



Harbor Funds®

Semi-Annual Report  
April 30, 2017

# Target Retirement Funds

	<b>Institutional Class</b>	<b>Administrative Class</b>	<b>Investor Class</b>
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

## SEMI-ANNUAL REPORT OVERVIEW (Unaudited)

The Funds' first half of the fiscal year ended April 30, 2017. 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](http://harborfunds.com).

HARBOR TARGET RETIREMENT FUNDS	Unannualized Total Return 6 Months Ended April 30, 2017		
	Institutional Class	Administrative Class	Investor Class
Harbor Target Retirement Income Fund .....	3.49%	3.38%	3.50%
Harbor Target Retirement 2015 Fund .....	4.20	4.30	4.20
Harbor Target Retirement 2020 Fund .....	5.51	5.63	5.52
Harbor Target Retirement 2025 Fund .....	6.48	6.39	6.39
Harbor Target Retirement 2030 Fund .....	7.52	7.40	7.40
Harbor Target Retirement 2035 Fund .....	8.57	8.58	8.58
Harbor Target Retirement 2040 Fund .....	9.61	9.61	9.61
Harbor Target Retirement 2045 Fund .....	10.70	10.70	10.70
Harbor Target Retirement 2050 Fund .....	11.71	11.82	11.70
Harbor Target Retirement 2055 Fund .....	12.21	12.21	12.21

### COMMONLY USED MARKET INDICES

	Unannualized Total Return 6 Months Ended April 30, 2017
Bloomberg Barclays U.S. Aggregate Bond (domestic bonds) .....	-0.67%
MSCI EAFE (ND) (foreign stocks) .....	11.47
Russell 3000® (entire U.S. stock market) .....	13.83

### HARBOR TARGET RETIREMENT FUND INDICES

	Unannualized Total Return 6 Months Ended April 30, 2017
Composite Index Income .....	2.86%
Composite Index 2015 .....	3.71
Composite Index 2020 .....	5.19
Composite Index 2025 .....	6.21
Composite Index 2030 .....	7.20
Composite Index 2035 .....	8.22
Composite Index 2040 .....	9.24
Composite Index 2045 .....	10.40
Composite Index 2050 .....	11.56
Composite Index 2055 .....	12.04

# Harbor Target Retirement Funds

## SEMI-ANNUAL REPORT OVERVIEW—Continued

### UNDERLYING HARBOR FUNDS PERFORMANCE (INSTITUTIONAL CLASS SHARES)

	Total Return for the Period Ended April 30, 2017					Current 7-Day SEC Yield		Inception Date	Expense Ratios <sup>*,a</sup>	
	6 Months <sup>b</sup>	One Year	Five Years <sup>a</sup>	Ten Years <sup>a</sup>	Since Inception <sup>a</sup>	Subsidized <sup>b</sup>	Unsubsidized <sup>c</sup>		Net	Gross
<b>EQUITY</b>										
Harbor Capital Appreciation Fund . . .	13.45%	19.97%	13.05%	9.04%	11.35%	N/A	N/A	12/29/1987	0.65% <sup>d</sup>	0.70%
Harbor Mid Cap Growth Fund . . . . .	14.10	19.68	11.11	6.89	3.88	N/A	N/A	11/01/2000	0.87	0.87
Harbor Small Cap Growth Fund . . . . .	17.04	23.67	13.21	8.42	8.45	N/A	N/A	11/01/2000	0.86	0.86
Harbor Large Cap Value Fund . . . . .	15.44	21.79	15.24	7.19	10.07	N/A	N/A	12/29/1987	0.68 <sup>e</sup>	0.73
Harbor Mid Cap Value Fund . . . . .	15.18	20.12	15.30	7.20	8.39	N/A	N/A	03/01/2002	0.86 <sup>d</sup>	0.87
Harbor Small Cap Value Fund . . . . .	18.98	27.19	14.23	7.63	10.70	N/A	N/A	12/14/2001	0.87	0.87
Harbor International Fund . . . . .	10.73	9.53	4.68	2.41	10.72	N/A	N/A	12/29/1987	0.79 <sup>d</sup>	0.80
Harbor Diversified International All Cap Fund . . . . .	11.09	11.77	N/A	N/A	5.68	N/A	N/A	11/02/2015	0.85 <sup>e</sup>	1.23
Harbor International Growth Fund . . .	9.30	13.07	5.44	1.46	3.57	N/A	N/A	11/01/1993	0.85 <sup>e</sup>	0.91
Harbor Global Leaders Fund . . . . .	11.78	12.00	9.91	N/A	16.99	N/A	N/A	03/01/2009	0.90 <sup>e</sup>	1.05
<b>FIXED INCOME</b>										
Harbor High-Yield Bond Fund . . . . .	5.02%	10.41%	5.11%	5.84%	7.18%	N/A	N/A	12/01/2002	0.67% <sup>d,e</sup>	0.71%
Harbor Bond Fund . . . . .	0.37	2.90	2.83	5.31	7.12	N/A	N/A	12/29/1987	0.53 <sup>e</sup>	0.61
Harbor Real Return Fund . . . . .	0.47	2.85	0.46	4.13	4.00	N/A	N/A	12/01/2005	0.72 <sup>e</sup>	0.88
<b>SHORT-TERM</b>										
Harbor Money Market Fund . . . . .	0.26%	0.44%	0.17%	0.71%	3.25%	0.73%	0.39%	12/29/1987	0.28% <sup>d,e</sup>	0.37%

