

Harbor Disruptive Innovation Fund

Harbor Capital Advisors, Inc.

Manager Since 09/01/2021

Total Net Assets - All Classes	\$81,086,839
Equity Assets:	97.16%
Cash & Other Assets Less Liabilities:	2.84%
Benchmark 1 Name:	S&P 500 Index
Benchmark 2 Name:	Russell 3000® Growth Index

Portfolio Managers



Spenser Lerner, CFA



Kristof Gleich, CFA

Investment Philosophy

The Fund invests primarily in equity securities, principally common and preferred stocks of all cap companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in securities of U.S. domiciled companies. The Fund employs a multi-manager approach to achieve its investment objective. As the Fund's investment advisor, Harbor Capital Advisors, Inc. ("Harbor Capital") assumes responsibility of selecting and overseeing underlying managers for the Fund. Each underlying manager is responsible for submitting a model portfolio to Harbor Capital which the portfolio managers will implement in their discretion. The Fund seeks to invest in companies that are innovative and disruptive. The Fund defines innovation and disruption by those companies that are generating secular growth - that growth is typically tied to accelerating shifts in the global economy. The Fund may invest up to 20% of its total assets in the securities of foreign issuers, including issuers located or doing business in emerging markets.

CHARACTERISTICS & ALLOCATION

As of 06/30/2023

Portfolio Characteristics			
	Portfolio	Bench 1	Bench 2
Number of Holdings	101	503	1,533
Wtd Avg Market Cap (\$Mil)	288,822.30	680,752.90	998,131.20
Median Market Cap (\$Mil)	17,768.00	31,117.00	2,196.00
Price/Book Ratio	9.31	6.25	13.01
Adjusted Trailing P/E Ratio	45.10	32.30	34.00
% EPS Growth - Past 3 Yr	20.50	22.70	23.10
Est 3-5 Yr EPS Growth Rate (%)	27.10	12.30	17.20
Return on Equity (%)	7.42	23.62	28.33
Beta vs. Fund Benchmark	1.09		
Forecasted P/E Ratio	39.80	24.00	32.40

Top 10 Holdings			
	Portfolio %	Bench 1 %	Bench 2 %
Microsoft Corporation	4.45	6.81	11.09
Amazon.com Inc.	3.18	3.13	5.14
Advanced Micro Devices Inc.	2.96	0.49	0.45
ServiceNow Inc.	2.93	0.31	0.50
Lam Research Corporation	2.91	0.23	0.36
MercadoLibre Inc.	2.51	0.00	0.00
ASML Holding NV	2.22	0.00	0.00
Texas Instruments Incorporated	2.09	0.44	0.29
Cadence Design Systems Inc.	2.02	0.17	0.28
Linde plc	2.02	0.50	0.08
Total	27.29	12.08	18.19

Market Capitalization		
		Portfolio %
Large	Above 25.0B	68.81
	10.0B - 25.0B	11.85
Mid	5.0B - 10.0B	6.61
	1.0B - 5.0B	8.16
Small	0.0 - 1.0B	4.57

Economic Sectors			
	Portfolio %	Bench 1 %	Bench 2 %
Information Technology	44.26	28.30	42.09
Health Care	21.31	13.39	11.39
Consumer Discretionary	13.27	10.63	15.58
Financials	7.75	12.49	6.32
Communication Services	4.84	8.39	10.28
Industrials	2.43	8.50	6.58
Materials	2.02	2.50	0.86
Consumer Staples	0.89	6.66	4.36
Utilities	0.39	2.59	0.12
Energy	0.00	4.11	0.67
Real Estate	0.00	2.48	0.99

Top 10 Industries			
	Portfolio %	Bench 1 %	Bench 2 %
Software	22.66	10.32	17.75
Semiconductors	14.29	7.39	9.04
Biotechnology	10.22	1.92	2.79
IT Services	6.58	1.17	1.56
Financial Services	6.06	4.21	4.02
Broadline Retail	5.69	3.22	5.28
Life Sciences Tools	4.90	1.58	1.36
Hotels Rest & Leisure	4.74	2.06	2.96
Health Care Equip	4.07	2.88	2.12
Interactive Media	2.65	5.31	8.81
Total	81.86	40.06	55.69



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	HAMGX	411511876	7.31%	24.76%	18.71%	-1.96%	5.93%	9.81%	5.42%	11/01/00	0.83	0.91
Investor	HIMGX	411511785	7.18%	24.36%	18.29%	-2.30%	5.55%	9.40%	10.22%	11/01/02	1.19	1.27
Retirement	HNMGX	411512510	7.20%	24.94%	18.95%	-1.85%	6.05%	9.88%	5.45%	03/01/16	0.75	0.83
S&P 500 Index			8.74%	16.89%	19.59%	14.60%	12.31%	12.86%	7.18%	11/01/00		
Russell 3000® Growth Index			12.47%	28.05%	26.60%	13.24%	14.39%	15.26%	7.04%	11/01/00		

MANAGER COMMENTARY

As of 06/30/2023

“Barring a sharp and unexpected deviation in the economy and central bank policies, we remain positive about an environment that will favor growth stocks, as well as innovative and adaptable companies, thus requiring prudent but opportunistic portfolio construction.”

