

HARBOR CAPITAL APPRECIATION CIT

Jennison Associates LLC

Subadvisor of the Capital Appreciation Strategy since 05/01/1990

Total Net Assets - All Classes \$11,915,261,872
Equity Assets: 99.58%
Cash & Other Assets Less Liabilities: 0.42%
Benchmark Name: Russell 1000® Growth Index

Portfolio Managers



Kathleen A.
McCarragher



Blair A. Boyer



Natasha Kuhlkin

Investment Philosophy

The Fund invests primarily in equity securities, specifically U.S. companies with market capitalizations of at least \$1 billion at the time of purchase. Through rigorous research, visits, and meetings with top management, the portfolio manager knows these businesses intimately, and only invests in those that the portfolio manager believes have: strong balance sheets and earnings performance, sales momentum and growth outlook, high profitability history or potential, unique market position and a capable and committed management team. 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 06/30/2024

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	51	440	Information Technology	41.89	46.86
Wtd. Avg Market Cap (\$Mil)	1,303,452.20	1,511,554.10	Consumer Discretionary	18.13	14.03
Median Market Cap (\$Mil)	161,568.00	18,173.00	Communication Services	15.59	12.64
Price/Book Ratio	13.12	13.12	Health Care	10.86	10.06
Adjusted Trailing P/E Ratio	49.90	38.70	Financials	6.64	5.64
Est 3-5 Yr EPS Growth Rate	22.60	19.40	Industrials	3.57	5.06
(%) Return on Equity (%)	28.04	34.91	Consumer Staples	2.90	3.77
Beta vs. Fund Benchmark	1.07		Materials	0.00	0.62
Forecasted P/E Ratio	38.00	31.90	Energy	0.00	0.48
			Utilities	0.00	0.06
			Real Estate	0.00	0.75

Top 10 Holdings			Market Capitalization		
	Portfolio %	Benchmark %			Portfolio %
NVIDIA Corporation	9.72	10.34	Large	Above 25.0B	98.56
Amazon.com Inc.	8.29	6.13		10.0B - 25.0B	1.06
Microsoft Corporation	8.19	11.71	Mid	5.0B - 10.0B	0.00
Apple Inc.	6.32	10.82		1.0B - 5.0B	0.00
Meta Platforms Inc Clas	5.51	3.93	Small	0.0 - 1.0B	0.00
Broadcom Inc.	4.61	2.44			
Eli Lilly and Company	4.61	2.70			
Netflix Inc.	3.15	1.01			
Visa Inc. Class A	2.36	1.47			
Mastercard Incorporated	2.31	1.29			
Total	55.07	51.84			

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PERFORMANCE

As of 06/30/2024

Average Annual Returns

Share Class	CUSIP	3 Months	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Total Expense Ratio %
CIT Class 1	41150L105	6.57%	35.79%	N/A	N/A	N/A	5.76%	08/10/21	0.58
CIT Class 2	41150L204	6.49%	35.81%	6.98%	N/A	N/A	11.10%	08/25/20	0.48
CIT Class 3	41150L303	6.55%	35.87%	7.03%	N/A	N/A	8.09%	06/21/21	0.44
CIT Class 4	41150L402	6.53%	35.89%	7.06%	N/A	N/A	13.42%	07/15/20	0.41
CIT Class 5	41150L501	6.59%	35.94%	N/A	N/A	N/A	10.11%	01/14/22	0.38
Russell 1000® Growth Index		8.33%	33.48%	11.28%	N/A	N/A	17.16%	07/15/20	
S&P 500 Index		4.28%	24.56%	10.01%	N/A	N/A	15.99%	07/15/20	

Share Class	Inception Date	Since Inception	Russell 1000® Growth Index	S&P 500 Index
CIT Class 1	08/10/21	5.76%	10.11%	9.19%
CIT Class 2	08/25/20	11.10%	15.09%	14.59%
CIT Class 3	06/21/21	8.09%	12.45%	11.06%
CIT Class 4	07/15/20	13.42%	17.29%	16.26%
CIT Class 5	01/14/22	10.11%	11.13%	8.38%

Total expense ratio information is as of the CIT's current Disclosure, as supplemented. Total Expense ratio factors in the following fees: Trustee, Management, and Other Fees. 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.

Harbor Capital Appreciation CIT



MANAGER COMMENTARY

As of 06/30/2024

"At the year's halfway point, markets continue to focus on and reward companies that are generating growth at above-average rates."

Jennison Associates, LLC

Market in Review

The second quarter of 2024 saw continued resilience in U.S. economic activity, as it exceeded the pace of most economies outside the United States. Evidence of an anticipated deceleration in growth began to emerge, with consumer sentiment declining and the unemployment rate increasing slightly through quarter-end. The level of the federal funds rate remained steady, reflecting the ongoing strength of the economy as policymakers awaited further evidence of softening before acting.

