



Harbor Funds®

Annual Report

October 31, 2016

Target Retirement Funds

	Institutional Class	Administrative Class	Investor Class
Harbor Target Retirement Income	HARAX	HARBX	HARCX
Harbor Target Retirement 2015 Fund	HARGX	HARHX	HARIX
Harbor Target Retirement 2020 Fund	HARJX	HARKX	HARLX
Harbor Target Retirement 2025 Fund	HARMX	HARNX	HAROX
Harbor Target Retirement 2030 Fund	HARPX	HAROX	HARTX
Harbor Target Retirement 2035 Fund	HARUX	HARVX	HARWX
Harbor Target Retirement 2040 Fund	HARYX	HARZX	HABBX
Harbor Target Retirement 2045 Fund	HACCX	HADDX	HAEEX
Harbor Target Retirement 2050 Fund	HAFFX	HAGGX	HAHHX
Harbor Target Retirement 2055 Fund	HATRX	HATAX	HATTX



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Harbor Target Retirement Funds

ANNUAL REPORT OVERVIEW (Unaudited)

The Funds' fiscal year ended October 31, 2016. The performance figures for each of the Harbor Funds shown below assume the reinvestment of dividends and capital gains, but do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of shares of the Funds. From time to time, certain fees and/or expenses have been voluntarily or contractually waived or reimbursed, which has resulted in higher returns. Without these waivers or reimbursements, the returns would have been lower. Voluntary waivers or reimbursements may be discontinued at any time without notice. For information on the different share classes, please refer to the current prospectus. The returns of the unmanaged indices assume the reinvestment of dividends but do not reflect fees and expenses, and the indices are not available for direct investment.

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 harborfunds.com.

	Total Return Year Ended October 31, 2016		
	Institutional Class	Administrative Class	Investor Class
HARBOR TARGET RETIREMENT FUNDS			
Harbor Target Retirement Income Fund	3.91%	3.91%	3.91%
Harbor Target Retirement 2015 Fund	3.59	3.50	3.59
Harbor Target Retirement 2020 Fund	3.56	3.46	3.56
Harbor Target Retirement 2025 Fund	3.39	3.40	3.40
Harbor Target Retirement 2030 Fund	2.96	2.97	2.97
Harbor Target Retirement 2035 Fund	2.70	2.70	2.70
Harbor Target Retirement 2040 Fund	2.36	2.36	2.36
Harbor Target Retirement 2045 Fund	1.91	1.91	1.91
Harbor Target Retirement 2050 Fund	1.51	1.50	1.50
Harbor Target Retirement 2055 Fund	1.38	1.39	1.39

COMMONLY USED MARKET INDICES

	Total Return Year Ended October 31, 2016
Bloomberg Barclays U.S. Aggregate Bond (domestic bonds)	4.37%
MSCI EAFE (ND) (international equity)	-3.23
Russell 3000® (entire U.S. stock market)	4.24

HARBOR TARGET RETIREMENT FUND INDICES

	Total Returns Year Ended October 31, 2016
Composite Index Income	4.33%
Composite Index 2015	4.08
Composite Index 2020	4.16
Composite Index 2025	4.19
Composite Index 2030	3.86
Composite Index 2035	3.56
Composite Index 2040	3.27
Composite Index 2045	2.90
Composite Index 2050	2.59
Composite Index 2055	2.49

Harbor Target Retirement Funds

ANNUAL REPORT OVERVIEW—Continued

UNDERLYING HARBOR FUNDS PERFORMANCE (INSTITUTIONAL CLASS SHARES)

	Total Return for the Year Ended October 31, 2016				Current 7-Day SEC Yield		Inception Date	Expense Ratios [*]	
	One Year	Five Years ^a	Ten Years ^a	Since Inception ^a	Subsidized ^b	Unsubsidized ^c		Net	Gross
EQUITY AND COMMODITY									
Harbor Capital Appreciation Fund	-1.23%	13.20%	8.30%	11.07%	N/A	N/A	12/29/1987	0.65% ^d	0.70%
Harbor Mid Cap Growth Fund	-0.60	10.38	6.80	3.15	N/A	N/A	11/01/2000	0.86	0.86
Harbor Small Cap Growth Fund	-0.99	11.56	7.51	7.66	N/A	N/A	11/01/2000	0.86	0.86
Harbor Large Cap Value Fund	7.14	14.73	6.42	9.71	N/A	N/A	12/29/1987	0.68 ^e	0.72
Harbor Mid Cap Value Fund	2.81	14.65	6.99	7.64	N/A	N/A	03/01/2002	0.88 ^d	0.88
Harbor Small Cap Value Fund	8.18	12.67	6.34	9.78	N/A	N/A	12/14/2001	0.87	0.87
Harbor International Fund	-3.74	4.23	3.02	10.52	N/A	N/A	12/29/1987	0.76 ^d	0.78
Harbor International Growth Fund	2.46	5.12	1.78	3.25	N/A	N/A	11/01/1993	0.85 ^e	0.91
Harbor Global Growth Fund	-3.90	10.95	N/A	16.48	N/A	N/A	03/01/2009	0.90 ^e	1.03
Harbor Commodity Real Return Strategy Fund	-0.38	-10.64	N/A	-7.33	N/A	N/A	09/02/2008	0.94 ^e	1.30
FIXED INCOME									
Harbor Convertible Securities Fund	3.12%	5.74%	N/A	4.33%	N/A	N/A	05/01/2011	0.77%	0.77%
Harbor High-Yield Bond Fund	5.46	5.24	6.00%	7.07	N/A	N/A	12/01/2002	0.67 ^d	0.71
Harbor Bond Fund	4.70	3.69	5.48	7.24	N/A	N/A	12/29/1987	0.51 ^{e,f}	0.60
Harbor Real Return Fund	5.55	1.20	4.35	4.14	N/A	N/A	12/01/2005	0.54 ^e	0.79
SHORT-TERM									
Harbor Money Market Fund	0.30%	0.12%	0.94%	3.29%	0.37%	-0.07%	12/29/1987	0.28% ^{d,e}	0.34%

* 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 to date.

a Annualized

b Reflects reimbursements or waivers in effect during the period.

c Does not reflect reimbursements or waivers currently in effect.

d Reflects a contractual management fee waiver effective through February 28, 2017.

e Reflects an expense limitation agreement (excluding interest expense, if any) effective through February 28, 2017.

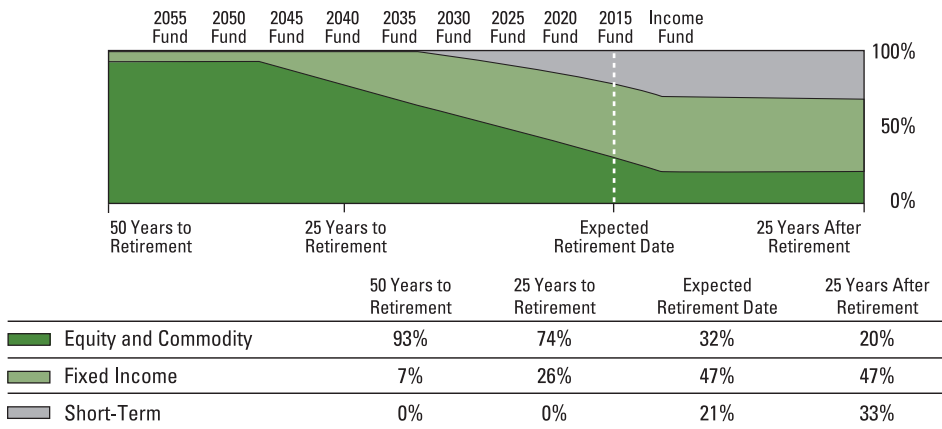
f Reflects a contractual management fee waiver effective through February 28, 2018.

Harbor Target Retirement Funds

ANNUAL REPORT OVERVIEW—Continued

TARGET ASSET ALLOCATION

Harbor Target Retirement Funds - Target Asset Allocation



Over time, the allocation to asset classes and underlying Harbor funds will change in a predetermined manner as shown in the chart above. The chart shows the shifting of asset classes over time and illustrates how each Target Retirement Fund's (except Harbor Target Retirement Income Fund) asset mix becomes more conservative as time elapses.

The principal value of the Funds is not guaranteed at any time, including the target retirement date.

INVESTMENT STYLES

The Harbor Target Retirement Funds are constructed based on Harbor Capital Advisors' investment experience that, over the long term, stocks generally provide greater growth opportunities and greater risk than bonds, and bonds generally provide more income and lower volatility than stocks. The year in the Fund name refers to the approximate year (the target date) when an investor in the Fund would leave the work force and enter retirement and likely stop making new investments in the Fund. The Harbor Target Retirement Income Fund is designed for investors currently in retirement. The year-specific Target Retirement Funds strive to produce more income and lower volatility as the target year approaches.

Harbor Capital Advisors allocates each Fund's assets among the underlying Harbor funds based on the Fund's investment objectives and policies. The asset allocation for each Fund (other than the Harbor Target Retirement Income Fund) will change over time as the target date indicated in the Fund's name draws closer.

HARBOR TARGET RETIREMENT FUNDS - ACTUAL ALLOCATION AS OF OCTOBER 31, 2016

	2055 Fund	2050 Fund	2045 Fund	2040 Fund	2035 Fund	2030 Fund	2025 Fund	2020 Fund	2015 Fund	Income Fund
EQUITY AND COMMODITY										
Harbor Capital Appreciation Fund	11%	11%	10%	8%	7%	6%	5%	4%	3%	3%
Harbor Mid Cap Growth Fund	6	6	5	4	4	3	2	2	2	1
Harbor Small Cap Growth Fund	5	5	4	4	3	3	2	2	1	1
Harbor Large Cap Value Fund	14	13	11	10	8	7	6	5	4	3
Harbor Mid Cap Value Fund	9	8	8	6	6	5	4	3	3	2
Harbor Small Cap Value Fund	6	6	5	5	4	3	3	2	2	2
Harbor International Fund	20	19	17	15	12	10	8	7	6	4
Harbor International Growth Fund	14	13	12	10	9	7	6	5	4	3
Harbor Global Growth Fund	5	5	4	4	3	2	2	2	1	1
Harbor Commodity Real Return Strategy Fund	3	3	4	4	5	5	4	3	1	0
Total Equity and Commodity	93	89	80	70	61	51	42	35	27	20
FIXED INCOME										
Harbor Convertible Securities Fund	0%	0%	0%	0%	2%	4%	4%	3%	0%	0%
Harbor High-Yield Bond Fund	3	5	8	12	14	16	18	17	14	13
Harbor Bond Fund	4	6	11	16	20	23	27	31	36	39
Harbor Real Return Fund	0	0	1	2	3	6	9	11	15	18
Total Fixed Income	7	11	20	30	39	49	58	62	65	70
SHORT-TERM										
Harbor Money Market Fund	0%	0%	0%	0%	0%	0%	0%	3%	8%	10%
Total Short-Term	0	0	0	0	0	0	0	3	8	10
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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Letter from the Chairman



David G. Van Hooser
Chairman

Dear Fellow Shareholder:

The Harbor Target Retirement Funds invest in a diversified portfolio of Harbor equity, strategic markets and fixed income funds. In the fiscal year ended October 31, 2016, most equity, commodity and fixed income markets had modest single digit returns or lower leading to modest single digit returns for the Harbor Target Retirement Funds.

U.S. equities generally posted modest gains in fiscal 2016. The U.S. economy showed sufficient strength early in the fiscal year to cause the U.S. Federal Reserve to raise short term rates in late 2015 for the first time since 2006. Equity returns were weak early in the fiscal year with concerns that slowing economic growth in China and the negative effect of lingering lower energy prices would cause slower growth in the U.S. and elsewhere around the world. The Chinese government provided additional stimulus to strengthen the Chinese economy which eased concerns about slowing growth. Oil prices stabilized early in 2016 and equities recovered on stronger economic news.

International markets were generally flat in the aggregate in fiscal 2016. Global markets, which include the U.S., had modest positive returns.

Domestic long-term fixed income markets generally delivered solid single digit returns in fiscal 2016. Global monetary policy was a focus for the bond markets during the year. Economic strength in the U.S. allowed the U.S. Federal Reserve ("Fed") to raise rates by 25 basis points in December 2015. In contrast, weak economic conditions in Europe caused the European Central Bank to provide additional stimulus in 2016.

Commodities had a roller-coaster performance in fiscal 2016. The Bloomberg Commodity Index Total ReturnSM had a return of -2.62% for the fiscal year.

Comments by the portfolio managers of the Harbor Target Retirement Funds can be found in the pages preceding each Fund's portfolio of investments. As always, we recommend that shareholders maintain a long-term perspective in evaluating all of their investments, including Harbor Funds.

RETURNS FOR PERIODS ENDED OCTOBER 31, 2016

	Annualized			
	1 Year	5 Years	10 Years	30 Years
Domestic Equities				
Russell 3000 [®] (entire U.S. stock market)	4.24%	13.35%	6.76%	9.87%
S&P 500 (large cap stocks)	4.51	13.57	6.70	9.95
Russell Midcap [®] (mid cap stocks)	4.17	13.12	7.55	11.23
Russell 2000 [®] (small cap stocks)	4.11	11.51	5.96	9.01
Russell 3000 [®] Growth (growth stocks)	2.08	13.47	8.11	9.31
Russell 3000 [®] Value (value stocks)	6.55	13.17	5.31	10.06
International & Global				
MSCI EAFE (ND) (foreign stocks)	-3.23%	4.99%	1.22%	5.90%
MSCI EAFE Small Cap (ND) (foreign small cap stocks)	2.98	8.91	3.72	N/A
MSCI World (ND) (global stocks)	1.18	9.03	3.89	7.40
MSCI All Country World Ex. U.S. (ND) (foreign stocks)	0.22	3.63	1.61	N/A
MSCI Emerging Markets (ND) (emerging markets stocks)	9.27	0.55	3.49	N/A
Strategic Markets				
Bloomberg Commodity Index Total Return SM (commodities)	-2.62%	-10.61%	-5.81%	N/A
Fixed Income				
BofA Merrill Lynch U.S. Non-Distressed High-Yield (domestic high-yield bonds)	8.21%	7.16%	6.51%	N/A
Bloomberg Barclays U.S. Aggregate Bond (domestic bonds)	4.37	2.90	4.64	6.48%
Bloomberg Barclays U.S. TIPS (domestic inflation-linked bonds)	5.89	1.47	4.46	N/A
BofA Merrill Lynch 3-Month U.S. Treasury Bill (proxy for money market returns)	0.31	0.11	0.88	3.54

HARBOR FUNDS TRUSTEE RETIRES

On December 31, 2016, Rodger F. Smith will retire as a trustee of Harbor Funds in accordance with the board's retirement policy. Rodger has served shareholders as a member of the board since 1987. His 29 years of service is the longest of any Harbor Funds trustee. Rodger's knowledge of investments, the asset management industry and his broad business experience accumulated during his business and consulting career have been beneficial in the growth and development of Harbor Funds. Rodger was the first lead independent trustee of Harbor Funds, serving in that role for six years until his retirement. Rodger always focused on the best interests of fund shareholders. His insights and observations have been very helpful to the board and senior members of the Harbor Funds team. We wish Rodger the very best in what we know will be a very active retirement.

The board's retirement policy enables the trustees to prepare for retirements well in advance. With Rodger Smith's retirement, the board will be reduced, at least temporarily, from eight members to seven, of whom six are independent. The board has added several trustees in recent years in anticipation of certain scheduled trustee retirements.

START INVESTING AS EARLY AS POSSIBLE

The end of a calendar year can serve as a useful checkpoint to evaluate your financial goals and your investments. We always encourage shareholders to take a long term perspective with all of their investments. With the growth in defined contribution plans, more and more investors each year have primary responsibility for their own retirement investments as well as their other investment needs.

We suggest each investor invest in a diversified asset allocation of stocks, bonds and cash that is consistent with your long term financial objectives and a level of risk that you find acceptable. While we know it is not always possible to invest as much as you would like for future needs, we encourage all investors to start as early as possible to save and invest for retirement and other long term financial goals. Financial markets are volatile and stocks and bonds can go up and down in value. While past performance is never a guarantee of future results, over the long term, the returns of equities and debt have historically helped many investors achieve their financial objectives. For those investors investing for retirement, we suggest you consider the following:

1. If you have a defined contribution retirement plan where you work, if possible, invest at least as much as necessary to obtain any company match;
2. If you can do so, invest the maximum permitted each year in an individual retirement account; and
3. Invest in a taxable account so you have other assets to tap for emergencies or other situations where you would prefer not to disturb your longer term investments.

With careful planning and budgeting all of us can come closer to meeting our financial goals. Harbor Funds offers equity, strategic markets and fixed income funds to help you achieve your financial objectives.

Thank you for investing with Harbor Funds.

December 21, 2016



David G. Van Hooser
Chairman

Harbor Target Retirement Income Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

Harbor Capital
Advisors, Inc.

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

Paul C. Herbert, CFA,
CAIA
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Current income and
some capital
appreciation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement Income Fund recorded a return of 3.91% (Institutional, Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index Income, which gained 4.33%.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points (all underlying fund returns cited are for the respective fund's Institutional Class shares). High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectations for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt. Harbor Real Return Fund, which mainly focuses on TIPS and other inflation-linked securities, was helped even more by higher future inflation expectations. The Harbor Real Return Fund rose 5.55% from November 2015 to October 2016, but trailed the Bloomberg Barclays U.S. TIPS Index by 34 basis points due to its underweight U.S. duration position relative to the benchmark as yields declined.

Harbor Target Retirement Income Fund

MANAGERS COMMENTARY—Continued

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor. The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, an overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology, along with strong stock selection, aided the Harbor Large Cap Value Fund's results.

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. (ND) Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

Harbor Target Retirement Income Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2600
Cusip	411511371
Ticker	HARAX
Inception Date	01/02/2009
Net Expense Ratio	0.55% ^a
Total Net Assets (000s)	\$13,805

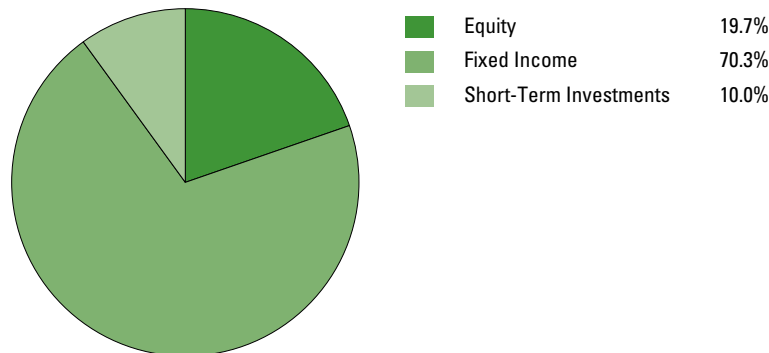
ADMINISTRATIVE CLASS

Fund #	2700
Cusip	411511363
Ticker	HARBX
Inception Date	01/02/2009
Net Expense Ratio	0.55% ^a
Total Net Assets (000s)	\$16

INVESTOR CLASS

Fund #	2800
Cusip	411511355
Ticker	HARCX
Inception Date	01/02/2009
Net Expense Ratio	0.55% ^a
Total Net Assets (000s)	\$16

ASSET ALLOCATION (% of investments)



Equity

Harbor International Fund	4.4%
Harbor International Growth Fund	3.0%
Harbor Large Cap Value Fund	3.0%
Harbor Capital Appreciation Fund	2.5%
Harbor Mid Cap Value Fund	2.0%
Harbor Small Cap Value Fund	1.4%
Harbor Mid Cap Growth Fund	1.3%
Harbor Small Cap Growth Fund	1.1%
Harbor Global Growth Fund	1.0%

Fixed Income

Harbor Bond Fund	39.5%
Harbor Real Return Fund	17.7%
Harbor High-Yield Bond Fund	13.1%

Short-Term Investments

Harbor Money Market Fund	10.0%
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^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

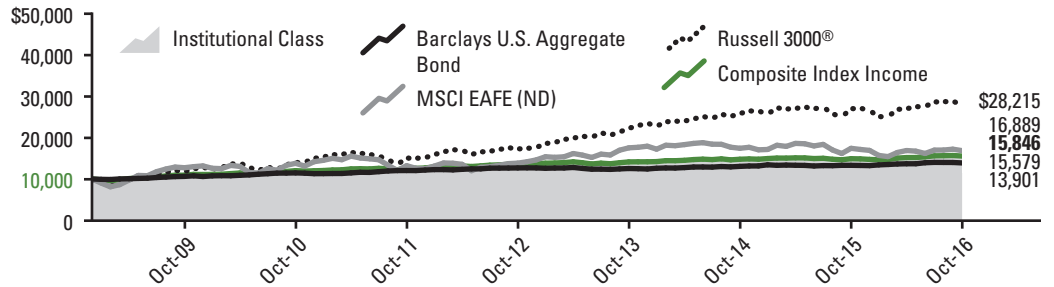
Harbor Target Retirement Income Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement Income Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	3.91%	4.44%	6.06%	01/02/2009	\$15,846
Administrative Class	3.91	4.46	6.06	01/02/2009	15,847
Investor Class	3.91	4.46	6.06	01/02/2009	15,847
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index Income	4.33	4.27	5.82	—	15,579

As stated in the Fund's current prospectus, the expense ratios were 0.62% (Institutional Class), 0.87% (Administrative Class) and 0.99% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement Income Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY—19.7%

Shares		Value
5,758	Harbor Capital Appreciation Fund	\$ 348
20,313	Harbor Mid Cap Growth Fund	174
13,197	Harbor Small Cap Growth Fund	157
33,554	Harbor Large Cap Value Fund	413
13,352	Harbor Mid Cap Value Fund	269
7,163	Harbor Small Cap Value Fund	195
10,013	Harbor International Fund	604
32,416	Harbor International Growth Fund	418
7,079	Harbor Global Growth Fund	144

TOTAL EQUITY

(Cost \$2,681) 2,722

FIXED INCOME —70.3%

180,723 Harbor High-Yield Bond Fund 1,805

FIXED INCOME —Continued

Shares		Value
460,402	Harbor Bond Fund	\$ 5,470
258,446	Harbor Real Return Fund	2,450

TOTAL FIXED INCOME

(Cost \$10,038) 9,725

SHORT-TERM INVESTMENTS—10.0%

(Cost \$1,390)
1,389,527 Harbor Money Market Fund 1,390

TOTAL INVESTMENTS—100.0%

(Cost \$14,109) 13,837

CASH AND OTHER ASSETS, LESS LIABILITIES—0.0% —^a

TOTAL NET ASSETS—100.0% \$13,837

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement Income Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2015 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

Paul C. Herbert, CFA,
CAIA
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2015 Fund recorded a return of 3.59% (Institutional and Investor Classes), and 3.50% (Administrative Class) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2015, which gained 4.08%.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points (all underlying fund returns cited are for the respective fund's Institutional Class shares). High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectations for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt. Harbor Real Return Fund, which mainly focuses on TIPS and other inflation-linked securities, was helped even more by higher future inflation expectations. The Harbor Real Return Fund rose 5.55% from November 2015 to October 2016; but trailed the Bloomberg Barclays U.S. TIPS Index by 34 basis points due to its underweight U.S. duration position relative to its benchmark as yields declined.

