials	0.00	0.69
Forecasted P/E Ratio	36.00	30.30	Energy	0.00	0.49
			Utilities	0.00	0.06

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
NVIDIA Corporation	8.81	8.17	Semiconductors	18.29	13.65
Amazon.com Inc.	8.32	6.19	Software	16.92	18.37
Microsoft Corporation	8.29	11.92	Broadline Retail	9.79	6.30
Meta Platforms Inc Clas	5.03	4.09	Interactive Media	8.36	10.53
Broadcom Inc.	4.13	2.17	Pharmaceuticals	7.23	3.05
Eli Lilly and Company	4.06	2.51	Financial Services	5.62	4.07
Advanced Micro Devices	3.76	0.63	Entertainment	3.66	1.23
Apple Inc.	3.66	9.52	Tech Hardware Storage	3.66	9.61
Mastercard Incorporated	2.83	1.52	Specialty Retail	3.40	3.30
Visa Inc. Class A	2.79	1.69	Hotels Rest & Leisure	2.91	2.85
<b>Total</b>	<b>51.68</b>	<b>48.41</b>	<b>Total</b>	<b>79.84</b>	<b>72.96</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	99.72
	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 03/31/2024

### 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 %
<b>Institutional</b>	HACAX	411511504	13.72%	13.72%	47.78%	9.23%	17.13%	15.53%	12.53%	12/29/87	0.68	0.72
<b>Investor</b>	HCAIX	411511819	13.62%	13.62%	47.25%	8.84%	16.70%	15.10%	11.94%	11/01/02	1.04	1.08
<b>Retirement</b>	HNACX	411512528	13.75%	13.75%	47.91%	9.32%	17.22%	15.59%	12.55%	03/01/16	0.60	0.64
Russell 1000 <sup>®</sup> Growth Index			11.41%	11.41%	39.00%	12.50%	18.52%	15.98%	11.55%	12/29/87		
S&P 500 Index			10.56%	10.56%	29.88%	11.49%	15.05%	12.96%	11.15%	12/29/87		

## MANAGER COMMENTARY

As of 03/31/2024

**“Equities have had a fast start in 2024, particularly with the further appreciation of growth equities during the quarter.”**

Jennison Associates, LLC

### Market in Review

Overall, the market environment during the first quarter of 2024 reflected similar trends that closed out 2023, with investor sentiment and company fundamentals trending positively. Equities gained despite a pushback in the timing and magnitude of expected cuts in the U.S. federal funds rate. The changing funds rate dynamic came as growth, employment, and inflation all mildly surprised to the upside. The 10-year U.S. Treasury bond yields moved higher throughout the quarter, while oil prices rebounded by approximately 10% at the start of the year.

Global economic growth varied by region. U.S. growth remained above other major geographies, continuing recent trends. Japan exited a decades-long period of negative interest rates amid optimism about higher levels of expected growth, leading the yen lower against other major currencies. Elsewhere, European economies remained hostage to low levels of activity and the ongoing overhang of the war in Ukraine, now entering its third year. China’s ongoing attempts to address domestic real estate weakness showed little progress, while sentiment and activity levels reflected these concerns. Meanwhile, pressure around technology trade and transfer agreements between China and the West continued to build.

Enthusiasm around generative artificial intelligence (AI) continued on pace, with semiconductors – the primary building blocks of AI capabilities – which continues to be the focus of attention. Undersupply of leading-edge GPU processors, expanding applications of generative AI to industries beyond technology, and the issues around capacity to construct and power the required datacenter infrastructure framed the backdrop to another quarter of outperformance for the companies we believe may be best positioned to benefit from these trends.

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 02/28/2025.

**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 03/31/2024

### Portfolio Performance

During the quarter, the Harbor Capital Appreciation Fund (Institutional Class, "Fund") returned 13.72%, outperforming its benchmarks, the Russell 1000® Growth Index, which returned 11.41%, and the S&P 500 Index, which returned 10.56%.

Stock selection within the Information Technology, Health Care, and Communication Services sectors was particularly additive to relative results during the quarter. Positions within Consumer Discretionary detracted the most from relative results.