\* 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, 2018

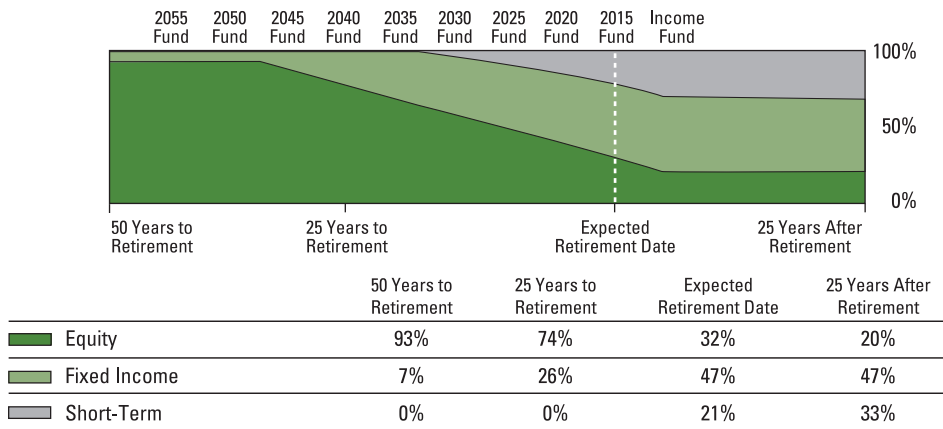
e Reflects an expense limitation agreement (excluding interest expense, if any) effective through February 28, 2018

# Harbor Target Retirement Funds

## SEMI-ANNUAL REPORT OVERVIEW—Continued

### TARGET ASSET ALLOCATION (GLIDE PATH)

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 glide path above. The glide path shows the shifting of the asset allocations 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 APRIL 30, 2017

