

Cost Basis Election

Use this form if you wish to select or change a preferred cost basis method for your accounts. These cost basis methods only apply to shares acquired after January 1, 2012. Cost basis may not be selected for an Individual Retirement Account (IRA) or money market fund account.

You are not required to select a preferred cost basis method. If you do not make any selection, Harbor Funds will continue to use the Average Cost method for your accounts.

Please print in capital letters and in black ink.

Questions?

Call 800-422-1050

To obtain additional forms or to complete this form online, visit us at harborcapital.com.

Step 1: Account Registration

Name

Account Number

Daytime Telephone Number

Evening Telephone Number

Joint Owner's Name - *If any*

Step 2: Select Your Cost Basis Method

Cost Basis Method:

- | | |
|---|--|
| <input type="checkbox"/> Average Cost | <input type="checkbox"/> First In First Out |
| <input type="checkbox"/> Last In First Out | <input type="checkbox"/> High Cost First Out |
| <input type="checkbox"/> Low Cost First Out | <input type="checkbox"/> Loss/Gain Utilization |

➤ Please see General Information for Cost Basis for details on the different accounting methods.

Specific share identification is not available to be used as your primary cost basis method. However, specific share identification may be selected at the time of redemption for certain specific redemption transactions. If available, specific share identification would then only apply to that specific redemption.

I would like to apply the above method to:

- All funds in this account
- All current funds and future accounts opened with me as the primary owner
- Only the funds specified below:

Fund Name:

Number:

Step 2: Select Your Cost Basis Method *Continued*

Cost Basis Method for my other funds:

- Average Cost
- Last In First Out
- Low Cost First Out
- First In First Out
- High Cost First Out
- Loss/Gain Utilization

➤ If you would like to choose a different method for other funds in your account, please fill out this portion.

Specific share identification is not available to be used as your primary cost basis method. However, specific share identification may be selected at the time of redemption for certain specific redemption transactions. If available, specific share identification would then only apply to that specific redemption.

I would like to apply the above method only to the funds specified below:

Fund Name:	Number:
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Step 3: Signature

Sign Below:

Signature to this form by the registered shareholder(s) constitutes complete authority to allow Harbor Funds, its affiliates and agents to act on any instructions believed to be genuine for any service authorized on this form. The shareholder(s) agree(s) to indemnify Harbor Funds, its affiliates and agents shall not incur or be liable for any losses, damages, costs, charges, counsel fees, payments or expenses attributable to honoring these instructions.

Owner(s)/Authorized Person(s) Sign Below:

<input type="text"/>	<input type="text"/>
Signature of Owner	Date (mm/dd/yyyy)
<input type="text"/>	<input type="text"/>
Signature of Joint Owner - <i>If any</i>	Date (mm/dd/yyyy)

Mail completed form to:

Standard Mail

Harbor Funds
P.O. Box 804660
Chicago, IL 60680-4108

Overnight Delivery

Harbor Funds
111 South Wacker Drive, 34th Floor
Chicago, IL 60606-4302

Fax Completed Form to:

Attention: Harbor Funds
866-842-8568

Cost Basis Methods

Average Cost (ACST)	Calculates the cost of shares in an account by averaging the cost of all purchases made after January 1, 2012. The basis of the shares sold, which are sold in a first-in-first-out order, is determined by multiplying the number of shares by the average cost per share. This is Harbor Funds' primary cost basis method.
First In, First Out (FIFO)	Shares acquired first in the account are the first shares sold to determine the cost basis or gain/loss.
Last In First Out (LIFO)	Shares acquired last in the account are the first shares sold to determine the cost basis or gain/loss.
Highest Cost, First Out (HIFO)	Shares acquired with the highest cost per share in the account are the first shares sold to determine the cost basis or gain/loss.
Lowest Cost, First Out (LOFO)	Shares acquired with the lowest cost per share in the account are the first shares sold to determine the cost basis or gain/loss.
Loss/Gain Utilization (LGUT)	Shares with losses are sold before shares with gains. For shares that are sold at a loss, shares owned one year or less (short-term) will be sold before shares owned more than one year (long-term). For shares that sold at a gain, shares with long-term gains will be sold before shares with short-term gains. Because tax rates for long-term gains are generally favorable, long-term gains are given priority over short-term gains to minimize the current tax liability.
Specific Lot Identification (SLID)	Shares that are specifically selected by the shareholder are sold to determine the cost basis or gain/loss. Specific Lot Identification can only be used at the time of the transaction to override the current cost basis accounting method. You may not select this as your standard cost basis method.

➤ *These cost basis methods only apply to shares purchased after January 1, 2012 ("covered shares").*

Shares purchased prior to January 1, 2012 ("noncovered shares") will have a separate cost basis.

➤ *Specific share identification may only be selected at the time of redemption and only applies to that specific redemption (if available). Specific share identification may not be selected as the primary cost basis accounting method.*