



Harbor Capital Appreciation Fund

STANDARD RFI

Harbor Capital Advisors, Inc. (Adviser)
111 South Wacker Drive, 34th Floor
Chicago, IL 60606

Harbor Funds Distributors, Inc. (Distributor)
33 Arch Street, 20th Floor
Boston, MA 02110

Jennison Associates LLC (Subadviser)
466 Lexington Avenue, 18th Floor
New York, NY 10017
harborcapital.com

For Institutional Use Only. Not for Distribution to the Public.

BACKGROUND INFORMATION

Harbor Capital Advisors, Inc. ("Harbor Capital") was founded in 1983 to manage the pension and retirement plan assets of our former parent company, Owens-Illinois. In 1986, we introduced Harbor Funds, a family of no-load mutual funds featuring our manager-of-managers business model. In June of 2001, Harbor Capital was acquired by Robeco Groep N.V. ("Robeco"), a financial holding company located in the Netherlands, a wholly-owned subsidiary of Rabobank Nederland ("Rabobank"). On July 1, 2013, ORIX Corporation acquired 90% plus one share of the outstanding shares of Robeco from Rabobank. On October 21, 2016, ORIX Corporation acquired the remaining interest that Rabobank held in Harbor Capital's parent company, Robeco (10% less one share). As a result, Robeco is wholly-owned by ORIX Corporation. Effective January 2018, Robeco's name changed to ORIX Corporation Europe N.V. ("ORIX Europe"). Harbor Capital remains an indirect, wholly-owned subsidiary of ORIX Corporation.

Harbor Funds is a family of subadvised mutual funds that offers access to a lineup of respected institutional investment firms sourced worldwide. Recognizing that no single firm can excel in managing all types of asset classes, Harbor utilizes a "manager-of-managers" approach where we seek to identify experienced portfolio managers with proven track records, who specialize in a particular asset class. These managers are responsible for making the day-to-day investment decisions and effecting the purchase and sale of the securities held by the individual mutual fund portfolios.

Our arrangements with third-party investment teams, combined with our internal philosophy of closely managing costs, allow us to offer a family of funds that we believe delivers long-term value to our shareholders.

SUBADVISER STRUCTURE & INVESTMENT TEAM

SUBADVISER STRUCTURE

The subadviser for the Harbor Capital Appreciation Fund, Jennison Associates LLC ("Jennison"), is a wholly owned direct subsidiary of PGIM Inc. ("PGIM") and indirectly wholly owned by Prudential Financial, Inc. (NYSE: PRU).

HISTORY

Jennison Associates ("Jennison") was founded in 1969 based on a belief that is as true today as it was then: Doing what's right for clients will always be good for business. The company was established as an SEC-registered investment advisor* for tax-exempt, U.S. large cap growth equity accounts, primarily for large institutions.

Jennison's investment-focused culture enables them to remain committed to clients' investment objectives. Independent research, long-term investment thinking, and diversity of perspectives and experiences remain firmly rooted in everything they do. Their culture is and has always been distinguished by professional excellence, client focus, teamwork, and experience.

For more than 50 years, Jennison has consistently applied their investment principles to build insights and judgment that help them identify opportunities and construct portfolios. They believe that long-term excess returns can be achieved by identifying and investing in market-leading opportunities. Many factors cause variability in the way markets price securities in the short term. Their job is to assess how these factors affect their investment thesis and long-term value.

Jennison is organized under the laws of Delaware as a single member limited liability company whose sole member is PGIM,. Jennison and PGIM are wholly owned subsidiaries of Prudential Financial, Inc.

**Registration with the SEC does not imply a certain level of skill or training.*

TEAM BIOGRAPHIES

Kathleen A. McCarragher*

Managing Director & Head of Growth Equity

Kathleen McCarragher is the Head of Growth Equity and a large cap growth equity portfolio manager. She joined Jennison in 1998. Prior to Jennison, she spent six years with Weiss, Peck & Greer, where she was a managing director and the director of large cap growth equities. Previously, she spent 10 years with State Street Research & Management. Ms. McCarragher received a BBA, summa cum laude, in finance and economics from the University of Wisconsin-Eau Claire and an MBA from Harvard Business School.

Blair A. Boyer*

Managing Director & Co-Head of Large Cap Growth Equity

Blair Boyer is the Co-Head of Large Cap Growth Equity and a large cap growth equity portfolio manager. He joined Jennison in 1993 as an international equity analyst and portfolio manager. He joined the large cap growth team as a portfolio manager in 2003. Prior to Jennison, Mr. Boyer managed international equity portfolios for five years at Bleichroeder. Before that, he was a research analyst and then a senior portfolio manager at Verus Capital. Mr. Boyer received a BA in economics from Bucknell University and an MBA from New York University's Stern School of Business.

