



As of March 31, 2012

Harbor High-Yield Bond Fund

INVESTMENT APPROACH

PHILOSOPHY - Investing at the more conservative end of the high yield universe, the subadviser positions the portfolio to maximize income and to preserve capital. The portfolio management team employs bottom-up, fundamental credit analysis to maximize performance over the full market cycle. The subadviser seeks to broadly diversify the portfolio, directly communicate with management, avoid select industries with high default rates and focus on liquid issues. A formalized sell discipline is driven by four "red flags", which result in an immediate credit review and, in many cases, an outright sale of the bond.

Investment Risks - Fixed income investments are affected by interest rate changes and the creditworthiness of the issues held by the Fund. As interest rates rise, the values of fixed income securities held by the Fund are likely to decrease and reduce the value of the Fund's portfolio. High yield investing poses additional credit risk related to lower-rated bonds. The Fund charges a redemption fee of 1.00% on redemption of shares that are held for less than nine months.

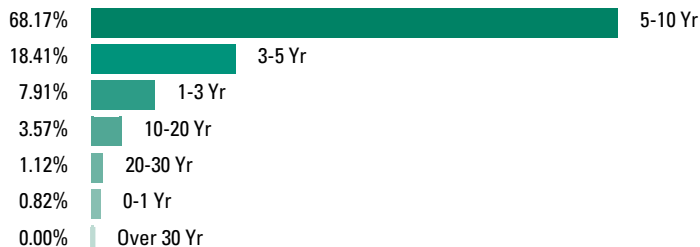
WHY HARBOR -

Recognizing that no single organization can excel in managing all types of asset classes, Harbor assigns the portfolio management responsibility for its mutual funds to outside asset managers, or subadvisers. By outsourcing this key function rather than trying to manage the mutual funds internally, Harbor is able to obtain the services of value-added asset managers from leading investment firms.

Harbor believes its competitive advantage is finding an asset management organization with an outstanding record for each specific asset class. This skill in selecting managers is derived in part from Harbor's many years of experience in managing pension fund assets.

Realizing that low expenses can add significantly to investment returns, Harbor has always emphasized rigorous cost control.

MATURITY PROFILE



PORTFOLIO STATISTICS

Morningstar Category	High Yield Bond
Number of Bonds	397
Average Market Coupon (%)	7.59
Yield to Maturity (%)	6.64
Weighted Avg. Maturity (yrs)	6.81
Duration to Worst (yrs)	3.5
Annualized Turnover - as of 10/31/2011	47%
Redemption Fee	1.00%

TOP TEN HOLDINGS

1. ARAMARK Corporation	0.94%
2. Cequel Communications Holdings I LLC	0.91%
3. UPCB Finance VI Ltd.	0.89%
4. Asurion Corporation	0.85%
5. Hughes Satellite Systems Corporation	0.80%
6. DISH DBS Corporation	0.79%
7. CDW LLC	0.73%
8. HCA Inc.	0.72%
9. Biomet Inc.	0.70%
10. CenturyLink Inc.	0.68%
Total	8.01%

FUND FACTS

	Institutional Class	Investor Class	Administrative Class
NASDAQ Symbol	HYFAX	HYFIX	HYFRX
Fund Number	2024	2424	2224
CUSIP	411511553	411511538	411511546
Inception Date	12/01/2002	12/01/2002	12/01/2002
12b-1 Fee	None	0.25%	0.25%
Total Net Assets (\$MM)	2,003.367	151.199	8.275
Investment Goal	Total return		