Meanwhile, around the globe, elections in India and Mexico produced unexpected outcomes. Political leadership in France and the United Kingdom called snap elections, leading to uncertainty and market weakness into quarter-end. The ongoing conflict in Ukraine, coupled with expanded Israeli military activity, kept geopolitical tensions high. The repercussions of a weak property market and trade restrictions on technology goods saw Chinese economic activity stagnate.

The market backdrop did not have a material impact on the Harbor Capital Appreciation Collective Investment Trust's ("CIT") positions. Accelerated spending on artificial intelligence ("AI") infrastructure among hyperscalers continued. Near-term disappointment with the pace of developing applications to monetize the spending on AI investments weighed on valuations of several Software as a Service ("SaaS") companies. However, we remain encouraged that these companies are working on AI initiatives that will improve their current offerings and fulfill the goal of AI enhancements that will help drive revenue growth for customers over our investment time horizon.

Trends in global consumer goods companies remained mixed. Poor consumption trends in China, weaker currencies in other markets, and declines in consumer confidence have resulted in uneven – and in some cases challenging – fundamental performance since the year began. Several casualties of these trends, along with execution-specific disappointments, appeared in the athleisure and apparel categories. On the other hand, consumers are still expressing a strong preference for travel, with healthy activity levels across the globe.

Portfolio Performance

During the quarter, the Harbor Capital Appreciation Collective Investment Trust (Class 4) returned 6.53%, underperforming its benchmark, the Russell 1000® Growth Index, which returned 8.33%, and outperforming the S&P 500 Index, which returned 4.28%.

Stock selection within the Information Technology and Communication Services sectors detracted the most from relative performance during the period. Security selection within the Health Care and Consumer Staples sectors, along with an underweight in Industrials benefited relative results.

Contributors & Detractors

NVIDIA contributed to the CIT's performance as it continues to surpass expectations. Demand for the company's graphics processing units ("GPUs") continues to be spurred by growth in the AI market. Apple also contributed to performance, as its pace of execution in the AI field – and optimism about what the company may introduce – propelled the stock price higher.

Advanced Micro Devices' shares detracted from performance during the quarter. Inventory adjustment in the field remained a headwind, and the company is also experiencing supply constraints on important products. Salesforce shares also declined, following modestly disappointing revenue growth in its latest quarter, as it cited longer sales cycles, a "measured buying environment," and concerns that higher investments will lead to less operating margin leverage.

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MANAGER COMMENTARY

As of 06/30/2024

Buys & Sells

We initiated a position in Analog Devices, as the company is well positioned for strong cyclical growth in analog and mixed-signal technology. The company should also benefit from the acquisition of Linear Technology and Maxim for many years. Meanwhile, the industry should be emerging out of its post-COVID-19 cyclical downturn.

We sold our position in UnitedHealth Group due to concerns about industry medical-loss ratios, Medicare Advantage, and potential impacts on growth rates.

Overweights and Underweights

Sector weights are a by-product of our research-based stock selection. At mid-2024, the CIT's largest sector overweights/underweights relative to the Russell 1000® Growth Index were in Consumer Discretionary (overweight) and Information Technology (underweight). Sector weights remained generally stable and directionally consistent.

Outlook

At the year's halfway point, markets continue to focus on and reward companies that are generating growth at above-average rates. Profits generally are growing at a faster rate than during the previous year, and the economy has remained largely resilient. The federal funds rate, as a result, remains unchanged from the start of the year. We continue to believe that the trajectory of short rates will be lower, though the timing of the movement remains uncertain. The consumer slowdown is gathering pace but not suggestive of acute distress. Strong employment and growing wages will likely continue to support a positive backdrop, though with moderating gains over the balance of the year.

Market concentration is both topical and a growing phenomenon. The recently concluded Russell 1000® Index reconstitution has further compounded the situation — the ten largest constituents have risen above 60% of the Russell 1000® Growth Index's total weight. Further intensifying the challenges, the index has less than 400 issuers, its fewest number of holdings since 1990. As active large-cap growth investors with the goal of managing a diversified CIT, we must acknowledge these realities against this backdrop.

We hold position sizes in several of the largest market-capitalization companies that — after significant appreciation over the years — approach 10% of the CIT. Yet, in some cases, they are below the weight in the benchmark. Expressing high conviction through large positions has been a normal course of business over our history and an important source of investment alpha. However, idiosyncratic risk is a significant contributor to overall CIT risk. As a fiduciary, we place value on risk control when thinking about CIT construction — and what it takes to build a CIT with the appropriate balance for the environment we see going forward, in service of our goal of outperforming the benchmark over time.

