

# HARBOR SMALL CAP GROWTH FUND

Westfield Capital Management Company, L.P.

Subadvisor Since 11/01/2000

**Total Net Assets - All Classes** \$1,799,712,564  
**Equity Assets:** 98.45%  
**Cash & Other Assets Less Liabilities:** 1.55%  
**Benchmark Name:** Russell 2000® Growth Index

## Portfolio Managers



William A. Muggia



Richard D. Lee



Ethan J. Meyers



John M. Montgomery

## Investment Philosophy

The Fund invests primarily in equity securities – common and preferred stocks – of small cap companies. The small cap companies selected meet strict fundamental criteria and are then subject to a qualitative review by the portfolio manager to ensure that they have: accelerated earnings growth, a strong balance sheet, attractive valuation as measured by price/earnings to growth ratio, unique market position and broad opportunities, superior management and solid financial controls and accounting. The Fund stays fully invested in stocks and does not try to time the market, but instead works toward steady investment growth.

## CHARACTERISTICS & ALLOCATION

As of 03/31/2025

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	74	1,116	Health Care	28.03	24.80
Wtd Avg Market Cap (\$Mil)	7,054.70	4,109.00	Industrials	24.79	22.79
Median Market Cap (\$Mil)	5,973.00	1,005.00	Information Technology	16.41	18.54
Price/Book Ratio	4.77	4.31	Financials	12.74	9.09
Adjusted Trailing P/E Ratio	25.90	25.00	Consumer Discretionary	8.01	9.48
% EPS Growth - Past 3 Yr	25.90	19.80	Materials	3.08	3.82
Est 3-5 Yr EPS Growth Rate (%)	13.10	14.50	Energy	2.79	3.34
Return on Equity (%)	12.01	12.64	Consumer Staples	2.60	3.80
Beta vs. Fund Benchmark	1.10		Communication Services	0.00	2.04
Forecasted P/E Ratio	20.80	20.80	Real Estate	0.00	1.60
			Utilities	0.00	0.51

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Ascendis Pharma A/S	5.09	0.00	Biotechnology	16.91	12.64
Comfort Systems USA Inc.	3.25	0.00	Insurance	7.46	1.95
FTAI Aviation Ltd.	2.82	0.93	Software	7.00	10.50
Casella Waste Systems Inc.	2.81	0.57	Construction & Engineer	6.03	2.35
Brinker International Inc.	2.36	0.49	Hotels Rest & Leisure	5.35	2.80
Palomar Holdings Inc.	2.28	0.29	Health Care Equip	5.34	4.09
ITT Inc.	2.27	0.00	Semiconductors	5.14	3.20
Procore Technologies Inc.	2.24	0.00	Machinery	4.21	5.42
Lantheus Holdings Inc.	2.07	0.55	Trading Companies	4.11	3.60
Kemper Corp	2.06	0.00	Health Care Providers	3.82	4.65
<b>Total</b>	<b>27.25</b>	<b>2.83</b>	<b>Total</b>	<b>65.37</b>	<b>51.20</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	18.66
Mid	5.0B - 10.0B	49.49
	1.0B - 5.0B	28.55
Small	0.0 - 1.0B	1.73

# Harbor Small Cap Growth Fund



## PERFORMANCE

As of 03/31/2025

### 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	HASGX	411511868	-10.45%	-10.45%	-10.19%	0.46%	12.14%	7.56%	8.59%	11/01/00	0.88	0.88
Investor	HISGX	411511777	-10.59%	-10.59%	-10.50%	0.09%	11.73%	7.17%	9.70%	11/01/02	1.23	1.23
Retirement	HNSGX	411512494	-10.43%	-10.43%	-10.10%	0.55%	12.22%	7.64%	8.62%	11/01/00	0.80	0.80
Russell 2000® Growth Index			-11.12%	-11.12%	-4.86%	0.78%	10.78%	6.14%	5.97%	11/01/00		

## MANAGER COMMENTARY

As of 03/31/2025

**“As the market adjusts to a more complex macro and policy environment, we believe the risk/reward landscape favors careful positioning.”**

Westfield Capital Management Company, L.P.

