

# HARBOR CAPITAL APPRECIATION CIT

Jennison Associates LLC

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

<b>Total Net Assets - All Classes</b>	\$12,163,687,377
<b>Equity Assets:</b>	99.69%
<b>Cash &amp; Other Assets Less Liabilities:</b>	0.31%
<b>Benchmark Name:</b>	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 09/30/2024

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	51	394	Information Technology	39.57	48.73
Wtd. Avg Market Cap (\$Mil)	1,277,676.20	1,577,612.90	Consumer Discretionary	18.05	14.15
Median Market Cap (\$Mil)	174,548.00	20,040.00	Communication Services	16.77	12.82
Price/Book Ratio	12.57	12.57	Health Care	10.28	7.78
Adjusted Trailing P/E Ratio	44.60	36.50	Financials	7.18	6.30
Est 3-5 Yr EPS Growth Rate (%)	26.30	18.80	Industrials	4.70	4.62
Return on Equity (%)	28.04	34.91	Consumer Staples	3.14	3.64
Beta vs. Fund Benchmark	1.14		Materials	0.00	0.68
Forecasted P/E Ratio	37.10	34.80	Energy	0.00	0.40
			Utilities	0.00	0.23
			Real Estate	0.00	0.58

Top 10 Holdings			Market Capitalization		
	Portfolio %	Benchmark %			Portfolio %
NVIDIA Corporation	8.89	10.31	Large	Above 25.0B	99.00
Amazon.com Inc.	8.02	6.28		10.0B - 25.0B	0.70
Microsoft Corporation	7.23	11.61	Mid	5.0B - 10.0B	0.00
Apple Inc.	6.81	12.29		1.0B - 5.0B	0.00
Meta Platforms Inc Clas	6.14	4.55	Small	0.0 - 1.0B	0.00
Broadcom Inc.	4.87	2.85			
Eli Lilly and Company	4.09	2.57			
Netflix Inc.	3.38	1.10			
Tesla Inc.	2.72	2.64			
Mastercard Incorporated	2.55	1.48			
<b>Total</b>	<b>54.70</b>	<b>55.68</b>			

# Harbor Capital Appreciation CIT



## PERFORMANCE

As of 09/30/2024

### Average Annual Returns

Share Class	CUSIP	3 Months	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Total Expense Ratio %
<b>CIT Class 1</b>	41150L105	1.59%	42.80%	7.32%	N/A	N/A	5.82%	08/10/21	0.58
<b>CIT Class 2</b>	41150L204	1.71%	42.98%	7.43%	N/A	N/A	10.84%	08/25/20	0.48
<b>CIT Class 3</b>	41150L303	1.70%	42.91%	7.47%	N/A	N/A	8.00%	06/21/21	0.44
<b>CIT Class 4</b>	41150L402	1.70%	43.04%	7.51%	N/A	N/A	13.02%	07/15/20	0.41
<b>CIT Class 5</b>	41150L501	1.70%	43.09%	N/A	N/A	N/A	9.81%	01/14/22	0.38
Russell 1000® Growth Index		3.19%	42.19%	12.02%	N/A	N/A	16.93%	07/15/20	
S&P 500 Index		5.89%	36.35%	11.91%	N/A	N/A	16.54%	07/15/20	

Share Class	Inception Date	Since Inception	Russell 1000® Growth Index	S&P 500 Index
<b>CIT Class 1</b>	08/10/21	5.82%	10.36%	10.42%
<b>CIT Class 2</b>	08/25/20	10.84%	14.98%	15.24%
<b>CIT Class 3</b>	06/21/21	8.00%	12.52%	12.11%
<b>CIT Class 4</b>	07/15/20	13.02%	17.05%	16.79%
<b>CIT Class 5</b>	01/14/22	9.81%	11.33%	9.87%

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 09/30/2024

**“Markets ended the quarter on a positive note as the tide of global liquidity lifted capital asset prices around the globe.”**

Jennison Associates, LLC

### Market in Review

The U.S. Federal Reserve moved to lower the fed funds rate by 50 basis points at its September meeting. The easing action in the United States was echoed across other economies throughout the quarter. Most impactful, though least defined, were measures outlined by Chinese policymakers to arrest the pervasive weakness associated with real estate and equity declines, and headwinds from growing sanctions on technological transfer and tariffs on manufactured goods such as passenger vehicles.

Markets responded favorably to these easing actions, with most major U.S. equity indexes closing the third quarter of 2024 at new highs, rebounding sharply from the levels of late July/early August. Revised savings and income data released in late September bolstered the case that the consumer’s financial position is healthy by historical standards, and that consumption is supported by not only the favorable employment backdrop but also net worth.

### Portfolio Performance

During the third quarter, the Harbor Capital Appreciation Collective Investment Trust (Class 4, “CIT”) returned 1.70%, underperforming its benchmark, the Russell 1000® Growth Index, which returned 3.19%, and underperforming the S&P 500 Index, which returned 5.89%.

Within the benchmark, the Utilities, Real Estate, and Materials sectors were the top performers. Among the benchmark’s largest sectors, Consumer Discretionary outperformed the broad index. Meanwhile, Information Technology, Health Care, and Communication Services also advanced but underperformed the overall index during the period.

Stock selection within the Information Technology, Health Care, Industrials, and Consumer Discretionary sectors detracted the most from relative performance during the period. Security selection within the Communication Services and Financials sectors benefited relative results.

### Contributors & Detractors

Meta Platforms continued to benefit from an expanded set of generative artificial intelligence (“GenAI”) tools for advertisers. Apple’s pace of execution in the AI field and optimism about what it may introduce are major factors supporting the company’s share price gains.