Harbor Target Retirement 2015 Fund

MANAGERS COMMENTARY—Continued

The U.S. stock funds held by the Fund had mixed results; but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor. The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology, along with strong stock selection, aided the Harbor Large Cap Value Fund's results.

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. (ND) Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

Harbor Target Retirement 2015 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2602
Cusip	411511314
Ticker	HARGX
Inception Date	01/02/2009
Net Expense Ratio	0.58% ^a
Total Net Assets (000s)	\$6,574

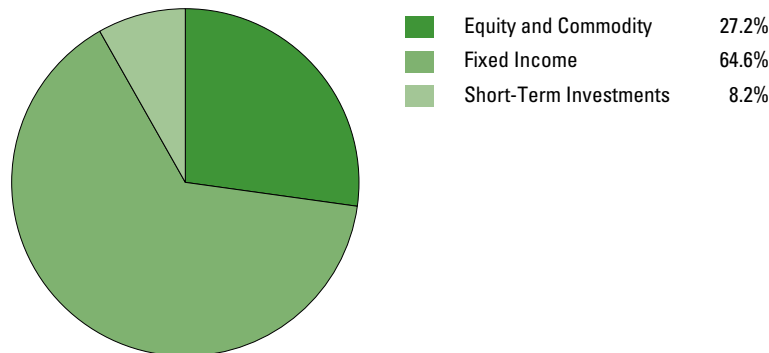
ADMINISTRATIVE CLASS

Fund #	2702
Cusip	411511298
Ticker	HARHX
Inception Date	01/02/2009
Net Expense Ratio	0.58% ^a
Total Net Assets (000s)	\$17

INVESTOR CLASS

Fund #	2802
Cusip	411511280
Ticker	HARIX
Inception Date	01/02/2009
Net Expense Ratio	0.58% ^a
Total Net Assets (000s)	\$18

ASSET ALLOCATION (% of investments)



Equity and Commodity

Harbor International Fund	5.7%
Harbor International Growth Fund	4.0%
Harbor Large Cap Value Fund	3.9%
Harbor Capital Appreciation Fund	3.3%
Harbor Mid Cap Value Fund	2.6%
Harbor Small Cap Value Fund	1.9%
Harbor Mid Cap Growth Fund	1.7%
Harbor Small Cap Growth Fund	1.5%
Harbor Global Growth Fund	1.4%
Harbor Commodity Real Return Strategy Fund	1.2%

Fixed Income

Harbor Bond Fund	36.1%
Harbor Real Return Fund	14.5%
Harbor High-Yield Bond Fund	14.0%

Short-Term Investments

Harbor Money Market Fund	8.2%
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^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

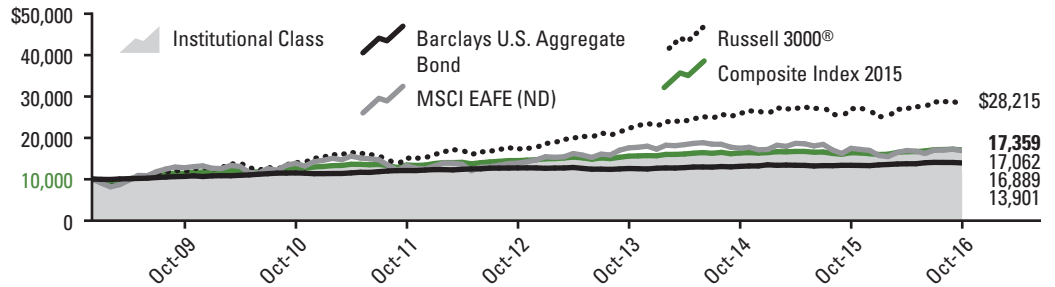
Harbor Target Retirement 2015 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2015 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	3.59%	5.12%	7.30%	01/02/2009	\$17,359
Administrative Class	3.50	5.10	7.29	01/02/2009	17,345
Investor Class	3.59	5.12	7.30	01/02/2009	17,359

Comparative Indices

Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2015	4.08	4.95	7.06	—	17,062

As stated in the Fund's current prospectus, the expense ratios were 0.65% (Institutional Class), 0.90% (Administrative Class) and 1.02% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2015 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—27.2%

Shares		Value
3,601	Harbor Capital Appreciation Fund	\$ 217
12,985	Harbor Mid Cap Growth Fund	111
8,438	Harbor Small Cap Growth Fund	101
20,954	Harbor Large Cap Value Fund	258
8,371	Harbor Mid Cap Value Fund	169
4,510	Harbor Small Cap Value Fund	123
6,305	Harbor International Fund	380
20,642	Harbor International Growth Fund	266
4,525	Harbor Global Growth Fund	92
21,143	Harbor Commodity Real Return Strategy Fund	79

TOTAL EQUITY AND COMMODITY

(Cost \$1,772) 1,796

FIXED INCOME—64.6%

92,838	Harbor High-Yield Bond Fund	928
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FIXED INCOME—Continued

Shares		Value
200,617	Harbor Bond Fund	\$2,383
101,269	Harbor Real Return Fund	960

TOTAL FIXED INCOME

(Cost \$4,329) 4,271

SHORT-TERM INVESTMENTS—8.2%

(Cost \$542)
541,978 Harbor Money Market Fund 542

TOTAL INVESTMENTS—100.0%

(Cost \$6,643) 6,609

CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%

. —^a

TOTAL NET ASSETS—100.0% \$6,609

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2015 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2020 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

**Paul C. Herbert, CFA,
CAIA**
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2020 Fund recorded a return of 3.56% (Institutional and Investor Classes), and 3.46% (Administrative Class) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2020, which gained 4.16%.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points (all underlying fund returns cited are for the respective fund's Institutional Class shares). High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt. As mentioned above, U.S. below investment-grade bonds rebounded during the fiscal period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.46%, but it lagged its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield

Harbor Target Retirement 2020 Fund

MANAGERS COMMENTARY—Continued

Index. The High-Yield Bond Fund's performance relative to the index was hurt by its underweight and negative selection in the Oil & Gas and Utilities: Gas industries, negative selection in BB rated credits and overweight to B rated credits.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor. The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth by 351 basis points. Its relative performance was hurt by sector allocation decisions—overweight to the hard-hit Consumer Discretionary sector—and by stock selection decisions—particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Cap Value Fund's results.

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. (ND) Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

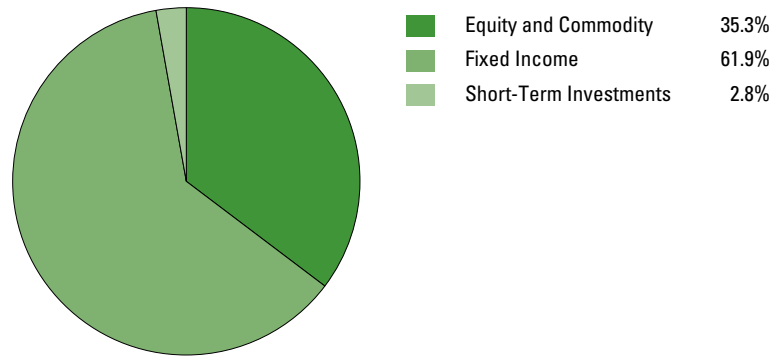
Harbor Target Retirement 2020 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2603
Cusip	411511272
Ticker	HARJX
Inception Date	01/02/2009
Net Expense Ratio	0.65% ^a
Total Net Assets (000s)	\$25,419

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2703
Cusip	411511264
Ticker	HARKX
Inception Date	01/02/2009
Net Expense Ratio	0.65% ^a
Total Net Assets (000s)	\$18

Equity and Commodity

Harbor International Fund	7.3%
Harbor International Growth Fund	5.0%
Harbor Large Cap Value Fund	5.0%
Harbor Capital Appreciation Fund	4.2%
Harbor Mid Cap Value Fund	3.2%
Harbor Commodity Real Return Strategy Fund	2.6%
Harbor Small Cap Value Fund	2.3%
Harbor Mid Cap Growth Fund	2.1%
Harbor Small Cap Growth Fund	1.9%
Harbor Global Growth Fund	1.7%

Fixed Income

Harbor Bond Fund	30.9%
Harbor High-Yield Bond Fund	16.6%
Harbor Real Return Fund	11.4%
Harbor Convertible Securities Fund	3.0%

Short-Term Investments

Harbor Money Market Fund	2.8%
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INVESTOR CLASS

Fund #	2803
Cusip	411511256
Ticker	HARLX
Inception Date	01/02/2009
Net Expense Ratio	0.65% ^a
Total Net Assets (000s)	\$18

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

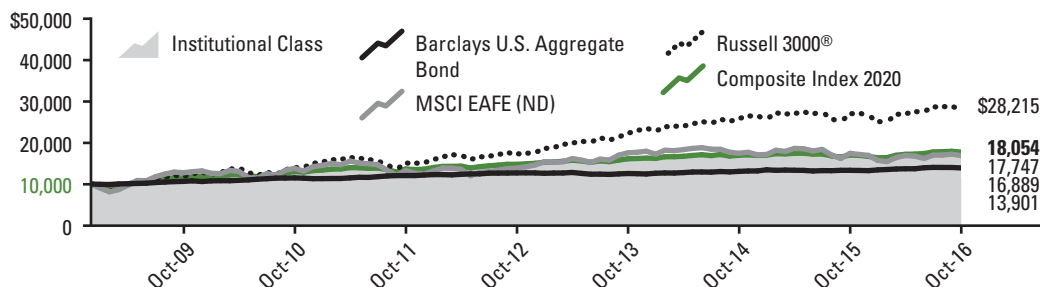
Harbor Target Retirement 2020 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2020 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	3.56%	5.55%	7.84%	01/02/2009	\$18,054
Administrative Class	3.46	5.55	7.83	01/02/2009	18,041
Investor Class	3.56	5.55	7.84	01/02/2009	18,056
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2020	4.16	5.40	7.60	—	17,747

As stated in the Fund's current prospectus, the expense ratios were 0.68% (Institutional Class), 0.93% (Administrative Class) and 1.05% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2020 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—35.3%

Shares		Value
17,559	Harbor Capital Appreciation Fund	\$ 1,060
62,053	Harbor Mid Cap Growth Fund	532
40,463	Harbor Small Cap Growth Fund	483
102,435	Harbor Large Cap Value Fund	1,262
40,742	Harbor Mid Cap Value Fund	822
21,932	Harbor Small Cap Value Fund	598
30,647	Harbor International Fund	1,848
99,432	Harbor International Growth Fund	1,282
21,639	Harbor Global Growth Fund	439
177,368	Harbor Commodity Real Return Strategy Fund	658

TOTAL EQUITY AND COMMODITY

(Cost \$8,949) 8,984

FIXED INCOME—61.9%

71,907 Harbor Convertible Securities Fund 757

FIXED INCOME—Continued

Shares		Value
423,635	Harbor High-Yield Bond Fund	\$ 4,232
661,586	Harbor Bond Fund	7,860
306,523	Harbor Real Return Fund	<u>2,906</u>

TOTAL HARBOR FIXED INCOME FUNDS

(Cost \$16,092) 15,755

SHORT-TERM INVESTMENTS—2.8%

(Cost \$716)
716,468 Harbor Money Market Fund 716

TOTAL INVESTMENTS—100.0%

(Cost \$25,757) 25,455

CASH AND OTHER ASSETS, LESS LIABILITIES—0.0% —^a

TOTAL NET ASSETS—100.0% \$25,455

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2020 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2025 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

**Paul C. Herbert, CFA,
CAIA**
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2025 Fund recorded a return of 3.39% (Institutional Class) and 3.40% (Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2025, which gained 4.19%.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points (all underlying fund returns cited are for the respective fund's Institutional Class shares). High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt. As mentioned above, U.S. below investment-grade bonds rebounded during the fiscal period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.46%, but it lagged its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield

Harbor Target Retirement 2025 Fund

MANAGERS COMMENTARY—Continued

Index. The High-Yield Bond Fund's performance relative to the index was hurt by its underweight and negative selection in the Oil & Gas and Utilities: Gas industries, negative selection in BB rated credits and overweight to B rated credits.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor. The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Cap Value Fund's results.

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. (ND) Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

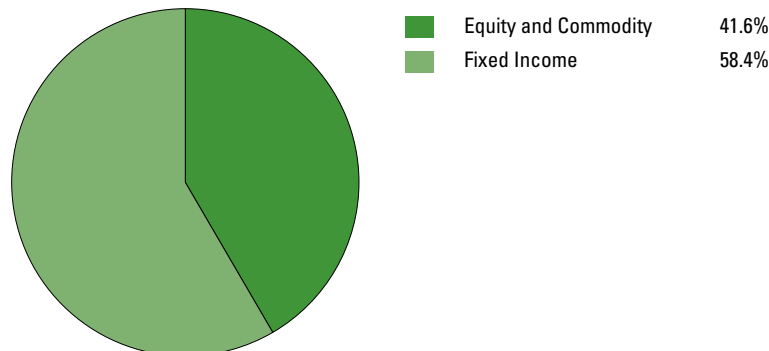
Harbor Target Retirement 2025 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2604
Cusip	411511249
Ticker	HARMX
Inception Date	01/02/2009
Net Expense Ratio	0.68% ^a
Total Net Assets (000s)	\$14,293

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2704
Cusip	411511231
Ticker	HARNX
Inception Date	01/02/2009
Net Expense Ratio	0.68% ^a
Total Net Assets (000s)	\$19

Equity and Commodity

Harbor International Fund	8.4%
Harbor International Growth Fund	5.9%
Harbor Large Cap Value Fund	5.7%
Harbor Capital Appreciation Fund	4.8%
Harbor Mid Cap Value Fund	3.8%
Harbor Commodity Real Return Strategy Fund	3.6%
Harbor Small Cap Value Fund	2.7%
Harbor Mid Cap Growth Fund	2.5%
Harbor Small Cap Growth Fund	2.2%
Harbor Global Growth Fund	2.0%

Fixed Income

Harbor Bond Fund	26.7%
Harbor High-Yield Bond Fund	17.9%
Harbor Real Return Fund	9.1%
Harbor Convertible Securities Fund	4.7%

INVESTOR CLASS

Fund #	2804
Cusip	411511223
Ticker	HAROX
Inception Date	01/02/2009
Net Expense Ratio	0.68% ^a
Total Net Assets (000s)	\$19

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

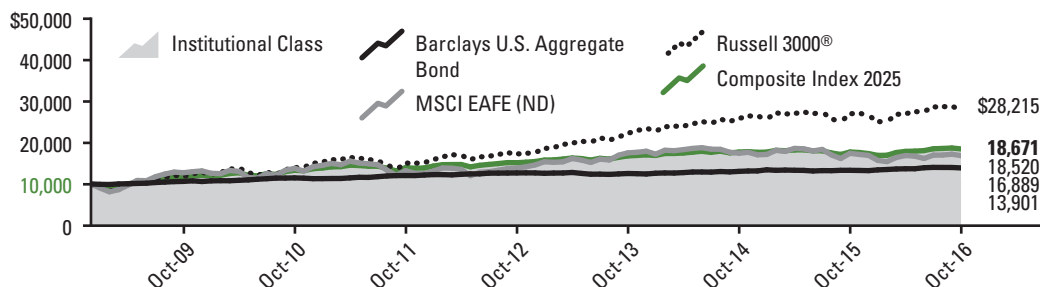
Harbor Target Retirement 2025 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2025 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	3.39%	5.88%	8.30%	01/02/2009	\$18,671
Administrative Class	3.40	5.89	8.30	01/02/2009	18,674
Investor Class	3.40	5.89	8.30	01/02/2009	18,674
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2025	4.19	5.78	8.18	—	18,520

As stated in the Fund's current prospectus, the expense ratios were 0.69% (Institutional Class), 0.94% (Administrative Class) and 1.06% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2025 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—41.6%

Shares		Value
11,432	Harbor Capital Appreciation Fund	\$ 690
41,198	Harbor Mid Cap Growth Fund	354
26,745	Harbor Small Cap Growth Fund	319
66,393	Harbor Large Cap Value Fund	818
26,520	Harbor Mid Cap Value Fund	535
14,287	Harbor Small Cap Value Fund	390
20,017	Harbor International Fund	1,207
65,421	Harbor International Growth Fund	843
14,364	Harbor Global Growth Fund	291
138,346	Harbor Commodity Real Return Strategy Fund	513
TOTAL EQUITY AND COMMODITY		
(Cost \$6,021)		<u>5,960</u>

FIXED INCOME—58.4%

Shares		Value
63,568	Harbor Convertible Securities Fund	\$ 669
256,599	Harbor High-Yield Bond Fund	2,564
322,759	Harbor Bond Fund	3,835
137,466	Harbor Real Return Fund	1,303
TOTAL FIXED INCOME		
(Cost \$8,470)		<u>8,371</u>
TOTAL INVESTMENTS—100.0%		
(Cost \$14,491)		<u>14,331</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u>\$14,331</u>

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2025 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2030 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

**Paul C. Herbert, CFA,
CAIA**
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2030 Fund recorded a return of 2.96% (Institutional Class) and 2.97% (Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2030, which gained 3.86%.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor (all underlying fund returns cited are for the respective fund's Institutional Class shares). The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Cap Value Fund's results.

Harbor Target Retirement 2030 Fund

MANAGERS COMMENTARY—Continued

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points. High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt. As mentioned above, U.S. below investment-grade bonds rebounded during the fiscal period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.46%, but it lagged its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index. The High-Yield Bond Fund's performance relative to the index was hurt by its underweight and negative selection in the Oil & Gas and Utilities: Gas industries, negative selection in BB rated credits and overweight to B rated credits.

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The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

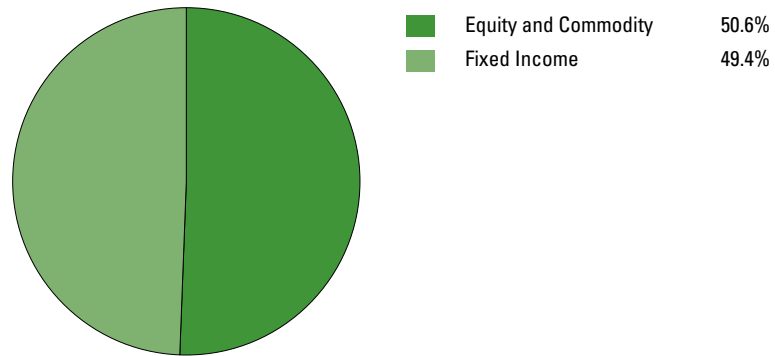
Harbor Target Retirement 2030 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2605
Cusip	411512700
Ticker	HARPX
Inception Date	01/02/2009
Net Expense Ratio	0.70% ^a
Total Net Assets (000s)	\$24,634

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2705
Cusip	411512882
Ticker	HARQX
Inception Date	01/02/2009
Net Expense Ratio	0.70% ^a
Total Net Assets (000s)	\$19

Equity and Commodity

Harbor International Fund	10.2%
Harbor International Growth Fund	7.1%
Harbor Large Cap Value Fund	6.9%
Harbor Capital Appreciation Fund	5.8%
Harbor Commodity Real Return Strategy Fund	4.6%
Harbor Mid Cap Value Fund	4.5%
Harbor Small Cap Value Fund	3.3%
Harbor Mid Cap Growth Fund	3.0%
Harbor Small Cap Growth Fund	2.7%
Harbor Global Growth Fund	2.5%

Fixed Income

Harbor Bond Fund	22.9%
Harbor High-Yield Bond Fund	16.5%
Harbor Real Return Fund	6.1%
Harbor Convertible Securities Fund	3.9%

INVESTOR CLASS

Fund #	2805
Cusip	411512809
Ticker	HARTX
Inception Date	01/02/2009
Net Expense Ratio	0.70% ^a
Total Net Assets (000s)	\$20

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

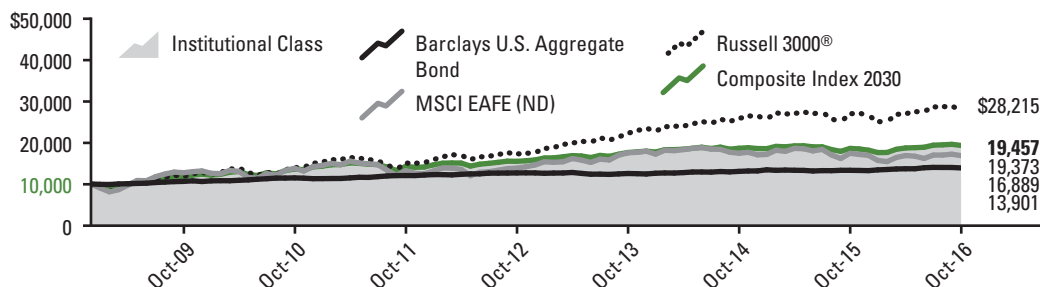
Harbor Target Retirement 2030 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2030 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	2.96%	6.43%	8.87%	01/02/2009	\$19,457
Administrative Class	2.97	6.45	8.88	01/02/2009	19,464
Investor Class	2.97	6.45	8.88	01/02/2009	19,464
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2030	3.86	6.32	8.81	—	19,373

As stated in the Fund's current prospectus, the expense ratios were 0.72% (Institutional Class), 0.97% (Administrative Class) and 1.09% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2030 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—50.6%

Shares		Value
23,855	Harbor Capital Appreciation Fund	\$ 1,440
85,986	Harbor Mid Cap Growth Fund	738
55,675	Harbor Small Cap Growth Fund	665
138,460	Harbor Large Cap Value Fund	1,706
55,001	Harbor Mid Cap Value Fund	1,109
29,781	Harbor Small Cap Value Fund	812
41,774	Harbor International Fund	2,519
136,433	Harbor International Growth Fund	1,758
29,962	Harbor Global Growth Fund	608
303,508	Harbor Commodity Real Return Strategy Fund	1,126
TOTAL EQUITY AND COMMODITY		
(Cost \$12,298)		<u>12,481</u>

FIXED INCOME—49.4%

Shares		Value
92,659	Harbor Convertible Securities Fund	\$ 976
407,907	Harbor High-Yield Bond Fund	4,075
474,905	Harbor Bond Fund	5,642
158,108	Harbor Real Return Fund	1,499
TOTAL FIXED INCOME		
(Cost \$12,460)		<u>12,192</u>
TOTAL INVESTMENTS—100.0%		
(Cost \$24,758)		<u>24,673</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u>\$24,673</u>

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2030 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2035 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

**Paul C. Herbert, CFA,
CAIA**
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2035 Fund recorded a return of 2.70% (Institutional, Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2035, which gained 3.56%.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor (all underlying fund returns cited are for the respective fund's Institutional Class shares). The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Cap Value Fund's results.

