

HARBOR MID CAP FUND

CHARACTERISTICS & ALLOCATION

As of 12/31/2024

EARNEST Partners LLC

Subadvisor Since 12/01/2019

Total Net Assets - All Classes	\$166,957,937
Equity Assets:	98.09%
Cash & Other Assets Less Liabilities:	1.91%
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	59	807	Industrials	23.73	17.05
Wtd Avg Market Cap (\$Mil)	31,377.20	28,635.90	Financials	19.44	16.72
Median Market Cap (\$Mil)	18,797.00	11,336.00	Information Technology	12.95	14.00
Price/Book Ratio	3.26	3.73	Health Care	12.09	9.28
Adjusted Trailing P/E Ratio	21.40	25.10	Consumer Discretionary	9.12	10.68
% EPS Growth - Past 3 Yr	22.70	18.40	Real Estate	7.59	7.57
Est 3-5 Yr EPS Growth Rate (%)	8.70	12.40	Materials	6.40	5.25
Return on Equity (%)	13.64	13.27	Energy	3.76	5.29
Beta vs. Fund Benchmark	0.89		Utilities	1.67	5.66
Forecasted P/E Ratio:	17.80	22.10	Consumer Staples	1.34	4.84
			Communication Services	0.00	3.64

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
CBRE Group Inc. Class A	3.27	0.34	Capital Markets	8.98	5.33
Republic Services Inc.	2.95	0.00	Insurance	7.08	5.26
Progressive Corporation	2.72	0.00	Life Sciences Tools	6.52	2.22
Raymond James Financial	2.61	0.24	Machinery	5.87	3.73
Reinsurance Group	2.48	0.12	Health Care Providers	4.94	2.07
Masco Corporation	2.47	0.13	Specialty Retail	4.65	2.47
Stifel Financial Corp	2.41	0.09	Aerospace & Defense	4.39	1.87
Darden Restaurants Inc.	2.39	0.19	Semiconductors	4.33	2.03
Intercontinental Exchange	2.26	0.00	Chemicals	3.79	2.35
ANSYS Inc.	2.24	0.25	Trading Companies	3.66	1.83
Total	25.80	1.36	Total	54.21	29.16

Market Capitalization		
		Portfolio %
Large	Above 25.0B	45.11
	10.0B - 25.0B	32.16
Mid	5.0B - 10.0B	15.27
	1.0B - 5.0B	5.53
Small	0.0 - 1.0B	0.00

Harbor Mid Cap Fund



PERFORMANCE

As of 12/31/2024

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 %
Institutional	HMCLX	41152P708	-3.05%	7.29%	7.29%	1.27%	8.99%	N/A	9.59%	12/01/19	0.88	0.97
Investor	HMCNX	41152P880	-3.18%	6.87%	6.87%	0.90%	8.60%	N/A	9.20%	12/01/19	1.24	1.33
Retirement	HMCRX	41152P609	-3.05%	7.36%	7.36%	1.34%	9.07%	N/A	9.67%	12/01/19	0.80	0.89
Russell Midcap® Index			0.62%	15.34%	15.34%	3.79%	9.92%	N/A	10.24%	12/01/19		

MANAGER COMMENTARY

As of 12/31/2024

“Discussions surrounding the administration’s potential trade policies raised questions about the direction of tariffs, particularly with key global trading partners.”

EARNEST Partners LLC

Market in Review

Global equity markets were mixed during the fourth quarter of 2024, as macroeconomic and geopolitical factors weighed on investor sentiment. U.S. equities saw moderate gains, with the S&P 500 rising by 2.40%. Mid-cap stocks, represented by the Russell Midcap® Index, posted a small gain of 0.62%. International markets faced challenges, as the MSCI ACWI ex-U.S. returned -7.60% and the MSCI EAFE was down 8.11. Fixed-income markets also struggled, as the Bloomberg US Aggregate Bond Index declined by 3.06%, reflecting rising yields and persistent inflation concerns.

The U.S. economy showed continued strength during this period. With a new U.S. presidential administration on the horizon, investors turned their attention to potential changes in tariffs, tax policy, and government spending. Discussions surrounding the administration’s potential trade policies raised questions about the direction of tariffs, particularly with key global trading partners. At the same time, expectations of tax reforms and infrastructure spending fueled speculation about their economic impact. The Federal Reserve (“Fed”) enacted two 0.25% rate cuts during the quarter, one in November and another in December. With these adjustments, the fed funds rate now stands in the range of 4.25% to 4.50%. The Fed signaled that it would reduce rates further in 2025, but not as much as it previously expected, reflecting the central bank’s continued concern with inflation even as the Consumer Price Index remained below 3.0%.

