

Investment Overview

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

Portfolio Management

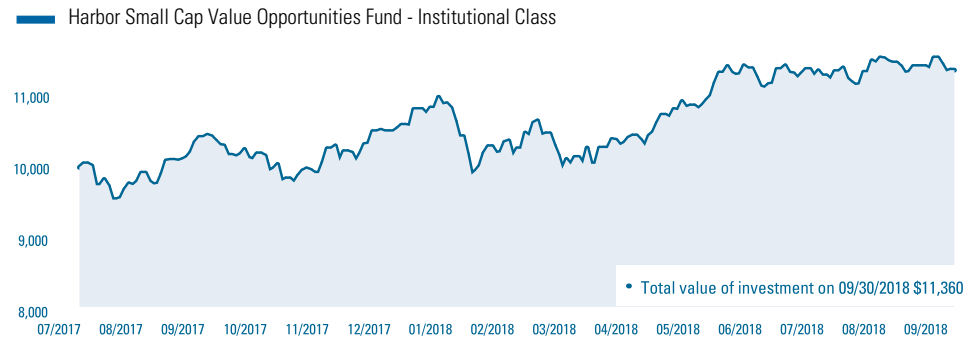
Subadviser:

Sapience Investments, LLC
Since 08/01/2017

Portfolio Managers:

Samir Sikka

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	2.28%	8.21%	9.06%	N/A	N/A	N/A	10.75%
Retirement Class	2.37%	8.31%	9.19%	N/A	N/A	N/A	10.87%
Administrative Class	2.29%	8.02%	8.76%	N/A	N/A	N/A	10.49%
Investor Class	2.20%	7.92%	8.71%	N/A	N/A	N/A	10.36%
Russell 2000® Value Index	1.60%	7.14%	9.33%	N/A	N/A	N/A	12.04%

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.

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	HSOVX	HSRVX	HSAVX	HSIVX
Fund Number	2041	2541	2241	2441
CUSIP	411512320	411512288	411512312	411512296
Inception Date	08/01/2017	08/01/2017	08/01/2017	08/01/2017
12b-1 Fee	None	None	0.25%	0.25%
Total Net Assets (\$MM)	27.701	7.097	0.281	0.292
Redemption Fee	None	None	None	None
Net Expense Ratio	0.88	0.80	1.13	1.25
Gross Expense Ratio	1.24	1.16	1.49	1.61

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses. The net expense ratios for this fund are subject to an expense limitation agreement, excluding interest expense, if any, through 02/28/2019.

Top Industries



Banks	12.09%
Specialty Retail	8.25%
Equity Real Estate Investmen...	6.92%
Energy Equipment & Services	6.33%
Commercial Services & Suppli...	4.56%
Machinery	4.41%
Trading Companies & Distribu...	4.37%
Insurance	3.52%
Oil, Gas & Consumable Fuels	3.28%
Road & Rail	3.17%
Total	56.90%

Top Holdings

	Portfolio %
1. Michaels Cos Inc.	3.57%
2. Beacon Roofing Supply Inc.	3.20%
3. Sterling Bancorp	2.54%
4. Cars.com Inc.	2.38%
5. Argo Group International Holdings Ltd.	2.33%
6. Ascena Retail Group Inc.	2.31%
7. Dave & Buster's Entertainment Inc.	2.31%
8. QTS Realty Trust Inc.	2.24%
9. Diebold Nixdorf Inc.	2.24%
10. Syneos Health Inc.	2.11%
Total	25.23%

Sector Allocation vs. Benchmark

Sector	Portfolio	Russell 2000® Value Index	Portfolio vs. Benchmark Underweight/Overweight
Financials	24.10%	28.19%	-4.10
Industrials	18.72%	12.05%	6.67
Consumer Discretionary	14.04%	11.56%	2.48
Energy	9.61%	7.52%	2.10
Real Estate	6.92%	11.49%	-4.57
Information Technology	6.08%	10.51%	-4.44
Health Care	4.93%	5.02%	-0.09
Consumer Staples	4.22%	2.53%	1.68
Materials	3.06%	4.43%	-1.37
Utilities	1.49%	5.97%	-4.47
Telecommunication Services	0.00%	0.72%	-0.72

Portfolio Statistics

Number of Securities	58
Adjusted Price to Earnings Ratio	16.60
Annualized Turnover - as of 10/31/2017	9%
Weighted Avg Market Cap (\$MM)	3,055.91
Beta	0.92

Risk Statistics

	The Fund	Russell 2000® Value Index
Alpha	N/A	N/A
R-Squared	N/A	N/A
Standard Deviation	N/A	N/A
Sharp Ratio	N/A	N/A

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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