Harbor Target Retirement 2035 Fund

MANAGERS COMMENTARY—Continued

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points. High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt. As mentioned above, U.S. below investment-grade bonds rebounded during the fiscal period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.46%, but it lagged its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index. The High-Yield Bond Fund's performance relative to the index was hurt by its underweight and negative selection in the Oil & Gas and Utilities: Gas industries, negative selection in BB rated credits and overweight to B rated credits.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

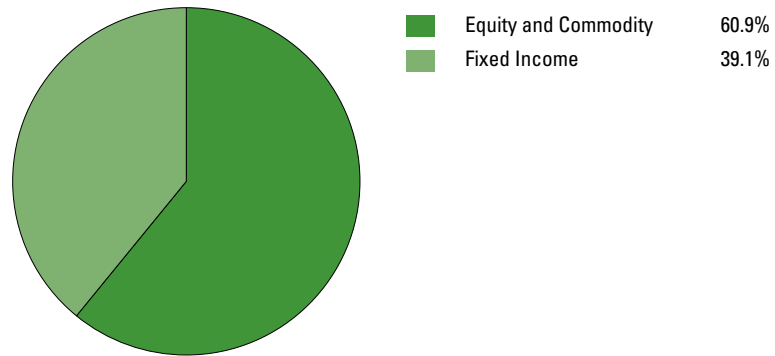
Harbor Target Retirement 2035 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2606
Cusip	411512106
Ticker	HARUX
Inception Date	01/02/2009
Net Expense Ratio	0.72% ^a
Total Net Assets (000s)	\$11,496

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2706
Cusip	411512304
Ticker	HARVX
Inception Date	01/02/2009
Net Expense Ratio	0.72% ^a
Total Net Assets (000s)	\$20

Equity and Commodity

Harbor International Fund	12.4%
Harbor International Growth Fund	8.6%
Harbor Large Cap Value Fund	8.4%
Harbor Capital Appreciation Fund	7.1%
Harbor Mid Cap Value Fund	5.5%
Harbor Commodity Real Return Strategy Fund	5.0%
Harbor Small Cap Value Fund	4.0%
Harbor Mid Cap Growth Fund	3.6%
Harbor Small Cap Growth Fund	3.3%
Harbor Global Growth Fund	3.0%

Fixed Income

Harbor Bond Fund	20.0%
Harbor High-Yield Bond Fund	14.3%
Harbor Real Return Fund	3.4%
Harbor Convertible Securities Fund	1.4%

INVESTOR CLASS

Fund #	2806
Cusip	411512205
Ticker	HARWX
Inception Date	01/02/2009
Net Expense Ratio	0.72% ^a
Total Net Assets (000s)	\$20

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

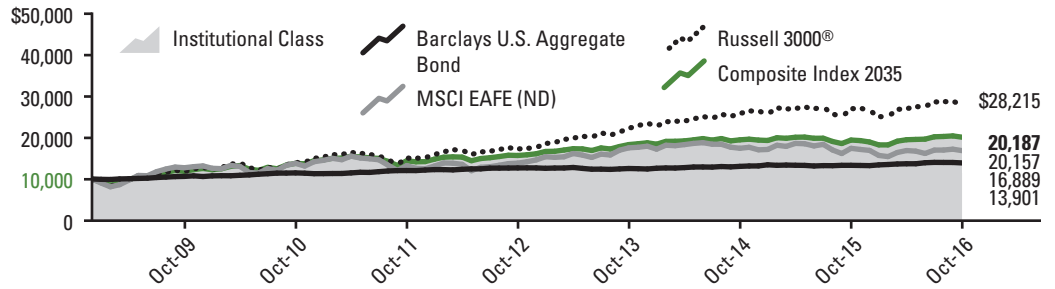
Harbor Target Retirement 2035 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2035 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	2.70%	7.14%	9.39%	01/02/2009	\$20,187
Administrative Class	2.70	7.13	9.38	01/02/2009	20,177
Investor Class	2.70	7.13	9.38	01/02/2009	20,177
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2035	3.56	6.94	9.36	—	20,157

As stated in the Fund's current prospectus, the expense ratios were 0.74% (Institutional Class), 0.99% (Administrative Class) and 1.11% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2035 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—60.9%

Shares		Value
13,539	Harbor Capital Appreciation Fund	\$ 817
48,414	Harbor Mid Cap Growth Fund	415
31,579	Harbor Small Cap Growth Fund	377
78,900	Harbor Large Cap Value Fund	972
31,532	Harbor Mid Cap Value Fund	636
16,942	Harbor Small Cap Value Fund	462
23,773	Harbor International Fund	1,434
77,092	Harbor International Growth Fund	994
16,830	Harbor Global Growth Fund	341
154,858	Harbor Commodity Real Return Strategy Fund	575
TOTAL EQUITY AND COMMODITY		
(Cost \$7,147)		<u>7,023</u>

FIXED INCOME—39.1%

Shares		Value
15,811	Harbor Convertible Securities Fund	\$ 166
164,539	Harbor High-Yield Bond Fund	1,644
194,286	Harbor Bond Fund	2,308
41,660	Harbor Real Return Fund	395
TOTAL FIXED INCOME		
(Cost \$4,545)		<u>4,513</u>
TOTAL INVESTMENTS—100.0%		
(Cost \$11,692)		<u>11,536</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u>\$11,536</u>

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2035 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2040 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

Paul C. Herbert, CFA,
CAIA
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2040 Fund recorded a return of 2.36% (Institutional, Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2040, which gained 3.27%.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor (all underlying fund returns cited are for the respective fund's Institutional Class shares). The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Cap Value Fund's results. The Fund's underlying mid-cap and small-cap fund holdings lagged their benchmarks during the fiscal year, though relative-to-benchmark performance improved as the period progressed.

Harbor Target Retirement 2040 Fund

MANAGERS COMMENTARY—Continued

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points. High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt.

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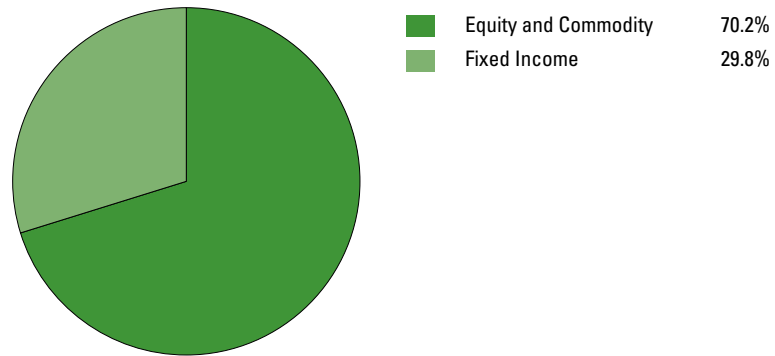
Harbor Target Retirement 2040 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2607
Cusip	411512403
Ticker	HARYX
Inception Date	01/02/2009
Net Expense Ratio	0.73% ^a
Total Net Assets (000s)	\$19,448

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2707
Cusip	411512601
Ticker	HARZX
Inception Date	01/02/2009
Net Expense Ratio	0.73% ^a
Total Net Assets (000s)	\$21

Equity and Commodity

Harbor International Fund	14.6%
Harbor International Growth Fund	10.2%
Harbor Large Cap Value Fund	9.9%
Harbor Capital Appreciation Fund	8.4%
Harbor Mid Cap Value Fund	6.5%
Harbor Small Cap Value Fund	4.7%
Harbor Commodity Real Return Strategy Fund	4.4%
Harbor Mid Cap Growth Fund	4.2%
Harbor Small Cap Growth Fund	3.8%
Harbor Global Growth Fund	3.5%

Fixed Income

Harbor Bond Fund	16.2%
Harbor High-Yield Bond Fund	11.4%
Harbor Real Return Fund	2.2%

INVESTOR CLASS

Fund #	2807
Cusip	411512502
Ticker	HABBX
Inception Date	01/02/2009
Net Expense Ratio	0.73% ^a
Total Net Assets (000s)	\$21

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

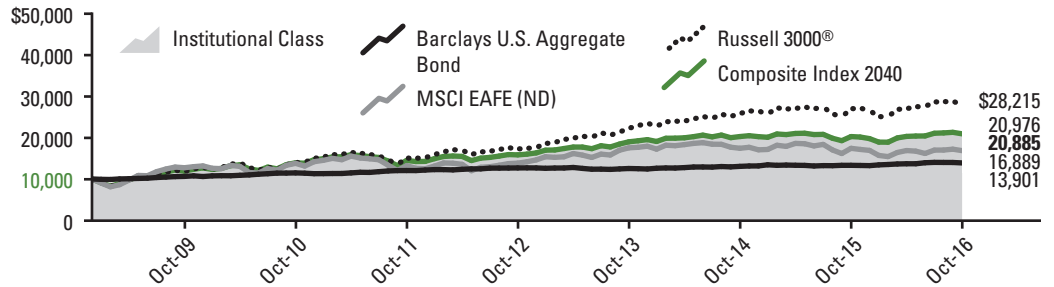
Harbor Target Retirement 2040 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2040 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	2.36%	7.87%	9.86%	01/02/2009	\$20,885
Administrative Class	2.36	7.87	9.87	01/02/2009	20,901
Investor Class	2.36	7.87	9.87	01/02/2009	20,901
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2040	3.27	7.66	9.92	—	20,976

As stated in the Fund's current prospectus, the expense ratios were 0.75% (Institutional Class), 1.00% (Administrative Class) and 1.12% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2040 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—70.2%

Shares		Value
26,967	Harbor Capital Appreciation Fund	\$ 1,628
96,449	Harbor Mid Cap Growth Fund	828
62,845	Harbor Small Cap Growth Fund	750
157,084	Harbor Large Cap Value Fund	1,935
62,668	Harbor Mid Cap Value Fund	1,264
33,760	Harbor Small Cap Value Fund	921
47,139	Harbor International Fund	2,842
153,688	Harbor International Growth Fund	1,981
33,574	Harbor Global Growth Fund	681
231,473	Harbor Commodity Real Return Strategy Fund	859
TOTAL EQUITY AND COMMODITY		
(Cost \$13,056)		<u>13,689</u>

FIXED INCOME—29.8%

Shares		Value
222,196	Harbor High-Yield Bond Fund	\$ 2,220
265,307	Harbor Bond Fund	3,152
45,248	Harbor Real Return Fund	429
TOTAL FIXED INCOME		
(Cost \$5,879)		<u>5,801</u>
TOTAL INVESTMENTS—100.0%		
(Cost \$18,935)		<u>19,490</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u>\$19,490</u>

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2040 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2045 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

Paul C. Herbert, CFA,
CAIA
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2045 Fund recorded a return of 1.91% (Institutional, Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2045, which gained 2.90%.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor (all underlying fund returns cited are for the respective fund's Institutional Class shares). The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Value Fund's results. The Fund's underlying mid-cap and small-cap fund holdings lagged their benchmarks during the fiscal year, though relative-to-benchmark performance improved as the period progressed.

Harbor Target Retirement 2045 Fund

MANAGERS COMMENTARY—Continued

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points. High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt. As mentioned above, U.S. below investment-grade bonds rebounded during the fiscal period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.46%, but it lagged its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index. The High-Yield Bond Fund's performance relative to the index was hurt by its underweight and negative selection in the Oil & Gas and Utilities: Gas industries, negative selection in BB rated credits and overweight to B rated credits.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

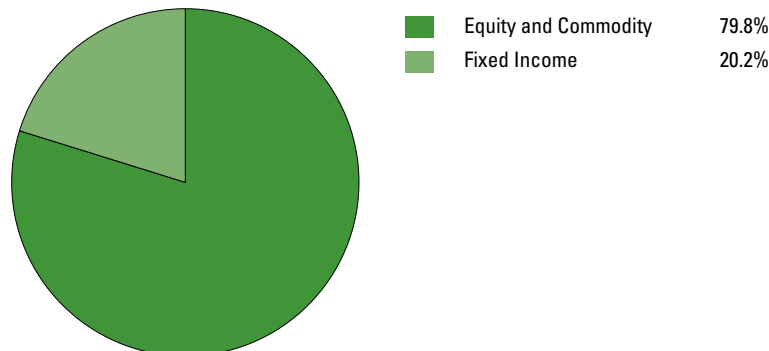
Harbor Target Retirement 2045 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2608
Cusip	411511181
Ticker	HACCX
Inception Date	01/02/2009
Net Expense Ratio	0.75% ^a
Total Net Assets (000s)	\$7,211

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2708
Cusip	411511173
Ticker	HADDX
Inception Date	01/02/2009
Net Expense Ratio	0.75% ^a
Total Net Assets (000s)	\$21

Equity and Commodity

Harbor International Fund	16.8%
Harbor International Growth Fund	11.7%
Harbor Large Cap Value Fund	11.4%
Harbor Capital Appreciation Fund	9.6%
Harbor Mid Cap Value Fund	7.5%
Harbor Small Cap Value Fund	5.5%
Harbor Mid Cap Growth Fund	4.9%
Harbor Small Cap Growth Fund	4.4%
Harbor Commodity Real Return Strategy Fund	4.0%
Harbor Global Growth Fund	4.0%

Fixed Income

Harbor Bond Fund	10.9%
Harbor High-Yield Bond Fund	8.2%
Harbor Real Return Fund	1.1%

INVESTOR CLASS

Fund #	2808
Cusip	411511165
Ticker	HAEEX
Inception Date	01/02/2009
Net Expense Ratio	0.75% ^a
Total Net Assets (000s)	\$21

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

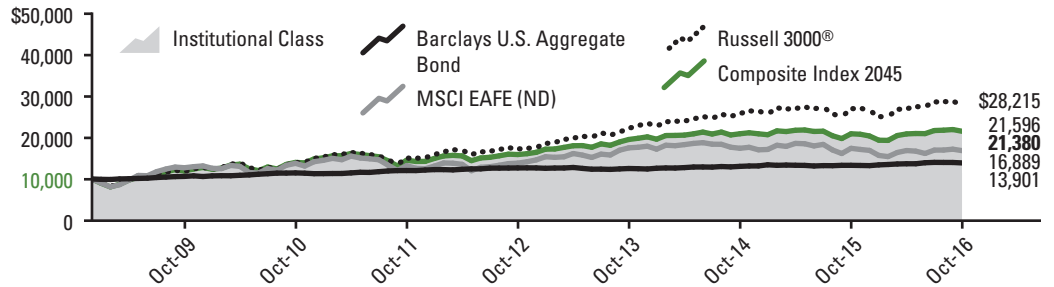
Harbor Target Retirement 2045 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2045 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	1.91%	8.44%	10.19%	01/02/2009	\$21,380
Administrative Class	1.91	8.45	10.19	01/02/2009	21,380
Investor Class	1.91	8.45	10.19	01/02/2009	21,380
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2045	2.90	8.21	10.33	—	21,596

As stated in the Fund's current prospectus, the expense ratios were 0.77% (Institutional Class), 1.02% (Administrative Class) and 1.14% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2045 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—79.8%

Shares		Value
11,560	Harbor Capital Appreciation Fund	\$ 698
41,316	Harbor Mid Cap Growth Fund	354
26,927	Harbor Small Cap Growth Fund	321
67,361	Harbor Large Cap Value Fund	830
26,861	Harbor Mid Cap Value Fund	542
14,476	Harbor Small Cap Value Fund	395
20,202	Harbor International Fund	1,218
65,861	Harbor International Growth Fund	849
14,383	Harbor Global Growth Fund	292
78,733	Harbor Commodity Real Return Strategy Fund	292
TOTAL EQUITY AND COMMODITY		
(Cost \$5,806)		<u>5,791</u>

FIXED INCOME—20.2%

Shares		Value
59,605	Harbor High-Yield Bond Fund	\$ 595
66,151	Harbor Bond Fund	786
8,525	Harbor Real Return Fund	81
TOTAL FIXED INCOME		
(Cost \$1,464)		<u>1,462</u>
TOTAL INVESTMENTS—100.0%		
(Cost \$7,270)		<u>7,253</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u>\$7,253</u>

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2045 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2050 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2009

Paul C. Herbert, CFA,
CAIA
Since 2009

Linda M. Molenda
Since 2009

David G. Van Hooser
Since 2009

Harbor Capital has
managed the Fund
since 2009.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2050 Fund recorded a return of 1.51% (Institutional Class) and 1.50% (Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2050, which gained 2.59%.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor (all underlying fund returns cited are for the respective fund's Institutional Class shares). The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Cap Value Fund's results. The Fund's underlying mid-cap and small-cap fund holdings lagged their benchmarks during the fiscal year, though relative-to-benchmark performance improved as the period progressed.

Harbor Target Retirement 2050 Fund

MANAGERS COMMENTARY—Continued

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points. High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

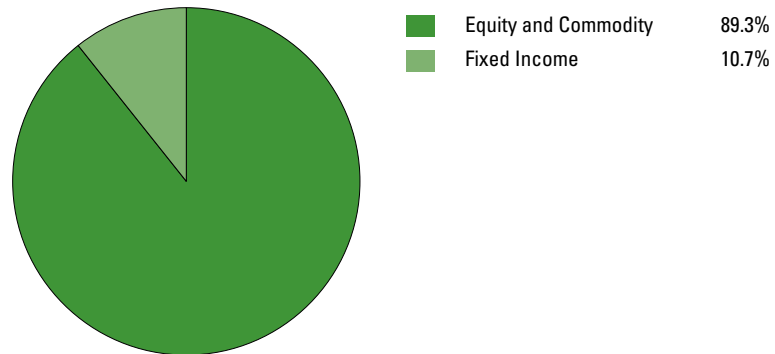
Harbor Target Retirement 2050 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2609
Cusip	411511157
Ticker	HAFFX
Inception Date	01/02/2009
Net Expense Ratio	0.77% ^a
Total Net Assets (000s)	\$18,728

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2709
Cusip	411511140
Ticker	HAGGX
Inception Date	01/02/2009
Net Expense Ratio	0.77% ^a
Total Net Assets (000s)	\$22

Equity and Commodity

Harbor International Fund	19.0%
Harbor International Growth Fund	13.2%
Harbor Large Cap Value Fund	13.0%
Harbor Capital Appreciation Fund	10.9%
Harbor Mid Cap Value Fund	8.5%
Harbor Small Cap Value Fund	6.2%
Harbor Mid Cap Growth Fund	5.5%
Harbor Small Cap Growth Fund	5.0%
Harbor Global Growth Fund	4.6%
Harbor Commodity Real Return Strategy Fund	3.4%

Fixed Income

Harbor Bond Fund	5.9%
Harbor High-Yield Bond Fund	4.8%

INVESTOR CLASS

Fund #	2809
Cusip	411511132
Ticker	HAHHX
Inception Date	01/02/2009
Net Expense Ratio	0.77% ^a
Total Net Assets (000s)	\$22

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

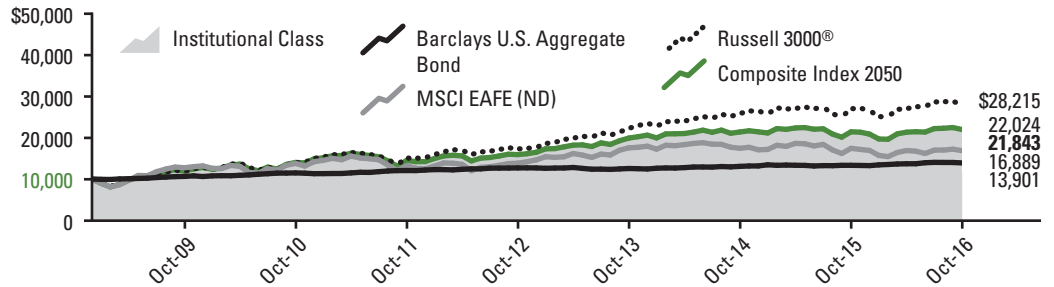
Harbor Target Retirement 2050 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2050 Fund

	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	1.51%	9.00%	10.49%	01/02/2009	\$21,843
Administrative Class	1.50	9.01	10.50	01/02/2009	21,852
Investor Class	1.50	9.01	10.50	01/02/2009	21,852
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	2.90%	4.30%	—	\$13,901
MSCI EAFE (ND)	-3.23	4.99	6.92	—	16,889
Russell 3000®	4.24	13.35	14.16	—	28,215
Composite Index 2050	2.59	8.70	10.60	—	22,024

As stated in the Fund's current prospectus, the expense ratios were 0.78% (Institutional Class), 1.03% (Administrative Class) and 1.15% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2050 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—89.3%

Shares		Value
33,969	Harbor Capital Appreciation Fund	\$ 2,050
120,730	Harbor Mid Cap Growth Fund	1,036
78,740	Harbor Small Cap Growth Fund	940
198,006	Harbor Large Cap Value Fund	2,439
78,857	Harbor Mid Cap Value Fund	1,591
42,447	Harbor Small Cap Value Fund	1,158
59,253	Harbor International Fund	3,573
192,543	Harbor International Growth Fund	2,482
41,995	Harbor Global Growth Fund	852
173,186	Harbor Commodity Real Return Strategy Fund	642

TOTAL EQUITY AND COMMODITY

(Cost \$16,155) 16,763

FIXED INCOME—10.7%

Shares		Value
90,230	Harbor High-Yield Bond Fund	\$ 901
93,229	Harbor Bond Fund	1,108

TOTAL FIXED INCOME

(Cost \$2,014) 2,009

TOTAL INVESTMENTS—100.0%

(Cost \$18,169) 18,772

CASH AND OTHER ASSETS, LESS LIABILITIES—0.0% —^a

TOTAL NET ASSETS—100.0% \$18,772

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2050 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2055 Fund

MANAGERS COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

111 South Wacker Dr.
34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since 2014

Paul C. Herbert, CFA,
CAIA
Since 2014

Linda M. Molenda
Since 2014

David G. Van Hooser
Since 2014

Harbor Capital has
managed the Fund
since 2014.

INVESTMENT OBJECTIVE

Capital appreciation and
current income
consistent with the
Fund's current asset
allocation

MARKET REVIEW

With few exceptions, markets produced low returns or declines in fiscal 2016. Most corners of the U.S. stock market were in the black for the period. Fixed income markets provided stable positive performance. Non-U.S. markets had divergent performance, with emerging markets' equities flourishing and developed markets' stocks floundering. Commodities once again declined.