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 12/31/2024



Portfolio Performance

During the fourth quarter of 2024, the Harbor Mid Cap Fund (Institutional Class, “Fund”) returned -3.05%, underperforming its benchmark, the Russell Midcap® Index, which returned 0.62%. The U.S. mid-cap equity market experienced heightened volatility during the quarter, with significant intramonth moves as market participants recalibrated the likely path for interest rates into 2025.

Positive stock selection within Industrials and Consumer Staples boosted results. Additionally, an overweight to Financials and an underweight to Real Estate provided a tailwind in the period. Detracting from performance was less exposure to Artificial Intelligence-adjacent and crypto-related stocks. Market participants showed significant enthusiasm for these stocks, while placing less emphasis on fundamentals like earnings or valuations. For instance, Twilio, a cloud communication company that is not profitable and incurs sizable operating losses, was up more than 60% in the quarter. At the expense of near-term results, it is our responsibility to bypass speculative price risk that cannot be justified by underlying fundamentals.

The Fund trades at a discount to next year’s earnings compared to the index and its historical earnings growth and profitability metrics (like return on equity) are higher than the index. We believe remaining disciplined in our investment approach should prove valuable over the long run, potentially safeguarding capital and helping to position our clients for attractive outcomes.

Contributors & Detractors

Detracting from performance, Entegris is a leading supplier of advanced materials and contamination control solutions for the semiconductor industry. The company’s products are critical in enabling the production of high-performance chips by ensuring precision and purity in manufacturing environments. Entegris’ solutions support the world’s most advanced semiconductor fabrication processes, making them indispensable to the industry. In the most recent quarter, Entegris reported a 5% increase in revenue, driven by strong demand in its specialty materials segment. However, the stock underperformed due to lower-than-expected margins, driven by rising input costs and a temporary slowdown in advanced node manufacturing. Despite these challenges, the company’s long-term growth prospects remain intact. Entegris’ strong market position and focus on innovation make it a compelling long-term investment.

Contributing to performance, Stifel Financial Corp. is a diversified financial services company providing investment banking, wealth management, and brokerage services. The firm serves a wide range of clients, including individuals, institutions, and corporations, with tailored financial solutions. Stifel’s strong reputation and expansive advisory network make it a key player in the financial services industry. In the most recent quarter, Stifel reported a 12% increase in investment banking revenue, driven by strong activity in mergers and acquisitions and equity capital markets. The wealth management segment also posted solid growth, with assets under management rising 8% year over year due to positive market performance and net new client inflows. The company’s focus on expanding its advisory capabilities and strategic hiring initiatives contributed to its strong results. Stifel’s leadership in investment banking and wealth management, coupled with its diversified business model, make it a compelling investment.

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Harbor Mid Cap Fund



MANAGER COMMENTARY

As of 12/31/2024

Buys and Sells

The Fund purchased Wintrust Financial, a regional financial holding company, offering community banking, wealth management, and specialty lending services, primarily in the Midwest. Additionally, the Fund sold one position in KeyCorp. KeyCorp is a regional bank holding company, offering retail and commercial banking, investment management, and wealth advisory services. We sold the stock due to crowding out.

Outlook

As bottom-up fundamental investors that aim to exceed performance over a full market cycle, we do not maintain an economic forecast. However, we have found the most opportunities within the Industrials, Financials, and Information Technology sectors.

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Harbor Mid Cap Fund

QUARTERLY ATTRIBUTION

As of 12/31/2024



Best & Worst Performers

Best Performers	Average Weight %	Return %
RAYMOND JAMES FINANCIAL INC	2.45	27.31
SNAP-ON INC	1.96	17.87
GATX CORP	1.46	17.42
DARDEN RESTAURANTS INC	2.07	14.77
STIFEL FINANCIAL CORP	2.35	13.39

Worst Performers	Average Weight %	Return %
DENTSPLY SIRONA INC	0.68	-29.27
DR HORTON INC	2.42	-26.53
AMERICOLD REALTY TRUST INC	1.18	-23.52
SENSATA TECHNOLOGIES HOLDING	1.28	-23.31
SCOTTS MIRACLE-GRO CO	1.58	-22.84

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
RAYMOND JAMES FINANCIAL INC	27.31	0.52
DARDEN RESTAURANTS INC	14.77	0.31
SNAP-ON INC	17.87	0.29
STIFEL FINANCIAL CORP	13.39	0.27
HOULIHAN LOKEY INC	10.23	0.24
Total		1.62

