



Harbor

CAPITAL ADVISORS, INC.

Form ADV Part 2A Brochure

March 30, 2020

This Brochure provides information about the qualifications and business practices of Harbor Capital Advisors, Inc. Please contact compliance@harborfunds.com if you have any questions. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

111 South Wacker Drive, 34th Floor | Chicago, Illinois 60606-4302

T 312-443-4400 | F 312-443-4444 | harborfunds.com

Additional information about Harbor Capital Advisors, Inc. is available through the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.



Material Changes

Harbor Capital Advisors, Inc. (Harbor Capital) has updated our Brochure as of March 30, 2020. We continue to conduct our business and provide investment advisory services in substantially the same manner as described in the last update to our Brochure. Material changes since the last annual update of our Brochure include a discussion of a new client, Harbor Collective Investment Trust, and updates to our subadviser oversight and proxy voting practices.

Table of Contents

Section Title	Page
Material Changes	1
Advisory Business	3
Fees and Compensation	4
Performance Based Fees and Side-By-Side Management	5
Types of Clients	5
Methods of Analysis, Investment Strategies and Risk of Loss	5
Disciplinary Information	9
Other Financial Industry Activities and Affiliations	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Brokerage Practices	12
Review of Accounts	13
Client Referrals and Other Compensation	14
Custody	14
Investment Discretion	14
Voting Client Securities	14
Financial Information	15

Form ADV Part 2A

Advisory Business	<p>Harbor's History, Organization and Ownership</p> <p>Harbor Capital is an investment adviser registered with the Securities and Exchange Commission (SEC).</p> <p>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 that employs a manager-of-managers business model. In June of 2001, Harbor Capital was acquired by ORIX Corporation Europe N.V. (f/k/a Robeco Groep N.V.) and is currently a wholly-owned subsidiary of ORIX Corporation (ORIX), a global financial services company based in Tokyo, Japan. ORIX provides a range of financial services to corporate and retail customers around the world, including financing, leasing, real estate and investment banking services. The stock of ORIX trades publicly on both the New York (through American Depositary Receipts) and Tokyo Stock Exchanges.</p> <p>Investment Advisory Services</p> <p>Harbor Capital provides discretionary investment advisory services to our clients. We provide these services either directly or by employing a "manager-of-managers" approach through which we enter into subadvisory agreements with investment advisers (Subadvisers) that we select and supervise. We establish investment policies, strategies, and guidelines for each client and update those policies, strategies, and guidelines as necessary. Each Subadviser is responsible for making the day-to-day investment decisions for the assets that we have allocated to them, including the securities to be purchased or sold and the timing and manner in which to effect those securities transactions. We monitor, evaluate and oversee each Subadviser's performance. When necessary, we replace or terminate or, in the case of Harbor Funds, we recommend to its Board of Trustees the replacement or termination of a Subadviser. With respect to Harbor Funds, its Board of Trustees must approve each investment advisory and subadvisory agreement.</p> <p>Our Clients</p> <p>We provide investment advisory services to three institutional clients:</p> <p>Harbor Funds</p> <p>Harbor Funds is an investment company registered under the Investment Company Act of 1940. Harbor Funds is comprised of individual funds, each with different investment objectives and strategies spanning domestic equity, international and global equity, fixed income and target retirement asset classes. Harbor Capital provides investment management services with respect to each fund, subject to the oversight of Board of Trustees of Harbor Funds.</p> <p>Harbor Collective Investment Trust</p> <p>Harbor Collective Investment Trust is a collective investment trust exempt from registration under the Investment Company Act of 1940 pursuant to section 3(c)(11). Harbor Collective Investment Trust is comprised of individual collective investment trusts (CITs), each with different investment objectives and strategies. Harbor Trust Company, Inc. (Harbor Trust Company), a wholly-owned subsidiary of Harbor Capital, serves as trustee to Harbor Collective Investment Trust and the CITs. Harbor Capital provides investment management services with respect to the CITs, subject to the oversight of Harbor Trust Company. The CITs are only available for investment by certain qualified plans and other eligible investors. The CITs were made available for investment in February 2020.</p> <p>Harbor Capital Group Trust for Defined Benefit Plans (Group Trust)</p> <p>The Group Trust is a collective investment vehicle exempt from registration under the Investment Company Act of 1940 pursuant to Sections 3(c)(1) and 3(c)(7). The Group Trust is comprised of defined benefit retirement plan assets of a small number of corporate defined benefit plans. The Group Trust is not marketed or offered to the public.</p> <p>Harbor Target Retirement Funds (Target Retirement Funds)</p> <p>The Target Retirement Funds are a group of individual funds within Harbor Funds, each with an investment portfolio designed to become more conservative over time as a target retirement</p>
-------------------	--

