

Investment Overview

The Fund invests primarily in equity securities, principally common and preferred stocks, of small cap companies.

Portfolio Management

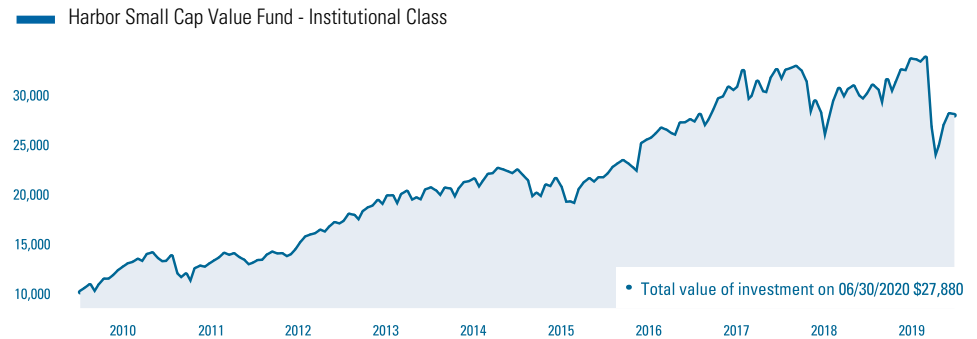
Subadviser:

EARNEST Partners LLC
Since 12/14/2001

Portfolio Managers:

Paul E. Viera

Growth of a Hypothetical \$10,000 investment



Performance

	Three Months	Year to Date	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Institutional Class	20.29%	-15.97%	-9.44%	1.25%	5.07%	10.68%	9.04%
Retirement Class	20.32%	-15.92%	-9.34%	1.34%	5.14%	10.72%	9.06%
Administrative Class	20.24%	-16.08%	-9.66%	1.01%	4.81%	10.40%	9.28%
Investor Class	20.18%	-16.14%	-9.77%	0.89%	4.68%	10.27%	9.12%
Russell 2000® Value Index	18.91%	-23.50%	-17.48%	-4.35%	1.26%	7.82%	6.90%

Performance data shown represents past performance and is no guarantee of future results. Past performance is net of management fees and expenses and reflects reinvested dividends and distributions. Past performance reflects the beneficial effect of any expense waivers or reimbursements, without which returns would have been lower. Investment returns and principal value will fluctuate and when redeemed may be worth more or less than their original cost. Returns for periods less than one year are not annualized. Current performance may be higher or lower and is available through the most recent month end at harborfunds.com or by calling 800-422-1050.

The Russell 2000® Value Index is an unmanaged index representing the smallest 2000 stocks with the lowest 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® Value Index and Russell® are trademarks of Frank Russell Company. The Russell 2000® Value Index since inception return uses 12/13/2001 as the period begin date.

Retirement Class shares commenced operations on March 1, 2016. The performance attributed to the Retirement Class shares prior to that date is that of the Institutional Class shares. Performance prior to March 1, 2016 has not been adjusted to reflect the lower expenses of Retirement Class shares. During this period, Retirement Class shares would have had returns similar to, but potentially higher than, Institutional Class shares due to the fact that Retirement Class shares represent interests in the same portfolio as Institutional Class shares but are subject to lower expenses.

Investment Risks

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

Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions.

Fund Facts	Institutional Class	Retirement Class	Administrative Class	Investor Class
Ticker	HASCX	HNVRX	HSVRX	HISVX
Fund Number	2022	2522	2222	2422
CUSIP	411511843	411512452	411511710	411511694
Inception Date	12/14/2001	03/01/2016	11/01/2002	11/01/2002
12b-1 Fee	None	None	0.25%	0.25%
Total Net Assets (\$MM)	1,238.296	254.428	10.803	46.090
Redemption Fee	None	None	None	None
Net Expense Ratio	0.88	0.80	1.13	1.25
Gross Expense Ratio	0.88	0.80	1.13	1.25

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses.

Top Industries



Semiconductors & Semiconductor Equipment	13.66%
Electronic Equipment, Instruments & Related Products	8.05%
Machinery	7.68%
Banks	7.15%
Aerospace & Defense	6.21%
Insurance	5.79%
Equity Real Estate Investment Trusts	5.44%
Commercial Services & Supply	5.04%
Capital Markets	4.71%
Chemicals	4.28%
Total	68.01%

Top Holdings

	Portfolio %
1. Catalent Inc.	3.84%
2. Cabot Microelectronics Corp.	3.32%
3. Casella Waste Systems Inc.	3.22%
4. Entegris Inc.	3.21%
5. Teledyne Technologies Inc.	3.09%
6. FormFactor Inc.	2.97%
7. Monolithic Power Systems Inc.	2.91%
8. Scotts Miracle-Gro Co.	2.75%
9. Darling Ingredients Inc.	2.67%
10. Molina Healthcare Inc.	2.42%
Total	30.40%

Sector Allocation vs. Benchmark

Sector	Portfolio	Russell 2000® Value Index	Portfolio vs. Benchmark Underweight/Overweight
Information Technology	25.14%	6.16%	18.98
Industrials	23.58%	16.08%	7.50
Financials	20.01%	28.96%	-8.95
Health Care	9.02%	6.21%	2.81
Real Estate	5.44%	10.43%	-4.99
Consumer Discretionary	4.88%	10.91%	-6.03
Materials	4.28%	5.47%	-1.19
Consumer Staples	2.67%	3.51%	-0.84
Energy	1.18%	4.44%	-3.26
Communication Services	0.00%	2.42%	-2.42
Utilities	0.00%	5.42%	-5.42

Portfolio Statistics

Number of Securities	53
Adjusted Price to Earnings Ratio	15.38
Annualized Turnover - as of 10/31/2019	27%
Weighted Avg Market Cap (\$MM)	4,163.04
Beta	0.97

Risk Statistics

	The Fund	Russell 2000® Value Index
Alpha	5.48%	0.00%
R-Squared	93.34%	100.00%
Standard Deviation	23.54%	23.58%
Sharpe Ratio	0.10%	-0.14%

Definitions:

Adjusted Price to Earnings (P/E) Ratio – the closing share price divided by the last 12 months of actual earnings per share. Only P/E's of 2.0 or greater are included. The higher the P/E ratio, the greater expectation there is for growth.

Alpha – a fund's risk-adjusted excess return relative to the benchmark.

Beta – measures fund volatility relative to the overall market. With a beta for every index at 1.0, a beta under 1.0 means the fund is less volatile and more than 1.0 means the fund is more volatile than the index.

Duration – an estimated measure of the price sensitivity of the aggregate market value of a portfolio of debt securities to changes in interest rates.

R-Squared – a measure of a fund's returns that are explained by movements in an index. A number lower than 70% suggests fund performance acts less like the index with performance more reflective of the active management of the fund.

Sharpe Ratio – measures return vs. risk; a higher number suggests less risk to achieve fund performance.

Standard Deviation – a statistical measure of historic volatility of a fund's returns; a higher number suggests greater volatility.

Beta is rolling three year, unless the Fund has a track record of less than three years, in which case it is since inception. All Risk Statistics are Rolling three year. If the Fund does not have a three year track record, the statistics will be listed as N/A.

Certain portfolio and risk statistics are provided by FactSet and Morningstar Direct.

The holdings, sectors or countries shown may change at any time and may not represent current or future investments.

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.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

Investors should carefully consider the investment objectives, risks, charges and expenses of a Harbor fund before investing. A summary prospectus or prospectus for this and other information is available at harborfunds.com or by calling 800-422-1050. Read it carefully before investing.

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