	2055 Fund	2050 Fund	2045 Fund	2040 Fund	2035 Fund	2030 Fund	2025 Fund	2020 Fund	2015 Fund	Income Fund
<b>EQUITY</b>										
Harbor Capital Appreciation Fund	12%	11%	10%	8%	7%	6%	5%	4%	3%	3%
Harbor Mid Cap Growth Fund	6	6	5	5	4	3	3	2	2	1
Harbor Small Cap Growth Fund	5	5	5	4	4	3	3	2	2	1
Harbor Large Cap Value Fund	14	13	11	10	9	7	6	5	4	3
Harbor Mid Cap Value Fund	9	9	7	7	6	5	4	3	2	2
Harbor Small Cap Value Fund	7	6	6	5	4	4	3	3	2	1
Harbor International Fund	12	11	10	9	7	6	5	5	3	3
Harbor Diversified International All Cap Fund	11	11	10	9	7	6	5	4	3	2
Harbor International Growth Fund	12	11	10	9	8	6	5	5	3	3
Harbor Global Leaders Fund	5	5	4	3	3	3	2	2	1	1
<b>Total Equity</b>	<b>93</b>	<b>88</b>	<b>78</b>	<b>69</b>	<b>59</b>	<b>49</b>	<b>41</b>	<b>35</b>	<b>25</b>	<b>20</b>
<b>FIXED INCOME</b>										
Harbor High-Yield Bond Fund	3%	5%	9%	12%	16%	19%	20%	17%	14%	13%
Harbor Bond Fund	4	7	12	17	21	25	29	32	37	39
Harbor Real Return Fund	0	0	1	2	4	7	10	12	15	18
<b>Total Fixed Income</b>	<b>7</b>	<b>12</b>	<b>22</b>	<b>31</b>	<b>41</b>	<b>51</b>	<b>59</b>	<b>61</b>	<b>66</b>	<b>70</b>
<b>SHORT-TERM</b>										
Harbor Money Market Fund	0%	0%	0%	0%	0%	0%	0%	4%	9%	10%
<b>Total Short-Term</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>9</b>	<b>10</b>
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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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 and fixed income funds. In the fiscal first half of 2017, most equity funds had double digit gains while most fixed income funds had single digit or modest returns leading to double digit or single digit returns depending on the target date of the Harbor Target Retirement Funds.

The U.S. elections brought the hope of increased infrastructure spending, possibly lower tax rates and reduced regulation, sparking investor optimism world-wide. The Russell 3000® Index, a measure of the broad U.S. stock market, had a return of 13.83% for the fiscal six months.

Strong European equity returns led international equities while Japanese equity returns lagged. Emerging markets had a strong single digit return as improved economic growth, increasing earnings expectations and strengthening currencies contributed to the solid fiscal first half results. The MSCI All Country World Ex U.S. (ND) Index, a measure of the equity markets outside the U.S., had a

return of 10.37%.

In December 2016, encouraging economic data led the U.S. Federal Reserve (Fed) to raise the federal funds rate, the first increase since December 2015 and the second increase since the financial crisis of 2008. The Fed raised the rate again in March 2017 amid continuing favorable economic news.

Domestic long-term fixed income markets generally delivered slightly negative returns in the fiscal first half of 2017. The Bloomberg Barclays U.S. Aggregate Bond Index (an index of U.S. investment grade bonds) declined by -0.67%.

In contrast to the investment grade market, the high-yield market performed well over the first six months of fiscal 2017. The BofA Merrill Lynch U.S. Non-Distressed High Yield Index had a return of 4.86%.

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 APRIL 30, 2017				
	Unannualized		Annualized		
	6 Months	1 Year	5 Years	10 Years	30 Years
<b>Domestic Equities</b>					
Russell 3000® (entire U.S. stock market) . . . . .	13.83%	18.58%	13.57%	7.23%	9.76%
S&P 500 (large cap stocks) . . . . .	13.32	17.92	13.68	7.15	9.74
Russell Midcap® (mid cap stocks) . . . . .	12.94	16.70	13.34	7.62	11.17
Russell 2000® (small cap stocks) . . . . .	18.37	25.63	12.95	7.05	9.06
Russell 3000® Growth (growth stocks) . . . . .	15.47	19.83	13.79	8.80	9.15
Russell 3000® Value (value stocks) . . . . .	12.18	17.33	13.29	5.56	10.01
<b>International &amp; Global</b>					
MSCI EAFE (ND) (foreign stocks) . . . . .	11.47%	11.29%	6.78%	0.87%	4.81%
MSCI EAFE Small Cap (ND) (foreign small cap stocks) . . . . .	12.57	13.14	10.22	3.09	N/A
MSCI World (ND) (global stocks) . . . . .	12.12	14.65	9.94	3.92	6.67
MSCI All Country World Ex. U.S. (ND) (foreign stocks) . . . . .	10.37	12.59	5.14	1.12	N/A
MSCI Emerging Markets (ND) (emerging markets stocks) . . . . .	8.88	19.13	1.49	2.47	N/A
<b>Strategic Markets</b>					
Bloomberg Commodity Index Total Return <sup>SM</sup> (commodities) . . . . .	-0.76%	-1.32%	-9.74%	-6.47%	N/A
<b>Fixed Income</b>					
BofA Merrill Lynch U.S. Non-Distressed High Yield (domestic high-yield bonds) . . . . .	4.86%	11.27%	6.86%	6.32%	N/A
Bloomberg Barclays U.S. Aggregate Bond (domestic bonds) . . . . .	-0.67	0.83	2.27	4.30	6.43%
Bloomberg Barclays U.S. TIPS (domestic inflation-linked bonds) . . . . .	-0.19	1.73	0.69	4.22	N/A
BofA Merrill Lynch 3-Month U.S. Treasury Bill (proxy for money market returns) . . . . .	0.23	0.40	0.15	0.65	3.45