### Contributors & Detractors

NVIDIA contributed to performance and reported another strong quarter, with even more acceleration in its datacenter segment. Demand continues to remain well ahead of supply.

Meta Platforms also contributed to performance. The company continues to benefit from an improved advertising market and recommendation engine, as well as share gains. AI and ad stack improvements should be multiyear tailwinds.

Tesla detracted from performance during the quarter. Although earnings were in line with guidance, the stock declined on less visibility into volume and gross margins.

Apple also detracted from performance, as the company reduced first quarter 2024 revenue guidance due to COVID-19-affected comparisons. In addition, China continues to underperform with a 13% drop in last quarter's sales.

### Buys & Sells

During the quarter, we initiated a new position in Disney, as it is one of the few legacy media companies that is successfully transitioning its business into streaming. Its ability to create new intellectual property (IP) and essentially turn it into a recurring revenue stream through the "Experience" business (Parks & Consumer Products) – and now the streaming business – appears to be setting it apart.

During the quarter, we sold ARM Holdings. The company has been a beneficiary of the unprecedented demand for semiconductors driven by generative AI. We eliminated our position as performance has been very strong since ARM's IPO, and shares have greatly exceeded our price target.

### Overweights & Underweights

Sector weights are a by-product of our research-based stock selection. At the beginning of 2024, the Fund's largest sector overweights/underweights relative to the Russell 1000® Growth Index were in Consumer Discretionary (overweight) and Information Technology (underweight). Market volatility impacted the Fund's weights during the quarter, but active sector weights were generally stable and directionally consistent throughout the quarter.

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# Harbor Capital Appreciation Fund



## MANAGER COMMENTARY

As of 03/31/2024

### Outlook

Equities have had a fast start in 2024, particularly with the further appreciation of growth equities during the quarter. We can trace these returns to broader themes that have been at play for the past several quarters – namely, enthusiasm for generative AI and the ongoing growth of GLP-1 drugs for weight loss related to diabetes treatment. More broadly, we are forecasting accelerating earnings growth in 2024 compared to last year, and at a premium to consensus forecast gains for the Russell 1000® Growth Index and the broader S&P 500 Index. Economic activity and associated service-related inflation measures in the first quarter came in at higher levels than broadly forecast at the start of the year, leading to a reduction in the expected pace and scope of reductions in the federal funds rate at the end of the first quarter. While macroeconomic variables do not drive our investment process, they do shape investor expectations and behavior. The narrative around a slowing economy and the possibility of outright recession have waxed and waned over the past year, with investors attempting to gauge the impacts of the Fed tightening cycle that started in 2022. History suggests these impacts lag actual activity levels by as much as 18 months to two years. Given this historical context, fewer analysts now expect a recession, which partly speaks to the changed interest rate landscape since the year began.

Abundant liquidity, a banking system that has withstood significant stress following last year's high-profile failures and continued favorable employment-market dynamics point to an environment of stronger U.S. economic growth, though at lower levels than in the previous few years. The nature of our discussions with the managements of the companies that we own in the fund are reflective of this outlook. We believe the fund could have durable growth opportunities and growth ability. We think they could be well positioned to benefit further as generative AI adoption proliferates across industries, though we are still at the very early stages of this adoption curve. Our core positioning within select semiconductor and software holdings reflects our conviction in this thesis, while we have made further adjustments to capture greater opportunity and simultaneously harvest a portion of the gains in others.

## QUARTERLY ATTRIBUTION

As of 03/31/2024

### Best & Worst Performers

Best Performers	Average Weight %	Return %
NVIDIA CORP	7.81	82.47
ARM HOLDINGS PLC-ADR	0.26	68.21
META PLATFORMS INC-CLASS A	4.58	37.33
ELI LILLY & CO	3.87	33.69
ASML HOLDING NV-NY REG SHS	1.41	28.40

Worst Performers	Average Weight %	Return %
TESLA INC	2.55	-29.25
BOEING CO/THE	0.82	-25.96
LULULEMON ATHLETICA INC	1.28	-23.60
SNOWFLAKE INC-CLASS A	1.19	-18.79
ADOBE INC	1.73	-15.42