Despite posting strong revenue and earnings, shares of Alphabet lost value during the quarter due to regulatory concerns. Shares of Novo Nordisk lost value as capacity constraints are limiting the company’s ability to meet demand.

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## MANAGER COMMENTARY

As of 09/30/2024

### Buys & Sells

During the quarter, we initiated a position in Vertiv, a leading provider of critical infrastructure and services for data centers. We believe Vertiv has sustainable competitive advantages in data center power and thermal management through its global scale and leading technologies, with its R&D roadmap synced with NVIDIA's and key partners' product roadmaps. With a greater need for updated infrastructure driven by the adoption of GenAI and visibility into multi-year demand, we expect continued strength in the order book, acceleration in revenue growth, and continued margin expansion.

We eliminated the position in L'Oréal due to expectations of slowing sales and contracting margins. We were also concerned with lower growth expectations and persisting, weak Chinese consumer confidence, as well as deteriorating mall traffic trends in China.

### Overweights and Underweights

Sector weights are a by-product of our research-based stock selection. As of the end of the third quarter 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

Markets ended the quarter on a positive note as the tide of global liquidity lifted capital asset prices around the globe. Several of the most popular U.S. equity indexes ended the period at or near record highs. U.S. equities remain underpinned by earnings growth, a resilient, albeit slowing economy, historically low unemployment, and inflation trends falling back into pre-COVID-19 patterns. Equity price appreciation has fared better than we initially expected through the first nine months of the year, and we have benefited from our focus on companies with above-average growth rates. We see this trend as likely to continue as the pace of economic activity moderates.

The geopolitical uncertainties that existed at the outset of the year have only intensified. The U.S. presidential election looks to be a close contest without clear policy implications. Furthermore, control of Congress looks equally difficult to call. This dampens advance market shifts, which are often the case when wider election result margins are perceived to exist.

While we take note of heightened geopolitical uncertainty, we continue to focus on company fundamentals and idiosyncratic drivers of growth. That is where we derive conviction and find opportunity for businesses that are doing well and, in our view, has the potential to grow at above-average rates, now and in the future.

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# Harbor Capital Appreciation CIT

## QUARTERLY ATTRIBUTION

As of 09/30/2024



### Best & Worst Performers

Best Performers	Average Weight %	Return %
TESLA INC	2.42	32.22
MERCADOLIBRE INC	1.73	24.86
PROGRESSIVE CORP	0.88	22.23
GENERAL ELECTRIC	1.04	19.01
HOME DEPOT INC	0.52	18.43

Worst Performers	Average Weight %	Return %
CROWDSTRIKE HOLDINGS INC - A	0.93	-26.81
ASML HOLDING NV-NY REG SHS	1.37	-18.40
CHIPOTLE MEXICAN GRILL INC	0.42	-17.10
BOEING CO/THE	1.13	-16.47
AIRBNB INC-CLASS A	1.18	-16.37

### Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
META PLATFORMS INC-CLASS A	13.64	0.86
APPLE INC	10.75	0.64
TESLA INC	32.22	0.57
MERCADOLIBRE INC	24.86	0.42
BROADCOM INC	7.78	0.38
<b>Total</b>		<b>2.87</b>

Greatest Detractors	Return %	Contribution to Return %
NOVO-NORDISK A/S-SPONS ADR	-16.36	-0.36
AMAZON.COM INC	-3.58	-0.33
MICROSOFT CORP	-3.55	-0.32
AIRBNB INC-CLASS A	-16.37	-0.32
ASML HOLDING NV-NY REG SHS	-18.40	-0.30
<b>Total</b>		<b>-1.62</b>

# Harbor Capital Appreciation CIT



## ATTRIBUTION

As of 09/30/2024

### Quarterly Attribution:

#### Harbor Capital Appreciation CIT vs Russell 1000® Growth

##### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	1.75	3.19	-1.44
Currency Contribution	0.04	0.00	0.04
<b>Total Return</b>	<b>1.79</b>	<b>3.19</b>	<b>-1.40</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
Communication Services	15.83	12.74	3.10	3.79	0.16	3.63	0.72	-0.01	-0.07	0.57	0.51
Financials	7.22	6.23	1.00	10.59	10.50	0.09	0.76	0.64	0.06	0.02	0.08
Energy	0.00	0.41	-0.41	0.00	2.27	-2.27	0.00	0.01	0.00	0.00	0.00
Consumer Staples	2.90	3.70	-0.81	4.81	5.02	-0.21	0.15	0.20	-0.02	0.00	-0.02
Utilities	0.00	0.17	-0.17	0.00	33.43	-33.43	0.00	0.06	-0.05	0.00	-0.05
Materials	0.00	0.65	-0.65	0.00	16.05	-16.05	0.00	0.10	-0.08	0.00	-0.08
Real Estate	0.00	0.57	-0.57	0.00	21.00	-21.00	0.00	0.11	-0.09	0.00	-0.09
Consumer Discretionary	17.84	13.77	4.07	3.82	6.42	-2.59	0.53	0.85	0.08	-0.46	-0.38
Industrials	4.23	4.49	-0.26	1.26	10.32	-9.06	0.08	0.45	-0.02	-0.36	-0.38
Health Care	11.23	8.22	3.01	-3.17	0.93	-4.10	-0.29	0.09	-0.02	-0.47	-0.49
Information Technology	40.28	49.05	-8.78	-0.20	1.41	-1.61	-0.17	0.71	0.14	-0.67	-0.53
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>1.79</b>	<b>3.19</b>	<b>-1.40</b>	<b>1.79</b>	<b>3.19</b>	<b>-0.03</b>	<b>-1.37</b>	<b>-1.40</b>

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

# Harbor Capital Appreciation CIT



## 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 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

**Beta:** 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.

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.