## INVEST FOR THE LONG-TERM

As this letter was being finalized in mid-June 2017, the Fed once again raised the federal funds rate, a measure of short-term rates, to a range of 1% to 1.25%. It was the third rate increase in fiscal 2017. The Fed also indicated that, assuming the economy continues to perform as expected, they would begin later in 2017 reducing very slowly their large inventory of bonds purchased during the financial crisis.

The actions of the Fed indicate the economy continues to improve and the Fed believes it is appropriate for interest rates to return to more normal (higher) levels. While the actions of the Fed should help short-term and long-term interest rates return to more normal levels, no one is able to predict when such rate increases will occur, especially for longer-term rates.



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So how should investors respond to the actions of the Fed? We believe long-term investors probably need to make few, if any, changes. Interest rates move in the opposite direction of bond prices. Higher interest rates mean lower prices for existing bonds. Over time, the higher interest rates should make up for any decline in the price of existing bonds.

No one can predict stock prices or bond prices with certainty. We encourage all investors to have a diversified portfolio of stocks, bonds and cash in an allocation consistent with their long-term financial objectives and comfort with risk. We also encourage investors to rebalance periodically to keep the allocation consistent with their long-term financial goals. Harbor Funds offers a variety of equity and fixed income funds to help you achieve your financial objectives.

Thank you for investing with Harbor Funds.

June 15, 2017



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

The Fund seeks current  
income and some  
capital appreciation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement Income Fund recorded a return of 3.49% (Institutional Class), 3.38% (Administrative Class) and 3.50% (Investor Class) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance, during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 2.86% gain of the Composite Index Income, the Fund's additional benchmark.

The performance of the Fund's fixed income fund holdings was positive across the lineup for the six-month period in both absolute and benchmark-relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. Harbor Real Return Fund, which mainly focuses on TIPS and other inflation-linked securities, rose 0.47% and outperformed

# Harbor Target Retirement Income Fund

## MANAGERS' COMMENTARY—Continued

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its benchmark, the Bloomberg Barclays U.S. TIPS Index, by 66 basis points. Contributors for the Harbor Real Return Fund included positive security selection among TIPS and Treasury bonds, along with modest allocations to non-agency mortgage backed securities and U.S. dollar denominated emerging market debt.

Turning to domestic equity fund performance, each of the U.S. stock funds held by the Fund gained more than 10% during the period, though relative results among funds in this group were mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points. Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by its underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

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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.

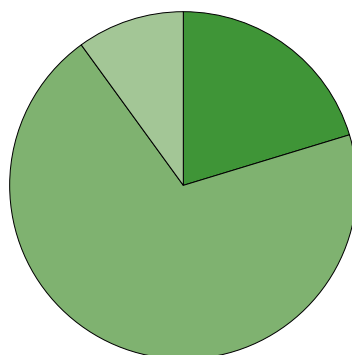
# Harbor Target Retirement Income Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2600
Cusip	411511371
Ticker	HARAX
Inception Date	01/02/2009
Net Expense Ratio	0.55% <sup>a</sup>
Total Net Assets (000s)	\$13,575