	<p>date is approached. Each Target Retirement Fund invests its assets in other funds as provided in each Target Retirement Fund's prospectus.</p> <p>Harbor Capital is responsible for developing and managing each Target Retirement Fund's asset allocation across the equity, fixed income, and short-term asset classes and for selecting the underlying funds to be held based upon each Target Retirement Fund's investment objectives and policies.</p> <p>Assets Under Management</p> <p>The amount of regulatory assets under management as of December 31, 2019 was \$50,881,724,877. All assets under management are managed on a discretionary basis.</p>
Fees and Compensation	<p>Compensation Terms</p> <p>We do not have an established fee schedule. The specific manner in which fees are charged is negotiated with each client and established within the advisory agreement between Harbor Capital and such client. Each of Harbor Capital's advisory agreements provides that the agreement may be terminated upon written notice to the other party without penalty. We may voluntarily agree not to impose a portion of our fee for a client for a period of time during the advisory relationship. Our compensation is derived solely from fees we receive under our agreements.</p> <p>Harbor Funds</p> <p>Harbor Funds pays Harbor Capital an advisory fee at an annual rate based on the average net assets of each fund other than the Target Retirement Funds. Advisory fees accrue daily and are paid monthly in arrears. Harbor Capital, in turn, uses its assets to pay each Subadviser for advisory services. The advisory fee is in addition to Harbor Funds' other operating expenses (including custody, independent auditor, registration and blue sky expenses) that are borne by each Harbor fund (including each Target Retirement Fund through the individual Harbor funds in which each Target Retirement Fund invests). The annual operating expenses of each Harbor fund are described in each fund's prospectus.</p> <p>Target Retirement Funds</p> <p>We do not receive any direct compensation for the advisory services we provide to the Target Retirement Funds. We are indirectly compensated for these advisory services because each Target Retirement Fund invests in individual Harbor funds that pay advisory fees to us.</p> <p>Harbor Collective Investment Trusts</p> <p>Each CIT pays Harbor Capital an advisory fee at an annual rate based on the average net assets of such CIT. Advisory fees accrue daily and are paid monthly in arrears. Harbor Capital, in turn, uses its assets to pay each Subadviser for advisory services. The advisory fee is in addition to the CITs' other operating expenses (including trustee and other expenses) that are borne by each CIT. The annual operating expenses of each CIT are described in each CIT's offering documents.</p> <p>Group Trust</p> <p>The corporate defined benefits plans comprising the Group Trust pay servicing fees to Harbor Capital quarterly in arrears that are based on a percentage of the average value of the assets of their respective plans as of month end. Each Subadviser is paid for its advisory services directly from the assets of the Group Trust.</p> <p>Management, Administrative and Support Services</p> <p>Harbor Capital is also responsible for providing various management, financial, administrative, compliance, legal and regulatory, and tax services to its clients. These services are described in the agreements between Harbor Capital and each client. We do not receive a separate fee for any of these services.</p> <p>Fees to Our Subsidiaries</p> <p>Harbor Services Group, Inc. serves as the transfer agent for Harbor Funds and each CIT. Harbor Funds Distributors, Inc. serves as the distributor for Harbor Funds and each CIT. Harbor Trust Company serves as the trustee to the CITs. Harbor Services Group and Harbor Funds Distributors receive transfer agency fees and distribution fees, respectively, from Harbor Funds. Harbor Services Group and Harbor Trust Company receive transfer agency fees and</p>

	<p>trustee fees, respectively, from the CITs. See below at “<i>Other Financial Industry Activities and Affiliations.</i>”</p> <p>Other Expenses</p> <p>Our clients also pay transaction costs or commissions when securities are bought and sold. See “<i>Brokerage Practices</i>” below.</p>
Performance-Based Fees and Side-By-Side Management	<p>We do not receive performance-based fees from any client. All of the fees that we receive from a client are based on a percentage of the assets being managed.</p>
Types of Clients	<p>We provide advisory services to an investment company, a collective investment trust and a pooled investment vehicle. These clients are more fully described above at “<i>Advisory Business</i>”.</p>
Methods of Analysis, Investment Strategies and Risk of Loss	<p>Investing in securities involves risk of loss that clients should be prepared to bear.</p> <p>Method of Analysis</p> <p>Manager-of-Managers Strategy (excludes Target Retirement Funds)</p> <p>Subadvisers provide day-to-day investment management over the client assets that Harbor Capital has allocated to each such Subadviser. We perform due diligence in selecting and monitoring the performance of Subadvisers and, if warranted, replacing them.</p> <p>Selecting and monitoring Subadvisers includes the efforts of our Investment & Portfolio Management and Legal & Compliance Teams and our Investment Committee, among others. The selection processes include:</p> <ul style="list-style-type: none"> • Assessing the Subadviser’s ability to deliver upon the stated mandate for which it has been hired; • Evaluating the Subadviser’s investment process, personnel, and investment staff; • Evaluating the Subadviser’s ownership and organizational structures and incentive programs; • Ascertaining the adequacy of the Subadviser’s legal, compliance, and operational infrastructure; • Reviewing the Subadviser’s historical performance record in the context of Harbor Capital’s assessment of the Subadviser’s ability to deliver future performance. Harbor Capital may at times evaluate Subadviser candidates that may be newly formed or yet to be formed entities that may not have existing products and corresponding investment performance records to evaluate, and may also evaluate Subadviser candidates that, while established as investment advisers, do not yet offer services similar to the proposed product(s) being evaluated; • Reviewing the Subadviser’s financial condition; • Informing each Subadviser of the investment objective(s), policies, and restrictions applicable to each Fund and/or CIT that it manages; • For Harbor Funds, formulating and presenting a recommendation for review and approval by Harbor Funds’ Board of Trustees regarding the hiring of a particular Subadviser; <p>The ongoing oversight processes include:</p> <ul style="list-style-type: none"> • Reviewing the performance of each Subadviser relative to peers and appropriate benchmarks; • Continuing to assess the adequacy of the Subadviser’s legal, compliance, and operational infrastructure and monitoring ongoing compliance with legal requirements as they pertain to portfolio management responsibilities;