Harbor Capital Advisors, Inc.

Market in Review

During the second quarter of 2023, cap-weighted broad market indexes, such as the S&P 500® Index and Nasdaq, surged, driven predominantly by robust gains from a select group of mega-cap tech stocks aptly named the “Magnificent 7.” Although earnings from the first quarter came in better than expected, the strong gains were attributable almost entirely to multiple expansions resulting from increased expectations of a soft landing, falling inflation readings, and hype surrounding the emergence and impact of broadly accessible, generative artificial intelligence (“AI”) applications. Despite these gains, concerns loomed regarding a policy mistake from an overly aggressive U.S. Federal Reserve (“Fed”) and the delayed impact of broad-based and rapid global monetary tightening. However, offsetting some of these concerns were bullish narratives supported by a tight labor market, resilient consumer spending, and improvements in the housing market despite higher interest rates. Large-cap, profitable growth stocks were the clear winners during the quarter as they drove indexes higher, while the average stock largely traded sideways during the period.

Portfolio Performance

During the quarter, the Harbor Disruptive Innovation Fund (Institutional Class, “Fund”) returned 7.31%, underperforming its primary benchmark, the S&P 500® Index, which returned 8.74%, and the Russell 3000® Growth Index, which returned 12.47%.

While allocation effects were additive to performance during the quarter — primarily from the impact of an overweight to the Information Technology sector, stock selection detracted from relative performance. The Fund’s bias toward higher-growth equities proved a headwind during the quarter, as leadership was narrow with mega-cap tech leading the way, while underweights to NVIDIA and Microsoft specifically detracted from relative performance.

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 02/29/2024.

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.



Contributors & Detractors

Atlassian Corp., an enterprise software company that develops products for software development, project management, and content management, was a top detractor from absolute performance during the quarter. Atlassian underperformed after the company lowered cloud revenue guidance, citing worsening macro headwinds.

MercadoLibre was another top detractor from performance during the quarter. The Latin American online retailer reported strong results but traded off a bit after a torrid start to the year.

MongoDB, a general-purpose database platform, was a top contributor during the quarter. The stock outperformed after the company beat fiscal first-quarter results and raised fiscal year guidance. In our view, MongoDB remains one of the most compelling secular growth stories in software.

Deliveroo was another top contributor during the quarter, as the company benefited from a more stable political scenario in the U.K., a good earnings season, and better sector prospects, as the economy starts to benefit from improved consumer spending and investor sentiment.

Buys & Sells

We purchased Linde plc during the quarter. The company is a leader in the industrial gas business, which has consolidated among three large players. The company offers stable and profitable growth with an opportunity in the nascent hydrogen market.

During the quarter, we sold the Fund's position in Prometheus Biosciences, a biopharma company focused on the treatment of ulcerative colitis and Crohn's disease, after news broke that the company was being acquired by Merck at a 75% premium.

Overweights and Underweights

With the Fund's portfolio addressing opportunities in innovation, our largest sector overweights remain Information Technology and Health Care. The position did not change much during the quarter, but changes typically are related to individual stock opportunities rather than sector calls.

Outlook

AI has widened the range of outcomes for all companies. We are still in the early days; predictions are unreliable. As the range of outcomes widens, and the threat of disruption increases, the risk to a company increases. Therefore, we think in general, some AI-themed stocks and some of the large platform companies have become marginally less attractive. At the same time, some areas such as automation and health care, where AI will also have a massive impact, have lagged and remain attractive relative to the risk. Semiconductors remain the building blocks of this new paradigm and long-term opportunities — again, with a cautious eye to valuation and risk. Other sectors that have lagged technology stocks could catch up in the coming months.

Barring a sharp and unexpected deviation in the economy and central bank policies, we remain positive about an environment that will favor growth stocks, as well as innovative and adaptable companies, thus requiring prudent but opportunistic portfolio construction.



