

# Harbor Small Cap Growth Fund

Ticker: **HASGX** | March 2024



## Average Annual Returns as of 03/31/2024

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Fund Inception	Fund Inception Date
Harbor Small Cap Growth Fund (Instl)	8.99%	8.99%	23.61%	1.59%	12.01%	10.25%	9.48%	11/01/2000
Russell 2000® Growth Index	7.58%	7.58%	20.35%	-2.68%	7.38%	7.89%	6.46%	

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.

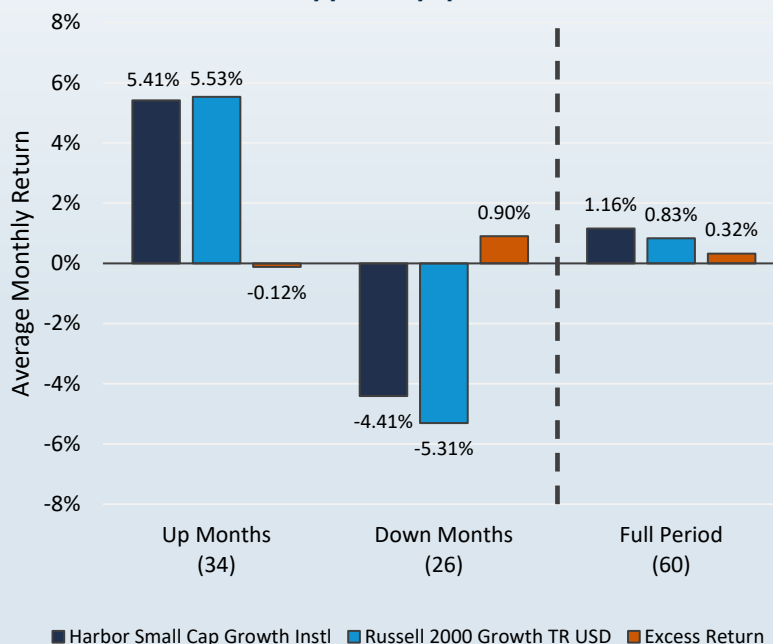
## A History of Downside Mitigation

- The Fund's risk controls and emphasis on quality growth companies with reasonable valuations have resulted in a history of downside outperformance versus the Russell 2000 Growth Index.
- Across the 25 worst performance days for the Russell 2000 Growth Index since HASGX's inception (11/1/2000), the Harbor Small Cap Growth Fund has produced positive excess returns on 22 of those 25 days.
- On average, the Fund has outperformed the Index by +0.61% during these sharp drawdown days.

## The Best Offense is a Strong Defense

- Over the last 5 years (4/1/2019 - 3/31/2024), there have been 34 up months and 26 down months for the Russell 2000 Growth Index.
- Importantly, the Fund outperformed on average by 0.90% across the period's down months.
- This downside mitigation has played a meaningful role in the Fund's outperformance over the full 5 years (average monthly excess return of +0.32%).

Harbor Small Cap Growth Instl vs. Russell 2000 Growth Index  
Average Returns in Russell 2000 Growth Up & Down Months  
4/1/2019 - 3/31/2024



Date	Harbor Small Cap Growth Fund (Instl)	Russell 2000 Growth Index	Excess Return
1/2/2001	-3.63%	-6.32%	2.69%
9/17/2001	-4.50%	-5.54%	1.03%
9/29/2008	-6.51%	-6.56%	0.05%
10/2/2008	-5.45%	-5.55%	0.10%
10/7/2008	-5.08%	-5.74%	0.65%
10/9/2008	-6.19%	-7.37%	1.18%
10/15/2008	-9.15%	-9.84%	0.69%
10/22/2008	-6.13%	-5.58%	-0.54%
11/12/2008	-6.10%	-6.23%	0.13%
11/14/2008	-5.39%	-6.82%	1.42%
11/19/2008	-6.51%	-7.46%	0.95%
11/20/2008	-6.49%	-6.53%	0.04%
12/1/2008	-9.26%	-10.67%	1.41%
1/20/2009	-5.97%	-6.17%	0.20%
3/2/2009	-6.33%	-5.84%	-0.49%
8/4/2011	-6.38%	-6.42%	0.04%
8/8/2011	-8.73%	-8.97%	0.24%
8/18/2011	-6.59%	-6.41%	-0.19%
3/9/2020	-8.57%	-8.57%	0.00%
3/11/2020	-6.40%	-6.43%	0.03%
3/12/2020	-10.03%	-10.99%	0.97%
3/16/2020	-13.08%	-14.69%	1.61%
3/18/2020	-8.53%	-8.97%	0.43%
4/1/2020	-5.46%	-7.05%	1.59%
6/11/2020	-6.03%	-6.96%	0.93%
<b>Averages</b>	<b>-6.90%</b>	<b>-7.51%</b>	<b>0.61%</b>