- Monitoring for material changes in ownership and organization structures and incentive programs;
- Evaluating Harbor Capital's assessment of the Subadviser's ability to deliver consistently strong future performance in light of the information obtained about the Subadviser through the ongoing monitoring process;
- Confirming adherence to investment guidelines and, in the case of Harbor Funds and the CITs, reporting material violations thereof to Harbor Funds' Board of Trustees and Harbor Trust Company's Board of Directors, respectively;
- Reviewing brokerage practices, including the process to achieve best execution, the use of soft dollar commissions, and affiliated brokerage, if any;
- In the case of Harbor Funds and the CITs, reporting the results of the performance and compliance monitoring and review to Harbor Funds' Board of Trustees and Harbor Trust Company's Board of Directors, respectively, on a periodic basis;
- In the case of the Group Trust or a CIT, determining whether a Subadviser will continue to manage Group Trust or CIT assets or be replaced;
- For Harbor Funds, formulating a recommendation regarding the renewal of or replacement of Subadvisers for consideration by Harbor Funds' Board of Trustees; and
- For Harbor Funds and the CITs, preparing materials for Harbor Funds' Board of Trustees and Harbor Trust Company's Board of Directors, respectively, to assist in their regular or special review of subadviser arrangements.

Target Retirement Funds Strategy

Each Target Retirement Fund currently invests its assets in underlying Harbor funds. The due diligence that we perform in selecting, overseeing, monitoring the performance of, and, if necessary, replacing a Subadviser to a Harbor fund is described above.

We are also responsible for:

- Developing and evaluating a glidepath for the Target Retirement Funds and the broad asset allocation for each Target Retirement Fund;
- Selecting the underlying funds to be held by each Target Retirement Fund;
- Managing the asset allocation for each Target Retirement Fund and adjusting exposures to underlying funds when deemed necessary;
- Monitoring the actual underlying fund allocations and initiating rebalancing trades within each Target Retirement Fund when actual allocations deviate from target allocations;
- Verifying that subscription and redemption activity with each Target Retirement Fund is processed accurately; and
- Preparing materials for Harbor Funds' Board of Trustees to assist in the Board's review of the Target Retirement Funds.

We also compare our asset allocation to target retirement funds offered by other mutual fund companies using industry data.

Material Risks

In our business, there are a number of material risks. We have put controls in place to address those risks and actively monitor those risks and controls.

Use of Subadvisers

When we engage Subadvisers, we are highly dependent upon their investment expertise and abilities as they have day-to-day investment discretion over the underlying portfolio assets. Some of these Subadvisers may be newly formed and may have limited or no investment track records applicable to the client assets that they would manage for us. There is a risk that a Subadviser will not meet our expectations from an investment performance perspective over time and a risk that an event having a negative impact at a Subadviser (such as a significant change in personnel, corporate structure or resources) may adversely impact a client's investment results.

We also may engage Subadvisers that are affiliated with us. There is a risk that our evaluation or oversight of an affiliated Subadviser would be less objective or less thorough than that of an unaffiliated Subadviser. The criteria that we use to evaluate and oversee subadvisers, which is the same irrespective of whether a Subadviser is affiliated or unaffiliated, is discussed below.

We are also dependent upon each Subadviser's infrastructure and processes and, despite the review process we undertake when selecting Subadvisers, we may fail to identify (i) an appropriate Subadviser for the asset class, (ii) existing weaknesses in a Subadviser's compliance or operational infrastructure, or (iii) existing material regulatory, financial or other operational issues at the Subadviser. There is also a risk that, despite our efforts to monitor each Subadviser, a Subadviser will develop significant weaknesses in its compliance or operational infrastructure that could lead to a material adverse event, or will develop material regulatory, financial or other operational issues.

Subadviser Due Diligence Considerations

We conduct extensive due diligence in selecting, monitoring, and overseeing the Subadvisers. However, due diligence is not foolproof and may not uncover problems associated with a particular Subadviser. For example, one or more of the Subadvisers may engage in improper conduct (including unauthorized changes in investment strategy) that may be harmful and may result in losses. We may rely upon representations made by Subadvisers, accountants, attorneys, and/or other service providers. If any of these representations are misleading, incomplete or false, this may result in the selection of a Subadviser that might otherwise have been eliminated from consideration if fully accurate and complete information had been made available to us. Even if our understanding of a particular Subadviser is accurate, our judgment about whether a particular Subadviser is able to perform in a manner that meets our expectations over the long-term may be incorrect.

