



As of December 31, 2011

Harbor Small Cap Growth Fund

INVESTMENT APPROACH

PHILOSOPHY - The Harbor Small Cap Growth Fund expects to invest in approximately 60-70 companies with consistent or accelerating earnings growth and quality balance sheets. The Manager uses a fundamental, bottom-up stock selection process to identify companies with superior company management, significant insider ownership, solid financial controls and accounting, cash flow sufficient to fund growth, unit volume growth, unique market position/pricing power, and low financial leverage.

The subadviser has a systematic sell discipline to ensure that the portfolio remains fresh and attractive. Stocks are sold because a predetermined price objective is achieved, a downside price limit has been reached and a full scale review concludes that the original investment case is no longer valid, or a more attractive alternative investment is available.

Investment Risks - Stocks of small cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

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.

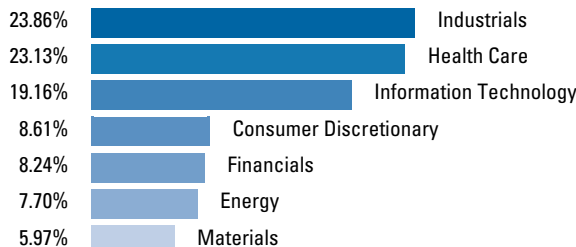
WHY HARBOR -

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	Small Growth
Number of Securities	58
Adjusted Price to Earnings Ratio	24.37
Annualized Turnover - as of 10/31/2011	77%
Redemption Fee	None
Average Market Cap (\$MM)	1,719.64
Beta vs. Russell 2000® Growth Index	0.95
Beta vs. Russell 3000® Index	1.14

TOP TEN HOLDINGS

1. Arthrocare Corporation	3.14%
2. Team Health Holdings Inc.	2.86%
3. Mednax Inc.	2.81%
4. Tenneco Inc.	2.67%
5. Titan International Inc.	2.51%
6. United Therapeutics Corporation	2.51%
7. Taleo Corporation	2.37%
8. Fortinet Inc.	2.22%
9. Hexcel Corporation	2.22%
10. Stewart Enterprises Inc.	2.14%
Total	25.45%

FUND FACTS

	Institutional Class	Investor Class	Administrative Class
NASDAQ Symbol	HASGX	HISGX	HRSGX
Fund Number	2010	2410	2210
CUSIP	411511868	411511777	411511769
Inception Date	11/01/2000	11/01/2002	11/01/2002
12b-1 Fee	None	0.25%	0.25%
Total Net Assets (\$MM)	409.463	21.277	35.679
Investment Goal	Long-term growth of capital		



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.

Morningstar Category - ©2010 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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.

HARBOR FUNDS and the Lighthouse Design are Reg. U.S. Pat. & Tm. Off.

NOT FDIC Insured. No Bank Guarantee. May Lose Value. Distributed by Harbor Funds Distributors, Inc.

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MANAGER PROFILE



William Muggia



Bruce Jacobs, CFA



Ethan Meyers, CFA



John Montgomery



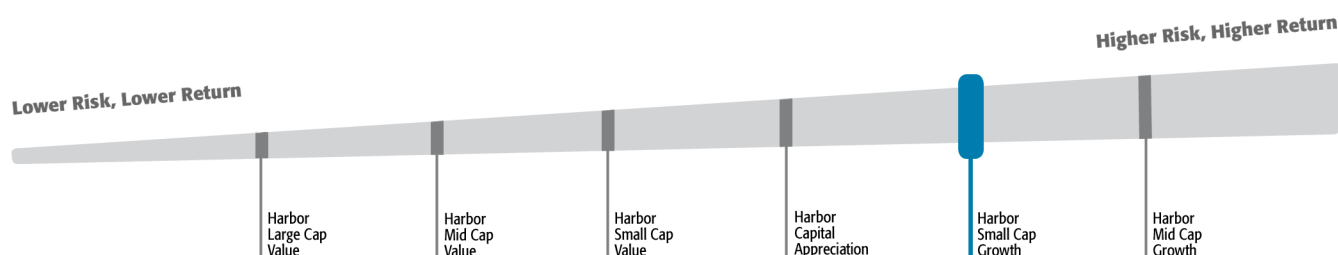
Hamlen Thompson

William Muggia is President, Chief Executive Officer and Chief Investment Officer of Westfield Capital Management Company, L.P. In 1983, he began working at Kidder Peabody & Co. After earning his MBA from Harvard University in 1992, Mr. Muggia began working for Alex Brown & Sons. He joined Westfield Capital Management in 1994 and specializes in analyzing health care, biotechnology and energy stocks. He has been the lead portfolio manager for the Harbor Small Cap Growth Fund since its inception in 2000. Ethan Meyers has been a co-manager for the Fund since 2000. John Montgomery, Hamlen Thompson and Bruce Jacobs have been co-managers since 2011. Ethan Meyers, CFA, is a Partner and joined the firm in 1999. John Montgomery is a Partner and Portfolio Strategist and joined the firm in 2006. Hamlen Thompson is a Partner and joined the firm in 2003. Bruce Jacobs, CFA, is a Partner and joined the firm in 2004.

TOP INDUSTRIES

Software	10.41%
Health Care Equipment & Supplies	8.07%
Machinery	7.61%
Health Care Providers & Services	7.31%
Energy Equipment & Services	5.11%
Chemicals	4.98%
Road & Rail	4.80%
Biotechnology	4.53%
Aerospace & Defense	4.34%
Professional Services	3.79%

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 Net Gross	
Harbor Small Cap Growth Fund - Institutional Class	15.72%	-7.66%	-7.66%	19.43%	2.89%	5.65%	5.69%	0.85%	0.85%
Harbor Small Cap Growth Fund - Investor Class	15.59%	-8.05%	-8.05%	18.97%	2.51%	N/A	8.27%	1.22%	1.22%
Harbor Small Cap Growth Fund - Administrative Class	15.62%	-8.00%	-8.00%	19.13%	2.63%	N/A	8.43%	1.10%	1.10%
Russell 2000® Growth Index	14.99%	-2.91%	-2.91%	19.00%	2.09%	4.48%	1.81%	---	---

The Russell 2000® 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.

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 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 Russell Investments.