Michael Del Balso

Managing Director

Michael Del Balso is a large cap growth equity portfolio manager. He joined Jennison in 1972 as a research analyst and became a portfolio manager in 1999. Previously, he was a vice president and portfolio manager for four years at White, Weld & Company. Mr. Del Balso received a BS in industrial administration from Yale University and an MBA from Columbia University.

Natasha Kuhlkin, CFA*

Managing Director

Natasha Kuhlkin is a large cap growth equity portfolio manager and research analyst. She joined Jennison in 2004. Prior to Jennison, she was an equity research analyst for five years, first at Evergreen Investment Management then at Palisade Capital Management. Ms. Kuhlkin received a BS, magna cum laude, in accounting from Binghamton University.

Rebecca Irwin

Managing Director

Rebecca Irwin is a large cap growth equity portfolio manager and research analyst. She joined Jennison in 2006. Previously, she worked as a health care analyst at Viking Global Investors. In the decade before Viking, she was with UBS and Salomon Smith Barney. Before that, she was a corporate associate at Fried, Frank, Harris, Shriver & Jacobson. Ms. Irwin received a BA in economics from Queen's University at Kingston, an LLB from the University of Toronto, and an LLM from Harvard Law School.

**Named Portfolio Managers on The Harbor Capital Appreciation Fund*

DECISION MAKING AUTHORITY

Jennison's investment professionals are the primary source of investment ideas and information. Potential purchases or sales come from their internal fundamental research and daily interaction among research analysts and portfolio managers. Analysts typically present an idea for purchase or sale at daily meetings with all Large Cap Growth portfolio managers. The merits of the

recommendation are discussed and debated. The company's current and long-term business fundamentals, strategic position and growth prospects are carefully reviewed. The stock's valuation is assessed, and the portfolio managers consider the recommendation in the context of the overall portfolio's construction and risk. After a thorough discussion of the recommendation, portfolio managers make their investment decisions based on the merits and quality of the arguments and ideas that emerge.

The large cap growth team's interactive investment process and an incentive system based on composite performance generally lead to a high degree of commonality across accounts and vehicles. This helps to ensure that all clients benefit from the team's best ideas. In most circumstances, all portfolio managers reach the same conclusion about a prospective investment, and a stock is bought or sold to the same weight across all portfolios.

COMPENSATION & RETENTION OF INVESTMENT PROFESSIONALS

Jennison seeks to maintain a highly competitive compensation program designed to attract and retain outstanding investment professionals, which include portfolio managers and research analysts, and to align the interests of its investment professionals with those of its clients and overall firm results. Jennison recognizes individuals for their achievements and contributions and continues to promote those who exemplify the same values and level of commitment that are hallmarks of the organization.

Jennison sponsors a profit sharing retirement plan for all eligible employees. The contribution to the profit sharing retirement plan for portfolio managers is based on a percentage of the portfolio manager's total compensation, subject to a maximum determined by applicable law. In addition to eligibility to participate in retirement and welfare plans, senior investment professionals, including portfolio managers and senior research analysts, are eligible to participate in a voluntary deferred compensation program where all or a portion of the cash bonus can be deferred. Participants in the deferred compensation plan are permitted to allocate the deferred amounts among various options that track the gross-of-fee pre-tax performance of accounts or composites of accounts managed by Jennison.

Investment professionals are compensated with a combination of base salary and cash bonus. Overall firm profitability determines the size of the investment professional compensation pool. In general, the discretionary cash bonus represents the majority of an investment professional's compensation.

Investment professionals' total compensation is determined through a process that evaluates numerous qualitative and quantitative factors. Not all factors are applicable to every investment professional, and there is no particular weighting or formula for considering the factors.

The factors reviewed for the portfolio managers are listed below.

The quantitative factors reviewed for the portfolio managers may include:

- One-, three-, five-year and longer term pre-tax investment performance for groupings of accounts managed in the same strategy (composite) relative to market conditions, pre-determined passive indices and industry peer group data for the product strategy (e.g., large cap growth, large cap value). Some portfolio managers may manage or contribute ideas to more than one product strategy, and the performance of the other product strategies is also considered in determining the portfolio manager's overall compensation.
- The investment professional's contribution to client portfolio's pre-tax one-, three-, five-year and longer-term performance from the investment professional's recommended stocks relative to market conditions, the strategy's passive benchmarks, and the investment professional's respective coverage universes.