Although the Subadvisers are subject to our investment policies, strategies, and guidelines, there can be no assurance that the Subadvisers will comply with these policies, strategies, and guidelines. Failure to comply with the policies, strategies, and guidelines could result in an unintended deviation in the investment strategy and could result in losses. We employ various reviews to seek to identify any deviations and would act promptly to correct them when identified.

Replacement of Subadvisers

We may replace a Subadviser (or, with respect to Harbor Funds, we may recommend the replacement of a Subadviser to Harbor Funds' Board of Trustees) in the event of a material adverse event, prolonged underperformance or for other reasons. The process for identifying an appropriate replacement Subadviser and entering into a new subadvisory relationship takes a significant amount of due diligence and a significant amount of time. A decision to replace a Subadviser could result in significant portfolio turnover and uneven performance during the period in which a new Subadviser aligns the portfolio holdings to its strategy. High portfolio turnover could result in higher transaction costs.

Prolonged underperformance of or a decision to replace a Subadviser to a Harbor fund or CIT could cause some investors to redeem their holdings in the affected product, which could further impact performance of the fund or CIT. There could also be negative tax consequences to Harbor fund shareholders associated with either liquidating ownership or remaining in a Harbor fund where there are significant outflows or portfolio adjustments resulting from a transition to a new Subadviser.

Underlying Investment Risks

Each Subadviser engages in separate investment strategies that involve the purchase and sale of securities. Any investment in securities carries certain market risks.

Investments made by the Subadvisers may decline in value for a number of reasons. Those reasons include changes in the overall market for equity or debt securities, changes in the market for the particular types of securities favored by the Subadviser as well as factors relating to particular portfolio securities (such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, availability of additional capital and labor, general economic conditions, or political conditions). In addition, certain securities in the portfolios may be subject to credit risk of the issuer or another party and/or interest rate risk.

The value of the investment portfolio managed by each Subadviser will fluctuate. There is no assurance that our clients will achieve their investment objectives.

Risk factors associated with a Subadviser's investment strategy are required to be disclosed in that Subadviser's Form ADV Part 2A Brochure.

Subadviser Brokerage Practices

There is a risk a Subadviser may engage in more frequent trading to implement its investment strategy. More frequent trading of portfolio securities will normally result in higher brokerage commissions, transaction costs and taxes. For Harbor Funds and the Harbor Collective Investment Trust, these costs are not included explicitly in either the funds' or CITs' operating expense ratios. Instead, these costs are reflected in the funds' and CITs' net asset values, which can affect performance. This may make excessive commission practices harder for Harbor Funds' shareholders and CIT investors to observe.

There is a risk that a Subadviser could use client assets to pay for research and brokerage services that are excessive or do not fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Industry Changes Impacting Subadviser Selection

The current marketplace offers investment managers multiple outlets for their investment products. Investment managers may be able to make their strategies available to investors through a variety of channels, potentially charging higher fees and/or retaining more of those fees than when they offer their services through Harbor Funds or the CITs. Working through these additional channels may also leave less capacity in the investment managers' strategies for Harbor Funds and the CITs. As a result, the most successful investment managers may be less willing to offer their strategies to investors through Harbor Funds or the CITs going forward.

Changes in the industry may make it more difficult to identify and secure the investment services of outstanding Subadvisers at all or at fee levels consistent with those we have obtained historically. These changes may require us to identify and retain Subadvisers at an earlier stage and to take risks that we may not have taken historically, such as retaining a Subadviser that does not have an investment performance record or a record that reflects a full market cycle.

In the best of circumstances, it is difficult to find managers that outperform over the long term. We continue to look for skilled investment managers while recognizing there is a risk that it may be increasingly difficult for us to identify compelling investment managers that are willing to partner with us from a fee and/or capacity perspective.

Management of the Target Retirement Funds

There is a risk that our investment allocation and rebalancing decisions are not consistent with the Target Retirement Funds' investment objectives. This could result in poor or unexpected performance in the Target Retirement Funds.

Even if investment allocation and rebalancing decisions are made consistently with each Target Retirement Fund's investment objectives, there is a risk that the investment managers to the underlying funds in which the Target Retirement Funds have invested, including Subadvisers to underlying Harbor funds, fail to perform as expected or underperform relative to other investment managers providing similar asset class exposure. Poor performance of the underlying funds can result in poor performance at the Target Retirement Fund level.

There is also a risk that we could make an error in effecting or executing our rebalancing decisions that goes undetected. This could result in investments in underlying funds that are inconsistent with rebalancing decisions made to meet the Target Retirement Fund's investment objectives.

Management of the Group Trust

There is a risk that the asset allocation guidelines established by the corporate defined benefit plan sponsors that invest in the Group Trust are not followed. This could result in a material divergence between the expectations of the Group Trust participants and actual performance.

