



As of December 31, 2011

# Harbor Mid Cap Growth Fund

## INVESTMENT APPROACH

**PHILOSOPHY** - The Harbor Mid Cap Growth Fund employs an investment philosophy based on the underlying premise that: changes in earnings expectations drive security prices; tangible operating momentum precedes earnings momentum; quality management provides the best chance for operating excellence; and valuation discipline helps control portfolio risk.

**Investment Risks** - Stocks of mid cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies. Since the Fund also 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.

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.

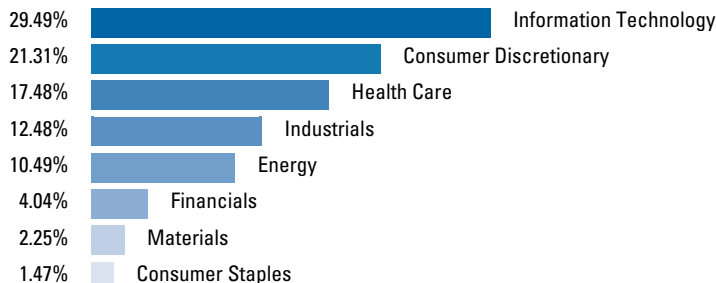
### WHY HARBOR -

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.

## SECTOR ALLOCATION



## PORTFOLIO STATISTICS

|  |                |
|--|----------------|
| Morningstar Category                   | Mid-Cap Growth |
| Number of Securities                   | 102            |
| Adjusted Price to Earnings Ratio       | 23.25          |
| Annualized Turnover - as of 10/31/2011 | 111%           |
| Redemption Fee                         | None           |
| Average Market Cap (\$MM)              | 4,831.74       |
| Beta vs. Russell Midcap® Growth Index  | 1.00           |
| Beta vs. Russell 3000® Index           | 1.05           |

## TOP TEN HOLDINGS

|                                     |               |
|-------------------------------------|---------------|
| 1. Cadence Design Systems Inc.      | 2.25%         |
| 2. Edwards Lifesciences Corp.       | 2.08%         |
| 3. Intuitive Surgical Inc.          | 1.97%         |
| 4. Hologic Inc.                     | 1.86%         |
| 5. SXC Health Solutions Corporation | 1.78%         |
| 6. Gen-Probe Inc.                   | 1.60%         |
| 7. GNC Holdings Inc.                | 1.59%         |
| 8. Ross Stores Inc.                 | 1.53%         |
| 9. Salesforce.com Inc.              | 1.51%         |
| 10. Concur Technologies Inc.        | 1.46%         |
| <b>Total</b>                        | <b>17.63%</b> |

## FUND FACTS

|                         | Institutional Class         | Investor Class | Administrative Class |
|-------------------------|-----------------------------|----------------|----------------------|
| NASDAQ Symbol           | HAMGX                       | HIMGX          | HRMGX                |
| Fund Number             | 2019                        | 2419           | 2219                 |
| CUSIP                   | 411511876                   | 411511785      | 411511793            |
| Inception Date          | 11/01/2000                  | 11/01/2002     | 11/01/2002           |
| 12b-1 Fee               | None                        | 0.25%          | 0.25%                |
| Total Net Assets (\$MM) | 316.862                     | 32.124         | 298.225              |
| Investment Goal         | Long-term growth of capital |                |                      |

Harbor Funds

Adjusted Price to Earnings (P/E) Ratio is the closing stock price divided by the sum of the last four quarters Earnings Per Share (EPS); only P/Es of 2.0 and greater are included.

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.

Certain portfolio statistics are provided by FactSet.

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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.

Please keep in mind that 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.

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## MANAGER PROFILE



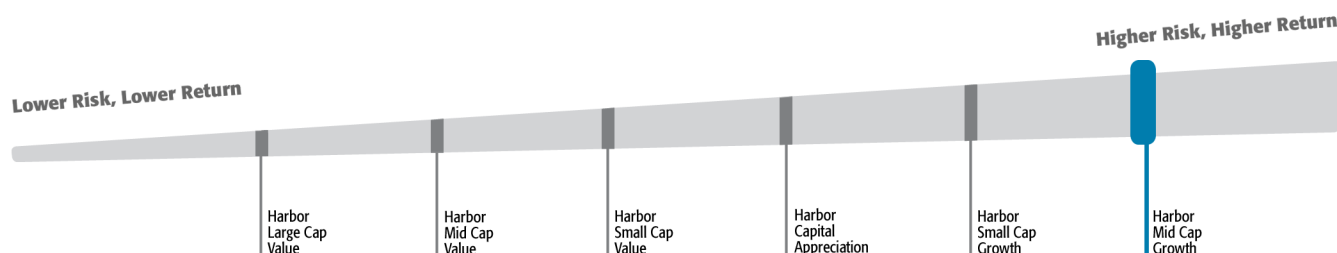
Michael T. Carmen, CFA Mario Abularach, CFA Stephen Mortimer

Michael T. Carmen, CFA, has managed the Harbor Mid Cap Growth Fund since 2005. Mr. Carmen is a Senior Vice President and Partner at Wellington Management Company, LLP, the investment subadviser to the Harbor Mid Cap Growth Fund. Mr. Carmen joined the firm in 1999. He has over 20 years of professional experience, including positions as an Equity Portfolio Manager with Kobrick Funds and as a Vice President at State Street Research. Mr. Carmen received his B.S. degree from the State University of New York at Albany, and his M.B.A. from New York University, Stern School of Business.

## TOP INDUSTRIES

|                                       |        |
|---------------------------------------|--------|
| Software                              | 11.52% |
| Health Care Equipment & Supplies      | 8.79%  |
| Oil, Gas & Consumable Fuels           | 8.56%  |
| Specialty Retail                      | 5.64%  |
| IT Services                           | 5.62%  |
| Textiles, Apparel & Luxury Goods      | 4.41%  |
| Semiconductors & Semiconductor Equipm | 4.33%  |
| Communications Equipment              | 4.01%  |
| Machinery                             | 3.74%  |
| Commercial Banks                      | 3.37%  |

## HARBOR FUNDS DOMESTIC EQUITY 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 December 31, 2011

|   | Three Months | Year to Date | 1 Yr.  | 3 Yr.  | 5 Yr. | 10 Yr. | Since Inception | Expense Ratios<br>Net Gross |       |
|---|--------------|--------------|--------|--------|-------|--------|-----------------|-----------------------------|-------|
| Harbor Mid Cap Growth Fund - Institutional Class  | 4.26%        | -8.95%       | -8.95% | 13.54% | 0.64% | 3.89%  | -0.67%          | 0.87%                       | 0.87% |
| Harbor Mid Cap Growth Fund - Investor Class       | 4.09%        | -9.38%       | -9.38% | 13.13% | 0.26% | N/A    | 8.90%           | 1.24%                       | 1.24% |
| Harbor Mid Cap Growth Fund - Administrative Class | 4.18%        | -9.18%       | -9.18% | 13.29% | 0.42% | N/A    | 9.04%           | 1.12%                       | 1.12% |
| Russell Midcap® Growth Index                      | 11.24%       | -1.65%       | -1.65% | 22.06% | 2.44% | 5.29%  | 0.87%           | ---                         | ---   |

The Russell Midcap® Growth Index since inception returns use 10/31/2000 as the period begin date.

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](http://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](http://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 Russell Midcap® Growth Index is an unmanaged index generally representative of the U.S. market for medium capitalization growth stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap® Growth Index and Russell® are trademarks of Russell Investments.