Best & Worst Performers

Best Performers	Average Weight %	Return %
MongoDB Inc. Class A	0.89	76.30
NVIDIA Corporation	1.21	52.31
Krystal Biotech Inc.	0.69	46.64
Samsara Inc. Class A	1.55	40.52
Arrowhead Pharmaceuticals Inc.	0.59	40.39

Worst Performers	Average Weight %	Return %
uniQure N.V.	0.41	-43.10
Peloton Interactive Inc. Class A	0.41	-39.24
Wolfspeed Inc	0.34	-39.22
Dada Nexus Ltd. Sponsored ADR	0.87	-37.09
Catalent Inc	0.37	-34.01

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Amazon.com Inc.	26.21	0.95
Microsoft Corporation	18.38	0.78
NVIDIA Corporation	52.31	0.62
ServiceNow Inc.	20.93	0.59
MongoDB Inc. Class A	76.30	0.58
Total		3.52

Greatest Detractors	Return %	Contribution to Return %
Wolfspeed Inc	-39.22	-0.41
Workday Inc. Class A	9.37	-0.39
Dada Nexus Ltd. Sponsored ADR	-37.09	-0.38
Okta Inc. Class A	-19.59	-0.37
Peloton Interactive Inc. Class A	-39.24	-0.36
Total		-1.91

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.



Quarterly Attribution:
Harbor Disruptive Innovation Fund vs S&P 500 Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	7.74	8.74	-1.00
Currency Contribution	0.07	0.00	0.07
Total Return	7.80	8.74	-0.94

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	1.30	8.42	-7.12	25.10	6.25	18.85	0.54	0.50	0.22	0.41	0.62
Energy	0.00	4.43	-4.43	0.00	-0.89	0.89	0.00	-0.06	0.42	0.00	0.42
Utilities	1.18	2.79	-1.61	-3.13	-2.53	-0.60	-0.04	-0.08	0.29	-0.05	0.24
Real Estate	0.00	2.56	-2.56	0.00	2.48	-2.48	0.00	0.06	0.16	0.00	0.16
Consumer Staples	0.87	7.11	-6.24	-37.09	0.45	-37.54	-0.38	0.02	0.52	-0.37	0.15
Financials	7.74	12.77	-5.03	5.21	5.33	-0.13	0.35	0.66	0.18	-0.04	0.14
Materials	2.04	2.54	-0.50	7.94	3.31	4.63	0.15	0.07	0.03	0.07	0.10
Consumer Discretionary	13.90	10.15	3.75	12.87	14.58	-1.71	1.79	1.46	0.25	-0.19	0.06
Health Care	22.72	14.12	8.60	4.27	2.95	1.32	1.10	0.39	-0.67	0.51	-0.15
Communication Services	4.85	8.42	-3.56	2.59	13.07	-10.48	0.12	1.12	-0.13	-0.53	-0.66
Information Technology	43.42	26.70	16.72	10.02	17.23	-7.21	4.16	4.61	1.16	-2.99	-1.83
Total	100.00	100.00	0.00	7.80	8.74	-0.94	7.80	8.74	2.25	-3.19	-0.94

Quarterly Attribution:
Harbor Disruptive Innovation Fund vs Russell 3000® Growth Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	7.74	12.47	-4.74
Currency Contribution	0.07	0.00	0.07
Total Return	7.80	12.47	-4.67

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	1.30	8.41	-7.11	25.10	6.51	18.58	0.54	0.43	0.51	0.40	0.91
Energy	0.00	1.52	-1.52	0.00	0.71	-0.71	0.00	-0.05	0.21	0.00	0.21
Real Estate	0.00	1.39	-1.39	0.00	-0.74	0.74	0.00	-0.04	0.20	0.00	0.20
Consumer Staples	0.87	5.67	-4.80	-37.09	0.38	-37.47	-0.38	0.01	0.56	-0.39	0.17
Materials	2.04	1.39	0.65	7.94	8.35	-0.41	0.15	0.08	-0.01	-0.03	-0.04
Utilities	1.18	0.14	1.04	-3.13	-1.39	-1.74	-0.04	0.00	-0.10	0.01	-0.09
Financials	7.74	6.56	1.18	5.21	5.56	-0.35	0.35	0.34	-0.05	-0.06	-0.11
Consumer Discretionary	13.90	14.15	-0.24	12.87	15.12	-2.25	1.79	2.09	0.01	-0.28	-0.27
Communication Services	4.85	7.48	-2.63	2.59	15.90	-13.31	0.12	1.16	0.04	-0.68	-0.64
Health Care	22.72	12.27	10.45	4.27	5.46	-1.19	1.10	0.69	-0.97	-0.03	-1.00
Information Technology	43.42	41.03	2.39	10.02	18.94	-8.92	4.16	7.76	0.02	-3.79	-3.76
Total	100.00	100.00	0.00	7.80	12.47	-4.67	7.80	12.47	0.19	-4.84	-4.66

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. Since the Fund may hold foreign securities, it may be subject to greater risks than funds invested only in the U.S. Investing in REITs will subject the Fund to additional risk. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions.

Benchmarks

The Standard & Poor's 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. The Russell 3000[®] Growth Index measures the performance of the broad growth segment of the US equity universe. It includes Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. These unmanaged indices do not reflect fees and expenses and are not available for direct investment. The Russell 3000[®] 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 or call 800-422-1050. Read it carefully before investing.

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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.

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.