There is also a risk that the Subadvisers we select to manage portions of the Group Trust's assets or pooled investment vehicles into which Group Trust assets are invested fail to perform as expected or underperform relative to other investment managers providing exposure to similar asset classes. Poor performance by the Subadvisers or pooled investment vehicles can

	<p>result in poor performance at the overall Group Trust level even if asset allocation guidelines are followed consistently.</p> <p>Investment in the Harbor Funds</p> <p>The principal risks of investing in specific Harbor funds are described in each fund's prospectuses.</p> <p>Investment in the CITs</p> <p>The principal risks of investing in specific CITs are described in each CIT's offering documents.</p>
Disciplinary Information	<p>Neither Harbor Capital nor its management personnel has been involved in any legal or disciplinary event that we believe is material to a client's evaluation of Harbor Capital or the integrity of its management.</p>
Other Financial Industry Activities and Affiliations	<p>Registered Personnel and Affiliated Entities</p> <p>Harbor Funds is registered under the Investment Company Act of 1940 as an open-end management investment company. Harbor Funds' Board of Trustees is responsible for overseeing Harbor Funds' business and each of its service providers, including Harbor Capital. Harbor Funds' Board of Trustees is comprised of nine trustees, eight of whom are independent of Harbor Capital. Harbor Capital is engaged by the Board of Trustees of Harbor Funds to serve as the investment manager to each Harbor fund. Certain members of Harbor Capital executive management serve as executive officers to Harbor Funds.</p> <p>Harbor Trust Company, a New Hampshire non-depository trust company, is wholly-owned by Harbor Capital and serves as trustee. Certain members of Harbor Capital executive management are also management persons of Harbor Trust Company.</p> <p>Harbor Funds Distributors, Inc., a broker-dealer registered with the SEC, is wholly-owned by Harbor Capital and is the distributor for Harbor Funds and the CITs. Harbor Funds' Board of Trustees has adopted distribution and service plans pursuant to Rule 12b-1 under the Investment Company Act of 1940 that provide for the payment of a distribution and service fee of 0.25% to the Administrative and Investor Classes of each Harbor fund. Harbor Funds Distributors does not execute brokerage transactions in securities held by the Harbor funds or CITs. Certain members of Harbor Capital executive management are also executive officers and registered principals of Harbor Funds Distributors.</p> <p>Harbor Services Group, Inc., a transfer agent registered with the SEC, is wholly-owned by Harbor Capital and is the shareholder servicing agent for Harbor Funds and the CITs. Certain members of Harbor Capital executive management are also management persons of Harbor Services Group.</p> <p>Both Harbor Funds Distributors and Harbor Services Group have been engaged by the Board of Trustees of Harbor Funds to provide services to Harbor Funds and by Harbor Trust Company to provide services to the CITs. Harbor Funds Distributors is compensated by Harbor Funds for services provided to the funds. Harbor Services Group is compensated by Harbor Funds and the CITs for services provided with respect to the funds and CITs, respectively. Harbor Trust Company serves as trustee to the CITs and is compensated by each CIT for such services. Those fees are described in detail in the Harbor funds' current prospectuses and statement of additional information and in each CIT's offering documents. Each Harbor fund's current prospectus and statement of additional information are available on harborfunds.com. The CIT offering documents are available upon request to qualified plans and other eligible investors.</p> <p>Providing Seed Capital</p> <p>Harbor Capital typically serves as the initial investor in a new Harbor fund. We may be the sole or majority investor in any new Harbor fund until that fund garners significant assets from unaffiliated outside investors. We do not consider the provision of seed capital to a Harbor fund to constitute a control relationship. Harbor Capital does not provide seed capital for the CITs.</p>

**Code of Ethics,
Participation or
Interest in Client
Transactions and
Personal Trading**

Code of Ethics

Harbor Capital has adopted a Code of Ethics that requires all of its employees to conduct their activities and carry out their responsibilities following these standards:

- To place at all times the interests of each of our clients first;
- To avoid serving his/her own personal interests or the interests of Harbor Capital ahead of the interests of our clients;
- To avoid any situation involving an actual or potential conflict of interest or possible impropriety with respect to his/her duties and responsibilities to our clients;
- To not take advantage of his/her position of trust and responsibility at Harbor Capital; and
- To avoid any situation that might compromise or call into question his/her exercise of full independent judgment in the best interests of our clients.

Each employee is prohibited from engaging in any act or practice that would violate applicable federal securities laws, including the Investment Advisers Act of 1940. Each employee must promptly report potential violations to Harbor Capital's Chief Compliance Officer.

Market Conduct

Our employees are prohibited from profiting from short-term trading, such as through market timing, in Harbor Funds shares. Short-term trading includes transactions involving the purchase and sale (or the sale and purchase) of shares of the same Harbor fund (other than Harbor Money Market Fund) within 30 days. These transactions are prohibited unless we provide the employee with prior written approval. Automatic investment or withdrawal plans or dividend reinvestment plans are not subject to this restriction.

Our employees are also subject to Harbor Funds' excessive trading/market timing policy. This policy is described in the Harbor funds' current prospectuses.

Employee Monitoring

We actively monitor transactions by employees in Harbor Funds' shares and the Harbor CITs for compliance with our Code of Ethics.