Positive Excess Return Negative Excess Return

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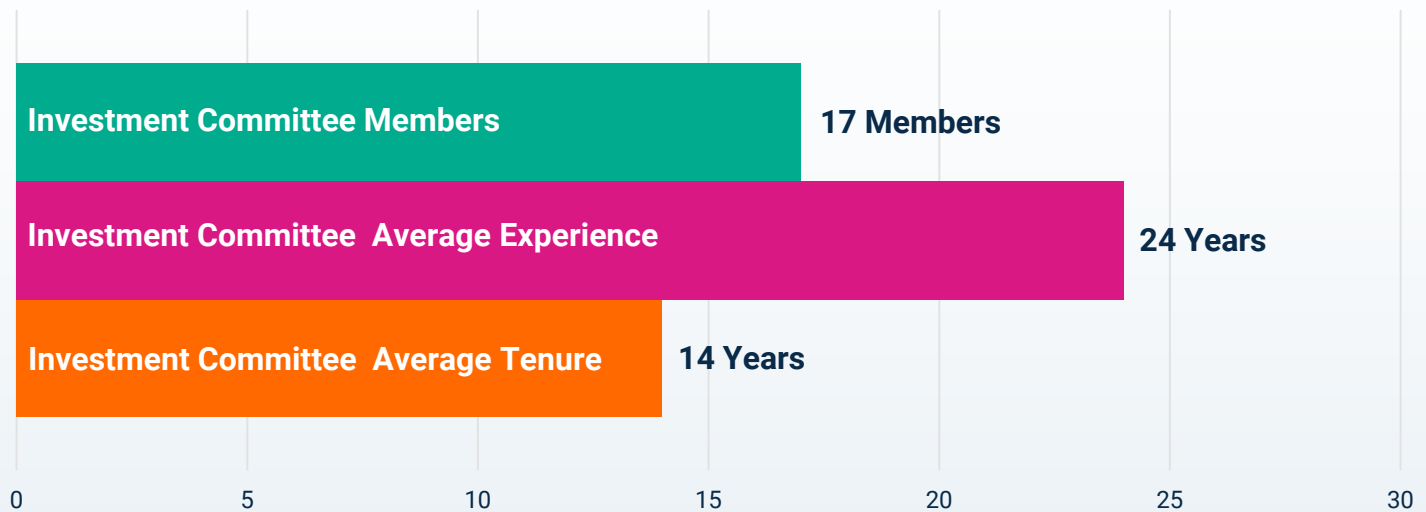
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## Investment Team

- Founded in 1989, Westfield Capital is an employee-owned boutique investment firm based in Boston, MA. Since the firm's inception, AUM has grown from \$130 million to over \$17.6 billion (as of 12/31/2023). Westfield has approximately 60 employees, and it specializes in growth equity investing within each segment of the market capitalization spectrum.
- The firm's Small Cap Growth Equity strategy incepted in July 1989 (34+ year track record) and has \$2.9B AUM (as of 12/31/2023). The firm's 17-person Investment Committee manages strategies across the firm in a consensus manner.



- Investment Committee members average 23 years of industry experience and 13 years of firm tenure. The Committee-based approach encourages collaboration and enables thorough vetting of investment ideas from a variety of viewpoints.
- Analysts are organized vertically by industry group, covering their respective areas across the market capitalization spectrum. Coverage across the market cap range enables better understanding of market dynamics and relationships between companies.