The Russell 3000[®] Index, an index of U.S. stocks increased by 4.24%. Value stocks thoroughly outperformed growth stocks during the fiscal period. Small cap value stocks, as measured by the Russell 2000[®] Value Index, led the way, with a return of 8.81%. The Russell 2000[®] Growth Index, a gauge of small cap growth stocks, declined by -0.49%. The S&P 500 Index, an index of large-cap U.S. stocks, gained 4.51%. Nine of the S&P 500's 11 sectors posted gains during the year, led by Utilities (+17%), Information Technology (+11%) and Telecommunications Services (+11%). The two sectors that declined were Health Care (-4%) and Consumer Discretionary (-2%).

Performance for non-U.S. stocks was mixed. The stocks of non-U.S. developed market companies, as measured by the MSCI EAFE (ND) Index, lost -3.23% during the fiscal year. The MSCI Emerging Markets (ND) Index, a benchmark of developing markets' equities, turned in a robust gain of 9.27% (all international and global returns are in U.S. dollars). Among developed countries, the U.K. was a relative laggard (-10%), while among emerging countries, Brazil was a positive standout (+71%). The Materials sector powered forward in both indices (+12% for EAFE and +20% for Emerging Markets), while as in the U.S., healthcare stocks declined (-11% for EAFE and -5% for Emerging Markets).

Bonds of various types delivered comfortable gains. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%. Inflation-protected U.S. government bonds fared a bit better, with the Bloomberg Barclays U.S. TIPS Index finishing the fiscal year higher by 5.89%. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality bonds in the U.S. below-investment grade corporate bond market, recovered from a difficult start to the period, rising 8.21% for the 12-month stretch. Finally, convertible bonds, per the BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, were 4.48% higher over fiscal 2016.

Though commodities markets' performance improved relative to previous recent fiscal years, the group finished lower. The Bloomberg Commodity Index Total ReturnSM declined by -2.62%.

PERFORMANCE

Harbor Target Retirement 2055 Fund recorded a return of 1.38% (Institutional Class) and 1.39% (Administrative and Investor Classes) for fiscal 2016. The Fund, which provides exposure to fixed-income and equity investments through its holdings in Harbor Funds focusing on different areas within these asset classes, had mixed results relative to its primary benchmarks during the period. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, climbed by 4.37%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, lost -3.23%; the Russell 3000[®] Index, an index of U.S. stocks, increased by 4.24%. The Fund trailed the additional benchmark, Composite Index 2055, which gained 2.49%.

The U.S. stock funds held by the Fund had mixed results, but each began to rally later in the fiscal period. Harbor Capital Appreciation Fund, which returned -1.23%, was the largest detractor (all underlying fund returns cited are for the respective fund's Institutional Class shares). The Harbor Capital Appreciation Fund trailed the Russell 1000[®] Growth Index by 351 basis points. Its relative performance was hurt by sector allocation decisions, overweight to the hard-hit Consumer Discretionary sector, and by stock selection decisions – particularly its holdings of specialty-pharmaceutical companies within the Health Care sector. Harbor Large Cap Value Fund gained 7.14% to outperform the Russell 1000[®] Value Index by 77 basis points and was a relative bright spot among the domestic equity funds for the period. Sector allocation decisions, in particular to underweight Financials and to overweight Information Technology along with strong stock selection, aided the Harbor Large Cap Value Fund's results. The Fund's underlying mid-cap and small-cap fund holdings lagged their benchmarks during the fiscal year, though relative-to-benchmark performance improved as the period progressed.

Harbor Target Retirement 2055 Fund

MANAGERS COMMENTARY—Continued

International and global stock funds held by the Fund had mixed results as well, but similar to the U.S. stock funds, began to rally later in the fiscal period. Non-U.S. markets continued to be hampered by concerns of global economic weakness and the effects of central bank policy responses. Harbor International Fund, the Fund's most significant non-U.S. equity fund holding, returned -3.74%, which trailed the MSCI EAFE (ND) Index by 51 basis points. The Harbor International Fund's overweight to Switzerland and France and its stock selection within the Health Care sector detracted from performance. The Harbor International Fund's underweight to Japan and exposure to out-of-benchmark countries such as the U.S., Brazil and Canada, plus strong stock selection in the gaming and internet retail industries contributed to performance. The Fund's exposure to the Harbor International Growth Fund mitigated the weaker performance of the other underlying funds. Harbor International Growth Fund gained 2.46% to outperform the MSCI All Country World Ex. U.S. Index by 224 basis points. The Harbor International Growth Fund benefitted from positive stock selection decisions within Consumer Discretionary, Consumer Staples, and Health Care sectors.

The Fund's fixed income fund holdings showed overall positive, absolute performance across the lineup during fiscal 2016. Harbor Bond Fund, the largest fixed income underlying fund position, gained 4.70% outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 33 basis points. High-quality bonds were helped during the period as Treasury yields continued to fall. The Fund also benefitted from exposure to Treasury Inflation-Protected Securities (TIPS) as market expectation for future inflation rose, and to better-yielding sectors such as non-agency mortgage-backed securities, high-yield bonds and emerging markets debt.

This report contains the current opinions of Harbor Capital Advisors, Inc. as of the date of this report and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Such opinions are subject to change without notice and securities described herein may no longer be included in, or may at any time be removed from, the Fund's portfolio. This report is distributed for informational purposes only. Information contained herein has been obtained from sources believed reliable, but not guaranteed.

The Fund invests in a variety of underlying Harbor funds that are subject to risks associated with their particular investment strategies. By investing in several underlying funds, the Fund has partial exposure to the risks of many different areas of the market. An investment in the Fund is not guaranteed. An investor may experience losses. There is no guarantee that the Fund will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Fund, please refer to the current prospectus.

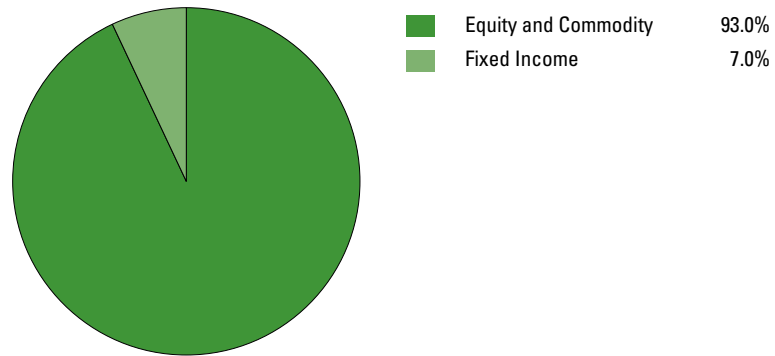
Harbor Target Retirement 2055 Fund

FUND SUMMARY—October 31, 2016 (Unaudited)

INSTITUTIONAL CLASS

Fund #	2610
Cusip	411512635
Ticker	HATRX
Inception Date	11/01/2014
Net Expense Ratio	0.77% ^a
Total Net Assets (000s)	\$1,240

ASSET ALLOCATION (% of investments)



ADMINISTRATIVE CLASS

Fund #	2710
Cusip	411512627
Ticker	HATAX
Inception Date	11/01/2014
Net Expense Ratio	0.77% ^a
Total Net Assets (000s)	\$10

Equity and Commodity

Harbor International Fund	19.9%
Harbor International Growth Fund	14.0%
Harbor Large Cap Value Fund	13.5%
Harbor Capital Appreciation Fund	11.4%
Harbor Mid Cap Value Fund	8.8%
Harbor Small Cap Value Fund	6.4%
Harbor Mid Cap Growth Fund	5.9%
Harbor Small Cap Growth Fund	5.2%
Harbor Global Growth Fund	4.9%
Harbor Commodity Real Return Strategy Fund	3.0%

Fixed Income

Harbor Bond Fund	3.9%
Harbor High-Yield Bond Fund	3.1%

INVESTOR CLASS

Fund #	2810
Cusip	411512619
Ticker	HATTX
Inception Date	11/01/2014
Net Expense Ratio	0.77% ^a
Total Net Assets (000s)	\$10

^a The Adviser has contractually agreed to limit the Fund's operating expense to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. For the year ended October 31, 2016, all Independent Trustees compensation, 12b-1 fees and transfer agent fees have been voluntarily waived. The net expense ratio shown will not correlate to the expense ratio shown in the Financial Highlights table because that ratio does not include the acquired funds' fees and expenses.

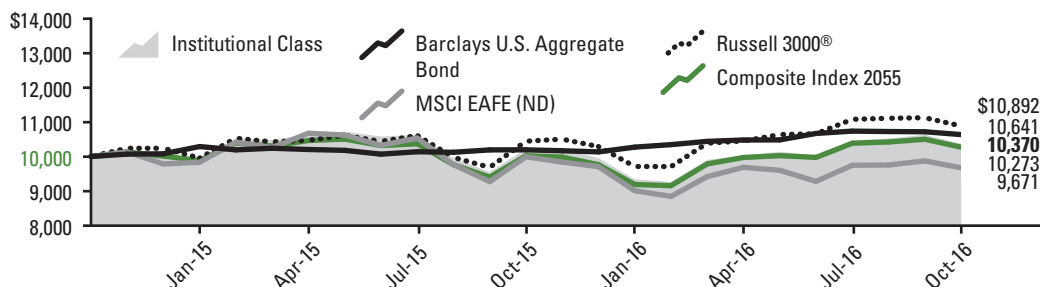
Harbor Target Retirement 2055 Fund

FUND PERFORMANCE SUMMARY (Unaudited)

CHANGE IN A \$10,000 INVESTMENT

For the period 11/01/2014 through 10/31/2016

The graph compares a \$10,000 investment in the Fund with the performance of the broad based market indices. The Fund's performance assumes the reinvestment of all dividend and capital gain distributions.



TOTAL RETURNS

For the periods ended 10/31/2016

Harbor Target Retirement 2055 Fund

	1 Year	5 Years	Annualized Life of Fund	Inception Date	Final Value of a \$10,000 Investment
Institutional Class	1.38%	N/A	1.83%	11/01/2014	\$10,370
Administrative Class	1.39	N/A	1.83	11/01/2014	10,370
Investor Class	1.39	N/A	1.83	11/01/2014	10,370
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	4.37%	N/A	3.16%	—	\$10,641
MSCI EAFE (ND)	-3.23	N/A	-1.66	—	9,671
Russell 3000®	4.24	N/A	4.37	—	10,892
Composite Index 2055	2.49	N/A	1.36	—	10,273

As stated in the Fund's current prospectus, the expense ratios were 0.76% (Institutional Class), 1.01% (Administrative Class) and 1.13% (Investor Class). The Adviser has contractually agreed to limit the Fund's operating expenses to: (i) the amount of the acquired funds' fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees. The expense ratios in the prospectus may differ from the actual expense ratios for the period disclosed within this report. The expense ratios shown in the prospectus are based on the prior fiscal year, adjusted to reflect changes, if any, in contractual arrangements that occurred prior to the date of the prospectus.

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 harborfunds.com. See the Glossary at the end of this report for a description of the Composite Index.

The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. From time to time, certain fees and/or expenses have been waived or reimbursed. Without these waivers and reimbursements, the returns would have been lower.

Harbor Target Retirement 2055 Fund[†]

PORTFOLIO OF INVESTMENTS—October 31, 2016

Value and Cost in Thousands

EQUITY AND COMMODITY—93.0%

Shares		Value
2,379	Harbor Capital Appreciation Fund	\$ 144
8,576	Harbor Mid Cap Growth Fund	74
5,570	Harbor Small Cap Growth Fund	66
13,841	Harbor Large Cap Value Fund	170
5,528	Harbor Mid Cap Value Fund	111
2,980	Harbor Small Cap Value Fund	81
4,164	Harbor International Fund	251
13,637	Harbor International Growth Fund	176
2,985	Harbor Global Growth Fund	61
10,121	Harbor Commodity Real Return Strategy Fund	38
TOTAL EQUITY AND COMMODITY		
(Cost \$1,179)		<u>1,172</u>

FIXED INCOME—7.0%

Shares		Value
3,963	Harbor High-Yield Bond Fund	\$ 39
4,092	Harbor Bond Fund	49
TOTAL FIXED INCOME		
(Cost \$88)		<u>88</u>
TOTAL INVESTMENTS—100.0%		
(Cost \$1,267)		<u>1,260</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u>\$1,260</u>

FAIR VALUE MEASUREMENTS

All holdings at October 31, 2016 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or 2015, and no transfers between levels during the year.

For more information on valuation inputs and their aggregation into the levels identified above, please refer to Fair Value Measurements and Disclosures in Note 2 of the accompanying Notes to Financial Statements.

[†] The Harbor Target Retirement 2055 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

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Harbor Target Retirement Funds

STATEMENTS OF ASSETS AND LIABILITIES—October 31, 2016

(All amounts in thousands, except per share amounts)

	Harbor Target Retirement Income Fund	Harbor Target Retirement 2015 Fund	Harbor Target Retirement 2020 Fund	Harbor Target Retirement 2025 Fund	Harbor Target Retirement 2030 Fund	Harbor Target Retirement 2035 Fund	Harbor Target Retirement 2040 Fund	Harbor Target Retirement 2045 Fund	Harbor Target Retirement 2050 Fund	Harbor Target Retirement 2055 Fund
ASSETS										
Investments, at identified cost . . .	\$14,109	\$6,643	\$25,757	\$14,491	\$24,758	\$11,692	\$18,935	\$7,270	\$18,169	\$1,267
Investments in affiliated funds, at value	\$13,837	\$6,609	\$25,455	\$14,331	\$24,673	\$11,536	\$19,490	\$7,253	\$18,772	\$1,260
Receivables for:										
Investments in affiliated funds sold	—	—	34	—	51	—	—	1	—	—
Capital shares sold	—	—	—	14	—	6	1	—	—	—
Distributions from affiliated funds .	1	—	—	—	—	—	—	—	—	—
Total Assets	13,838	6,609	25,489	14,345	24,724	11,542	19,491	7,254	18,772	1,260
LIABILITIES										
Payables for:										
Investments in affiliated funds purchased	1	—	—	14	—	6	1	1	—	—
Capital shares reacquired	—	—	34	—	51	—	—	—	—	—
Total Liabilities	1	—	34	14	51	6	1	1	—	—
NET ASSETS	\$13,837	\$6,609	\$25,455	\$14,331	\$24,673	\$11,536	\$19,490	\$7,253	\$18,772	\$1,260
Net Assets Consist of:										
Paid-in capital	\$14,367	\$6,991	\$26,226	\$14,620	\$24,479	\$11,738	\$18,333	\$7,120	\$17,279	\$1,272
Accumulated undistributed net investment income/(loss)	15	83	301	145	252	99	139	31	62	3
Accumulated net realized gain/(loss)	(273)	(431)	(770)	(274)	27	(145)	463	119	828	(8)
Unrealized appreciation/(depreciation) of investments	(272)	(34)	(302)	(160)	(85)	(156)	555	(17)	603	(7)
	\$13,837	\$6,609	\$25,455	\$14,331	\$24,673	\$11,536	\$19,490	\$7,253	\$18,772	\$1,260
NET ASSET VALUE PER SHARE BY CLASS										
Institutional Class										
Net assets	\$13,805	\$6,574	\$25,419	\$14,293	\$24,634	\$11,496	\$19,448	\$7,211	\$18,728	\$1,240
Shares of beneficial interest ¹	1,546	629	2,736	1,214	2,864	889	2,310	533	2,030	124
Net asset value per share ²	\$ 8.93	\$10.45	\$ 9.29	\$ 11.78	\$ 8.60	\$ 12.93	\$ 8.42	\$13.51	\$ 9.23	\$10.02
Administrative Class										
Net assets	\$ 16	\$ 17	\$ 18	\$ 19	\$ 19	\$ 20	\$ 21	\$ 21	\$ 22	\$ 10
Shares of beneficial interest ¹	2	2	2	2	2	2	2	2	2	1
Net asset value per share ²	\$ 8.93	\$10.44	\$ 9.28	\$ 11.78	\$ 8.60	\$ 12.92	\$ 8.43	\$13.51	\$ 9.24	\$10.02
Investor Class										
Net assets	\$ 16	\$ 18	\$ 18	\$ 19	\$ 20	\$ 20	\$ 21	\$ 21	\$ 22	\$ 10
Shares of beneficial interest ¹	2	2	2	2	2	2	2	2	2	1
Net asset value per share ²	\$ 8.93	\$10.45	\$ 9.29	\$ 11.78	\$ 8.60	\$ 12.92	\$ 8.43	\$13.51	\$ 9.24	\$10.02

1 Par value \$0.01 (unlimited authorizations)

2 Per share amounts can be recalculated to the amounts disclosed herein when total net assets and shares of beneficial interest are not rounded to thousands.

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement Funds

STATEMENTS OF OPERATIONS—Year Ended October 31, 2016

(All amounts in thousands)

	Harbor Target Retirement Income Fund	Harbor Target Retirement 2015 Fund	Harbor Target Retirement 2020 Fund	Harbor Target Retirement 2025 Fund	Harbor Target Retirement 2030 Fund	Harbor Target Retirement 2035 Fund	Harbor Target Retirement 2040 Fund	Harbor Target Retirement 2045 Fund	Harbor Target Retirement 2050 Fund	Harbor Target Retirement 2055 Fund
Investment Income										
Dividends from affiliated funds	\$ 396	\$ 203	\$ 727	\$ 324	\$ 605	\$ 222	\$ 385	\$ 95	\$ 247	\$ 11
Total Investment Income	396	203	727	324	605	222	385	95	247	11
Operating Expenses										
12b-1 fees:										
Administrative Class ^a	—	—	—	—	—	—	—	—	—	—
Investor Class ^a	—	—	—	—	—	—	—	—	—	—
Transfer agent fees:										
Investor Class ^a	—	—	—	—	—	—	—	—	—	—
Total expenses ^a	—	—	—	—	—	—	—	—	—	—
Expenses waived ^a	—	—	—	—	—	—	—	—	—	—
Net expenses	—	—	—	—	—	—	—	—	—	—
Net Investment Income/(Loss) ..	396	203	727	324	605	222	385	95	247	11
Realized and Change in Net Unrealized Gain/(Loss) on Investment Transactions										
Net realized gain/(loss) on:										
Sale of affiliated funds	(254)	(287)	(692)	(240)	(100)	(220)	128	3	414	(33)
Distributions received from affiliated funds	157	107	443	214	528	229	564	180	672	31
Change in net unrealized appreciation/(depreciation) on:										
Affiliated funds	201	211	343	120	(414)	91	(703)	(148)	(1,123)	3
Net gain/(loss) on investment transactions ..	104	31	94	94	14	100	(11)	35	(37)	1
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$ 500	\$ 234	\$ 821	\$ 418	\$ 619	\$ 322	\$ 374	\$ 130	\$ 210	\$ 12

a Rounds to less than \$1,000

The accompanying notes are an integral part of the Financial Statements.

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Harbor Target Retirement Funds

STATEMENTS OF CHANGES IN NET ASSETS

(All amounts in thousands)

	Harbor Target Retirement Income Fund		Harbor Target Retirement 2015 Fund		Harbor Target Retirement 2020 Fund		Harbor Target Retirement 2025 Fund	
	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015
INCREASE/(DECREASE) IN NET ASSETS								
Operations:								
Net investment income/(loss)	\$ 396	\$ 578	\$ 203	\$ 331	\$ 727	\$ 922	\$ 324	\$ 328
Net realized gain/(loss) on sale of affiliated funds	(254)	178	(287)	(66)	(692)	927	(240)	164
Realized gain distributions received from affiliated funds	157	264	107	216	443	656	214	256
Change in net unrealized appreciation/(depreciation) on affiliated funds	201	(904)	211	(436)	343	(2,384)	120	(755)
Net increase/(decrease) in assets resulting from operations	500	116	234	45	821	121	418	(7)
Distributions to Shareholders								
Net investment income:								
Institutional Class	(449)	(607)	(261)	(373)	(859)	(972)	(352)	(327)
Administrative Class	(1)	(1)	(1)	—	(1)	(1)	—	—
Investor Class	—	(1)	—	(1)	—	—	(1)	(1)
Net realized gain on investments:								
Institutional Class	(466)	(442)	(218)	(512)	(1,705)	(1,066)	(501)	(607)
Administrative Class	—	—	—	(1)	(1)	(1)	(1)	(1)
Investor Class	(1)	(1)	(1)	(1)	(1)	—	(1)	(1)
Total distributions to shareholders	(917)	(1,052)	(481)	(888)	(2,567)	(2,040)	(856)	(937)
Net Increase/(Decrease) Derived from Capital Share Transactions	(900)	(1,350)	(955)	(2,580)	(123)	(1,916)	3,246	1,819
Net increase/(decrease) in net assets	(1,317)	(2,286)	(1,202)	(3,423)	(1,869)	(3,835)	2,808	875
Net Assets								
Beginning of period	15,154	17,440	7,811	11,234	27,324	31,159	11,523	10,648
End of period*	\$13,837	\$15,154	\$ 6,609	\$ 7,811	\$25,455	\$27,324	\$14,331	\$11,523
* Includes accumulated undistributed net investment income/(loss) of:	\$ 15	\$ 18	\$ 83	\$ 115	\$ 301	\$ 346	\$ 145	\$ 137

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2030 Fund		Harbor Target Retirement 2035 Fund		Harbor Target Retirement 2040 Fund		Harbor Target Retirement 2045 Fund		Harbor Target Retirement 2050 Fund		Harbor Target Retirement 2055 Fund	
November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 ^a through October 31, 2015
\$ 605	\$ 662	\$ 222	\$ 194	\$ 385	\$ 385	\$ 95	\$ 77	\$ 247	\$ 275	\$ 11	\$ 2
(100)	683	(220)	118	128	651	3	94	414	1,108	(33)	(3)
528	686	229	246	564	655	180	167	672	841	31	3
(414)	(1,963)	91	(548)	(703)	(1,531)	(148)	(309)	(1,123)	(1,908)	3	(10)
619	68	322	10	374	160	130	29	210	316	12	(8)
(700)	(687)	(238)	(192)	(451)	(422)	(106)	(83)	(305)	(340)	(12)	(1)
(1)	(1)	—	(1)	—	(1)	—	—	(1)	(1)	—	—
(1)	(1)	—	—	—	—	—	—	—	—	—	—
(1,477)	(1,450)	(403)	(547)	(1,314)	(1,261)	(272)	(230)	(1,978)	(1,784)	(3)	—
(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)	(3)	(2)	—	—
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	—	—
(2,181)	(2,141)	(643)	(743)	(1,768)	(1,686)	(380)	(315)	(2,289)	(2,129)	(15)	(1)
1,113	2,430	2,811	2,032	1,039	2,398	1,938	1,570	1,587	601	481	791
(449)	357	2,490	1,299	(355)	872	1,688	1,284	(492)	(1,212)	478	782
25,122	24,765	9,046	7,747	19,845	18,973	5,565	4,281	19,264	20,476	782	—
\$24,673	\$25,122	\$11,536	\$9,046	\$19,490	\$19,845	\$7,253	\$5,565	\$18,772	\$19,264	\$1,260	\$782
\$ 252	\$ 271	\$ 99	\$ 84	\$ 139	\$ 138	\$ 31	\$ 24	\$ 62	\$ 60	\$ 3	\$ 1

Harbor Target Retirement Funds

STATEMENTS OF CHANGES IN NET ASSETS—CAPITAL STOCK ACTIVITY

(All amounts in thousands)

	Harbor Target Retirement Income Fund		Harbor Target Retirement 2015 Fund		Harbor Target Retirement 2020 Fund		Harbor Target Retirement 2025 Fund	
	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015
AMOUNT (\$)								
Institutional Class								
Net proceeds from sale of shares	\$ 1,979	\$ 2,095	\$ 1,226	\$ 1,292	\$ 5,082	\$ 5,101	\$ 4,503	\$ 2,916
Reinvested distributions	915	1,049	479	885	2,563	2,038	853	933
Cost of shares reacquired	(3,796)	(4,496)	(2,662)	(4,759)	(7,771)	(9,056)	(2,112)	(2,033)
Net increase/(decrease) in net assets	\$ (902)	\$ (1,352)	\$ (957)	\$ (2,582)	\$ (126)	\$ (1,917)	\$ 3,244	\$ 1,816
Administrative Class								
Net proceeds from sale of shares	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Reinvested distributions	1	1	1	1	2	1	1	1
Net increase/(decrease) in net assets	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 1	\$ 1	\$ 1
Investor Class								
Net proceeds from sale of shares	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Reinvested distributions	1	1	1	1	1	—	1	2
Net increase/(decrease) in net assets	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ —	\$ 1	\$ 2
SHARES								
Institutional Class								
Shares sold	226	224	121	117	561	506	391	232
Shares issued due to reinvestment of distributions	107	114	49	83	293	207	77	76
Shares reacquired	(432)	(478)	(263)	(437)	(863)	(895)	(186)	(164)
Net increase/(decrease) in shares outstanding	(99)	(140)	(93)	(237)	(9)	(182)	282	144
Beginning of period	1,645	1,785	722	959	2,745	2,927	932	788
End of period	1,546	1,645	629	722	2,736	2,745	1,214	932
Administrative Class								
Shares sold	—	—	—	—	—	—	—	—
Shares issued due to reinvestment of distributions	—	—	1	—	—	—	1	—
Net increase/(decrease) in shares outstanding	—	—	1	—	—	—	1	—
Beginning of period	2	2	1	1	2	2	1	1
End of period	2	2	2	1	2	2	2	1
Investor Class								
Shares sold	—	—	—	—	—	—	—	—
Shares issued due to reinvestment of distributions	—	—	1	—	—	—	1	—
Net increase/(decrease) in shares outstanding	—	—	1	—	—	—	1	—
Beginning of period	2	2	1	1	2	2	1	1
End of period	2	2	2	1	2	2	2	1

The accompanying notes are an integral part of the Financial Statements.