### Market In Review

During the first quarter of 2025, markets reflected an abrupt shift from optimism to caution. Early gains gave way to meaningful declines as the quarter progressed, driven by unexpected trade policy actions and deepening macro concerns. A rare divergence saw non-U.S. markets outperform, while domestic sentiment weakened sharply. Style and sector leadership rotated significantly, with value stocks and defensive sectors outperforming. Momentum and speculative trades lost favor, and a return to quality and fundamentals began to define the evolving market narrative. The result was a market repricing that favored breadth, balance sheet strength, and policy resilience.

### Portfolio Performance

During the first quarter, the Harbor Small Cap Growth Fund (Institutional Class, “Fund”) returned –10.45%, outperforming the Russell 2000® Growth Index, which returned –11.12%.

From a sector perspective, investments within Information Technology, Financials, and Health Care offset relative weakness from Industrials and Consumer Staples. The Fund benefited from a common factor tailwind during the quarter. In particular, the Fund’s underweight exposure to volatility and overweight exposure to size were relative tailwinds to 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 expense.

**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 Small Cap Growth Fund

## MANAGER COMMENTARY

As of 03/31/2025



### Contributors & Detractors

Many of our top contributors were names that had weighed on performance last year but had rebounded sharply despite limited fundamental change. This includes the two largest contributors to performance during the quarter, Ascendis Pharma and Option Care Health.

Ascendis Pharma, an innovative biotech company focused on improving the delivery of complex molecules, was the top contributor to relative performance. After a frustrating 2024, the biotech company was finally rewarded for positive developments during the first quarter. The stock's momentum was driven by a favorable update at the JP Morgan Healthcare Conference, early strength from the Yorvipath launch, and disappointing data from a competitor's program. With additional catalysts on the horizon — including the TransCon CNP filing and COACH trial readouts — we believe the upside remains underappreciated.

Option Care Health, a home health care and infusion provider, was another top contributor to relative returns during the quarter. The stock sold off during the second half of 2024 following the company's third quarter print, which we viewed as a textbook example of sentiment divergence from fundamentals. We maintained conviction and were rewarded during the first quarter as that narrative corrected, despite fundamentals remaining unchanged.

Apparel retailer, Abercrombie & Fitch, was the largest detractor from relative results. The stock underperformed following the company's fourth quarter earnings report that it beat on earnings-per-share and same-store-sales growth but provided a softer margin guidance that spooked investors. While we had trimmed our position ahead of its earnings report, it is our belief that the sell-off has been overdone.

Vaxcyte, a novel vaccine developer, also detracted from relative performance during the quarter. The stock sold off following a disappointing reaction to what was actually a strong data release for its phase 2 trial for its VAX-24 in infants. The stock was hurt by confusion over the trial results and compounded by the politically charged resignation of the U.S. Food and Drug Administration's Dr. Peter Marks, a known champion of biotech innovation. We've spoken with management and continue to believe the thesis remains intact.

### Buys & Sells

During the quarter, we purchased Badger Meter, an industrial flow measurement solutions company, which we view as a steady compounder that is insulated from macro-related headwinds. The company has a strong competitive position in a growing market with recurring software revenue and margin expansion potential through operational leverage.

During the market downdraft, we sold our position in OneStream, an enterprise financial planning software company, as we looked to consolidate our positioning into names that we believe have the best risk/reward potential from current levels. We used the capital to add to our positions in Braze and Wix.com.

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# Harbor Small Cap Growth Fund

## MANAGER COMMENTARY

As of 03/31/2025



### Sector Overweights & Underweights

Financials represented the Fund's largest overweight relative to the index at the end of 2024 and continues to be the largest overweight as of March 31, 2025. Our exposure is heavily weighted toward growth-at-a-reasonable-price investment opportunities with idiosyncratic growth stories and limited interest rate risk. Within the sector, we are overweight property & casualty insurance and banks, and underweight asset managers.