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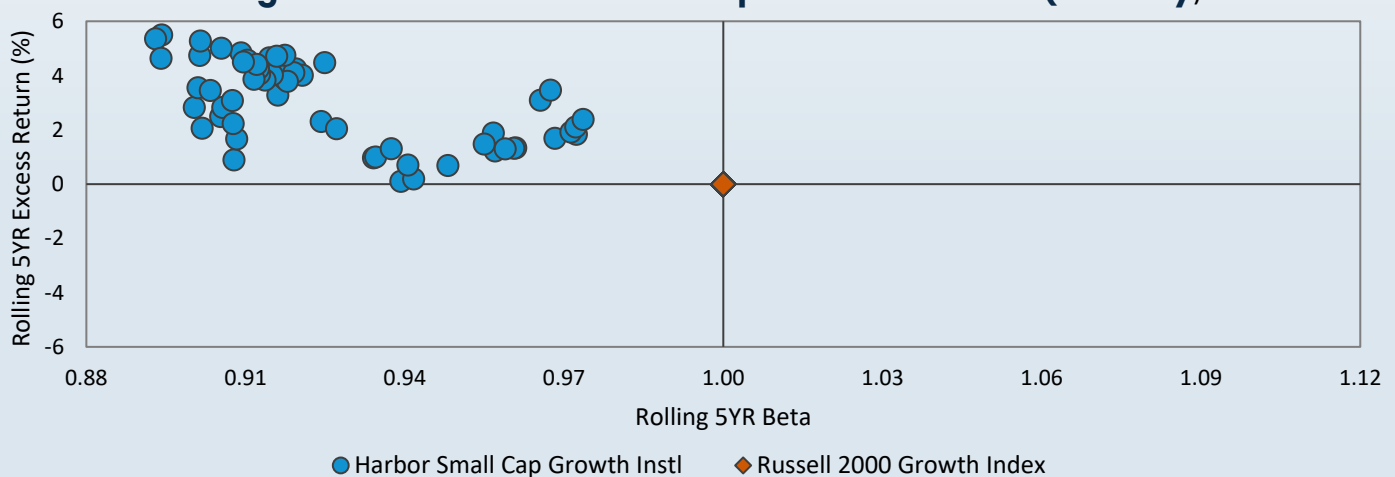


## Investment Process

- Westfield employs a Growth-at-a-Reasonable Price (GARP) approach, seeking companies with underappreciated earnings growth trading at reasonable valuations.
- The team’s due diligence process is driven by deep fundamental research in pursuit of what Westfield believes are the best managed, highest quality, and optimally positioned businesses.
- Meeting with company management teams is an integral part of the Westfield’s due diligence process; the team meets with hundreds of company managements each quarter. Westfield layers on independent sustainability research to more critically assess opportunities and risks.
- The team applies strict valuation discipline, typically seeking companies with a minimum upside/downside ratio of 2:1.
- A dedicated risk control team is employed throughout the process to ensure appropriate risk management. This includes close monitoring of price targets, downside flag system, factor exposures, and continuously seeking to improve the investment process.
- The Fund’s high conviction portfolio of 60 to 80 growth equities is constructed and actively managed by the Investment Committee.

Share Class	Institutional
Cusip	411511868
Fund Number	2010
Gross Expense Ratio	0.88%
Inception Date	11/1/2000
Manager Name	Westfield Capital Management, LP
Benchmark	Russell® 2000 Growth Index
Morningstar Category	Small Growth

**Harbor Small Cap Growth Instl vs. Russell 2000 Growth Index**  
**Rolling 5YR Beta & Excess Return: Apr 2014 - Mar 2024 (Monthly)**



- This disciplined, risk-managed process has yielded steady outperformance with lower beta risk over time.
- On a rolling 5-year basis, the Fund has regularly produced positive excess returns versus the Russell 2000 Growth Index while exhibiting a rolling 5-year beta lower than 1.00 over the last decade.

Performance data shown represents past performance and is no guarantee of future results. Source: Morningstar Direct. The 10-year period is shown to illustrate rolling 5-year periods, as 5 years is indicative of a market cycle.



## **All investments involve risk including the possible loss of principal.**

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.

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. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

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Alpha is a measure of risk (beta)-adjusted return.

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.

Growth at a reasonable price (GARP) is an equity investment strategy that combines growth and value investing attributes. GARP investors focus on companies with earnings growth above broad market levels but without extremely high valuations.

The upside/downside ratio is a financial metric used to compare the potential for gain (upside) against the potential for loss (downside) in an investment.

The views expressed herein may not be reflective of current opinions, are subject to change without prior notice, and should not be considered investment advice.

**Investors should carefully consider the investment objectives, risks, charges and expenses of a Harbor 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.**

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