Harbor Target Retirement 2030 Fund		Harbor Target Retirement 2035 Fund		Harbor Target Retirement 2040 Fund		Harbor Target Retirement 2045 Fund		Harbor Target Retirement 2050 Fund		Harbor Target Retirement 2055 Fund	
November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 through October 31, 2015	November 1, 2015 through October 31, 2016	November 1, 2014 ^a through October 31, 2015
\$ 4,715	\$ 5,213	\$ 4,330	\$ 2,899	\$ 4,210	\$ 3,865	\$ 2,976	\$ 1,953	\$ 3,233	\$ 3,359	\$ 847	\$ 833
2,177	2,137	641	739	1,763	1,683	378	312	2,283	2,124	15	1
(5,783)	(4,923)	(2,162)	(1,609)	(4,937)	(3,153)	(1,418)	(697)	(3,934)	(4,886)	(381)	(63)
\$ 1,109	\$ 2,427	\$ 2,809	\$ 2,029	\$ 1,036	\$ 2,395	\$ 1,936	\$ 1,568	\$ 1,582	\$ 597	\$ 481	\$ 771
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10
2	2	1	2	2	2	1	1	3	2	—	—
\$ 2	\$ 2	\$ 1	\$ 2	\$ 2	\$ 2	\$ 1	\$ 1	\$ 3	\$ 2	\$ —	\$ 10
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10
2	1	1	1	1	1	1	1	2	2	—	—
\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ —	\$ 10
561	558	345	210	514	420	225	135	357	317	87	82
270	234	53	55	222	188	30	22	262	208	2	—
(697)	(527)	(173)	(118)	(615)	(343)	(109)	(49)	(439)	(467)	(41)	(6)
134	265	225	147	121	265	146	108	180	58	48	76
2,730	2,465	664	517	2,189	1,924	387	279	1,850	1,792	76	—
2,864	2,730	889	664	2,310	2,189	533	387	2,030	1,850	124	76
—	—	—	—	—	—	—	—	—	—	—	1
—	—	1	—	—	—	1	—	—	—	—	—
—	—	1	—	—	—	1	—	—	—	—	1
2	2	1	1	2	2	1	1	2	2	1	—
2	2	2	1	2	2	2	1	2	2	1	1
—	—	—	—	—	—	—	—	—	—	—	1
—	—	1	—	—	—	1	—	—	—	—	—
—	—	1	—	—	—	1	—	—	—	—	1
2	2	1	1	2	2	1	1	2	2	1	—
2	2	2	1	2	2	2	1	2	2	1	1

Harbor Target Retirement Funds Financial Highlights

SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

HARBOR TARGET RETIREMENT INCOME FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 9.19	\$ 9.75	\$ 9.83	\$ 9.95	\$ 10.14
Income from Investment Operations					
Net investment income/(loss) ^a	0.25 ^c	0.34 ^c	0.22	0.23	0.23
Net realized and unrealized gains/(losses) on investments	0.08	(0.30)	0.19	0.20	0.61
Total from investment operations	0.33	0.04	0.41	0.43	0.84
Less Distributions					
Dividends from net investment income	(0.29)	(0.35)	(0.28)	(0.38)	(0.31)
Distributions from net realized capital gains ¹	(0.30)	(0.25)	(0.21)	(0.17)	(0.72)
Total distributions	(0.59)	(0.60)	(0.49)	(0.55)	(1.03)
Net asset value end of period	8.93	9.19	9.75	9.83	9.95
Net assets end of period (000s)	\$13,805	\$15,124	\$17,410	\$15,510	\$16,383
Ratios and Supplemental Data (%)					
Total return ^b	3.91%	0.46%	4.32%	4.49%	9.23%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	2.87	3.57	2.14	2.36	2.26
Portfolio turnover ³	26	24	20	28	21

HARBOR TARGET RETIREMENT 2015 FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 10.77	\$ 11.68	\$ 11.87	\$ 11.52	\$ 11.47
Income from Investment Operations					
Net investment income/(loss) ^a	0.29 ^c	0.36 ^c	0.24	0.28	0.29
Net realized and unrealized gains/(losses) on investments	0.05	(0.35)	0.29	0.60	0.69
Total from investment operations	0.34	0.01	0.53	0.88	0.98
Less Distributions					
Dividends from net investment income	(0.36)	(0.39)	(0.31)	(0.44)	(0.36)
Distributions from net realized capital gains ¹	(0.30)	(0.53)	(0.41)	(0.09)	(0.57)
Total distributions	(0.66)	(0.92)	(0.72)	(0.53)	(0.93)
Net asset value end of period	10.45	10.77	11.68	11.87	11.52
Net assets end of period (000s)	\$ 6,574	\$ 7,778	\$11,200	\$10,654	\$10,832
Ratios and Supplemental Data (%)					
Total return ^b	3.59%	0.13%	4.73%	7.89%	9.49%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	2.82	3.26	2.08	2.43	2.14
Portfolio turnover ³	32	26	38	48	50

See page 73 for notes to the Financial Highlights.

The accompanying notes are an integral part of the Financial Statements.

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$ 9.19	\$ 9.75	\$ 9.83	\$ 9.95	\$10.13	\$ 9.19	\$ 9.75	\$ 9.83	\$ 9.95	\$10.13
0.25 ^c	0.32 ^c	0.21	0.24	0.23	0.25 ^c	0.33 ^c	0.21	0.24	0.23
0.08	(0.28)	0.20	0.19	0.62	0.08	(0.29)	0.20	0.19	0.62
0.33	0.04	0.41	0.43	0.85	0.33	0.04	0.41	0.43	0.85
(0.29)	(0.35)	(0.28)	(0.38)	(0.31)	(0.29)	(0.35)	(0.28)	(0.38)	(0.31)
(0.30)	(0.25)	(0.21)	(0.17)	(0.72)	(0.30)	(0.25)	(0.21)	(0.17)	(0.72)
(0.59)	(0.60)	(0.49)	(0.55)	(1.03)	(0.59)	(0.60)	(0.49)	(0.55)	(1.03)
8.93	9.19	9.75	9.83	9.95	8.93	9.19	9.75	9.83	9.95
\$ 16	\$ 15	\$ 15	\$ 14	\$ 14	\$ 16	\$ 15	\$ 15	\$ 15	\$ 14
3.91%	0.46%	4.32%	4.49%	9.34%	3.91%	0.46%	4.32%	4.49%	9.34%
0.25	0.25	0.25	0.25	0.25	0.37	0.37	0.37	0.37	0.37
—	—	—	—	—	—	—	—	—	—
2.82	3.46	2.12	2.35	2.24	2.82	3.47	2.12	2.35	2.24
26	24	20	28	21	26	24	20	28	21

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$10.77	\$11.68	\$11.87	\$11.52	\$11.47	\$10.77	\$11.68	\$11.87	\$11.52	\$11.47
0.28 ^c	0.34 ^c	0.23	0.27	0.24	0.28 ^c	0.34 ^c	0.23	0.27	0.24
0.05	(0.33)	0.30	0.61	0.74	0.06	(0.33)	0.30	0.61	0.74
0.33	0.01	0.53	0.88	0.98	0.34	0.01	0.53	0.88	0.98
(0.36)	(0.39)	(0.31)	(0.44)	(0.36)	(0.36)	(0.39)	(0.31)	(0.44)	(0.36)
(0.30)	(0.53)	(0.41)	(0.09)	(0.57)	(0.30)	(0.53)	(0.41)	(0.09)	(0.57)
(0.66)	(0.92)	(0.72)	(0.53)	(0.93)	(0.66)	(0.92)	(0.72)	(0.53)	(0.93)
10.44	10.77	11.68	11.87	11.52	10.45	10.77	11.68	11.87	11.52
\$ 17	\$ 16	\$ 17	\$ 16	\$ 15	\$ 18	\$ 17	\$ 17	\$ 16	\$ 15
3.50%	0.14%	4.73%	7.89%	9.49%	3.59%	0.13%	4.73%	7.89%	9.49%
0.25	0.25	0.25	0.25	0.25	0.37	0.37	0.37	0.37	0.37
—	—	—	—	—	—	—	—	—	—
2.75	3.12	2.06	2.40	2.21	2.76	3.12	2.06	2.40	2.21
32	26	38	48	50	32	26	38	48	50

Harbor Target Retirement Funds Financial Highlights—Continued

SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

HARBOR TARGET RETIREMENT 2020 FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 9.94	\$ 10.63	\$ 10.78	\$ 10.43	\$ 10.92
Income from Investment Operations					
Net investment income/(loss) ^a	0.26 ^c	0.32 ^c	0.23	0.26	0.25
Net realized and unrealized gains/(losses) on investments	0.04	(0.30)	0.29	0.68	0.64
Total from investment operations	0.30	0.02	0.52	0.94	0.89
Less Distributions					
Dividends from net investment income	(0.32)	(0.34)	(0.30)	(0.40)	(0.32)
Distributions from net realized capital gains ¹	(0.63)	(0.37)	(0.37)	(0.19)	(1.06)
Total distributions	(0.95)	(0.71)	(0.67)	(0.59)	(1.38)
Net asset value end of period	9.29	9.94	10.63	10.78	10.43
Net assets end of period (000s)	\$25,419	\$27,290	\$31,124	\$27,397	\$28,353
Ratios and Supplemental Data (%)					
Total return ^b	3.56%	0.30%	5.06%	9.43%	9.71%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	2.83	3.19	2.18	2.56	2.25
Portfolio turnover ³	33	28	19	36	22

HARBOR TARGET RETIREMENT 2025 FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 12.32	\$ 13.48	\$ 13.44	\$ 12.69	\$ 12.50
Income from Investment Operations					
Net investment income/(loss) ^a	0.31 ^c	0.37 ^c	0.29	0.34	0.27
Net realized and unrealized gains/(losses) on investments	0.05	(0.36)	0.40	1.04	0.81
Total from investment operations	0.36	0.01	0.69	1.38	1.08
Less Distributions					
Dividends from net investment income	(0.37)	(0.41)	(0.36)	(0.45)	(0.32)
Distributions from net realized capital gains ¹	(0.53)	(0.76)	(0.29)	(0.18)	(0.57)
Total distributions	(0.90)	(1.17)	(0.65)	(0.63)	(0.89)
Net asset value end of period	11.78	12.32	13.48	13.44	12.69
Net assets end of period (000s)	\$14,293	\$11,487	\$10,612	\$ 8,728	\$ 7,204
Ratios and Supplemental Data (%)					
Total return ^b	3.39%	0.11%	5.37%	11.33%	9.62%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	2.69	2.91	2.06	2.44	2.18
Portfolio turnover ³	25	25	33	32	30

See page 73 for notes to the Financial Highlights.

The accompanying notes are an integral part of the Financial Statements.

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$ 9.94	\$10.63	\$10.77	\$10.42	\$10.91	\$ 9.94	\$10.63	\$10.77	\$10.43	\$10.92
0.25 ^c	0.31 ^c	0.23	0.26	0.23	0.25 ^c	0.31 ^c	0.23	0.26	0.23
0.04	(0.29)	0.30	0.68	0.66	0.05	(0.29)	0.30	0.67	0.66
0.29	0.02	0.53	0.94	0.89	0.30	0.02	0.53	0.93	0.89
(0.32)	(0.34)	(0.30)	(0.40)	(0.32)	(0.32)	(0.34)	(0.30)	(0.40)	(0.32)
(0.63)	(0.37)	(0.37)	(0.19)	(1.06)	(0.63)	(0.37)	(0.37)	(0.19)	(1.06)
(0.95)	(0.71)	(0.67)	(0.59)	(1.38)	(0.95)	(0.71)	(0.67)	(0.59)	(1.38)
9.28	9.94	10.63	10.77	10.42	9.29	9.94	10.63	10.77	10.43
\$ 18	\$ 17	\$ 17	\$ 16	\$ 15	\$ 18	\$ 17	\$ 18	\$ 17	\$ 15
3.46%	0.30%	5.16%	9.44%	9.72%	3.56%	0.30%	5.16%	9.34%	9.71%
0.25	0.25	0.25	0.25	0.25	0.37	0.37	0.37	0.37	0.37
—	—	—	—	—	—	—	—	—	—
2.79	3.11	2.17	2.50	2.25	2.79	3.11	2.17	2.50	2.25
33	28	19	36	22	33	28	19	36	22

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$12.32	\$13.48	\$13.44	\$12.69	\$12.50	\$12.32	\$13.48	\$13.44	\$12.69	\$12.50
0.31 ^c	0.37 ^c	0.28	0.32	0.26	0.31 ^c	0.37 ^c	0.28	0.32	0.26
0.05	(0.36)	0.41	1.06	0.82	0.05	(0.36)	0.41	1.06	0.82
0.36	0.01	0.69	1.38	1.08	0.36	0.01	0.69	1.38	1.08
(0.37)	(0.41)	(0.36)	(0.45)	(0.32)	(0.37)	(0.41)	(0.36)	(0.45)	(0.32)
(0.53)	(0.76)	(0.29)	(0.18)	(0.57)	(0.53)	(0.76)	(0.29)	(0.18)	(0.57)
(0.90)	(1.17)	(0.65)	(0.63)	(0.89)	(0.90)	(1.17)	(0.65)	(0.63)	(0.89)
11.78	12.32	13.48	13.44	12.69	11.78	12.32	13.48	13.44	12.69
\$ 19	\$ 18	\$ 18	\$ 17	\$ 16	\$ 19	\$ 18	\$ 18	\$ 17	\$ 15
3.40%	0.12%	5.37%	11.33%	9.62%	3.40%	0.12%	5.37%	11.33%	9.62%
0.25	0.25	0.25	0.25	0.25	0.37	0.37	0.37	0.37	0.37
—	—	—	—	—	—	—	—	—	—
2.74	2.94	2.13	2.50	2.14	2.74	2.94	2.13	2.50	2.14
25	25	33	32	30	25	25	33	32	30

Harbor Target Retirement Funds Financial Highlights—Continued

SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

HARBOR TARGET RETIREMENT 2030 FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 9.19	\$ 10.04	\$ 10.22	\$ 9.56	\$ 10.59
Income from Investment Operations					
Net investment income/(loss) ^a	0.21 ^c	0.24 ^c	0.21	0.25	0.21
Net realized and unrealized gains/(losses) on investments	0.01	(0.23)	0.35	1.04	0.56
Total from investment operations	0.22	0.01	0.56	1.29	0.77
Less Distributions					
Dividends from net investment income	(0.26)	(0.28)	(0.27)	(0.33)	(0.26)
Distributions from net realized capital gains ¹	(0.55)	(0.58)	(0.47)	(0.30)	(1.54)
Total distributions	(0.81)	(0.86)	(0.74)	(0.63)	(1.80)
Net asset value end of period	8.60	9.19	10.04	10.22	9.56
Net assets end of period (000s)	\$24,634	\$25,084	\$24,727	\$23,994	\$22,862
Ratios and Supplemental Data (%)					
Total return ^b	2.96%	0.13%	5.79%	14.19%	9.64%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	2.54	2.55	1.99	2.42	2.03
Portfolio turnover ³	31	24	22	31	27

HARBOR TARGET RETIREMENT 2035 FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 13.56	\$ 14.92	\$ 14.52	\$ 13.01	\$ 12.99
Income from Investment Operations					
Net investment income/(loss) ^a	0.27 ^c	0.30 ^c	0.29	0.33	0.24
Net realized and unrealized gains/(losses) on investments	0.04	(0.26)	0.58	1.85	0.87
Total from investment operations	0.31	0.04	0.87	2.18	1.11
Less Distributions					
Dividends from net investment income	(0.35)	(0.36)	(0.33)	(0.40)	(0.25)
Distributions from net realized capital gains ¹	(0.59)	(1.04)	(0.14)	(0.27)	(0.84)
Total distributions	(0.94)	(1.40)	(0.47)	(0.67)	(1.09)
Net asset value end of period	12.93	13.56	14.92	14.52	13.01
Net assets end of period (000s)	\$11,496	\$ 9,007	\$ 7,708	\$ 5,397	\$ 2,794
Ratios and Supplemental Data (%)					
Total return ^b	2.70%	0.34%	6.19%	17.43%	9.86%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	2.17	2.17	1.64	2.08	1.79
Portfolio turnover ³	26	22	39	12	41

See page 73 for notes to the Financial Highlights.

The accompanying notes are an integral part of the Financial Statements.

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$ 9.19	\$10.03	\$10.22	\$ 9.56	\$10.58	\$ 9.19	\$10.03	\$10.22	\$ 9.56	\$10.58
0.21 ^c	0.24 ^c	0.20	0.24	0.20	0.21 ^c	0.24 ^c	0.20	0.24	0.20
0.01	(0.22)	0.35	1.05	0.58	0.01	(0.22)	0.35	1.05	0.58
0.22	0.02	0.55	1.29	0.78	0.22	0.02	0.55	1.29	0.78
(0.26)	(0.28)	(0.27)	(0.33)	(0.26)	(0.26)	(0.28)	(0.27)	(0.33)	(0.26)
(0.55)	(0.58)	(0.47)	(0.30)	(1.54)	(0.55)	(0.58)	(0.47)	(0.30)	(1.54)
(0.81)	(0.86)	(0.74)	(0.63)	(1.80)	(0.81)	(0.86)	(0.74)	(0.63)	(1.80)
8.60	9.19	10.03	10.22	9.56	8.60	9.19	10.03	10.22	9.56
\$ 19	\$ 19	\$ 19	\$ 18	\$ 16	\$ 20	\$ 19	\$ 19	\$ 18	\$ 16
2.97%	0.24%	5.70%	14.20%	9.74%	2.97%	0.24%	5.70%	14.20%	9.74%
0.25	0.25	0.25	0.25	0.25	0.37	0.37	0.37	0.37	0.37
—	—	—	—	—	—	—	—	—	—
2.54	2.59	1.97	2.40	2.02	2.54	2.59	1.97	2.40	2.02
31	24	22	31	27	31	24	22	31	27

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$13.55	\$14.91	\$14.51	\$13.01	\$12.99	\$13.55	\$14.91	\$14.51	\$13.01	\$12.99
0.29 ^c	0.31 ^c	0.27	0.32	0.25	0.29 ^c	0.31 ^c	0.27	0.32	0.25
0.02	(0.27)	0.60	1.85	0.86	0.02	(0.27)	0.60	1.85	0.86
0.31	0.04	0.87	2.17	1.11	0.31	0.04	0.87	2.17	1.11
(0.35)	(0.36)	(0.33)	(0.40)	(0.25)	(0.35)	(0.36)	(0.33)	(0.40)	(0.25)
(0.59)	(1.04)	(0.14)	(0.27)	(0.84)	(0.59)	(1.04)	(0.14)	(0.27)	(0.84)
(0.94)	(1.40)	(0.47)	(0.67)	(1.09)	(0.94)	(1.40)	(0.47)	(0.67)	(1.09)
12.92	13.55	14.91	14.51	13.01	12.92	13.55	14.91	14.51	13.01
\$ 20	\$ 20	\$ 20	\$ 19	\$ 16	\$ 20	\$ 19	\$ 19	\$ 18	\$ 16
2.70%	0.34%	6.19%	17.36%	9.87%	2.70%	0.34%	6.19%	17.36%	9.87%
0.25	0.25	0.25	0.25	0.25	0.37	0.37	0.37	0.37	0.37
—	—	—	—	—	—	—	—	—	—
2.30	2.27	1.80	2.30	1.93	2.30	2.27	1.80	2.30	1.93
26	22	39	12	41	26	22	39	12	41

Harbor Target Retirement Funds Financial Highlights—Continued

SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

HARBOR TARGET RETIREMENT 2040 FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 9.05	\$ 9.84	\$ 10.01	\$ 9.19	\$ 10.85
Income from Investment Operations					
Net investment income/(loss) ^a	0.17 ^c	0.18 ^c	0.17	0.22	0.18
Net realized and unrealized gains/(losses) on investments	(0.01)	(0.10)	0.46	1.52	0.50
Total from investment operations	0.16	0.08	0.63	1.74	0.68
Less Distributions					
Dividends from net investment income	(0.20)	(0.22)	(0.23)	(0.26)	(0.20)
Distributions from net realized capital gains ¹	(0.59)	(0.65)	(0.57)	(0.66)	(2.14)
Total distributions	(0.79)	(0.87)	(0.80)	(0.92)	(2.34)
Net asset value end of period	8.42	9.05	9.84	10.01	9.19
Net assets end of period (000s)	\$19,448	\$19,805	\$18,933	\$17,963	\$15,554
Ratios and Supplemental Data (%)					
Total return ^b	2.36%	0.94%	6.77%	20.63%	9.76%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	2.03	1.96	1.59	2.24	1.71
Portfolio turnover ³	30	18	22	22	27

HARBOR TARGET RETIREMENT 2045 FUND					
Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 14.25	\$ 15.17	\$ 14.85	\$ 12.42	\$ 12.85
Income from Investment Operations					
Net investment income/(loss) ^a	0.21 ^c	0.23 ^c	0.23	0.29	0.19
Net realized and unrealized gains/(losses) on investments	0.01	(0.06)	0.80	2.58	0.81
Total from investment operations	0.22	0.17	1.03	2.87	1.00
Less Distributions					
Dividends from net investment income	(0.27)	(0.29)	(0.31)	(0.31)	(0.19)
Distributions from net realized capital gains ¹	(0.69)	(0.80)	(0.40)	(0.13)	(1.24)
Total distributions	(0.96)	(1.09)	(0.71)	(0.44)	(1.43)
Net asset value end of period	13.51	14.25	15.17	14.85	12.42
Net assets end of period (000s)	\$ 7,211	\$ 5,523	\$ 4,239	\$ 3,340	\$ 1,911
Ratios and Supplemental Data (%)					
Total return ^b	1.91%	1.23%	7.17%	23.75%	9.62%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	1.58	1.56	1.37	1.82	1.40
Portfolio turnover ³	24	15	21	20	16

See page 73 for notes to the Financial Highlights.