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
NVIDIA CORP	82.47	4.83
META PLATFORMS INC-CLASS A	37.33	1.45
AMAZON.COM INC	18.72	1.43
ELI LILLY & CO	33.69	1.17
MICROSOFT CORP	12.09	1.03
<b>Total</b>		<b>9.91</b>

Greatest Detractors	Return %	Contribution to Return %
TESLA INC	-29.25	-1.10
APPLE INC	-10.82	-0.48
LULULEMON ATHLETICA INC	-23.60	-0.35
BOEING CO/THE	-25.96	-0.30
ADOBE INC	-15.42	-0.26
<b>Total</b>		<b>-2.49</b>

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

# Harbor Capital Appreciation Fund



## ATTRIBUTION

As of 03/31/2024

### Quarterly Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

#### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	13.93	11.41	2.51
Currency Contribution	-0.07	0.00	-0.07
<b>Total Return</b>	<b>13.86</b>	<b>11.41</b>	<b>2.44</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	41.52	44.18	-2.66	19.28	12.68	6.60	7.86	5.62	-0.04	2.68	2.64
Health Care	11.41	10.71	0.70	17.12	11.68	5.44	1.92	1.26	-0.01	0.61	0.60
Communication Services	11.86	11.79	0.08	21.69	17.34	4.35	2.46	2.00	-0.02	0.50	0.48
Energy	0.00	0.47	-0.47	0.00	6.08	-6.08	0.00	0.02	0.03	0.00	0.03
Utilities	0.00	0.05	-0.05	0.00	24.11	-24.11	0.00	0.01	-0.01	0.00	-0.01
Materials	0.00	0.68	-0.68	0.00	13.56	-13.56	0.00	0.09	-0.02	0.00	-0.02
Industrials	2.56	5.75	-3.18	6.10	10.39	-4.29	0.16	0.57	0.02	-0.10	-0.07
Consumer Staples	3.10	4.06	-0.97	6.67	9.28	-2.61	0.20	0.38	0.02	-0.10	-0.08
Real Estate	1.00	0.86	0.13	-8.47	-1.97	-6.51	-0.12	-0.03	-0.03	-0.08	-0.12
Financials	6.68	6.39	0.30	9.47	11.28	-1.82	0.66	0.72	-0.01	-0.12	-0.13
Consumer Discretionary	21.65	15.07	6.58	3.58	5.29	-1.70	0.72	0.76	-0.45	-0.41	-0.85
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>13.86</b>	<b>11.41</b>	<b>2.44</b>	<b>13.86</b>	<b>11.41</b>	<b>-0.54</b>	<b>2.98</b>	<b>2.44</b>

### Trailing 1 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

#### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	48.79	39.00	9.79
Currency Contribution	-0.02	0.00	-0.02
<b>Total Return</b>	<b>48.77</b>	<b>39.00</b>	<b>9.77</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	38.55	43.09	-4.54	71.91	48.86	23.05	26.34	21.14	-0.63	8.22	7.60
Industrials	2.26	6.34	-4.08	110.34	28.22	82.12	2.01	1.59	0.67	1.36	2.04
Health Care	11.91	11.07	0.85	43.44	27.27	16.17	5.18	2.92	-0.23	2.14	1.91
Consumer Staples	3.17	4.57	-1.41	35.75	12.46	23.29	1.12	0.44	0.57	0.80	1.37
Communication Services	11.04	10.60	0.44	66.66	59.70	6.95	6.83	5.58	0.13	0.77	0.90
Energy	0.27	0.70	-0.43	1.29	17.61	-16.32	-0.13	0.02	0.09	-0.05	0.04
Materials	0.00	0.81	-0.81	0.00	38.54	-38.54	0.00	0.28	0.04	0.00	0.04
Utilities	0.00	0.05	-0.05	0.00	34.53	-34.53	0.00	0.01	0.00	0.00	0.00
Real Estate	0.98	1.01	-0.03	-0.02	6.37	-6.38	-0.08	0.02	-0.01	-0.10	-0.11
Financials	7.82	6.47	1.35	20.18	30.99	-10.81	1.46	1.94	-0.20	-0.99	-1.19
Consumer Discretionary	23.67	15.30	8.37	24.12	32.98	-8.86	6.01	5.06	-0.45	-2.35	-2.80
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>48.77</b>	<b>39.00</b>	<b>9.77</b>	<b>48.77</b>	<b>39.00</b>	<b>-0.02</b>	<b>9.79</b>	<b>9.77</b>