## ASSET ALLOCATION (% of investments)



Equity	20.3%
Fixed Income	69.7%
Short-Term Investments	10.0%

## ADMINISTRATIVE CLASS

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

### Equity

Harbor Large Cap Value Fund	3.0%
Harbor Capital Appreciation Fund	2.6%
Harbor Diversified International All Cap Fund	2.6%
Harbor International Fund	2.6%
Harbor International Growth Fund	2.6%
Harbor Mid Cap Value Fund	1.9%
Harbor Small Cap Value Fund	1.4%
Harbor Mid Cap Growth Fund	1.3%
Harbor Small Cap Growth Fund	1.2%
Harbor Global Leaders Fund	1.1%

### Fixed Income

Harbor Bond Fund	39.1%
Harbor Real Return Fund	17.5%
Harbor High-Yield Bond Fund	13.1%

### Short-Term Investments

Harbor Money Market Fund	10.0%
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## INVESTOR CLASS

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

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

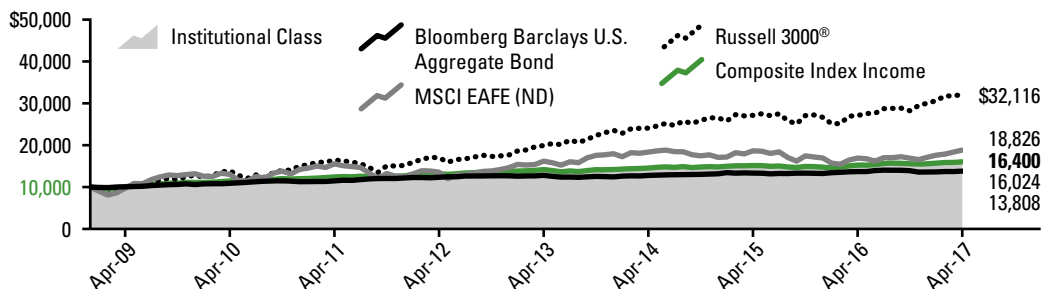
# Harbor Target Retirement Income Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement Income Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	3.49%	6.36%	4.00%	6.12%	01/02/2009	\$16,400
Administrative Class .....	3.38	6.37	3.98	6.11	01/02/2009	16,383
Investor Class .....	3.50	6.49	4.00	6.12	01/02/2009	16,401
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index Income .....	2.86	5.37	3.99	5.82	—	16,024

As stated in the Fund's current prospectus, the expense ratios were 0.61% (Institutional Class), 0.86% (Administrative Class) and 0.98% (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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—20.3%

Shares		Value
5,486	Harbor Capital Appreciation Fund . . . . .	\$ 354
18,518	Harbor Mid Cap Growth Fund . . . . .	181
11,579	Harbor Small Cap Growth Fund . . . . .	161
30,200	Harbor Large Cap Value Fund . . . . .	414
11,778	Harbor Mid Cap Value Fund . . . . .	266
6,093	Harbor Small Cap Value Fund . . . . .	197
5,340	Harbor International Fund . . . . .	350
32,523	Harbor Diversified International All Cap Fund . . . . .	348
25,110	Harbor International Growth Fund . . . . .	349
6,582	Harbor Global Leaders Fund . . . . .	149

### TOTAL EQUITY FUNDS

(Cost \$2,444) . . . . . 2,769

### FIXED INCOME FUNDS—69.7%

174,664 Harbor High-Yield Bond Fund . . . . . 1,780

### FIXED INCOME FUNDS—Continued

Shares		Value
459,465	Harbor Bond Fund . . . . .	\$ 5,315
251,745	Harbor Real Return Fund . . . . .	2,389

### TOTAL FIXED INCOME FUNDS

(Cost \$9,820) . . . . . 9,484

### SHORT-TERM INVESTMENTS—10.0%

(Cost \$1,354)  
1,354,466 Harbor Money Market Fund . . . . . 1,354

### TOTAL INVESTMENTS—100.0%

(Cost \$13,618) . . . . . 13,607

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

**TOTAL NET ASSETS—100.0%** . . . . . \$13,607

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement Income Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2015 Fund recorded a return of 4.20% (Institutional and Investor Classes) and 4.30% (Administrative Class) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 3.71% gain of the Composite Index 2015, the Fund's additional benchmark.