The accompanying notes are an integral part of the Financial Statements.

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$ 9.06	\$ 9.85	\$10.02	\$ 9.20	\$10.86	\$ 9.06	\$ 9.85	\$10.02	\$ 9.20	\$10.86
0.17 ^c (0.01)	0.18 ^c (0.10)	0.16 0.47	0.21 1.53	0.17 0.51	0.17 ^c (0.01)	0.18 ^c (0.10)	0.16 0.47	0.21 1.53	0.17 0.51
0.16	0.08	0.63	1.74	0.68	0.16	0.08	0.63	1.74	0.68
(0.20) (0.59)	(0.22) (0.65)	(0.23) (0.57)	(0.26) (0.66)	(0.20) (2.14)	(0.20) (0.59)	(0.22) (0.65)	(0.23) (0.57)	(0.26) (0.66)	(0.20) (2.14)
(0.79)	(0.87)	(0.80)	(0.92)	(2.34)	(0.79)	(0.87)	(0.80)	(0.92)	(2.34)
8.43	9.06	9.85	10.02	9.20	8.43	9.06	9.85	10.02	9.20
\$ 21	\$ 20	\$ 20	\$ 19	\$ 16	\$ 21	\$ 20	\$ 20	\$ 19	\$ 16
2.36% 0.25	0.94% 0.25	6.76% 0.25	20.62% 0.25	9.78% 0.25	2.36% 0.37	0.94% 0.37	6.76% 0.37	20.62% 0.37	9.78% 0.37
2.01 30	1.97 18	1.60 22	2.20 22	1.71 27	2.01 30	1.97 18	1.60 22	2.20 22	1.71 27

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$14.25	\$15.17	\$14.84	\$12.42	\$12.85	\$14.25	\$15.17	\$14.84	\$12.42	\$12.85
0.22 ^c —*	0.24 ^c (0.07)	0.22 0.82	0.28 2.58	0.20 0.80	0.22 ^c —*	0.24 ^c (0.07)	0.22 0.82	0.28 2.58	0.20 0.80
0.22	0.17	1.04	2.86	1.00	0.22	0.17	1.04	2.86	1.00
(0.27) (0.69)	(0.29) (0.80)	(0.31) (0.40)	(0.31) (0.13)	(0.19) (1.24)	(0.27) (0.69)	(0.29) (0.80)	(0.31) (0.40)	(0.31) (0.13)	(0.19) (1.24)
(0.96)	(1.09)	(0.71)	(0.44)	(1.43)	(0.96)	(1.09)	(0.71)	(0.44)	(1.43)
13.51	14.25	15.17	14.84	12.42	13.51	14.25	15.17	14.84	12.42
\$ 21	\$ 21	\$ 21	\$ 20	\$ 16	\$ 21	\$ 21	\$ 21	\$ 19	\$ 15
1.91% 0.25	1.23% 0.25	7.24% 0.25	23.66% 0.25	9.62% 0.25	1.91% 0.37	1.23% 0.37	7.24% 0.37	23.66% 0.37	9.62% 0.37
1.68 24	1.63 15	1.40 21	2.06 20	1.50 16	1.68 24	1.63 15	1.40 21	2.06 20	1.50 16

Harbor Target Retirement Funds Financial Highlights—Continued

SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

HARBOR TARGET RETIREMENT 2050 FUND

Year Ended October 31,	Institutional Class				
	2016	2015	2014	2013	2012
Net asset value beginning of period	\$ 10.39	\$ 11.40	\$ 11.46	\$ 10.17	\$ 11.75
Income from Investment Operations					
Net investment income/(loss) ^a	0.12 ^c	0.14 ^c	0.15	0.22	0.16
Net realized and unrealized gains/(losses) on investments	(0.03)	0.05	0.67	2.20	0.58
Total from investment operations	0.09	0.19	0.82	2.42	0.74
Less Distributions					
Dividends from net investment income	(0.17)	(0.19)	(0.23)	(0.24)	(0.17)
Distributions from net realized capital gains ¹	(1.08)	(1.01)	(0.65)	(0.89)	(2.15)
Total distributions	(1.25)	(1.20)	(0.88)	(1.13)	(2.32)
Net asset value end of period	9.23	10.39	11.40	11.46	10.17
Net assets end of period (000s)	\$18,728	\$19,221	\$20,434	\$19,170	\$14,516
Ratios and Supplemental Data (%)					
Total return ^b	1.51%	1.83%	7.61%	26.12%	9.66%
Ratio of total expenses to average net assets ²	—	—	—	—	—
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	1.34	1.35	1.17	1.88	1.41
Portfolio turnover ³	24	24	23	17	21

HARBOR TARGET RETIREMENT 2055 FUND

Year Ended October 31,	Institutional Class		Administrative Class		Investor Class	
	2016	2015	2016	2015	2016	2015
Net asset value beginning of period	\$10.08	\$10.00	\$10.08	\$10.00	\$10.08	\$10.00
Income from Investment Operations						
Net investment income/(loss) ^a	0.11 ^c	0.05 ^c	0.12 ^c	0.13 ^c	0.12 ^c	0.13 ^c
Net realized and unrealized gains/(losses) on investments	0.01	0.18	—*	0.10	—*	0.10
Total from investment operations	0.12	0.23	0.12	0.23	0.12	0.23
Less Distributions						
Dividends from net investment income	(0.14)	(0.15)	(0.14)	(0.15)	(0.14)	(0.15)
Distributions from net realized capital gains ¹	(0.04)	—	(0.04)	—	(0.04)	—
Total distributions	(0.18)	(0.15)	(0.18)	(0.15)	(0.18)	(0.15)
Net asset value end of period	10.02	10.08	10.02	10.08	10.02	10.08
Net assets end of period (000s)	\$1,240	\$ 762	\$ 10	\$ 10	\$ 10	\$ 10
Ratios and Supplemental Data (%)						
Total return ^b	1.38%	2.28%	1.39%	2.28%	1.39%	2.28%
Ratio of total expenses to average net assets ²	—	—	0.25	0.25	0.37	0.37
Ratio of net expenses to average net assets ^{a,2}	—	—	—	—	—	—
Ratio of net investment income to average net assets ^{a,2}	1.13	0.52	1.23	1.29	1.23	1.29
Portfolio turnover ³	33	15	33	15	33	15

* Less than \$0.01

1 Includes both short-term and long-term capital gains

2 Ratios of income and expenses to average net assets represents the expenses paid by the Fund but does not include the acquired fund fees and expenses from underlying funds.

3 Amounts do not include the activity of the underlying funds.

a Reflects the Distributor's and Transfer Agent's waiver, if any, or its 12b-1 and transfer agency fees, respectively.

b The total returns would have been lower had certain expenses not been waived during the periods shown.

c Amounts are allocated based upon average shares outstanding during the period.

The accompanying notes are an integral part of the Financial Statements.

Administrative Class					Investor Class				
2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$10.40	\$11.41	\$11.47	\$10.18	\$11.75	\$10.40	\$11.41	\$11.47	\$10.18	\$11.75
0.12 ^c	0.14 ^c	0.15	0.22	0.16	0.12 ^c	0.14 ^c	0.15	0.22	0.16
(0.03)	0.05	0.67	2.20	0.59	(0.03)	0.05	0.67	2.20	0.59
0.09	0.19	0.82	2.42	0.75	0.09	0.19	0.82	2.42	0.75
(0.17)	(0.19)	(0.23)	(0.24)	(0.17)	(0.17)	(0.19)	(0.23)	(0.24)	(0.17)
(1.08)	(1.01)	(0.65)	(0.89)	(2.15)	(1.08)	(1.01)	(0.65)	(0.89)	(2.15)
(1.25)	(1.20)	(0.88)	(1.13)	(2.32)	(1.25)	(1.20)	(0.88)	(1.13)	(2.32)
9.24	10.40	11.41	11.47	10.18	9.24	10.40	11.41	11.47	10.18
\$ 22	\$ 21	\$ 21	\$ 19	\$ 15	\$ 22	\$ 22	\$ 21	\$ 20	\$ 16
1.50%	1.83%	7.61%	26.09%	9.74%	1.50%	1.83%	7.61%	26.09%	9.74%
0.25	0.25	0.25	0.25	0.25	0.37	0.37	0.37	0.37	0.37
—	—	—	—	—	—	—	—	—	—
1.36	1.32	1.17	1.91	1.35	1.36	1.32	1.17	1.91	1.35
24	24	23	17	21	24	24	23	17	21

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—October 31, 2016

NOTE 1—ORGANIZATIONAL MATTERS

Harbor Funds (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as an open-end management investment company. The Trust consists of 29 separate portfolios. The portfolios covered by this report include: Harbor Target Retirement Income Fund, Harbor Target Retirement 2015 Fund, Harbor Target Retirement 2020 Fund, Harbor Target Retirement 2025 Fund, Harbor Target Retirement 2030 Fund, Harbor Target Retirement 2035 Fund, Harbor Target Retirement 2040 Fund, Harbor Target Retirement 2045 Fund, Harbor Target Retirement 2050 Fund and Harbor Target Retirement 2055 Fund (individually referred to as a “Fund” and collectively referred to as the “Funds” or “Target Retirement Funds”). The Funds invest in a combination of other affiliated funds of the Trust (the “Underlying Funds”). Harbor Capital Advisors, Inc. (the “Adviser” or “Harbor Capital”) is the investment adviser for the Funds and the Underlying Funds. The Underlying Funds are managed by the subadvisers, none of which is affiliated with the Adviser.

The Funds may offer up to three classes of shares, designated as Institutional Class, Administrative Class, and Investor Class. The shares of each class represent an interest in the same portfolio of investments of the Fund and have equal rights to voting, redemptions, dividends, and liquidations, except that: (i) certain expenses, subject to the approval of the Trust’s Board of Trustees (the “Board of Trustees”), may be applied differently to each class of shares in accordance with current regulations of the Securities and Exchange Commission and the Internal Revenue Service; and (ii) shareholders of a class that bears distribution and service expenses under terms of a distribution plan have exclusive voting rights as to that distribution plan.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Trust in the preparation of its financial statements. Each Fund follows the investment company reporting requirements under U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), which includes the accounting and reporting guidelines under Accounting Standards Topic 946, Financial Services-Investment Companies. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

Security Valuation

The holdings of each Target Retirement Fund consist entirely of Institutional Class shares of the Underlying Funds, which are valued at their respective net asset values each business day and are categorized as Level 1 in the fair value hierarchy. For more information on the fair value hierarchy, please refer to the following Fair Value Measurements and Disclosures section.

Fair Value Measurements and Disclosures

Various inputs may be used to determine the value of each Fund’s investments, which are summarized in three broad categories defined as Level 1, Level 2 and Level 3. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The assignment of an investment to Levels 1, 2 or 3 is based on the lowest level of significant inputs used to determine its fair value.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs are used in situations where quoted prices or other observable inputs are not available or are deemed unreliable. Significant unobservable inputs may include each Fund’s own assumptions.

Transfers between levels, if any, are recognized as of the last day in the fiscal quarter of the period in which the event or change in circumstances that caused the reclassification occurred. For fair valuations using significant unobservable inputs, a reconciliation of the beginning to ending balances for reported fair values is provided that presents changes attributable to realized and unrealized gains and losses and purchases, sales, and transfers in/out of the Level 3 category during the period. A table that includes a categorization of investments into Levels 1, 2, or 3, transfers between levels, if any, and a Level 3 reconciliation, including details of significant unobservable inputs used, when applicable, can be found at the end of each Fund’s Portfolio of Investments schedule.

Each Fund used observable inputs in their valuation methodologies whenever they were available and deemed reliable.

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES—Continued

Description of the Underlying Funds

In pursuing its investment objectives and strategies, each of the Underlying Funds is permitted to engage in a wide range of investment practices. Further information about the Underlying Funds is contained in the statement of additional information, as well as the prospectuses of each of the Underlying Funds. The accounting policies of each of the Underlying Funds are disclosed in each Underlying Fund's respective shareholder report. Because each Fund invests in the Underlying Funds, shareholders of each Fund will be affected by the investment practices of the Underlying Funds in direct proportion to the amount of assets each Fund allocates to the Underlying Funds.

Investment Transactions and Income

Securities transactions are accounted for on the trade date (the date the order to buy or sell is executed). Income and capital gain distributions received from the Underlying Funds are recorded on the ex-dividend date. Gains and losses on securities sold are determined on the basis of identified cost.

Distribution to Shareholders

Distributions on Fund shares are recorded on the ex-dividend date.

Expenses

Expenses incurred by the Trust are charged directly to the Fund that incurred such expense whenever possible. With respect to expenses incurred by any two or more Harbor Funds where amounts cannot be identified on a fund by fund basis, such expenses are generally allocated in proportion to the average net assets or the number of shareholders of each fund. Expenses included in the accompanying financial statements reflect the expenses of each Target Retirement Fund and do not include any expenses associated with the Underlying Funds.

Class Allocations

Income, common expenses and realized and unrealized gains/(losses) are determined at the Fund level and allocated daily to each class of shares based on the applicable net assets of the respective classes. Distribution and service fees, if any, and transfer agent fees are calculated daily at the class level based on the applicable net assets of each class and the expense rate(s) applicable to each class.

Taxes

Each Fund is treated as a separate entity for federal tax purposes. Each Fund's policy is to meet the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute to its shareholders all of its taxable income within the prescribed time. It is also the intention of each Fund to distribute an amount sufficient to avoid imposition of any excise tax under Section 4982 of the Internal Revenue Code. Therefore, no provision has been made for federal taxes on income, capital gains or unrealized appreciation of securities held or excise taxes on income and capital gains.

All investment transactions for the Funds are in affiliated Underlying Funds. The Underlying Funds may be subject to taxes imposed by countries in which they invest. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and unrealized appreciation as such income and/or gains are earned.

Management has analyzed each Fund's tax positions for all open tax years (in particular, U.S. federal income tax returns for the tax years ended October 31, 2012–2015), including all positions expected to be taken upon filing the 2016 tax return, in all material jurisdictions where the Funds operate, and has concluded that no provision for income tax is required in any Fund's financial statements. The Funds will recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations.

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES—Continued

Related Parties

The Funds do not invest in the Underlying Funds for the purpose of exercising management or control; however, investments by the Funds may represent a significant portion of an Underlying Fund's net assets. At October 31, 2016, each Fund held 10% or fewer of the outstanding shares of any Underlying Fund. In aggregate, the Funds held 10% of Harbor Global Growth Fund.

New Accounting Pronouncement

In October 2016, the Securities and Exchange Commission (SEC) released its final rule on Investment Company Reporting Modernization (the "Rule"). The Rule contains amendments to certain financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impact of the Rule, management believes that many of the amendments are consistent with the Funds current financial statement presentation.

NOTE 3—INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments, other than short-term securities, for each Fund for the year ended October 31, 2016 are as follows:

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT INCOME FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund	\$ 125	\$ 147	\$ —	\$ 23	\$ 10
Harbor Mid Cap Growth Fund	78	80	1	20	(21)
Harbor Small Cap Growth Fund	70	72	—	19	(16)
Harbor Large Cap Value Fund	103	157	5	18	41
Harbor Mid Cap Value Fund	69	96	4	5	35
Harbor Small Cap Value Fund	52	84	1	7	4
Harbor International Fund	214	240	11	18	(14)
Harbor International Growth Fund	121	188	4	—	1
Harbor Global Growth Fund	44	56	—	5	3
Harbor Unconstrained Bond Fund	78	1,001	23	—	(63)
Harbor High-Yield Bond Fund	555	417	88	—	(57)
Harbor Bond Fund	1,281	1,416	215	42	(56)
Harbor Real Return Fund	633	610	40	—	(121)
Harbor Money Market Fund	240	364	4	—	—
Total	\$3,663	\$4,928	\$396	\$157	\$(254)

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—INVESTMENT PORTFOLIO TRANSACTIONS—Continued

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2015 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund.....	\$ 86	\$ 133	\$ —	\$ 17	\$ 4
Harbor Mid Cap Growth Fund.....	56	70	1	15	(19)
Harbor Small Cap Growth Fund.....	54	66	—	14	(16)
Harbor Large Cap Value Fund.....	75	152	3	14	3
Harbor Mid Cap Value Fund.....	58	101	3	4	6
Harbor Small Cap Value Fund.....	37	76	1	5	—
Harbor International Fund.....	143	215	8	14	(40)
Harbor International Growth Fund.....	83	162	3	—	(5)
Harbor Global Growth Fund.....	34	53	—	4	(5)
Harbor Commodity Real Return Strategy Fund.....	44	80	2	—	(46)
Harbor Unconstrained Bond Fund.....	51	526	12	—	(32)
Harbor High-Yield Bond Fund.....	343	379	50	—	(56)
Harbor Bond Fund.....	702	863	102	20	(46)
Harbor Real Return Fund.....	369	333	16	—	(35)
Harbor Money Market Fund.....	150	201	2	—	—
Total	\$2,285	\$3,410	\$203	\$107	\$(287)

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2020 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund.....	\$ 341	\$ 395	\$ 1	\$ 72	\$ 47
Harbor Mid Cap Growth Fund.....	225	233	4	63	(61)
Harbor Small Cap Growth Fund.....	202	203	—	61	(48)
Harbor Large Cap Value Fund.....	273	429	14	58	132
Harbor Mid Cap Value Fund.....	215	298	12	16	121
Harbor Small Cap Value Fund.....	147	242	2	22	9
Harbor International Fund.....	677	743	35	57	(17)
Harbor International Growth Fund.....	371	558	14	—	11
Harbor Global Growth Fund.....	137	169	—	16	17
Harbor Commodity Real Return Strategy Fund.....	263	324	16	—	(272)
Harbor Unconstrained Bond Fund.....	174	1,837	42	—	(112)
Harbor Convertible Securities Fund.....	138	443	20	19	(20)
Harbor High-Yield Bond Fund.....	1,201	1,099	217	—	(165)
Harbor Bond Fund.....	2,527	2,156	304	59	(174)
Harbor Real Return Fund.....	1,115	726	44	—	(160)
Harbor Money Market Fund.....	522	188	2	—	—
Total	\$8,528	\$10,043	\$727	\$443	\$(692)

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—INVESTMENT PORTFOLIO TRANSACTIONS—Continued

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2025 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund	\$ 267	\$ 122	\$ 1	\$ 36	\$ 14
Harbor Mid Cap Growth Fund	163	69	2	32	(20)
Harbor Small Cap Growth Fund	146	58	—	30	(15)
Harbor Large Cap Value Fund	255	131	8	29	33
Harbor Mid Cap Value Fund	183	89	6	8	31
Harbor Small Cap Value Fund	123	73	1	11	(2)
Harbor International Fund	466	183	17	28	(11)
Harbor International Growth Fund	278	146	7	—	(1)
Harbor Global Growth Fund	111	47	—	8	3
Harbor Commodity Real Return Strategy Fund	231	140	10	—	(111)
Harbor Unconstrained Bond Fund	168	815	17	—	(40)
Harbor Convertible Securities Fund	231	86	11	10	(3)
Harbor High-Yield Bond Fund	1,038	333	110	—	(57)
Harbor Bond Fund	1,630	567	120	22	(33)
Harbor Real Return Fund	664	164	14	—	(28)
Total	\$5,954	\$3,023	\$324	\$214	\$(240)

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2030 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund	\$ 432	\$ 472	\$ 1	\$ 92	\$ 134
Harbor Mid Cap Growth Fund	267	227	5	82	(29)
Harbor Small Cap Growth Fund	264	226	—	79	(33)
Harbor Large Cap Value Fund	301	464	19	75	163
Harbor Mid Cap Value Fund	245	315	16	20	148
Harbor Small Cap Value Fund	175	273	3	28	49
Harbor International Fund	668	667	45	74	79
Harbor International Growth Fund	411	589	18	—	60
Harbor Global Growth Fund	175	188	—	21	46
Harbor Commodity Real Return Strategy Fund	431	431	26	—	(398)
Harbor Unconstrained Bond Fund	187	1,324	30	—	(74)
Harbor Convertible Securities Fund	214	164	19	17	(7)
Harbor High-Yield Bond Fund	1,202	734	199	—	(88)
Harbor Bond Fund	1,798	1,135	207	40	(94)
Harbor Real Return Fund	772	261	17	—	(56)
Total	\$7,542	\$7,470	\$605	\$528	\$(100)

