

HARBOR MID CAP FUND

CHARACTERISTICS & ALLOCATION

As of 06/30/2024

EARNEST Partners LLC

Subadvisor Since 12/01/2019

Total Net Assets - All Classes	\$155,561,886
Equity Assets:	96.41%
Cash & Other Assets Less Liabilities:	3.59%
Benchmark Name:	Russell Midcap® Index

Portfolio Managers



Paul E. Viera

Investment Philosophy

The Fund invests primarily in equity securities, principally common and preferred stocks, of U.S. mid cap companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in securities of mid cap companies. The Subadvisor uses a bottom-up investment process, employing fundamental and qualitative criteria to identify individual companies for potential investment in the Fund's portfolio. The Subadvisor employs statistical analysis, which is designed to limit certain risks in the Fund's portfolio versus the Fund's benchmark. The Fund expects to invest in approximately 50 to 70 companies.

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	58	807	Industrials	26.41	19.93
Wtd Avg Market Cap (\$Mil)	31,951.60	27,726.80	Financials	17.83	16.14
Median Market Cap (\$Mil)	15,537.00	10,542.00	Information Technology	16.68	13.69
Price/Book Ratio	3.31	3.64	Health Care	8.59	9.36
Adjusted Trailing P/E Ratio	21.30	25.90	Consumer Discretionary	7.18	10.39
% EPS Growth - Past 3 Yr	19.50	24.30	Real Estate	6.28	7.65
Est 3-5 Yr EPS Growth Rate (%)	11.80	12.30	Materials	6.10	5.45
Return on Equity (%)	15.92	14.79	Energy	4.56	5.13
Beta vs. Fund Benchmark	0.90		Utilities	1.47	5.48
Forecasted P/E Ratio	18.50	21.00	Consumer Staples	1.31	3.19
			Communication Services	0.00	3.45

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Republic Services Inc.	3.40	0.36	Capital Markets	8.52	5.13
Entegris Inc.	2.83	0.18	Insurance	6.76	5.03
Reinsurance Group of Am	2.50	0.12	Semiconductors	6.75	2.96
Progressive Corporation	2.48	0.00	Aerospace & Defense	6.34	1.89
Masco Corporation	2.39	0.14	Machinery	5.20	4.85
CBRE Group Inc. Class A	2.33	0.25	Commercial Serv & Suppl	4.53	1.90
D.R. Horton Inc.	2.21	0.39	Life Sciences Tools	4.43	2.59
Intercontinental Exchan	2.18	0.00	Software	3.80	4.77
Raymond James Financial	2.18	0.21	Chemicals	3.65	2.47
Houlihan Lokey Inc. Cla	2.15	0.06	Trading Companies	3.31	1.85
Total	24.65	1.71	Total	53.29	33.44

Market Capitalization		
		Portfolio %
Large	Above 25.0B	32.33
	10.0B - 25.0B	37.34
Mid	5.0B - 10.0B	20.70
	1.0B - 5.0B	6.07
Small	0.0 - 1.0B	0.00

Harbor Mid Cap Fund



PERFORMANCE

As of 06/30/2024

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 %
Institutional	HMCLX	41152P708	-5.28%	2.19%	10.03%	2.78%	N/A	N/A	9.52%	12/01/19	0.88	0.97
Investor	HMCNX	41152P880	-5.36%	2.05%	9.65%	2.42%	N/A	N/A	9.15%	12/01/19	1.24	1.33
Retirement	HMCRX	41152P609	-5.21%	2.34%	10.16%	2.88%	N/A	N/A	9.63%	12/01/19	0.80	0.89
Russell Midcap® Index			-3.35%	4.96%	12.88%	2.37%	N/A	N/A	9.16%	12/01/19		

MANAGER COMMENTARY

As of 06/30/2024

"Currently, the central bank projects a fed funds rate of 5.1% by the end of 2024, implying only one rate cut through the rest of the year."

EARNEST Partners

Market in Review

Within the U.S., sector performance continued to be shaped by interest rate dynamics, with Information Technology and Communication Services emerging as standout performers. These sectors benefited from robust earnings from key players and sustained enthusiasm around artificial intelligence ("AI") and other technological advancements. The Utilities sector also performed well, driven by anticipated future demand for powering data centers and investor optimism about potential rate cuts going forward. Conversely, sectors such as Industrials and Materials lagged, while Energy stocks – though volatile – ended the quarter slightly lower, supported by stable crude oil prices.