The performance of the Fund's fixed income fund holdings was positive across the lineup for the six-month period in both absolute and benchmark-relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. Harbor Real Return Fund, which mainly focuses on TIPS and other inflation-linked securities, rose 0.47% and outperformed



# Harbor Target Retirement 2015 Fund

## MANAGERS' COMMENTARY—Continued

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its benchmark, the Bloomberg Barclay's U.S. TIPS Index, by 66 basis points. Contributors for the Harbor Real Return Fund included positive security selection among TIPS and Treasury bonds, along with modest allocations to non-agency mortgage backed securities and U.S. dollar denominated emerging market debt.

Turning to domestic equity fund performance, each of the U.S. stock funds held by the Fund gained more than 10% during the period, though relative results among funds in this group were mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points. Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by its underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

The Fund's small position in the Harbor Commodity Real Return Strategy Fund was liquidated during the period and reallocated among the Fund's equity fund holdings.

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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—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2602
Cusip	411511314
Ticker	HARGX
Inception Date	01/02/2009
Net Expense Ratio	0.57% <sup>a</sup>
Total Net Assets (000s)	\$6,354

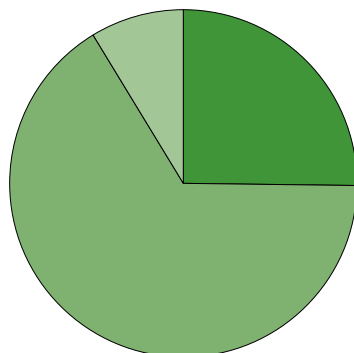
## ADMINISTRATIVE CLASS

Fund #	2702
Cusip	411511298
Ticker	HARHX
Inception Date	01/02/2009
Net Expense Ratio	0.57% <sup>a</sup>
Total Net Assets (000s)	\$18

## INVESTOR CLASS

Fund #	2802
Cusip	411511280
Ticker	HARIX
Inception Date	01/02/2009
Net Expense Ratio	0.57% <sup>a</sup>
Total Net Assets (000s)	\$18

## ASSET ALLOCATION (% of investments)



Equity	25.2%
Fixed Income	66.1%
Short-Term Investments	8.7%

### Equity

Harbor Large Cap Value Fund	3.7%
Harbor Capital Appreciation Fund	3.2%
Harbor Diversified International All Cap Fund	3.2%
Harbor International Fund	3.2%
Harbor International Growth Fund	3.2%
Harbor Mid Cap Value Fund	2.4%
Harbor Small Cap Value Fund	1.8%
Harbor Mid Cap Growth Fund	1.7%
Harbor Small Cap Growth Fund	1.5%
Harbor Global Leaders Fund	1.3%

### Fixed Income

Harbor Bond Fund	36.8%
Harbor Real Return Fund	15.5%
Harbor High-Yield Bond Fund	13.8%

### Short-Term Investments

Harbor Money Market Fund	8.7%
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<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

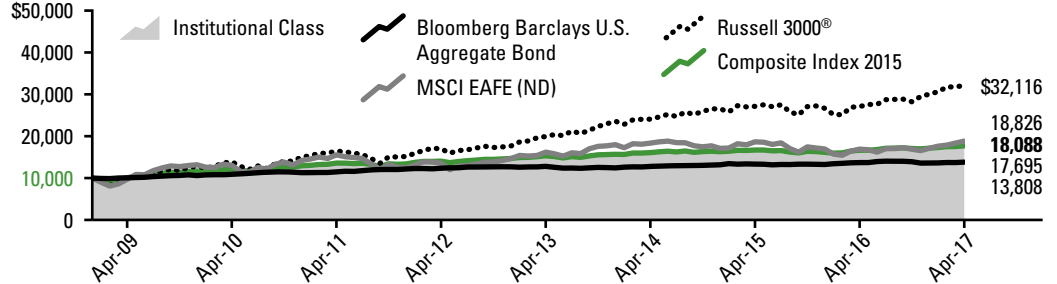
# Harbor Target Retirement 2015 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2015 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	4.20%	7.28%	4.67%	7.38%	01/02/2009	\$18,088
Administrative Class .....	4.30	7.39	4.67	7.38	01/02/2009	18,091
Investor Class .....	4.20	7.28	4.67	7.38	01/02/2009	18,089
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2015 .....	3.71	6.39	4.73	7.09	—	17,695