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—INVESTMENT PORTFOLIO TRANSACTIONS—Continued

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2035 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund.....	\$ 341	\$ 153	\$ 1	\$ 42	\$ 2
Harbor Mid Cap Growth Fund.....	193	83	2	38	(26)
Harbor Small Cap Growth Fund.....	176	79	—	36	(20)
Harbor Large Cap Value Fund.....	346	183	10	34	20
Harbor Mid Cap Value Fund.....	240	121	7	9	23
Harbor Small Cap Value Fund.....	160	97	1	13	1
Harbor International Fund.....	627	266	21	34	(44)
Harbor International Growth Fund.....	343	180	8	—	(3)
Harbor Global Growth Fund.....	141	61	—	9	(7)
Harbor Commodity Real Return Strategy Fund.....	252	126	10	—	(89)
Harbor Unconstrained Bond Fund.....	140	468	9	—	(20)
Harbor Convertible Securities Fund.....	120	23	2	1	(1)
Harbor High-Yield Bond Fund.....	795	303	74	—	(38)
Harbor Bond Fund.....	1,154	489	74	13	(12)
Harbor Real Return Fund.....	297	70	3	—	(6)
Total	<u>\$5,325</u>	<u>\$2,702</u>	<u>\$222</u>	<u>\$229</u>	<u>\$(220)</u>

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2040 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund.....	\$ 433	\$ 413	\$ 1	\$107	\$ 151
Harbor Mid Cap Growth Fund.....	300	251	6	94	(2)
Harbor Small Cap Growth Fund.....	272	224	—	90	(9)
Harbor Large Cap Value Fund.....	345	449	21	86	162
Harbor Mid Cap Value Fund.....	268	311	18	24	116
Harbor Small Cap Value Fund.....	169	251	4	33	54
Harbor International Fund.....	764	662	52	85	57
Harbor International Growth Fund.....	379	502	21	—	41
Harbor Global Growth Fund.....	160	155	—	23	22
Harbor Commodity Real Return Strategy Fund.....	328	278	18	—	(263)
Harbor Unconstrained Bond Fund.....	129	669	14	—	(34)
Harbor High-Yield Bond Fund.....	832	541	109	—	(78)
Harbor Bond Fund.....	1,298	933	117	22	(75)
Harbor Real Return Fund.....	275	87	4	—	(14)
Total	<u>\$5,952</u>	<u>\$5,726</u>	<u>\$385</u>	<u>\$564</u>	<u>\$ 128</u>

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—INVESTMENT PORTFOLIO TRANSACTIONS—Continued

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2045 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund.....	\$ 282	\$ 111	\$—	\$ 35	\$ 29
Harbor Mid Cap Growth Fund.....	163	58	2	31	(9)
Harbor Small Cap Growth Fund.....	144	47	—	29	(7)
Harbor Large Cap Value Fund.....	281	117	7	28	37
Harbor Mid Cap Value Fund.....	203	83	6	8	30
Harbor Small Cap Value Fund.....	132	62	1	10	6
Harbor International Fund.....	541	210	17	27	(11)
Harbor International Growth Fund.....	327	165	7	—	9
Harbor Global Growth Fund.....	124	50	—	8	5
Harbor Commodity Real Return Strategy Fund.....	150	71	5	—	(55)
Harbor Unconstrained Bond Fund.....	45	143	2	—	(6)
Harbor High-Yield Bond Fund.....	325	117	25	—	(18)
Harbor Bond Fund.....	475	189	23	4	(7)
Harbor Real Return Fund.....	78	12	—	—	—
Total	\$3,270	\$1,435	\$95	\$180	\$ 3

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2050 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund.....	\$ 494	\$ 444	\$ 2	\$130	\$ 154
Harbor Mid Cap Growth Fund.....	313	254	7	116	—
Harbor Small Cap Growth Fund.....	266	202	—	111	(10)
Harbor Large Cap Value Fund.....	367	494	26	106	197
Harbor Mid Cap Value Fund.....	253	298	22	29	126
Harbor Small Cap Value Fund.....	164	257	4	40	53
Harbor International Fund.....	845	711	63	104	63
Harbor International Growth Fund.....	352	522	26	—	40
Harbor Global Growth Fund.....	194	188	—	29	32
Harbor Commodity Real Return Strategy Fund.....	278	241	14	—	(184)
Harbor Unconstrained Bond Fund.....	69	236	4	—	(10)
Harbor High-Yield Bond Fund.....	442	228	42	—	(35)
Harbor Bond Fund.....	596	338	37	7	(12)
Total	\$4,633	\$4,413	\$247	\$672	\$ 414

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—INVESTMENT PORTFOLIO TRANSACTIONS—Continued

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Net Realized Gain/(Loss)	
				Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
HARBOR TARGET RETIREMENT 2055 FUND					
<i>Underlying Funds</i>					
Harbor Capital Appreciation Fund.....	\$ 95	\$ 35	\$—	\$ 6	\$ (2)
Harbor Mid Cap Growth Fund	51	17	—	6	(4)
Harbor Small Cap Growth Fund	46	16	—	5	(4)
Harbor Large Cap Value Fund	103	40	2	5	(1)
Harbor Mid Cap Value Fund	69	26	1	1	(3)
Harbor Small Cap Value Fund	49	21	—	2	(2)
Harbor International Fund.....	162	52	3	5	(8)
Harbor International Growth Fund	104	39	1	—	(2)
Harbor Global Growth Fund	41	14	—	1	(1)
Harbor Commodity Real Return Strategy Fund	28	14	1	—	(4)
Harbor Unconstrained Bond Fund.....	4	9	—	—	—
Harbor High-Yield Bond Fund.....	29	12	2	—	(1)
Harbor Bond Fund	38	17	1	—	(1)
Total	\$819	\$312	\$11	\$31	\$(33)

NOTE 4—FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser

Harbor Capital is an indirect, wholly-owned subsidiary of Robeco Groep N.V. (“Robeco”). Robeco is wholly-owned by ORIX Corporation (“ORIX”). Harbor Capital is the Trust’s investment adviser and is also responsible for administrative and other services. The Funds do not pay any fees for the services of Harbor Capital.

Each Fund has a separate advisory agreement with Harbor Capital. Pursuant to this agreement, Harbor Capital pays all expenses of each Fund, excluding: (i) the amount of acquired funds’ fees and expenses; (ii) compensation of the Independent Trustees; (iii) certain other expenses such as extraordinary items; and (iv) (a) for the Administrative and Investor Classes, distribution and service (12b-1) fees and (b) for the Investor Class, certain transfer agent fees.

Distributor

Harbor Funds Distributors, Inc. (“Harbor Funds Distributors” or the “Distributor”), a wholly-owned subsidiary of Harbor Capital, is the distributor for Harbor Funds’ shares. Under the Trust’s current distribution plans pursuant to Rule 12b-1 under the Investment Company Act with respect to each Fund’s Administrative and Investor Class shares (the “12b-1 Plan”) as applicable, each Fund pays the Distributor compensation at the annual rate of 0.25% of the average daily net assets of its Administrative and Investor Class shares. Pursuant to the 12b-1 Plan the Distributor is compensated for financing any activity that is primarily intended to result in the sale of Administrative and Investor Class shares of each Fund or for recordkeeping services or the servicing of shareholder accounts in the Administrative and Investor Class shares of each Fund. Such activities include, but are not limited to: printing of prospectuses and statements of additional information and reports for prospective shareholders (i.e., other than existing shareholders); preparation and distribution of advertising material and sales literature; expenses of organizing and conducting sales seminars; supplemental payments to dealers or other institutions such as asset-based sales charges, payments of recordkeeping fees under recordkeeping arrangements, or payments of service fees under shareholder service arrangements; and costs of administering the 12b-1 Plan.

Amounts payable by a Fund under the 12b-1 Plan need not be directly related to the expenses actually incurred by the Distributor on behalf of each Fund. The 12b-1 Plan does not obligate each Fund to reimburse the Distributor for the actual expenses the Distributor may incur in fulfilling its obligations under the 12b-1 Plan. Thus, even if the Distributor’s actual expenses exceed the fee payable to the Distributor at any given time, each Fund will not be obligated to pay more than that fee. If the Distributor’s expenses are less than the fee it receives, the Distributor will retain the difference.

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 4—FEES AND OTHER TRANSACTIONS WITH AFFILIATES—Continued

Harbor Funds Distributors voluntarily waived its 12b-1 fees for the Target Retirement Funds during the year ended October 31, 2016. Fees incurred and the related waiver for these services are shown on each Fund's Statement of Operations. The voluntary waiver may be discontinued at any time.

Transfer Agent

Harbor Services Group, Inc. ("Harbor Services Group"), a wholly-owned subsidiary of Harbor Capital, is the transfer and shareholder servicing agent for the Funds. The transfer agency and service agreement is reviewed and approved annually by the Board of Trustees and provides currently for compensation up to the following amounts per class of each Fund:

	<u>Transfer Agent Fees</u>
Institutional Class	0.00% of the average daily net assets of all Institutional shares
Administrative Class	0.00% of the average daily net assets of all Administrative shares
Investor Class	0.12% of the average daily net assets of all Investor shares

Harbor Services Group has voluntarily waived its transfer agent fees during the year ended October 31, 2016. Fees incurred for these transfer agent services are shown on each Fund's Statement of Operations. The voluntary waiver may be discontinued at any time.

Shareholders

On October 31, 2016, Harbor Capital, Harbor Funds Distributors, and Harbor Services Group, collectively held the following shares of beneficial interest in each Fund:

	<u>Number of Shares Owned by Harbor Capital, Harbor Funds Distributors, and Harbor Services Group</u>				<u>Percentage of Outstanding Shares</u>
	<u>Institutional Class</u>	<u>Administrative Class</u>	<u>Investor Class</u>	<u>Total</u>	
Harbor Target Retirement Income Fund	8,872	1,775	1,775	12,422	0.8%
Harbor Target Retirement 2015 Fund	8,306	1,661	1,661	11,628	1.8
Harbor Target Retirement 2020 Fund	23,162	1,944	1,944	27,050	1.0
Harbor Target Retirement 2025 Fund	15,208	1,585	1,585	18,378	1.5
Harbor Target Retirement 2030 Fund	39,720	2,263	2,263	44,246	1.5
Harbor Target Retirement 2035 Fund	29,417	1,562	1,562	32,541	3.6
Harbor Target Retirement 2040 Fund	17,280	2,479	2,479	22,238	1.0
Harbor Target Retirement 2045 Fund	53,383	1,583	1,583	56,549	10.5
Harbor Target Retirement 2050 Fund	22,369	2,365	2,365	27,099	1.3
Harbor Target Retirement 2055 Fund	10,889	1,035	1,035	12,959	10.3

Independent Trustees

The Independent Trustees' received no remuneration from the Target Retirement Funds for the year ended October 31, 2016.

Indemnification

Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business the Trust enters into contracts that provide general indemnities to other parties. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 5—TAX INFORMATION

The amount and character of income and net realized gains to be distributed are determined in accordance with income tax rules and regulations, which may differ from U.S. GAAP. These differences are attributable to permanent book and tax accounting differences that were primarily due to tax treatment of distributions from investments in Underlying Funds. Reclassifications are made to each Fund's capital account to reflect income and net realized gains available for distribution (or available capital loss carryovers) under income tax rules and regulations. The amounts reclassified on the Statements of Assets and Liabilities for the year ended October 31, 2016 are as follows:

	Undistributed Net Investment Income/(Loss) (000s)	Accumulated Net Realized Gain/(Loss) (000s)	Paid-In Capital (000s)
Harbor Target Retirement Income Fund	\$51	\$(51)	\$—
Harbor Target Retirement 2015 Fund	27	(27)	—
Harbor Target Retirement 2020 Fund	88	(88)	—
Harbor Target Retirement 2025 Fund	37	(37)	—
Harbor Target Retirement 2030 Fund	78	(78)	—
Harbor Target Retirement 2035 Fund	31	(31)	—
Harbor Target Retirement 2040 Fund	67	(67)	—
Harbor Target Retirement 2045 Fund	18	(18)	—
Harbor Target Retirement 2050 Fund	61	(61)	—
Harbor Target Retirement 2055 Fund	3	(3)	—

The tax composition of each Fund's distributions is as follows:

	As of October 31, 2016			As of October 31, 2015		
	Ordinary Income (000s)	Long-Term Capital Gains (000s)	Total (000s)	Ordinary Income (000s)	Long-Term Capital Gains (000s)	Total (000s)
Harbor Target Retirement Income Fund	\$450	\$ 467	\$ 917	\$611	\$ 441	\$1,052
Harbor Target Retirement 2015 Fund	262	219	481	380	508	888
Harbor Target Retirement 2020 Fund	865	1,702	2,567	974	1,066	2,040
Harbor Target Retirement 2025 Fund	353	503	856	331	606	937
Harbor Target Retirement 2030 Fund	702	1,479	2,181	689	1,452	2,141
Harbor Target Retirement 2035 Fund	238	405	643	198	545	743
Harbor Target Retirement 2040 Fund	451	1,317	1,768	423	1,263	1,686
Harbor Target Retirement 2045 Fund	106	274	380	87	228	315
Harbor Target Retirement 2050 Fund	306	1,983	2,289	344	1,785	2,129
Harbor Target Retirement 2055 Fund	12	3	15	1	—	1

As of October 31, 2016, the components of each Fund's distributable earnings on a tax basis are as follows:

	Undistributed Ordinary Income (000s)	Undistributed Long-Term Capital Gains (000s)	Unrealized Appreciation/ (Depreciation) (000s)
Harbor Target Retirement Income Fund	\$ 16	\$ 51	\$ (595)
Harbor Target Retirement 2015 Fund	81	—	(430)
Harbor Target Retirement 2020 Fund	302	304	(1,375)
Harbor Target Retirement 2025 Fund	146	180	(615)
Harbor Target Retirement 2030 Fund	253	856	(916)
Harbor Target Retirement 2035 Fund	98	224	(523)
Harbor Target Retirement 2040 Fund	140	932	87
Harbor Target Retirement 2045 Fund	34	273	(173)
Harbor Target Retirement 2050 Fund	62	1,221	212
Harbor Target Retirement 2055 Fund	3	28	(43)

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 5—TAX INFORMATION—Continued

At October 31, 2016, the Fund in the following table had capital loss carryforwards for federal tax purposes which will reduce the Fund's taxable income arising from future net realized gains on investments to the extent permitted by the Internal Revenue Code. Use of the capital loss carryforwards will reduce the amount of the distribution to shareholders which would otherwise be necessary to relieve each Fund of any federal tax liability. The capital loss carryforwards do not expire.

	Capital Loss Carryforward		
	Short-Term (000s)	Long-Term (000s)	Total (000s)
Harbor Target Retirement 2015 Fund	\$—	\$33	\$33

The identified cost for federal income tax purposes of investments owned by each Fund and their respective gross unrealized appreciation and depreciation at October 31, 2016 are as follows:

	Identified Cost (000s)	Gross Unrealized		Net Unrealized Appreciation/ (Depreciation) (000s)
		Appreciation (000s)	(Depreciation) (000s)	
Harbor Target Retirement Income Fund	\$14,433	\$ 98	\$ (694)	\$ (596)
Harbor Target Retirement 2015 Fund*	7,039	53	(483)	(430)
Harbor Target Retirement 2020 Fund	26,831	349	(1,725)	(1,376)
Harbor Target Retirement 2025 Fund	14,945	172	(786)	(614)
Harbor Target Retirement 2030 Fund	25,588	666	(1,581)	(915)
Harbor Target Retirement 2035 Fund	12,060	156	(680)	(524)
Harbor Target Retirement 2040 Fund	19,402	584	(496)	88
Harbor Target Retirement 2045 Fund	7,426	173	(346)	(173)
Harbor Target Retirement 2050 Fund	18,560	800	(588)	212
Harbor Target Retirement 2055 Fund	1,303	16	(59)	(43)

* Capital loss carryforwards are available, which may reduce taxable income from future net realized gain on investments.

NOTE 6—SUBSEQUENT EVENTS

Through the date the financial statements were issued, no subsequent events or transactions had occurred that would have materially impacted the financial statements or related disclosures as presented herein.

Harbor Target Retirement Funds

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of

Harbor Funds

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Harbor Target Retirement Income Fund, Harbor Target Retirement 2015 Fund, Harbor Target Retirement 2020 Fund, Harbor Target Retirement 2025 Fund, Harbor Target Retirement 2030 Fund, Harbor Target Retirement 2035 Fund, Harbor Target Retirement 2040 Fund, Harbor Target Retirement 2045 Fund, Harbor Target Retirement 2050 Fund, and Harbor Target Retirement 2055 Fund (ten of the portfolios constituting the Harbor Funds (the Trust)) as of October 31, 2016, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two periods in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Trust's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2016, by correspondence with the custodian and the shareholder servicing agent. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Harbor Target Retirement Income Fund, Harbor Target Retirement 2015 Fund, Harbor Target Retirement 2020 Fund, Harbor Target Retirement 2025 Fund, Harbor Target Retirement 2030 Fund, Harbor Target Retirement 2035 Fund, Harbor Target Retirement 2040 Fund, Harbor Target Retirement 2045 Fund, Harbor Target Retirement 2050 Fund, and Harbor Target Retirement 2055 Fund of the Harbor Funds at October 31, 2016, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Chicago, Illinois
December 21, 2016

Harbor Target Retirement Funds

FEES AND EXPENSES EXAMPLE (Unaudited)

Example

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including redemption fees (if any) and (2) ongoing costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period May 1, 2016 through October 31, 2016.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses for each share class. You may use the information in the respective class line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line of the respective class under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table for each share class below provides information about hypothetical account values and hypothetical expenses based on the respective Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the respective Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in a Fund to other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Annualized Expense Ratios	Expenses Paid During Period*	Beginning Account Value May 1, 2016	Ending Account Value October 31, 2016
HARBOR TARGET RETIREMENT INCOME FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,027.70
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,028.90
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,028.90
Hypothetical (5% return)		0.00	1,000	1,025.14
HARBOR TARGET RETIREMENT 2015 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,029.60
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,029.60
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,029.60
Hypothetical (5% return)		0.00	1,000	1,025.14

Harbor Target Retirement Funds

FEES AND EXPENSES EXAMPLE—Continued

	Annualized Expense Ratios	Expenses Paid During Period*	Beginning Account Value May 1, 2016	Ending Account Value October 31, 2016
HARBOR TARGET RETIREMENT 2020 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,033.40
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,032.30
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,033.40
Hypothetical (5% return)		0.00	1,000	1,025.14
HARBOR TARGET RETIREMENT 2025 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,034.20
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.20
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.20
Hypothetical (5% return)		0.00	1,000	1,025.14
HARBOR TARGET RETIREMENT 2030 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,033.70
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.90
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.90
Hypothetical (5% return)		0.00	1,000	1,025.14
HARBOR TARGET RETIREMENT 2035 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,035.20
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.40
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.40
Hypothetical (5% return)		0.00	1,000	1,025.14
HARBOR TARGET RETIREMENT 2040 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,034.40
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.40
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.40
Hypothetical (5% return)		0.00	1,000	1,025.14

Harbor Target Retirement Funds

FEES AND EXPENSES EXAMPLE—Continued

	Annualized Expense Ratios	Expenses Paid During Period*	Beginning Account Value May 1, 2016	Ending Account Value October 31, 2016
HARBOR TARGET RETIREMENT 2045 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,034.50
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.50
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.50
Hypothetical (5% return)		0.00	1,000	1,025.14
HARBOR TARGET RETIREMENT 2050 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,034.80
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.70
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.70
Hypothetical (5% return)		0.00	1,000	1,025.14
HARBOR TARGET RETIREMENT 2055 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,034.10
Hypothetical (5% return)		0.00	1,000	1,025.14
Administrative Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.10
Hypothetical (5% return)		0.00	1,000	1,025.14
Investor Class	0.00%			
Actual		\$0.00**	\$1,000	\$1,034.10
Hypothetical (5% return)		0.00	1,000	1,025.14

* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

** Transfer agent fees and 12b-1 fees have been waived for the reporting period.

Harbor Target Retirement Funds

ADDITIONAL INFORMATION (Unaudited)

ADDITIONAL TAX INFORMATION

Pursuant to Section 852 of the Internal Revenue Code, the Funds designate the following capital gain dividends for the year ended October 31, 2016:

	Amount (000s)
Harbor Target Retirement Income Fund	\$ 467
Harbor Target Retirement 2015 Fund	219
Harbor Target Retirement 2020 Fund	1,702
Harbor Target Retirement 2025 Fund	501
Harbor Target Retirement 2030 Fund	1,477
Harbor Target Retirement 2035 Fund	405
Harbor Target Retirement 2040 Fund	1,315
Harbor Target Retirement 2045 Fund	275
Harbor Target Retirement 2050 Fund	1,982
Harbor Target Retirement 2055 Fund	3

PROXY VOTING

Harbor Funds has adopted Proxy Voting Policies and Procedures under which the Funds vote proxies relating to securities held by the Funds. In addition, the Funds file Form N-PX, with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. A description of the Funds' Proxy Voting Policies and Procedures and the Funds' proxy voting record (Form N-PX) is available (i) without charge, upon request, by calling Harbor Funds toll-free at 800-422-1050; (ii) on the Funds' website at *harborfunds.com*; and (iii) on the SEC's website at *sec.gov*.

HOUSEHOLDING

Harbor Funds has adopted a policy that allows it to send only one copy of a Fund's prospectus, proxy material, annual report and semi-annual report to certain shareholders residing at the same household. This reduces Fund expenses, which benefits you and other shareholders. If you need additional copies or do not want your mailings to be "householded," please call the Shareholder Servicing Agent at 800-422-1050. Individual copies will be sent within thirty (30) days after the Shareholder Servicing Agent receives your instructions. Your consent to householding is considered valid until revoked.

QUARTERLY PORTFOLIO DISCLOSURES

Harbor Funds files a complete portfolio of investments with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Q is available (i) without charge, upon request, by calling Harbor Funds toll-free at 800-422-1050, (ii) on the Funds' website at *harborfunds.com*, and (iii) on the SEC's website at *sec.gov*. The form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may also be obtained by calling 800-SEC-0330.