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

# Harbor Capital Appreciation Fund



## ATTRIBUTION

As of 03/31/2024

Trailing 3 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	33.53	42.40	-8.86
Currency Contribution	-0.39	0.00	-0.39
<b>Total Return</b>	<b>33.14</b>	<b>42.40</b>	<b>-9.26</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	9.78	10.84	-1.07	77.18	34.97	42.22	7.48	4.95	-0.42	3.48	3.06
Consumer Staples	4.11	4.99	-0.88	38.67	28.78	9.89	0.85	1.20	0.62	-0.04	0.57
Materials	0.00	1.02	-1.02	0.00	22.86	-22.86	0.00	0.09	0.22	0.00	0.22
Utilities	0.00	0.04	-0.04	0.00	49.04	-49.04	0.00	0.02	0.00	0.00	0.00
Energy	0.65	0.77	-0.12	18.80	113.87	-95.07	0.15	0.33	-0.31	0.25	-0.06
Real Estate	0.78	1.54	-0.76	-12.85	-0.33	-12.52	-0.47	-0.11	-0.03	-0.17	-0.21
Industrials	2.18	6.94	-4.76	26.39	38.62	-12.23	0.80	2.46	0.03	-0.77	-0.74
Consumer Discretionary	25.88	16.18	9.71	12.92	11.04	1.88	-2.07	-0.31	-3.56	0.94	-2.63
Information Technology	33.40	40.53	-7.12	73.92	79.60	-5.68	27.44	30.38	-2.05	-0.73	-2.78
Financials	9.96	6.95	3.01	-5.77	12.53	-18.29	-0.28	1.11	-1.10	-2.06	-3.17
Communication Services	12.62	10.22	2.40	4.60	19.68	-15.08	-0.83	2.27	-0.90	-3.04	-3.95
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>33.14</b>	<b>42.40</b>	<b>-9.26</b>	<b>33.14</b>	<b>42.40</b>	<b>-7.10</b>	<b>-2.15</b>	<b>-9.26</b>

Trailing 5 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	128.82	133.85	-5.04
Currency Contribution	-0.45	0.00	-0.45
<b>Total Return</b>	<b>128.37</b>	<b>133.85</b>	<b>-5.48</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	24.50	15.67	8.83	154.50	99.33	55.17	30.21	16.24	-4.36	14.43	10.07
Consumer Staples	4.03	5.05	-1.03	116.06	68.88	47.18	3.54	3.78	1.88	1.26	3.14
Health Care	9.49	12.05	-2.56	90.40	85.21	5.20	10.05	13.42	0.32	2.03	2.35
Materials	0.00	1.09	-1.09	0.00	73.73	-73.73	0.00	0.76	0.76	0.00	0.76
Real Estate	0.79	1.86	-1.07	6.28	26.87	-20.60	-0.02	0.80	0.71	-0.33	0.38
Energy	0.39	0.56	-0.17	18.80	98.56	-79.76	0.15	0.09	-0.09	0.43	0.34
Utilities	0.00	0.03	-0.03	0.00	82.83	-82.83	0.00	0.02	0.00	0.00	0.00
Industrials	3.18	7.52	-4.34	30.91	70.27	-39.37	-2.38	3.42	3.16	-4.60	-1.44
Financials	11.39	7.75	3.64	58.66	71.78	-13.12	10.86	7.95	-3.11	-0.65	-3.76
Information Technology	31.87	37.71	-5.83	233.51	253.97	-20.46	64.28	73.84	-4.91	-2.94	-7.85
Communication Services	13.75	10.73	3.02	67.33	107.49	-40.16	11.55	13.51	-0.78	-9.15	-9.93
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>128.37</b>	<b>133.85</b>	<b>-5.48</b>	<b>128.37</b>	<b>133.85</b>	<b>-5.96</b>	<b>0.48</b>	<b>-5.48</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.