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QUARTERLY ATTRIBUTION

As of 06/30/2024



Best & Worst Performers

Best Performers	Average Weight %	Return %
NVIDIA CORP	9.03	36.74
APPLE INC	4.70	22.99
BROADCOM INC	4.29	21.53
ALPHABET INC-CL A	1.72	20.82
ALPHABET INC-CL C	1.73	20.60

Worst Performers	Average Weight %	Return %
MONGODB INC	0.92	-30.30
LULULEMON ATHLETICA INC	0.53	-23.27
NIKE INC -CL B	0.66	-19.49
WALT DISNEY CO/THE	1.10	-18.85
SNOWFLAKE INC-CLASS A	0.85	-16.41

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
NVIDIA CORP	36.74	3.01
APPLE INC	22.99	1.07
BROADCOM INC	21.53	0.86
ELI LILLY & CO	16.57	0.70
AMAZON.COM INC	7.14	0.59
Total		6.23

Greatest Detractors	Return %	Contribution to Return %
ADVANCED MICRO DEVICES	-10.13	-0.46
SALESFORCE INC	-14.64	-0.36
MONGODB INC	-30.30	-0.36
MASTERCARD INC - A	-8.27	-0.24
WALT DISNEY CO/THE	-18.85	-0.23
Total		-1.65

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ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:

Harbor Capital Appreciation CIT vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	6.75	8.34	-1.58
Currency Contribution	-0.02	0.00	-0.02
Total Return	6.74	8.34	-1.60

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
Health Care	10.69	10.26	0.43	12.94	2.97	9.98	1.36	0.31	-0.06	1.07	1.01
Consumer Staples	3.09	3.98	-0.89	8.19	0.82	7.37	0.28	0.05	0.07	0.23	0.30
Industrials	3.12	5.50	-2.39	-6.67	-5.29	-1.39	-0.19	-0.34	0.34	-0.04	0.30
Materials	0.00	0.67	-0.67	0.00	-7.19	7.19	0.00	-0.05	0.11	0.00	0.11
Real Estate	0.35	0.77	-0.42	-5.36	-2.75	-2.61	-0.07	-0.03	0.02	0.00	0.02
Energy	0.00	0.47	-0.47	0.00	4.98	-4.98	0.00	0.02	0.02	0.00	0.02
Utilities	0.00	0.06	-0.06	0.00	11.25	-11.25	0.00	0.01	0.00	0.00	0.00
Financials	7.11	6.16	0.95	-5.41	-4.49	-0.93	-0.38	-0.30	-0.15	-0.08	-0.23
Consumer Discretionary	19.35	14.48	4.87	1.34	1.89	-0.56	0.22	0.22	-0.33	-0.09	-0.43
Communication Services	14.05	12.68	1.37	7.71	13.63	-5.93	1.04	1.71	0.06	-0.81	-0.75
Information Technology	41.71	44.96	-3.25	10.94	15.24	-4.30	4.48	6.73	-0.23	-1.69	-1.92
Total	100.00	100.00	0.00	6.74	8.34	-1.60	6.74	8.34	-0.20	-1.40	-1.60

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

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IMPORTANT INFORMATION

Risks

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

Benchmarks

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. market for large capitalization equities. 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.

Disclosures

Harbor Trust Company, Inc. ("Harbor Trust Company") has established the Harbor Collective Investment Trust (the "Harbor CIT") pursuant to a Declaration of Trust and the Harbor Capital Appreciation CIT (the "CIT"), a collective investment fund of the Harbor CIT, pursuant to a CIT Declaration. Harbor Trust Company serves as trustee and is responsible for maintaining and managing the CIT. Harbor Capital Advisors, Inc. ("Harbor Capital"), an affiliate of Harbor Trust Company, serves as investment adviser and Jennison Associates LLC (the "Subadvisor") serves as subadvisor with respect to the CIT, subject to Harbor Trust Company's oversight.

Investments in the CIT are NOT bank deposits, are NOT guaranteed by Harbor Trust Company or any of its agents, are NOT insured by the Federal Deposit Insurance Corporation ("FDIC") or any other agency of the U.S. government, and are subject to investment risks, including loss of principal. The Harbor CIT is not registered under the Investment Company Act and the Units are not registered under the Securities Act in each case in reliance on exemptions under these Acts for interests in a collective trust fund maintained by a bank for certain types of employee benefit trusts. Accordingly, information that would otherwise be needed if registration were required are not necessary.

Please note that this piece does not comply with all of the disclosure requirements for an ERISA "section 404(c) plan," as described in the Department of Labor regulations under section 404(c), nor does it contain all of the disclosure required by Rule 404a-5. Plan sponsors intending to comply with those regulations will need to provide the Plan participants with additional information. The information provided in this piece is provided for general information only and should not be construed as investment advice or a recommendation. Participants should consult their financial adviser to determine their investment risk and tolerance, and evaluate if the CIT is suitable for their retirement needs.

The Harbor Capital Appreciation CIT is not a mutual fund. Participation in the CIT is limited to Eligible Trusts that are accepted by Harbor Trust Company, as the trustee, as Participating Trusts. These eligibility requirements, along with other defined terms, are more fully described in the Declaration of Trust.

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 Trust Company, Inc.

Due to the security valuation procedures of the CIT 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.

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).

Jennison Associates LLC is a third-party subadvisor to the Harbor Capital Appreciation Fund and CIT.

Harbor Trust Company, Inc.

Not FDIC Insured. No Bank Guarantee. May Lose Value.

Harbor Capital Appreciation CIT



IMPORTANT INFORMATION

Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

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.

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.

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.

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

Definitions

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.

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.