Employee Reporting

Access Persons

Access Persons have greater access to information about our clients' holdings. Employees who are Access Persons have a heightened responsibility under our Code of Ethics. They are required to pre-clear personal securities transactions and are subject to ongoing reporting regarding certain personal securities transactions and holdings.

We review the reports submitted by our Access Persons for compliance with our Code of Ethics.

All Employees

All of our employees must certify upon their initial employment with Harbor Capital, and then annually, that they have read and understand our Code of Ethics and have complied with all applicable requirements.

Subadvisers

Harbor Capital requires each Subadviser to certify each quarter that all of its personnel who are engaged in providing investment advisory services to our clients have complied with the requirements of that Subadviser's Code of Ethics. As part of our due diligence, we review each Subadviser's Code of Ethics to:

- Assess how the Subadviser monitors trading by employees;
- Determine if the Subadviser has ethical walls and controls to prevent the misuse of inside information; and
- Assess the controls in place to ensure compliance with our restrictions on market timing.

To Request our Code

You may request a copy of our Code of Ethics by contacting: Legal & Compliance at Harbor Capital Advisors, Inc., 111 South Wacker Drive, 34th Floor, Chicago, IL 60606.

Participation/Interest in Client Transactions

Group Trust

Harbor Capital does not normally recommend that the Group Trust invest a portion of their assets in one or more Harbor funds or CITs. However, we are permitted to direct an investment by the Group Trust in a Harbor fund on a temporary basis only if we determine the Group Trust warrants exposure to a specific asset class that is best accessed through a Harbor fund or CIT until an alternative investment can be arranged. If we were to invest Group Trust assets in a Harbor fund or CIT, we may be considered to have a financial interest in the Harbor fund shares or CIT units that we recommend since we receive an advisory fee from each Harbor fund and CIT based on a percentage of the net asset value of the Harbor fund or CIT. In that circumstance, we would waive advisory fees charged to the Group Trust on any portion of their assets invested in a Harbor fund or CIT in order to ensure that we are not charging fees on those assets twice. As of December 31, 2019, no Group Trust assets were invested in any Harbor fund or CIT.

Subadvisers

We normally engage different Subadvisers to manage different series of Harbor Funds, different CITs and different portions of the assets of the Group Trust. Different Subadvisers engaged to manage different Harbor products or different portions of the assets of the Group Trust may not all make consistent investment decisions. A Subadviser to multiple Harbor products or clients may not make consistent investment decisions on behalf of each client.

For example, one Subadviser may use its allocation of the Group Trust's assets to purchase a company's stock. At the same time, another Subadviser may use its allocation of the Group Trust's assets to sell the same company's stock. This could result in higher transaction costs, which would be borne by the client. This could also result in less favorable transaction prices than would occur if the Group Trust's assets were all managed by one Subadviser. Similarly, a Subadviser to multiple Harbor products may purchase a company's stock for one product while selling the same company's stock for another product.

We monitor the performance of each Subadviser. We also monitor the compliance of each Subadviser with the client's investment objectives and guidelines. We do not provide input on or seek to override investment decisions made by any Subadviser that are consistent with a client's investment objectives and guidelines.

Our Account

We do not normally buy or sell securities for our own account, other than shares of Harbor funds and other unaffiliated mutual funds for cash management purposes. We invest significantly in several Harbor funds, including Harbor Money Market Fund. We use Harbor Money Market Fund to invest a portion of our corporate cash. Our significant investments in other Harbor funds consist of investments of seed capital as discussed further below and in *"Other Financial Industry Activities and Affiliations."*

New Funds - Seed Money

Harbor Capital typically serves as the initial investor in a new Harbor fund and may be the sole or majority investor in a new Harbor fund until that fund garners significant assets from unaffiliated outside investors. Harbor Capital does not provide seed money for the CITs. See above at *"Other Financial Industry Activities and Affiliations."*

Personal Trading

Harbor Capital has adopted a policy which requires the officers of Harbor Capital to maintain certain minimum levels of ownership in shares of one or more Harbor products. We believe this will serve to further align their interests with those of our clients. While not required, we normally see most of our employees who are not officers also invest in one or more Harbor products. In the aggregate, these holdings generally represent a minority interest in each such product. We also sponsor 401(k) and non-qualified retirement plans for our employees. These