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MANAGER PROFILE



Mark Shenkman



Mark Flanagan, CFA, CPA



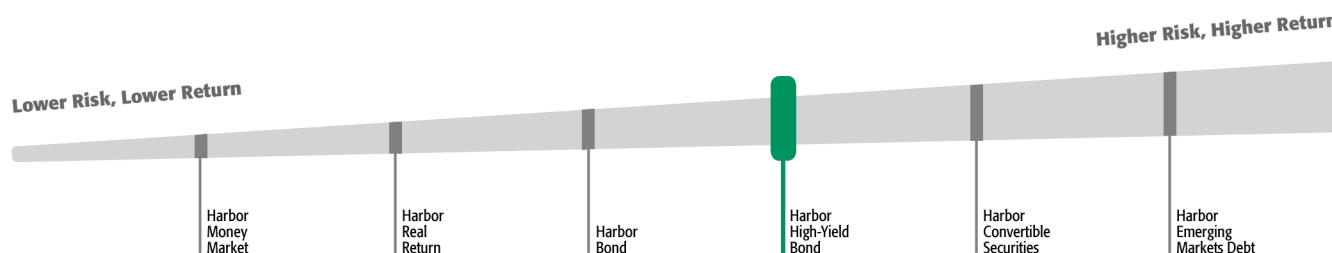
Frank Whitley

Mark Shenkman, Frank Whitley, and Mark Flanagan have managed the Harbor High-Yield Bond Fund since its inception in 2002. Mark Shenkman has been the President of Shenkman Capital Management, Inc. since 1985. Frank Whitley is Executive Vice President of Shenkman Capital Management, Inc. He joined the firm in 1988 and became a Portfolio Manager in 1995. Mark Flanagan, CFA, CPA, is Senior Vice President. He joined the firm in 1992 and became a Portfolio Manager in 2002. Mr. Flanagan was the Director of Credit Research for Shenkman Capital Management, Inc. from 1996-2002.

DURATION

0-1 yr	17.40%
1-3 yr	23.62%
3-5 yr	31.73%
5-10 yr	27.25%
10-20 yr	0.00%
20-30 yr	0.00%
Over 30 yr	0.00%

HARBOR FUNDS FIXED INCOME POTENTIAL RISK & RETURN



About Risk & Return. Mutual fund investors should consider the risk as well as the potential return of their mutual fund investment. A mutual fund's share price will fluctuate up and down with the value of the securities held in its portfolio. When the value of the securities in your fund's portfolio increases, the fund's share price will rise. When the value of the securities in your fund's portfolio decreases, the fund's share price will decline.

Generally, the higher the potential return, the greater the risk of the investment. That means your mutual fund's share price will fluctuate more significantly over time with a riskier investment than with a less risky investment. Equity mutual funds are more risky than fixed income mutual funds so the share prices of equity mutual funds generally fluctuate more widely than the share prices of fixed income mutual funds. Fixed income mutual funds can fluctuate also. Bond funds, for example, can fluctuate with rising or falling interest rates.

The risk and return graph indicates the potential risk and return for Harbor funds in this asset category. You can use this graph to compare generally the relative risk and potential return of one Harbor fund to the risk and potential return of other Harbor funds within this same asset category.

PERFORMANCE - As of March 31, 2012

	Three Months	Year to Date	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Expense Ratios Net	Expense Ratios Gross
Harbor High-Yield Bond Fund - Institutional Class	4.02%	4.02%	5.68%	14.78%	6.70%	N/A	8.27%	0.66%	0.70%
Harbor High-Yield Bond Fund - Investor Class	3.93%	3.93%	5.28%	14.36%	6.29%	N/A	7.86%	1.03%	1.07%
Harbor High-Yield Bond Fund - Administrative Class	4.05%	4.05%	5.50%	14.54%	6.44%	N/A	8.03%	0.91%	0.95%
BofA Merrill Lynch US High Yield Index	5.15%	5.15%	5.63%	23.78%	7.84%	N/A	10.22%	---	---

The Fund charges a redemption fee of 1.00% on redemption of shares that are held for less than 9 months.

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.

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 ratios for this Fund reflect a contractual management fee waiver until 02-28-2013.

The BofA Merrill Lynch US High Yield Index is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. All bonds are U.S. dollar-denominated and rated Split BBB and below. This unmanaged index does not reflect fees and expenses and is not available for direct investment.