Consumer Staples represented the Fund's largest underweight at the end of 2024. We added exposure to this group during the quarter with the purchase of Sprouts Farmers Market and Maplebear, both of which we view as higher-growth staples with unique idiosyncratic drivers. With that said, we continue to be underweight the sector as of March 31, 2025, as we believe there are more compelling investment opportunities with more attractive growth profiles in other sectors.

As of quarter end, the Information Technology sector was the Fund's largest underweight relative to the index. We continue to have a large absolute exposure to the sector (16%), and the relative underweight is primarily driven by our underweight exposure to software. Within this segment, we are focused on high-quality companies that are grounded in free cash flow and trading at reasonable relative valuations, while avoiding lower-quality, unprofitable, and speculative business models with no valuation support.

### Outlook

As the market adjusts to a more complex macro and policy environment, we believe the risk/reward landscape favors careful positioning. Tariff-related pressures and softening leading indicators continue to weigh on sentiment, yet the broadening in market leadership and valuation resets may offer opportunities for selective reentry. We continue to emphasize capital preservation while remaining ready to deploy capital into high-conviction names that exhibit durable growth, pricing power, and macro resilience. Amid ongoing volatility, discipline and patience remain essential in building portfolios for the evolving environment ahead.

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# Harbor Small Cap Growth Fund

## QUARTERLY ATTRIBUTION

As of 03/31/2025



### Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
SOLENO THERAPEUTICS INC	0.69	58.95
INTRA-CELLULAR THERAPIES INC	0.22	51.71
OPTION CARE HEALTH INC	2.14	50.65
PALOMAR HOLDINGS INC	1.84	29.82
WNS HOLDINGS LTD	1.07	25.26

Worst Performers	Average Weight %	Return % (NAV)
VAXCYTE INC	2.02	-53.87
ABERCROMBIE & FITCH CO-CL A	1.66	-48.91
FLYWIRE CORP-VOTING	0.79	-47.09
ROCKET PHARMACEUTICALS INC	0.61	-46.94
RIOT PLATFORMS INC	0.32	-45.81

### Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
OPTION CARE HEALTH INC	50.65	0.78
ASCENDIS PHARMA A/S - ADR	13.21	0.55
INTRA-CELLULAR THERAPIES INC	51.71	0.54
PALOMAR HOLDINGS INC	29.82	0.47
SOLENO THERAPEUTICS INC	58.95	0.38
<b>Total</b>		<b>2.73</b>

Greatest Detractors	Return % (NAV)	Contribution to Return %
VAXCYTE INC	-53.87	-1.15
ABERCROMBIE & FITCH CO-CL A	-48.91	-0.99
FTAI AVIATION LTD	-22.70	-0.88
COMFORT SYSTEMS USA INC	-23.89	-0.85
GLAUKOS CORP	-34.36	-0.54
<b>Total</b>		<b>-4.41</b>

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# Harbor Small Cap Growth Fund



## ATTRIBUTION

As of 03/31/2025

### Quarterly Attribution:

Harbor Small Cap Growth Fund vs Russell 2000® Growth

#### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-10.41	-11.12	0.71
Currency Contribution	0.00	0.00	0.00
<b>Total Return</b>	<b>-10.41</b>	<b>-11.12</b>	<b>0.71</b>