The qualitative factors reviewed for the portfolio managers may include:

- The quality of the portfolio manager's investment ideas and consistency of the portfolio manager's judgment;
- Qualitative factors such as teamwork and responsiveness;
- Individual factors such as years of experience and responsibilities specific to the individual's role such as being a team leader or supervisor are also factored into the determination of an investment professional's total compensation; and
- Historical and long-term business potential of the product strategies.

SUCCESSION PLANNING

Jennison retains experienced and capable executives at all critical operational and investment positions at the firm, and each business unit has a confidential succession plan. They have numerous talented people in the organization to assume any necessary leadership positions. Moreover, they believe their culture and values can retain and attract the right people that will ensure the continued success of the firm. At the time a transition is needed it will be done with advance notice and consideration.

Through deliberate and comprehensive planning, and due to deeply resourced investment and operational-control teams, we have successfully managed multiple evolutions and changes over more than five decades, including the additions, promotions, retirements, and departures of portfolio managers, research analysts, operational executives and chief executive officers.

HARBOR CAPITAL APPRECIATION FUND

INVESTMENT PHILOSOPHY

Jennison is a research-driven, fundamental investment manager. The firm's investment philosophy and strategy have been consistent since their founding more than 50 years ago.

- They seek to identify and invest in exceptional companies with sustainable competitive advantages that they believe can create long-term growth in economic value and generate superior returns for shareholders.
- A key to Jennison's investment success has been their proprietary, fundamental investment research dedicated to building deep knowledge of industries and companies.
- Jennison has found that the scale, profit potential and duration of consistent growers is often underestimated. Their goal is to identify and invest in these companies and hold them in the portfolio to the full realization of their potential.
- Jennison also looks for companies driving transformational change, seeking to identify catalysts early. These companies often cannot be valued using conventional metrics. Jennison invests in these companies when they are able to build conviction around the company's opportunity, management's vision and ability to execute, and the potential for significant profits once scale is achieved.

INVESTMENT UNIVERSE

Jennison's investment universe for the Harbor Capital Appreciation Fund is essentially the U.S. large cap growth universe, supplemented by non-U.S. companies with similar characteristics and market capitalizations.

INVESTMENT PROCESS

The Large Cap Growth investment process entails six key elements:

- Idea generation
- Fundamental research
- Valuation analysis
- Portfolio construction
- Sell discipline
- Integrated risk management



Idea Generation

Investment ideas originate with the bottom-up fundamental research of their deep, highly experienced, and long-tenured research team. Their analysts are well versed in all matters of the sectors they cover, with comprehensively informed perspectives to identify critical structural changes and the most attractive opportunities within their areas of expertise. Strong industry and market sector networks built over decades, which facilitate frequent interaction with key customers, competitors, and suppliers, their respected growth equity platform and long-term focus allow extensive access to senior management of growth companies.

Fundamental Research

Their core belief is that a deeply researched understanding of company and industry fundamentals can lead to successful stock selection. Careful scrutiny of financial statements provides the foundation for building a fundamental outlook and earnings model. Views of a company and its industry are developed further in meetings with customers, suppliers, and competitors. Meetings with senior company management are used to test assumptions.

They focus on quality growth companies that they believe have:

Unique business models that enable sustainable competitive advantages such as:

- Proprietary technology/patent protection
- Strong brand
- Economies of scale/network effects
- Speed to market/supply chain management
- Quality management

Catalysts driving above-market, long-term growth rates, including:

- Disruptive technologies or services
- New product cycles
- Expanding addressable markets

Superior financial characteristics such as:

- Strong revenue growth

- Strengthening and defendable market positions
- Pricing power
- Healthy balance sheets and financial flexibility, with high or improving return on equity, return on assets, or return on invested capital

Appropriate long-term valuations

Valuation Analysis

Jennison's goal is to identify underestimated growth opportunities. They use a variety of valuation methodologies appropriate for different industries, and they assess valuation in light of longer-term projections that gauge the magnitude and duration of a company's future growth. They constantly assess and re-evaluate fundamental characteristics to reinforce or revise valuation targets that drive buy and sell decisions.

Portfolio Construction

They build a flexible portfolio of 45-70 stocks with minimal constraints that reflects conviction and uniqueness of business models. Typically, sector positions are limited to 50%. Portfolio construction and integrated risk management drive position weights and portfolio characteristics.

