Harbor Global Growth Fund

Thomas F. Marsico

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1st Quarter, 2012 Commentary

"We are finding many areas where we believe growth stocks are being substantially underpriced." -Marsico

Global equities advanced in Q1, paced by cyclical names

Led by names in economically sensitive sectors, global stocks recorded solid gains in the first quarter of 2012. Global equities, as measured by the MSCI All Country World Index, returned 11.88% in U.S. Dollar terms. All 10 economic sectors in the index advanced.

The Harbor Global Growth Fund outpaced the index by a wide margin, posting a return of 21.97%. Stock selection and sector allocations both added value relative to the index. The Fund also outperformed the MSCI All Country World benchmark for the 12 months ended March 31. The Fund is managed by Marsico Capital Management, LLC. Portfolio Managers are Thomas F. Marsico, Chief Executive Officer and Chief Investment Officer of Marsico Capital Management, and James G. Gendelman, Portfolio Manager and Senior Analyst.

Portfolio holdings in the Information Technology and Consumer Discretionary sectors had the largest positive impact on both absolute and relative returns, the investment team reports. Leading individual contributors included Apple, Richemont, and Prada. Stock selection in the Materials sector and an underweighted position in the Financials sector adversely impacted returns relative to the index.

The Marsico team's comments were made in a April 17, 2012, report. Highlights adapted from the report appear below. All comments relate to the quarter ended March 31, 2012, unless otherwise indicated. All references to year-to-date are for the period January 1 through March 31, 2012.

INTERVIEW HIGHLIGHTS

Positive positioning
The Fund's outperformance in the first quarter was driven by a variety of factors. The portfolio's above-benchmark positioning in pro-cyclical areas of the equity market, particularly Consumer Discretionary, was a major contributor. Stocks responded well overall to a generally brightening global growth outlook, and the more economically sensitive areas of the equity market were the primary beneficiaries.

Risk aversion
We are finding many areas where we believe growth stocks are being substantially underpriced. Despite an improved macroeconomic backdrop, confidence in earnings forecasts has remained low and risk premiums have remained elevated, particularly for many cyclical companies. Restructuring-driven growth is not being rewarded, in our view. Many stock prices appear to be discounting a relatively negative outlook for earnings and profit growth. Trading volumes have remained at unusually low levels, perhaps reflecting ongoing macroeconomic uncertainties and an aversion to risk.

Favorable trends
We believe that many of the portfolio's Consumer Discretionary holdings are poised to benefit from wealth creation, consumer spending, and increased travel in emerging markets such as China and Brazil. In addition, several of the Fund's investments in the Consumer Discretionary and Information Technology sectors are well-positioned, in our view, to take advantage of increased use and efficiencies of cloud computing and increased use of mobile devices by consumers.

Global economic growth
The global economy appears to be gaining momentum, highlighted by robust industrial output. Emerging markets continue to grow at a healthy pace and emerging market balance sheets

remain in good shape. Asia is benefiting from an upswing in industrial production and Japan's economic growth is being bolstered by reconstruction activities in the aftermath of the earthquake and tsunami a year ago.

Total Returns

As of 03/31/2012

	Three Months	One Year	Three Years	Five Years	Since Inception *(03/01/2009)*	Expense Ratios Net	Expense Ratios Gross
Harbor Global Growth Fund - INST	21.97%	2.71%	27.38%	N/A	29.97%	1.00%	1.68%
MSCI AC World Index	11.88%	-0.73%	20.75%	N/A	23.25%		

As of 03/31/2012, the Harbor Global Growth Fund had invested the following percentages of its assets in the sectors listed:
Consumer Discretionary, 27.48%; Information Technology, 22.70%; Consumer Staples, 9.21%; Industrials, 9.08%;
Financials, 8.51%; Health Care, 7.67%; Materials, 4.26%; Energy, 3.69%;

Performance data shown represents past performance, which is no guarantee of future results. Current performance may be higher or lower than the past performance data shown. Investment returns and the value of an investment will fluctuate, and an investor's shares, when sold, may be worth more or less than their original cost. You can obtain performance data current to the most recent month-end (available within seven business days after the most recent month-end) by calling 800-422-1050 or visiting www.harborfunds.com.

Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus for this and other information about the Fund, visit harborfunds.com or call 800-422-1050. Read it carefully before investing.

The Harbor Funds performance shown assumes the reinvestment of dividend and capital gain distributions and is net of management fees and expenses. Returns for periods less than one year are not annualized. From time to time, certain fees and/or expenses have been voluntarily waived, which has resulted in higher returns. Without these waivers, the returns would have been lower. Voluntary waivers may be applied or discontinued at any time without notice. The Harbor Funds are no-load; other fees and expenses do apply to a continued investment in the Funds and are described in each Fund's current prospectus.

Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions. The Fund charges a redemption fee of 2.00% on redemption of shares that are held for less than 60 days.

Over time, a growth oriented investing style may go in and out of favor, which may cause the Fund to sometimes underperform other equity funds that use different investing styles.

Equity securities, such as common stocks, are affected by company specific events and by movements in the overall stock markets in which those securities principally trade. An adverse company specific event, or downturn in those stock markets, can depress the value of a particular company's equity securities.

About Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Net expense ratios reflect adjustments due to voluntary or contractual fee waivers or expense reimbursements. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time. The net expense ratio reflected is contractual until 02/28/2013.

Performance figures discussed in any of the Manager Commentaries reflect that of the Institutional Class shares.

This information should not be considered as a recommendation to purchase or sell a particular security and the holdings or sectors mentioned may change at any time and may not represent current or future investments. As of 03/31/2012, the Harbor Global Growth Fund held the following positions referenced as a percentage of the Fund's total net assets: Apple Inc. - 8.01%, Compagnie Financiere Richemont SA - 3.93%, Prada SpA - 3.15%.

The MSCI AC (All Country) World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

The views expressed herein are those of the portfolio managers at the time of the interview and may not be reflective of their current opinions or future actions. These views are not necessarily those of the fund company and should not be construed as such.

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