	<p>plans include, among other funds, each Harbor fund as an investment option, and the employees direct their own investments.</p> <p>We monitor the personal trading activity of all employees in Harbor products, whether held directly or indirectly through the retirement plans that we offer or in accounts maintained by other financial institutions, to seek to ensure that no employee engages in market timing or excessive trading activities in Harbor products.</p>
Brokerage Practices	<p>Harbor Capital does not engage in trading or brokerage activities for our clients. Each Subadviser is responsible for making the day-to-day investment decisions for the client assets allocated to it. Each Subadviser in turn determines, for the client assets allocated to it, the securities to be purchased or sold, as well as the timing and manner in which to effect those securities transactions.</p> <p>As part of our ongoing due diligence responsibilities, we review each Subadviser's brokerage policies, procedures and practices, including its use of commissions to pay for research and brokerage services under Section 28(e) of the Securities Exchange Act of 1934, affiliated brokerage and various electronic trading venues.</p> <p>We have adopted policies governing the trading and brokerage activities by each Subadviser that we engage. These policies are summarized below. In the case of the CITs, we are responsible, subject to Harbor Trust Company's discretion and control, for ensuring that Subadvisers to the CITs comply with applicable rules and regulations pertaining to trading and brokerage activities.</p> <p>Best Execution</p> <p>Our policy requires Subadvisers to seek to obtain best execution for all client transactions. A Subadviser may obtain brokerage or research products or services from broker-dealers in connection with placing securities transactions on behalf of clients provided the arrangements comply with Section 28(e) of the Securities Exchange Act of 1934.</p> <p>Trade Aggregation</p> <p>Our policy requires Subadvisers to aggregate trades for their client accounts (including our clients) if:</p> <ul style="list-style-type: none"> • aggregation is in the best interests of each participating client; • aggregation is permitted by our client; and • completed trades are allocated between participating accounts in a fair and equitable manner. <p>Agency Transactions</p> <p>Our policy permits Subadvisers to engage in internal cross and agency cross transactions involving clients if permitted by law and the client. For Harbor Funds, any internal cross transactions and agency cross transactions must comply with procedures established by Harbor Funds to comply with Rule 17a-7 and Rule 17e-1 under the Investment Company Act of 1940, which includes a quarterly review of such transactions by Harbor Funds' Chief Compliance Officer and reporting to Harbor Funds' Board of Trustees.</p> <p>Principal Transactions</p> <p>Our policy prohibits all Subadvisers from engaging in principal transactions involving any Harbor Capital client.</p> <p>Directing Portfolio Transactions for Harbor Funds</p> <p>Our policy prohibits Subadvisers for Harbor Funds from directing portfolio securities transactions to a particular broker-dealer to compensate that broker-dealer for promoting or selling Harbor Funds' shares.</p> <p>Arrangement with Cowen Execution Services LLC</p> <p>Harbor Capital has an arrangement with Cowen Execution Services LLC (Cowen) to rebate a portion of their commission to the Harbor Capital client using their brokerage services. Cowen is not affiliated with Harbor Capital, our subsidiaries, or our clients.</p>

	<p>Any Subadviser using Cowen is responsible for determining if the use of Cowen for a particular securities transaction is consistent with its obligation to seek to obtain best execution for our client. Transactions effected through Cowen do not generate commissions that can be used by any party to pay for research and brokerage services under Section 28(e) of the Securities Exchange Act of 1934. Neither Harbor Capital nor any Subadviser receives any portion of the rebated commission.</p>
Review of Accounts	<p>Review of Client Accounts</p> <p>We review the performance of each Subadviser that we engage to provide portfolio management services to our clients at least monthly. We also review the performance of each Target Retirement Fund. We analyze each Subadviser's or Harbor product's performance against a benchmark, appropriate indices, peer groups, prior periods and client guidelines. We also analyze the individual portfolios constructed by a Subadviser, focusing on how exposures to particular securities, industries, sectors and/or geographic regions may be evolving or changing in light of current market dynamics and in light of our expectations regarding the Subadviser's investment philosophy and approach.</p> <p>Investment Committee</p> <p>Our Investment Committee is responsible for determining the investment strategies offered by Harbor Capital and for the selection of individual Subadvisers for those specific investment strategies. On an on-going basis, the Investment Committee is responsible for overseeing the evaluation and monitoring of those investment strategies and Subadvisers by Harbor Capital and periodically evaluating the performance of the Group Trust as a whole. The Investment Committee is further responsible for determining if a change in Subadviser is warranted and/or if an investment strategy is to be materially modified, closed or liquidated. In the case of strategies offered through a Harbor fund, the Investment Committee is responsible for making hiring, replacement, modification, and/or liquidation recommendations to the Harbor Funds Board of Trustees. These evaluations and reviews are based on information prepared by our Investment & Portfolio Management Team and other information the Investment Committee believes is relevant. The Investment Committee does not provide investment advice regarding security purchase and sale decisions. The Investment Committee is comprised of Harbor Capital's Chief Investment Officer (committee chair) Chief Executive Officer, President and General Counsel. The Investment Committee typically meets monthly but may meet more or less frequently as circumstances warrant. Other Harbor Capital employees may also participate in Investment Committee meetings, as necessary.</p> <p>Investment Advisory Committee</p> <p>Our Investment Advisory Committee is responsible for managing and regularly evaluating the asset allocation program for each Target Retirement Fund. This process includes managing and adjusting, as necessary, the weightings of underlying investments for each Target Retirement Fund. The Investment Advisory Committee members are Harbor Capital's Chief Investment Officer (committee chair) and two Managing Directors. One of the Managing Directors has day-to-day responsibility for managing the Target Retirement Funds and works with the Investment Advisory Committee to execute the Target Retirement Funds' programs.</p> <p>Subadviser Reports</p> <p>We require each Subadviser to a Harbor fund, CIT or a portion of the assets of the Group Trust to submit periodic compliance reports so that we may determine whether each is being managed in accordance with applicable investment policies and restrictions. We analyze these reports and perform other due diligence to determine the level of compliance of each fund, CIT and the Group Trust with its policies and restrictions. We also perform periodic compliance reviews of each Target Retirement Fund.</p> <p>Our Reports to Harbor Funds</p> <p>We report quarterly to Harbor Funds' Board of Trustees in writing and during meetings on the performance of each Harbor fund (including each Target Retirement Fund) based upon our monthly reviews. We also report quarterly to Harbor Funds' Board of Trustees as to each Harbor fund's compliance with applicable laws and regulations and the Code of Ethics.</p>