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Information Technology	18.79	19.95	-1.16	-14.77	-18.85	4.08	-2.73	-3.76	0.09	0.90	0.99
Financials	11.16	8.73	2.43	-2.40	-6.56	4.16	-0.18	-0.59	0.13	0.42	0.55
Health Care	26.35	24.18	2.17	-5.03	-6.20	1.17	-1.57	-1.61	0.02	0.35	0.37
Communication Services	0.00	2.09	-2.09	0.00	-15.16	15.16	0.00	-0.32	0.09	0.00	0.09
Materials	3.15	3.68	-0.53	-5.85	-7.66	1.80	-0.21	-0.27	-0.03	0.05	0.01
Consumer Discretionary	8.15	9.82	-1.67	-18.18	-17.14	-1.04	-1.49	-1.73	0.09	-0.11	-0.02
Energy	2.77	3.32	-0.56	-10.69	-10.19	-0.50	-0.26	-0.30	0.00	-0.02	-0.03
Utilities	0.46	0.46	0.01	-12.36	-0.05	-12.31	-0.08	0.00	0.03	-0.09	-0.06
Real Estate	0.00	1.46	-1.46	0.00	1.77	-1.77	0.00	0.01	-0.18	0.00	-0.18
Consumer Staples	1.33	3.49	-2.16	-34.82	0.67	-35.49	-0.25	-0.01	-0.24	-0.30	-0.53
Industrials	24.24	22.81	1.43	-15.34	-11.26	-4.08	-3.67	-2.53	0.01	-1.04	-1.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-10.41</b>	<b>-11.12</b>	<b>0.71</b>	<b>-10.41</b>	<b>-11.12</b>	<b>0.56</b>	<b>0.15</b>	<b>0.71</b>

### Trailing 1 Year Attribution:

Harbor Small Cap Growth Fund vs Russell 2000® Growth

#### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-9.47	-4.86	-4.61
Currency Contribution	0.00	0.00	0.00
<b>Total Return</b>	<b>-9.47</b>	<b>-4.86</b>	<b>-4.61</b>

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Information Technology	19.72	20.71	-0.99	1.34	-10.36	11.69	0.43	-2.41	0.00	2.34	2.34
Materials	3.64	3.91	-0.27	-8.01	-7.30	-0.71	-0.23	-0.25	-0.04	-0.02	-0.07
Utilities	0.18	0.72	-0.54	-14.50	1.87	-16.37	-0.08	0.05	-0.01	-0.06	-0.07
Communication Services	0.00	2.12	-2.12	0.00	-0.53	0.53	0.00	-0.01	-0.09	0.00	-0.09
Real Estate	0.85	1.46	-0.62	-5.80	6.37	-12.18	-0.17	0.09	-0.11	-0.27	-0.38
Energy	3.42	3.76	-0.34	-33.08	-21.22	-11.85	-1.22	-0.77	0.04	-0.53	-0.49
Financials	10.74	7.92	2.82	-1.12	6.98	-8.09	-0.10	0.54	0.27	-0.77	-0.50
Consumer Discretionary	9.74	9.93	-0.19	-17.42	-10.95	-6.47	-1.34	-1.15	0.10	-0.78	-0.69
Consumer Staples	0.91	3.64	-2.73	-35.59	21.83	-57.42	-0.46	0.65	-0.60	-0.68	-1.28
Health Care	25.53	23.94	1.59	-12.06	-6.72	-5.34	-3.06	-1.19	-0.03	-1.34	-1.37
Industrials	21.74	21.89	-0.15	-13.82	-1.38	-12.44	-3.38	-0.40	-0.04	-2.64	-2.68
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>-9.47</b>	<b>-4.86</b>	<b>-4.61</b>	<b>-9.47</b>	<b>-4.86</b>	<b>0.15</b>	<b>-4.76</b>	<b>-4.61</b>

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

# Harbor Small Cap Growth 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 small cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

### Benchmarks

The Russell 2000® Growth Index is an unmanaged index representing the smallest 2000 stocks with the highest price-to-book ratio and future earnings. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 2000® Growth Index and Russell® are trademarks of Frank Russell Company.

### Disclosures

All holdings-related data is provided by FactSet. Because FactSet relies on external sources for its data, that data may differ slightly from actual values maintained by Harbor Funds.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

Beta is a rolling three year, unless the Fund has a track record of less than three years, in which case it is a rolling one year.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

Views expressed herein are drawn from commentary provided to Harbor by the subadvisor and may not be reflective of their current opinions or future actions, are subject to change without prior notice, and should not be considered investment advice.

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

As a result of changing market conditions, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

**Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit [harborcapital.com](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

**Distributed by Harbor Funds Distributors, Inc.**

# Harbor Small Cap Growth 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.