Harbor Target Retirement Funds

ADDITIONAL INFORMATION—Continued

TRUSTEES AND OFFICERS

The business and affairs of the Trust shall be managed by or under the direction of the Trustees, and they shall have all powers necessary or desirable to carry out that responsibility. The Trustees shall have full power and authority to take or refrain from taking any action and to execute any contracts and instruments that they may consider necessary or desirable in the management of the Trust. Any determination made by the Trustees in good faith as to what is in the interests of the Trust shall be conclusive. Information pertaining to the Trustees and Officers of Harbor Funds is set forth below. The address of each Trustee and Officer is: [Name of Trustee or Officer] c/o Harbor Funds, 111 South Wacker Drive, 34th Floor, Chicago, IL 60606-4302.

The Harbor Fund's Statement of Additional Information includes additional information about the Trust's Trustees and is available without charge by calling 800-422-1050 or at the Trust's website at harborfunds.com.

Name (Age) Position(s) with Fund	Term of Office and Length of Time Served ¹	Principal Occupation(s) During Past Five Years	Number of Portfolios In Fund Complex Overseen By Trustee	Other Directorships Of Public Companies and Other Registered Investment Companies Held by Trustee During Past Five Years
INDEPENDENT TRUSTEES				
Scott M. Amero (53) Trustee	Since 2014	Chairman (2015-Present) and Trustee (2011-2015), Rare (conservation non-profit); Trustee, Berkshire School (2014–Present); BlackRock, Inc., (publicly traded investment management firm) Vice Chairman and Global Chief Investment Officer, Fixed Income (2010), Vice Chairman and Global Chief Investment Officer, Fixed Income, and Co-Head, Fixed Income Portfolio Management (2007-2010).	29	None
Raymond J. Ball (71) Trustee	Since 2006	Sidney Davidson Distinguished Service Professor of Accounting, University of Chicago Booth School of Business (2000-Present); Academic Affiliate, Analysis Group (litigation consulting firm) (2000-Present); Financial Reporting Faculty Advisory Group of the Institute of Chartered Accountants in England and Wales (2008-Present); and Advisory Board of the Center for Accounting Research & Education at University of Notre Dame (2006-Present).	29	None
Donna J. Dean (64) Trustee	Since 2010	Chief Investment Officer of the Rockefeller Foundation (a private foundation) (1995-Present).	29	None
Randall A. Hack (69) Trustee	Since 2010	Founder and Senior Managing Director of Capstone Capital LLC (a private investment firm) (2003-Present); Director of Tower Development Corporation (cell tower developer) (2009-2016); and Advisory Director of Berkshire Partners (a private equity firm) (2002-2013).	29	None
Robert Kasdin (58) Trustee	Since 2014	Senior Vice President and Chief Operating Officer, Johns Hopkins Medicine (2015-Present); Senior Executive Vice President, Columbia University (2002-2015); Trustee, National September 11 Memorial & Museum at the World Trade Center (2005-Present); Trustee, The Metropolitan Museum of Art (2014-2015); Trustee, The Dalton School (2004-2014); Trustee, ARTstor Digital Library (a nonprofit digital images resource) (2013-2016); Director, Apollo Commercial Real Estate Finance, Inc. (2014-Present); and Director, Noranda Aluminum Holdings Corp. (2007-2014).	29	Director of Noranda Aluminum Holdings Corporation (2007-2014); Director of Apollo Commercial Real Estate Finance, Inc. (2014-Present).
Ann M. Spruill (62) Trustee	Since 2014	Partner (1993-2008), Member of Executive Committee (1996-2008), Member Board of Directors (2002-2008), Grantham, Mayo, Van Otterloo & Co, LLC (private investment management firm) (with the firm since 1990); Member Investment Committee and Chair of Global Equities, Museum of Fine Arts, Boston (2000-Present); and Trustee, Financial Accounting Foundation (2014-Present).	29	None
INTERESTED TRUSTEE				
David G. Van Hooser (70)* Chairman, Trustee and President	Since 2000	President (2002-Present), Director and Chairman of the Board (2000-Present), Harbor Capital Advisors, Inc.; Chief Executive Officer (2007-Present), Chief Financial Officer (2012-2015), Treasurer (2007-2012) and Director (2000-Present), Harbor Funds Distributors, Inc.; and Director (2000-Present), Harbor Services Group, Inc.	29	None

Harbor Target Retirement Funds

ADDITIONAL INFORMATION—Continued

TRUSTEES AND OFFICERS—Continued

Name (Age) Position(s) with Fund Address	Term of Office and Length of Time Served ¹	Principal Occupation(s) During Past Five Years
FUND OFFICERS NOT LISTED ABOVE**		
Charles F. McCain (47) Chief Compliance Officer	Since 2004	Executive Vice President and General Counsel (2004-Present) and Chief Compliance Officer (2004-2014), Harbor Capital Advisors, Inc.; Director (2007-Present) and Chief Compliance Officer (2004-Present), Harbor Services Group, Inc.; and Director, Executive Vice President and Chief Compliance Officer (2007-Present), Harbor Funds Distributors, Inc.
Anmarie S. Kolinski (45) Treasurer	Since 2007	Executive Vice President and Chief Financial Officer (2007-Present), Harbor Capital Advisors, Inc.; Chief Financial Officer (2007-Present), Harbor Services Group, Inc.; and Chief Financial Officer (2015-Present) and Treasurer (2012-Present), Harbor Funds Distributors, Inc.
Erik D. Ojala (41) Vice President and Secretary; AML Compliance Officer	Since 2007; Since 2010	Senior Vice President and Associate General Counsel (2007-Present) and Secretary (2010-Present), Harbor Capital Advisors, Inc.; and Assistant Secretary (2014-Present), Harbor Services Group, Inc.
Brian L. Collins (48) Vice President	Since 2005	Executive Vice President and Chief Investment Officer (2004-Present), Harbor Capital Advisors, Inc.
Charles P. Ragusa (57) Vice President	Since 2007	Executive Vice President (2007-Present), Harbor Capital Advisors, Inc.; President (2007-Present), Harbor Services Group, Inc.; and Executive Vice President and AML Compliance Officer (2007-Present), Harbor Funds Distributors, Inc.
Jodie L. Crotteau (44) Assistant Secretary	Since 2014	Senior Vice President and Chief Compliance Officer, Harbor Capital Advisors, Inc. (2014-Present); Assistant Secretary (2015-present), Harbor Services Group, Inc.; Assistant Secretary (2016-present), Harbor Funds Distributors, Inc.; Vice President and Chief Compliance Officer, Grosvenor Registered Funds (2011-2014); Vice President, Grosvenor Capital Management, L.P. (2010-2014); Assistant Secretary (2005-2010) and AML Compliance Officer (2007-2010), Harbor Funds; Vice President, Secretary and Compliance Director (2007-2010), Harbor Capital Advisors, Inc.; Assistant Secretary (2005-2010), Harbor Services Group, Inc.; and Assistant Secretary (2007-2010), Harbor Funds Distributors, Inc.
John M. Paral (47) Assistant Treasurer	Since 2013	Vice President (2012-Present) and Financial Reporting Manager (2007-Present), Harbor Capital Advisors, Inc.

¹ Each Trustee serves for an indefinite term, until his successor is elected. Each Officer is elected annually.

* Mr. Van Hooser is deemed an "Interested Trustee" due to his affiliation with the Adviser and Distributor of Harbor Funds.

** Officers of the Funds are "interested persons" as defined in the Investment Company Act.

Harbor's Privacy Statement

The following privacy statement is issued by Harbor Funds and each series of Harbor Funds and its affiliates, Harbor Capital Advisors, Inc., Harbor Services Group, Inc. and Harbor Funds Distributors, Inc. These measures reflect our commitment to maintaining the privacy of your confidential information. We appreciate the confidence you have shown by entrusting us with your assets.

Personal Information It is our policy to respect the privacy of current and former shareholders and to protect personal information entrusted to us. We do not sell your personal information to anyone.

In the course of providing products and services, we collect non-public personal information about you from the following sources: applications, forms, our website (including any information captured through our use of "cookies"), through mobile applications, by telephone and in correspondence and transactions with us, our affiliates or other parties.

The non-public personal information collected may include name, address, e-mail address, telephone/fax numbers, account number, social security or taxpayer identification number, investment activity, and bank account information.

When you visit us through our website or a mobile application, we may collect technical and navigational information, such as computer browser type, Internet protocol address, pages visited and average time spent on our website. We may use this information to alert you to software compatibility issues, or to improve our web design and functionality. We use "cookies" and similar files that may be placed on your hard drive for security purposes, to facilitate site navigation and to personalize the appearance of our site.

Information Sharing We occasionally disclose non-public personal information about our current or former shareholders with affiliated and non-affiliated parties, as permitted or required by law or regulation. In the normal course of servicing our shareholders, information we collect may be shared with non-affiliated companies that perform support services on our behalf or to other firms that assist us in providing you with products and services, such as custodians, transfer agents, broker-dealers and marketing service firms, as well as with other financial institutions. These companies may not use the information for any other purpose and we require them to keep the information they handle confidential. We may also share information with affiliates that are engaged in a variety of financial services in order to better service your account(s).

When information is shared with third parties, they are not permitted to use the information for any purpose other than to assist our servicing of your account(s) or as permitted by law.

If you close your account(s) or if we lose contact with you, we will continue to share information in accordance with our current privacy policy and practices.

Access to Information Access to non-public personal information is limited to employees, agents or other parties who need to know that information to perform their jobs, such as servicing your account(s), resolving problems or informing you of new products or services.

Security We maintain physical, electronic and procedural safeguards that comply with industry standards to protect your non-public personal information.

For shareholders accessing information through our website or a mobile application, various forms of Internet security, such as data encryption firewall barriers, user names and passwords, and other tools are used. For additional information regarding our security measures, visit the terms and conditions of use on our website at *harborfunds.com*. If you have any questions or concerns about how we maintain the privacy of your non-public personal information, please contact us at 800-422-1050 Monday through Friday, between the hours of 8:00 a.m. and 6:00 p.m. Eastern time.

We recommend that you read and retain this notice for your personal files.

Glossary

12b-1 Fee—A mutual fund fee, named for the SEC rule that permits it, used to pay for broker-dealer compensation and other distribution costs. If a fund has a 12b-1 fee, it will be disclosed in the fee table of a fund's prospectus.

ADR—ADR after the name of a foreign holding stands for American Depositary Receipts representing ownership of foreign securities. ADRs are issued by U.S. banking institutions.

Average Market Capitalization—The average market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which the fund invests. Market capitalization is calculated by multiplying the number of a company's shares outstanding by its price per share.

Average Weighted Coupon—A calculation from a fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio.

Beta—A measure of market-related risk. The beta of every index is 1.00, no matter how volatile the index is. A beta less than one means the portfolio is less volatile than the index. A beta higher than one indicates more volatility than the index.

Bloomberg Barclays U.S. Aggregate Bond Index—The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index of investment-grade fixed-rate debt issues with maturities of at least one year. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Bloomberg Barclays U.S. TIPS Index—The Bloomberg Barclays U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least \$250 million par amount outstanding. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Bloomberg Commodity Index Total ReturnSM—The Bloomberg Commodity Index Total ReturnSM is a broadly diversified index that tracks the commodities markets through commodity futures contracts. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index—The BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index is broadly representative of the U.S. convertible securities market, consisting of publicly traded issues, denominated in U.S. dollars, of all credit qualities, and excluding mandatory (equity-linked) convertibles. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

BofA Merrill Lynch U.S. Dollar 3-Month LIBOR Constant Maturity Index—The BofA Merrill Lynch U.S. Dollar 3-Month LIBOR Constant Maturity Index tracks the performance of a synthetic asset paying Libor to a stated maturity. The index is based on the assumed purchase at par of a synthetic instrument having exactly its stated maturity and with a coupon equal to that day's fixing rate. That issue is assumed to be sold the following business day (priced at a yield equal to the current day fixing rate) and rolled into a new instrument. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

BofA Merrill Lynch 3-Month U.S. Treasury Bill Index—The BofA Merrill Lynch 3-Month U.S. Treasury Bill Index is comprised of a single U.S. Treasury Bill issue purchased at the beginning of each month and held for a full month, at which time that issue is sold and rolled into a newly selected issue. The issue selected each month is that having a maturity date closest to, but not beyond 90 days from the rebalance date.

BofA Merrill Lynch U.S. High Yield Index—The BofA Merrill Lynch U.S. High Yield Index is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. All bonds are U.S. dollar denominated and rated Split BBB and below. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

BofA Merrill Lynch U.S. Non-Distressed High Yield Index—The BofA Merrill Lynch U.S. Non-Distressed High Yield Index is a subset of the BofA Merrill Lynch U.S. High Yield Index including all securities with an option-adjusted spread less than 1,000 basis points. The unmanaged index does not reflect fees and expenses and is not available for direct investment.

Bottom-Up Equity Management Style—A management style that de-emphasizes the significance of economic and market cycles, focusing instead on the analysis of individual stocks.

Capital Gains Distribution—Profits distributed to shareholders resulting from the sale of securities held in the fund's portfolio.

Composite Index Income—The Composite Index Income is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country

Glossary—Continued

World (ND) Index, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index, BofA Merrill Lynch 3-Month U.S. Treasury Bill Index. The weights of the Composite Index Income match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2015—The Composite Index 2015 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index, BofA Merrill Lynch 3-Month U.S. Treasury Bill Index. The weights of the Composite Index 2015 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2020—The Composite Index 2020 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index, BofA Merrill Lynch 3-Month U.S. Treasury Bill Index. The weights of the Composite Index 2020 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2025—The Composite Index 2025 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index. The weights of the Composite Index 2025 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2030—The Composite Index 2030 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index. The weights of the Composite Index 2030 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2035—The Composite Index 2035 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch All U.S. Convertibles Ex Mandatory Index, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield

Glossary—Continued

Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index. The weights of the Composite Index 2035 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2040—The Composite Index 2040 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index. The weights of the Composite Index 2040 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2045—The Composite Index 2045 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index. The weights of the Composite Index 2045 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2050—The Composite Index 2050 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index. The weights of the Composite Index 2050 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Composite Index 2055—The Composite Index 2055 is derived by applying the Fund's target asset allocation to the results of the underlying funds' benchmarks: Russell 1000[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] Value Index, MSCI EAFE (ND) Index, MSCI All Country World Ex. U.S. (ND) Index (prior to May 28, 2013, the MSCI EAFE Growth (ND) Index), MSCI All Country World (ND) Index, Bloomberg Commodity Index Total ReturnSM, BofA Merrill Lynch U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the BofA Merrill Lynch U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index. The weights of the Composite Index 2055 match the Fund's historical target asset allocation and are adjusted as changes are made to this asset allocation. Refer to the Target Retirement Funds Prospectus for the Fund's target asset allocation. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Credit Risk—The possibility that a bond issuer may not be able to pay interest and repay its debt.

CUSIP Number—Identification number assigned to every stock, corporate bond and municipal bond by the Committee on Uniform Securities Identification Procedures (CUSIP), which is established by the American Bankers Association.

Diversification—The practice of investing broadly across securities of a number of issuers to reduce risk.

Duration—A common gauge of the price sensitivity of a fixed income asset or portfolio to a change in interest rates.

Emerging Markets—Emerging markets are countries with relatively young stock and bond markets. Examples include Brazil and Thailand. Typically, emerging-markets investments have the potential for losses and gains larger than those of developed-market investments.

Expense Ratio—The Fund's total annual operating expenses (including management fees, distribution (12b-1) fees and other expenses) expressed as a percentage of average net assets.

Glossary—Continued

Family of Funds—A group of mutual funds, each typically with its own investment objective, managed and distributed by the same company.

GDR—GDR after the name of a holding stands for Global Depositary Receipt representing ownership of foreign securities. GDRs are issued by either U.S. or non-U.S. banking organizations.

Inception Date—The date on which the Fund commenced operations.

Investment Objective—The goal that an investor and mutual fund pursue together (e.g., current income, long-term capital growth, etc.).

Median Market Cap—An indicator of the size of companies in which a fund invests; the midpoint of market capitalization (market price x shares outstanding) of a fund's stocks, weighted by the proportion of the fund's assets invested in each stock. Stocks representing half of the fund's assets have market capitalizations above the median, and the rest are below it.

MSCI All Country World Index—The MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

MSCI All Country World Ex. U.S. (ND) Index—The MSCI All Country World Ex. U.S. is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

MSCI EAFE (ND) Index—The MSCI EAFE (ND) Index is an unmanaged index generally representative of major overseas stock markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

MSCI EAFE Small Cap (ND) Index—The MSCI EAFE Small Cap (ND) Index is an equity index which captures small cap representation across developed market countries around the world, excluding the U.S. and Canada. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

MSCI Emerging Markets (ND) Index—The MSCI Emerging Markets (ND) Index is a market capitalization weighted index of equity securities in more than 20 emerging market economies. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

MSCI World (ND) Index—The MSCI World (ND) Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Net Asset Value (NAV)—The per share value of a mutual fund, determined by subtracting the fund's liabilities from its assets and dividing by the number of shares outstanding. Mutual funds calculate their NAVs at least once each business day.

No-Load Fund—A mutual fund whose shares are sold without a sales commission and without a 12b-1 fee of more than 0.25% per year. Harbor funds are no-load.

Open-End Investment Company—The legal name for a mutual fund, indicating that it stands ready to redeem (buy back) its shares from investors on any business day. Harbor Funds is an open-end investment company.

Operating Expenses—Business costs paid from a fund's assets before earnings are distributed to shareholders. These include management fees and 12b-1 fees and other expenses.

Portfolio Manager—A specialist employed by a mutual fund's adviser or subadviser to invest the fund's assets in accordance with predetermined investment objectives.

Portfolio Turnover—A measure of the trading activity in a fund's investment portfolio (how often securities are bought and sold by a fund). Funds with high turnover rates incur higher transaction costs and may be more likely to distribute capital gains (which may be taxable to investors).

Price to Book Ratio (P/B)—A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value. For a fund, the weighted average price/book ratio of the stocks it holds.

Price to Earnings Ratio (P/E)—The ratio of a stock's current price to its per-share earnings over the past year. For a fund, the weighted average P/E of the stocks it holds. P/E is an indicator of market expectations about corporate prospects; the higher the P/E, the greater the market expectations are for a company's future growth.

Glossary—Continued

Prospectus—The official document that describes a mutual fund to prospective investors. The prospectus contains information required by the SEC, such as investment objectives and policies, risks, services and fees.

Record Date—The date on which a shareholder must officially own shares in order to be entitled to a dividend.

Redemption Fee—Fee charged to shareholders by a mutual fund when they sell shares within a specified period after purchase. The time limit and size of fee vary among funds. The fee is paid to the fund, not the fund's investment adviser. Its purpose is to protect long-term investors from the impact of short-term traders.

REITs (Real Estate Investment Trust)—REITs invest in real estate or loans secured by real estate and issue shares in such investments. A REIT is similar to a closed-end mutual fund.

Repurchase Agreement (Repo)—A form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future), it is a repo. For the party on the other end of the transaction (buying the security and agreeing to sell back in the future), it is a reverse repurchase agreement.

Risk/Reward (or Return)—The relationship between the degree of risk associated with an investment and its return potential. Typically, the higher the potential return of an investment, the greater the risk.

Russell 1000[®] Growth Index—The Russell 1000[®] Growth Index is an unmanaged index generally representative of the U.S. market for larger capitalization growth stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 1000[®] Growth Index and Russell[®] are trademarks of Frank Russell Company.

Russell 1000[®] Value Index—The Russell 1000[®] Value Index is an unmanaged index generally representative of the U.S. market for larger capitalization value stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 1000[®] Value Index and Russell[®] are trademarks of Frank Russell Company.

Russell 2000[®] Index—The Russell 2000[®] Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000[®] Index is a subset of the Russell 3000[®] Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000[®] Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 3000[®] Index and Russell[®] are trademarks of Frank Russell Company.

Russell 2000[®] Growth Index—The Russell 2000[®] Growth Index is an unmanaged index representing the smallest 2,000 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 Frank Russell Company.

Russell 2000[®] Value Index—The Russell 2000[®] Value Index is an unmanaged index representing the smallest 2,000 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.

Russell 3000[®] Index—The Russell 3000[®] Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000[®] Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 3000[®] Index and Russell[®] are trademarks of Frank Russell Company.

Russell 3000[®] Growth Index—The Russell 3000[®] Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000[®] companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000[®] Growth Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad growth market. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 3000[®] Growth Index and Russell[®] are trademarks of Frank Russell Company.

Russell 3000[®] Value Index—The Russell 3000[®] Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000[®] companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000[®] Value Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad

Glossary—Continued

value market. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 3000[®] Value Index and Russell[®] are trademarks of Frank Russell Company.

Russell Midcap[®] Growth Index—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 Frank Russell Company.

Russell Midcap[®] Value Index—The Russell Midcap[®] Value Index is an unmanaged index generally representative of the U.S. market for medium capitalization value stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap[®] Value Index and Russell[®] are trademarks of Frank Russell Company.

S&P 500 Index—The S&P 500 Index is an unmanaged index generally representative of the U.S. stock market. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Statement of Additional Information (SAI)—The supplementary document to a prospectus that contains more detailed information about a mutual fund; also known as “Part B” of a fund’s registration statement.

TBAs—A term used to describe a forward mortgage-backed securities trade. Pass-through securities issued by Freddie Mac, Fannie Mae and Ginnie Mae trade in the TBA market. The term TBA is derived from the fact that the actual mortgage-backed security that will be delivered to fulfill a TBA trade is not designated at the time the trade is made. The securities are “to be announced” 48 hours prior to the established trade settlement date.

Treasury Inflation-Protected Securities (TIPS)—TIPS are securities in which the principal amount is adjusted for inflation and interest payments are applied to the inflation-adjusted principal.

Top-Down Equity Management Style—Investment style that begins with an assessment of the overall economic environment and makes a general asset allocation decision regarding various sectors of the financial markets and various industries.

Total Return—Return on an investment over a specified period, including price appreciation (or depreciation) plus any income, expressed as an average annual compound of return.

Weighted Average Duration—Duration is a time measure of a bond’s interest-rate sensitivity, based on the weighted average of the time periods over which a bond’s cash flows accrue to the bondholder. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond’s price. (A bond’s cash flows consist of coupon payments and repayment of capital.) A bond’s duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, for which maturity and duration are equal.

Weighted Average Maturity—The average length of time until principal must be repaid for all bonds in a mutual fund portfolio on a dollar weighted basis.

Yield—A measure of net income (dividends and interest) earned by the securities in the fund’s portfolio less fund expenses during a specified period. A fund’s yield is expressed as a percentage of the maximum offering price per share on a specified date.

Yield to Maturity—The term used to describe the rate of return an investor will receive if a long-term, interest-bearing security, such as a bond, is held to its maturity date. Yield to maturity is greater than the coupon rate if the bond is selling at a discount and less than the coupon rate if it is selling at a premium.



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