The U.S. Federal Reserve ("Fed") remained a key focus for investors as it evaluated policy options in response to declining Consumer Price Index ("CPI") numbers within a robust economy, where unemployment rates continue to hover near 50-year lows. Adhering to its higher-for-longer messaging, the Fed maintained its restrictive rate stance and signaled it will continue to do so until it is confident inflation is controlled. As anticipated by markets, the central bank held the federal funds rate steady in the 5.25% to 5.50% range. This decision followed encouraging inflation readings, with CPI figures showing ~3.4% in April and ~3.3% in May. The Fed reiterated its commitment to achieving its long-term inflation target of 2% while navigating complexities from geopolitical events and high post-COVID-19 inflation. Currently, the central bank projects a fed funds rate of 5.1% by the end of 2024, implying only one rate cut through the rest of the year. In March, the Fed had predicted a year-end rate of 4.6%, implying three rate cuts through the end of the year.

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 Mid Cap Fund

MANAGER COMMENTARY

As of 06/30/2024



Portfolio Performance

The U.S. equity market, as represented by the Russell Midcap® Index, returned -3.40% during the second quarter of 2024. Investors saw market volatility return during the quarter as stocks fell sharply in April, rebounded strongly in May, and fell again in June. The gyrations in market prices during the period were largely due to investors' positioning around macroeconomic data releases as they tried to anticipate possible Fed responses with respect to monetary policy. A market environment exhibiting these characteristics is less conducive to our investment approach, which focuses on company fundamentals rather than interest rate policy.

As a result, the Harbor Mid Cap Fund (Institutional Class, "Fund") underperformed the index, net of fees, for the quarter. From a sector perspective, Utilities was the best performer, as investors looked for AI surrogates on the notion that demand for power will increase to sustain mounting consumption from data centers. However, market participants may be overlooking the regulatory impacts that could cap profitability, as well as the immense capital investment needed to support the demand growth. As a result, the Fund has less exposure to Utilities, causing a recent headwind to performance. Despite these headwinds, the Fund exhibited positive stock selection in Industrials and Financials during the quarter. An overweight to Information Technology also boosted results. We continue to focus on what we view as high-quality companies that we believe could be well positioned to benefit over the long term.

Contributors & Detractors

Detracting from performance, Cummins designs, manufactures, and distributes engines, filtration, and power generation products. Its comprehensive range of products includes diesel and natural gas engines, hybrid and electric platforms, and related technologies. Cummins' innovations are crucial for powering a wide variety of vehicles and industrial applications worldwide. In the most recent period, Cummins reported a nearly 16% year-over-year increase in earnings, driven by strong demand for its power generation products. However, the stock underperformed as market participants focused on a decline in operating margins. This margin pressure is expected to be short-lived, as the company addresses supply chain challenges and implements efficiency improvements. Cummins' strong market position and commitment to innovation make it a compelling long-term investment in our view. The company's focus on expanding its clean energy solutions and enhancing operational efficiency positions it well for future growth. Cummins' ability to overcome current challenges and capitalize on emerging opportunities in the power solutions market supports a potentially compelling long-term investment proposition.

Contributing to performance, Applied Materials provides advanced equipment, services, and software for the manufacturing of semiconductor chips. Its cutting-edge technology solutions enable the production of virtually every new chip and advanced display in the world. Applied Materials' innovations are foundational to the electronics that power modern life, from smartphones to advanced data centers. Recently, Applied Materials demonstrated strong performance, driven by solid financial results and favorable market conditions. The company reported a nearly 50% year-over-year increase in gross margin. This growth is supported by demand in the semiconductor industry, technological advancements, and strategic investments that have bolstered its market position. Applied Materials' dominant position in the semiconductor equipment market and its continuous innovation make it a strong investment choice in our view. The company appears poised to benefit from the ongoing expansion of the semiconductor industry and increasing demand for advanced electronics. Applied Materials' strategic focus on research and development and its ability to capture new market opportunities could support continued earnings growth.

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 Mid Cap Fund

QUARTERLY ATTRIBUTION

As of 06/30/2024



Domestic and International Funds

The Fund entered the period with a relative overweight to Information Technology and Industrials. The Fund is positioned this way, as we have found more attractive individual opportunities relative to other sectors. Our views on the names in the Fund have remained consistent since last quarter, and the Fund has continued to maintain a healthy overweight, reflecting our conviction in the holdings.

Outlook

No new themes or trends were introduced into the Fund during the quarter. We continue to position the Fund based on the underlying fundamentals of individual companies and their growth prospects relative to what is currently reflected in the stock price.