Greatest Detractors	Return %	Contribution to Return %
DR HORTON INC	-26.53	-0.71
SCOTTS MIRACLE-GRO CO	-22.84	-0.37
MASCO CORP	-13.24	-0.36
SENSATA TECHNOLOGIES HOLDING	-23.31	-0.33
AMERICOLD REALTY TRUST INC	-23.52	-0.29
Total		-2.06

Harbor Mid Cap Fund



ATTRIBUTION

As of 12/31/2024

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-2.81	0.62	-3.43
Currency Contribution	0.00	0.00	0.00
Total Return	-2.81	0.62	-3.43

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 Staples	1.30	4.83	-3.53	-1.39	-3.39	2.01	-0.03	-0.18	0.15	0.03	0.18
Utilities	1.67	5.64	-3.97	-1.38	-1.96	0.58	-0.02	-0.11	0.11	0.01	0.12
Real Estate	7.36	7.76	-0.40	-6.28	-6.78	0.50	-0.45	-0.53	0.04	0.05	0.09
Industrials	23.73	17.51	6.22	-0.63	-1.04	0.41	-0.21	-0.13	-0.12	0.09	-0.03
Consumer Discretionary	8.35	10.67	-2.32	-2.51	-1.03	-1.47	-0.22	-0.15	0.03	-0.11	-0.08
Materials	6.87	5.62	1.25	-11.00	-10.50	-0.51	-0.74	-0.57	-0.14	-0.04	-0.17
Communication Services	0.00	3.55	-3.55	0.00	6.86	-6.86	0.00	0.22	-0.21	0.00	-0.21
Health Care	11.69	9.53	2.16	-8.50	-7.59	-0.91	-0.99	-0.75	-0.16	-0.10	-0.26
Financials	19.95	16.44	3.51	3.85	7.03	-3.18	0.70	1.08	0.21	-0.61	-0.39
Energy	3.76	5.26	-1.50	-0.22	10.35	-10.57	0.01	0.56	-0.14	-0.37	-0.52
Information Technology	13.09	13.21	-0.12	-6.66	10.36	-17.02	-0.89	1.18	0.00	-2.18	-2.18
Total	100.00	100.00	0.00	-2.81	0.62	-3.43	-2.81	0.62	-0.21	-3.23	-3.43

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	8.07	15.35	-7.27
Currency Contribution	0.00	0.00	0.00
Total Return	8.07	15.35	-7.27

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	18.31	16.00	2.31	32.94	29.99	2.95	5.32	4.43	0.35	0.40	0.75
Consumer Staples	1.36	4.23	-2.87	7.43	-2.55	9.98	0.10	-0.07	0.57	0.14	0.71
Materials	6.45	5.71	0.75	2.06	-4.17	6.23	0.06	-0.19	-0.20	0.49	0.28
Health Care	10.46	9.95	0.50	-4.37	-4.43	0.06	-0.34	-0.35	-0.13	0.10	-0.04
Communication Services	0.00	3.44	-3.44	0.00	17.62	-17.62	0.00	0.57	-0.07	0.00	-0.07
Real Estate	6.78	7.72	-0.94	6.85	8.89	-2.05	0.41	0.74	0.04	-0.11	-0.08
Consumer Discretionary	7.78	10.60	-2.82	6.00	12.66	-6.65	0.47	1.35	0.09	-0.57	-0.48
Utilities	1.54	5.46	-3.92	16.12	29.28	-13.16	0.25	1.49	-0.50	-0.17	-0.67
Industrials	24.99	18.63	6.36	13.26	19.24	-5.99	3.20	3.60	0.24	-1.37	-1.13
Energy	4.25	5.10	-0.85	-7.49	21.18	-28.67	-0.36	1.02	-0.04	-1.25	-1.29
Information Technology	15.23	13.16	2.07	-8.68	22.75	-31.43	-1.17	2.75	-0.12	-4.62	-4.74
Total	100.00	100.00	0.00	8.07	15.35	-7.27	8.07	15.35	-0.31	-6.96	-7.27

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.

The MSCI ACWI Ex US Index measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging markets. It is free float-adjusted market-capitalization weighted.

The MSCI EAFE Index measures the performance of the large and mid cap segments of developed markets, excluding the US & Canada equity securities. It is free float-adjusted market-capitalization weighted.

The Bloomberg US Aggregate Bond Index measures the performance of investment grade, U.S. dollar denominated, fixed-rate taxable bond market, including Treasuries, government related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

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.

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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.