Sell Criteria

Jennison may eliminate or reduce a position when:

- The stock's fundamentals change unfavorably (for example, a competitive position weakens, earnings estimates are revised down, management changes, governance issues surface).
- The stock appreciates to full valuation.
- Growth decelerates or matures.
- A more attractive risk/reward stock idea emerges.

Integrated Risk Management

Risk management is integrated throughout the investment process with a focus on stock-specific risk. The investment team defines and monitors individual security risk/reward potential through:

- Deep knowledge of company and industry dynamics, including competitive positioning, growth drivers, management ability, balance sheet strength, customer and geographic sales exposure, and currency risks.
- Explicit rationales and parameters for owning or eliminating positions.
- Appropriate position weights within the context of the overall portfolio.

Jennison seeks to avoid overpaying for the growth potential of a company.

Portfolios are typically fully invested with transactional cash on hand; cash positions are typically 2% or less.

Positions in the portfolio are added one at a time based on their qualitative judgment of each stock's portfolio-enhancing characteristics, which include diversification value within the overall portfolio, distinct opportunities not offered by other stocks, and attractive risk/reward profiles.

Jennison systematically reviews risk exposures, factor exposures, volatility, and other active risk metrics.

RESEARCH PROCESS

Internal fundamental research is the cornerstone of Jennison's investment process. Large Cap Growth portfolio managers build portfolios through individual stock selection, taking active risk based on ideas and convictions developed through their fundamental research. Analysts focus on specific sectors and industries and conduct in-depth company research, in order to assess company, industry, and sector fundamentals over short and longer time frames, developing a view of how specific industries and

businesses will change over time. The team identifies structural changes and gauges their effects with the goal of determining which companies are likely to have a sustainable growth advantage. Jennison’s respected growth equity platform provides extensive access, including frequent interaction with company senior management, competitors, suppliers, and customers, supporting a thorough understanding of company, industry, and sector dynamics. Analysts build fundamental outlooks and earnings models based on financial statements.

Analysts make their case for investment ideas at meetings with the portfolio managers. Major discussion ensues in a forum that demands intellectual rigor. The strength of the investment case ultimately determines whether an idea is added to the portfolio. Portfolio managers make buy and sell decisions based on fundamentals, valuation, and risk.

Their analysts are established, experienced professionals with demonstrated expertise. Their accumulated knowledge, long-term industry relationships, and deep insights make them highly effective at identifying attractive investment ideas and articulating rationales that compel portfolio managers to act on them. As superior research is imperative to long-term outperformance, the analyst position at Jennison is a highly respected career path, rather than an interim step to a portfolio manager role. Analysts often develop professionally by broadening their coverage responsibilities and leveraging their insights across other strategies at the firm.

Jennison’s analysts are driven intrinsically to have a meaningful impact on portfolio performance, and their entrepreneurial culture spurs them to excel. Analysts are measured by the impact of their recommendations on client portfolio returns. Given their contributions and importance to the investment process, analysts have compensation and seniority opportunities comparable to those of portfolio managers.

The team’s own research and earnings projections are supplemented by a network of industry contacts, custom analyses developed by outside specialists, third-party research, and specialized consultants.

BENCHMARK

The Harbor Capital Appreciation Fund’s performance is generally gauged against the Russell 1000® Growth Index, which best tracks the Fund’s large cap growth universe.

INVESTMENT GUIDELINES

Sector and industry weightings are incidental to Jennison’s bottom-up stock selection process. Positions in the portfolio are added one at a time based on the portfolio manager’s qualitative judgment of each stock’s portfolio-enhancing characteristics, which include diversification value within the overall portfolio, distinct opportunities not offered by other stocks, and attractive risk/reward profiles.

Historical Investment Guideline Parameters	
Sector Allocations	Typically a maximum of 50%
Industry Allocations	Typically a maximum of 25%
# of Holdings	Generally hold between 45-70 companies.
Security Allocations	Individual securities/issuers typically will not exceed 8% of the portfolio.
% to Foreign Countries	Maximum of 20%
Market Capitalization	The Fund holds securities that are sufficiently liquid to trade freely and that have market capitalizations of at least \$1 billion.
Maximum Cash Allocation	The Fund is typically fully invested. Cash is not actively managed; rather, it is a residual of investment ideas. Cash has typically ranged from 0% to 5%.

CAPACITY

Since inception in 1987, the Harbor Capital Appreciation Fund has never been closed to investors. Harbor Capital is extremely conscious of value-added management and will close the Fund if value-added were to be constrained due to the size of assets. At this time there are no plans to close the Fund and there is no set asset target.