	<p>Our Reports to Harbor Trust Company</p> <p>We report quarterly to Harbor Trust Company’s Board of Directors in writing and during meetings on the performance of each CIT based on our monthly reviews. Harbor Trust Company maintains exclusive management of the CITs, and the Investment Committee of Harbor Trust Company will also monitor and oversee each CIT’s investment process on an ongoing basis.</p> <p>Our Reports to the Group Trust</p> <p>We report quarterly in writing to and meet at least annually with the plan fiduciaries or investment committees of the pension plans that invest in the Group Trust.</p>
Client Referrals and Other Compensation	Harbor Capital has no arrangement with any person or entity to solicit advisory clients for Harbor Capital and does not compensate any person for client referrals.
Custody	We do not act as custodian for any client account. We do not have or seek to have physical possession of any client’s cash or assets held in any client’s account.
Investment Discretion	We have discretionary authority to manage the assets of each of our clients. This authority is established in the investment advisory agreements with our clients. We may utilize Subadvisers as described above at “ <i>Advisory Business</i> ” and “ <i>Methods of Analysis, Investment Strategies and Risk of Loss.</i> ”
Voting Client Securities	<p>Harbor Capital has been delegated proxy voting authority for Harbor Funds, the Group Trust and the Harbor Collective Investment Trust. Harbor Capital has adopted Proxy Voting Policies designed to ensure the proxy voting process is conducted in the best interests of our clients when delegated proxy voting authority.</p> <p>When granted full discretion to vote proxies on behalf of a client, Harbor Capital generally delegates proxy voting responsibility to each Subadviser with respect to the assets allocated by Harbor Capital to that Subadviser. It is Harbor Capital’s policy to only delegate proxy voting authority to a Subadviser that Harbor Capital reasonably believes will be able to exercise that proxy voting authority in the best interests of Harbor Capital’s clients.</p> <p>Before we delegate proxy voting responsibility to a Subadviser, our Proxy Voting Committee reviews the Subadviser’s proxy voting policies (including their specific proxy voting guidelines) to determine if they are reasonably designed to ensure that Subadviser can administer the proxy voting process and vote proxies in the best interests of our clients. We review material amendments to the proxy voting policies of each Subadviser to confirm that those policies continue to meet that standard.</p> <p>Conflicts. Harbor Capital has delegated proxy voting responsibility for Harbor Funds (except the Target Retirement Funds, discussed below) the Group Trust and the CITs to their Subadvisers. Each Subadviser votes proxies and assesses and resolves conflicts of interest in accordance with its own proxy voting policies. Harbor Capital reviews each Subadviser’s proxy voting policies and procedures, including provisions relating to the manner in which the Subadviser addresses conflicts. The Proxy Voting Committee may assess whether any business or other relationships between Harbor Capital and a portfolio company could have influenced an inconsistent vote on that company’s proxy by a Subadviser. Such assessment would normally occur only after the proxies were voted by the Subadviser and voting results were shared with Harbor Capital.</p> <p>Harbor Capital has the authority to override any proxy voting decision by a Subadviser when we believe a voting decision will not be in the best interests of one of our clients. However, because the Subadvisers do not normally consult with us about proxy voting decisions, we are not typically aware of a Subadviser’s proxy voting decision until after the vote is cast and the shareholder meeting has occurred. Therefore, we do not expect to be able to override a proxy voting decision unless the Subadviser consults with us prior to casting a vote.</p> <p>Subadvisers may come to different voting decisions on the same or similar proposals. As long as each Subadviser is acting in the best interests of our clients when making their proxy voting</p>

	<p>decisions, we believe that our clients will benefit from each Subadviser applying their own analysis to the proxy voting decision.</p> <p>Target Retirement Funds. Target Retirement Fund assets are invested in other funds. Proxy voting for these assets is performed at the underlying fund level. If an underlying Harbor fund submits a matter to a vote of its shareholders, votes for and against such matters on behalf of the Target Retirement Funds will be cast in the same proportion as the votes of the other shareholders in the underlying Harbor funds. This is known as "echo voting" and is designed to avoid any potential conflict of interest.</p> <p>Our Clients May Request Information</p> <p>Our clients may request a copy of our Proxy Voting Policy or information regarding specific votes cast on their behalf by contacting Legal & Compliance at Harbor Capital Advisors, Inc., 111 South Wacker Drive, 34th Floor, Chicago, IL 60606.</p>
Financial Information	Not applicable.