Best & Worst Performers

Best Performers	Average Weight %	Return %
APPLIED MATERIALS INC	1.93	14.64
WOODWARD INC	1.94	13.30
STERICYCLE INC	0.99	10.20
TJX COMPANIES INC	1.51	8.97
STIFEL FINANCIAL CORP	1.88	8.22

Worst Performers	Average Weight %	Return %
GLOBAL PAYMENTS INC	1.35	-27.46
ALBEMARLE CORP	0.86	-27.21
ULTA BEAUTY INC	1.34	-26.20
DENTSPLY SIRONA INC	0.99	-24.47
BIO-RAD LABORATORIES-A	1.41	-21.04

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
APPLIED MATERIALS INC	14.64	0.26
WOODWARD INC	13.30	0.24
REINSURANCE GROUP OF AMERICA	6.86	0.17
STIFEL FINANCIAL CORP	8.22	0.16
TJX COMPANIES INC	8.97	0.14
Total		0.98

Greatest Detractors	Return %	Contribution to Return %
GLOBAL PAYMENTS INC	-27.46	-0.44
ULTA BEAUTY INC	-26.20	-0.43
MASCO CORP	-15.12	-0.41
AKAMAI TECHNOLOGIES INC	-17.18	-0.36
BIO-RAD LABORATORIES-A	-21.04	-0.35
Total		-1.99

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

Harbor Mid Cap Fund



ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:
Harbor Mid Cap Fund vs Russell Midcap® Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-5.11	-3.35	-1.76
Currency Contribution	0.00	0.00	0.00
Total Return	-5.11	-3.35	-1.76

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
Industrials	26.42	20.27	6.15	-3.35	-5.14	1.79	-0.85	-1.06	-0.11	0.47	0.36
Financials	17.64	15.98	1.65	-1.75	-3.12	1.37	-0.26	-0.47	0.01	0.23	0.24
Consumer Staples	1.37	3.37	-2.01	-11.49	-9.06	-2.42	-0.16	-0.31	0.11	-0.04	0.08
Materials	6.35	5.68	0.66	-8.75	-8.06	-0.69	-0.57	-0.48	-0.04	-0.04	-0.08
Communication Services	0.00	3.35	-3.35	0.00	2.69	-2.69	0.00	0.09	-0.19	0.00	-0.19
Health Care	8.97	9.64	-0.67	-11.80	-8.45	-3.36	-1.13	-0.86	0.04	-0.32	-0.28
Consumer Discretionary	7.17	10.44	-3.27	-10.85	-5.98	-4.88	-0.82	-0.64	0.09	-0.37	-0.29
Energy	4.73	5.11	-0.38	-7.69	-0.38	-7.31	-0.39	-0.03	-0.01	-0.34	-0.35
Utilities	1.51	5.45	-3.95	-3.52	3.80	-7.32	-0.05	0.21	-0.26	-0.11	-0.36
Real Estate	6.18	7.45	-1.27	-5.33	0.45	-5.78	-0.34	0.05	-0.05	-0.36	-0.40
Information Technology	16.34	13.26	3.07	-3.35	1.17	-4.52	-0.59	0.13	0.12	-0.70	-0.58
Total	100.00	100.00	0.00	-5.11	-3.35	-1.76	-5.11	-3.35	-0.19	-1.58	-1.76

Trailing 1 Year Attribution:
Harbor Mid Cap Fund vs Russell Midcap® Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	10.95	12.87	-1.93
Currency Contribution	0.00	0.00	0.00
Total Return	10.95	12.87	-1.93

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	17.13	15.47	1.66	35.11	28.23	6.88	5.43	4.19	0.25	0.99	1.24
Consumer Staples	1.40	3.54	-2.14	-1.09	-6.57	5.49	0.00	-0.30	0.45	0.10	0.55
Health Care	9.29	10.39	-1.11	-3.10	-4.95	1.85	-0.46	-0.74	0.27	0.22	0.49
Communication Services	0.00	3.48	-3.48	0.00	3.45	-3.45	0.00	0.14	0.35	0.00	0.35
Utilities	1.44	5.34	-3.90	-7.51	12.46	-19.97	-0.11	0.64	0.04	-0.32	-0.27
Consumer Discretionary	6.52	10.40	-3.88	7.08	12.21	-5.12	0.65	1.32	0.07	-0.50	-0.43
Industrials	25.81	19.55	6.26	13.67	16.71	-3.04	3.61	3.32	0.25	-0.72	-0.47
Materials	6.42	5.77	0.65	-3.87	4.18	-8.04	-0.40	0.23	-0.07	-0.61	-0.67
Real Estate	6.56	7.67	-1.12	-2.58	8.04	-10.62	-0.18	0.63	0.05	-0.74	-0.69
Energy	4.92	5.05	-0.14	8.27	25.78	-17.51	0.17	1.10	0.06	-0.89	-0.83
Information Technology	17.41	13.33	4.08	11.44	17.68	-6.24	2.06	2.35	0.17	-1.08	-0.91
Total	100.00	100.00	0.00	10.95	12.87	-1.93	10.95	12.87	1.62	-3.54	-1.93

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

Harbor Mid Cap Fund



IMPORTANT INFORMATION

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.

Benchmarks

The Russell Midcap® Index is an unmanaged index generally representative of the U.S. market for medium capitalization stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap® 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 or call 800-422-1050. Read it carefully before investing.

EARNEST Partners LLC is an independent subadvisor to the Harbor Mid Cap Fund.

Distributed by Harbor Funds Distributors, Inc.

Harbor Mid Cap 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.