ENVIRONMENTS OF OUT/UNDER-PERFORMANCE

Historically, the Fund has tended to outperform when broad market EPS growth was average or below average, and the portfolio's relative earnings growth was identifiably superior. It also has tended to outperform when interest rates were stable or declining.

The Fund tended to underperform in periods when broad market EPS growth dramatically accelerated, such as rebounds out of recession, when shorter-term cyclical growth temporarily rivaled long-term fundamental growth. It also has tended to underperform in periods of elevated uncertainty and risk aversion when valuations typically decline.

TRADING PROCESS

Jennison's equity trade flow process can be summarized as follows:

- Portfolio managers work closely with the trading desk. Portfolio managers may submit trade orders throughout the day.
- The trading desk is charged with executing the portfolio managers' instructions to buy and sell securities.
- The trading desk is in constant communication with trading houses, staying up-to-the minute on the market.
- Trades are entered into the firm's trade order management system (LVTS), which automatically runs real-time compliance checks through an interface with the compliance engine (COMET) before execution.
- Trades are transmitted to brokers electronically through the Financial Information Exchange (FIX).
- Jennison communicates daily trade and allocation details to counterparties throughout the day via OASYS and CTM, an electronic trade and allocation utility owned and operated by DTCC.
- Executed and booked trades are uploaded to EAGLE access (vendor) portfolio accounting system, and then electronically communicated to custodians.
- Portfolio managers receive an end-of-day communication to confirm trades, ensuring trades accurately reflect their intentions.
- Between Trade and Settlement date, Operations is in contact with brokers and clients' custodian banks to identify & rectify any trades that are not matched prior to settlement date.
- The Operations department ensures settlement through a daily reconciliation process.

COMPETITIVE ADVANTAGES

Large Cap Growth is Jennison's flagship strategy. Jennison has been managing Large Cap Growth assets since 1969.

Growth investing requires long-term thinking. Jennison's edge in identifying attractive secular opportunities is their in-depth, fundamental research, conducted by portfolio managers and analysts with decades of experience following their respective sectors. They engage with multiple levels of company management and industry participants to build a strategic understanding of companies and assess their growth opportunities and risks.

Jennison has found that the scale and profit potential of the leaders in a given sector is often underestimated, as is their ability to sustain high levels of profitability for long periods. Their goal is to identify and invest in these companies and hold them in the portfolio to the full realization of their potential.

They also look for companies driving transformational change, seeking to identify significant catalysts early. These companies often cannot be valued using conventional metrics. They invest in these companies when they are able to build conviction around the company's opportunity, management's vision and ability to execute, and the potential for outsized profits once scale is achieved.

Large Cap Growth Team and Strategy

Jennison's approach to fundamental growth investing leverages the knowledge and experience of each of their investors for all client portfolios. Their analytical, research-centric approach is focused on building a strategic understanding of the industries and companies they cover. This understanding, combined with the many years their investors have worked together as a team, helps the firm develop differentiated points of view.

Jennison invests with the intention to own meaningful stakes in companies for years. They must also be able to accept that there are times when they will be wrong, and they adapt the portfolio accordingly. Within the investment team, they value independent thinkers, individual initiative and impact within a collaborative process. Not only do they strive to be respectful of differences, the firm believes they are a key part of their success. Focused on talent acquisition and development, their multi-generational team has built the depth and the leadership needed for success in the future.

VEHICLE & SHARE CLASS INFORMATION

The Harbor Capital Appreciation Fund is currently offered as a no-load mutual fund and a collective investment trust (CIT).

Harbor Capital Appreciation Fund	
Share Class	Ticker
Retirement	HNACX
Institutional	HACAX
Administrative	HRCAX
Investor	HCAIX

For complete details on fees and expenses, please contact your Harbor representative and/or refer to the Fund's prospectus available at harborcapital.com.

DISCLOSURE

Responses regarding the Harbor organization have been provided by Harbor Funds Distributors, Inc. Responses relating to the investment team of the Harbor Capital Appreciation Fund, including the process for making portfolio decisions and effecting the purchase and sale of securities held by the Fund, or any specific operational aspects of the subadviser are provided by the subadviser to the Fund and, to the best of our knowledge, are accurate.

This information should not be considered as a recommendation to purchase or sell a particular security. The sectors or countries mentioned may change at any time and may not represent current or future investments.

There is no guarantee that the investment objective of the Fund will be achieved. Stock markets are volatile and equity value can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions.

Jennison Associates LLC is an independent subadviser to the Harbor Capital Appreciation Fund.

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 stock market. 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.

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. 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.

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

For Institutional Use Only. Not for Distribution to the Public.