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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—25.2%

Shares		Value
3,165	Harbor Capital Appreciation Fund . . . . .	\$ 204
10,958	Harbor Mid Cap Growth Fund . . . . .	107
6,897	Harbor Small Cap Growth Fund . . . . .	96
17,380	Harbor Large Cap Value Fund . . . . .	238
6,862	Harbor Mid Cap Value Fund . . . . .	155
3,594	Harbor Small Cap Value Fund . . . . .	116
3,117	Harbor International Fund . . . . .	204
18,987	Harbor Diversified International All Cap Fund . . . . .	203
14,658	Harbor International Growth Fund . . . . .	204
3,717	Harbor Global Leaders Fund . . . . .	84

<b>TOTAL EQUITY FUNDS</b>		
(Cost \$1,415) . . . . .		<u>1,611</u>

### FIXED INCOME FUNDS—66.1%

86,218	Harbor High-Yield Bond Fund . . . . .	879
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### FIXED INCOME FUNDS—Continued

Shares		Value
203,318	Harbor Bond Fund . . . . .	\$2,352
104,170	Harbor Real Return Fund . . . . .	989

<b>TOTAL FIXED INCOME FUNDS</b>		
(Cost \$4,285) . . . . .		<u>4,220</u>

### SHORT-TERM INVESTMENTS—8.7%

(Cost \$559)		
558,866	Harbor Money Market Fund . . . . .	<u>559</u>

<b>TOTAL INVESTMENTS—100.0%</b>		
(Cost \$6,259) . . . . .		<u>6,390</u>

<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
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<b>TOTAL NET ASSETS—100.0%</b>		<u>\$6,390</u>
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### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2015 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2020 Fund recorded a return of 5.51% (Institutional Class), 5.63% (Administrative Class) and 5.52% (Investor Class) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 5.19% gain of the Composite Index 2020, the Fund's additional benchmark.

The performance of the Fund's fixed income fund holdings was positive across the lineup for the six-month period in both absolute and benchmark-relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over

# Harbor Target Retirement 2020 Fund

## MANAGERS' COMMENTARY—Continued

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the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

Turning to domestic equity fund performance, each of the U.S. stock funds held by the Fund gained more than 10% during the period, though relative results among funds in this group were mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points. Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

The Fund's small positions in the Harbor Commodity Real Return Strategy Fund and the Harbor Convertible Securities Fund were liquidated during the period and reallocated among the Fund's equity fund and fixed income fund holdings, respectively.

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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—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2603
Cusip	411511272
Ticker	HARJX
Inception Date	01/02/2009
Net Expense Ratio	0.63% <sup>a</sup>
Total Net Assets (000s)	\$26,210

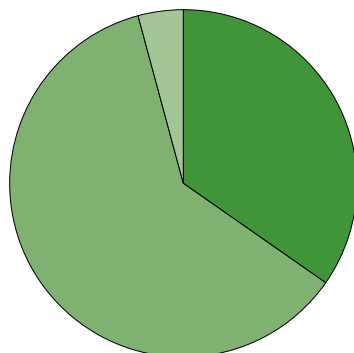
## ADMINISTRATIVE CLASS

Fund #	2703
Cusip	411511264
Ticker	HARKX
Inception Date	01/02/2009
Net Expense Ratio	0.63% <sup>a</sup>
Total Net Assets (000s)	\$19

## INVESTOR CLASS

Fund #	2803
Cusip	411511256
Ticker	HARLX
Inception Date	01/02/2009
Net Expense Ratio	0.63% <sup>a</sup>
Total Net Assets (000s)	\$19

## ASSET ALLOCATION (% of investments)



Equity	34.7%
Fixed Income	61.1%
Short-Term Investments	4.2%

### Equity

Harbor Large Cap Value Fund	5.1%
Harbor Capital Appreciation Fund	4.4%
Harbor Diversified International All Cap Fund	4.4%
Harbor International Fund	4.4%
Harbor International Growth Fund	4.4%
Harbor Mid Cap Value Fund	3.3%
Harbor Small Cap Value Fund	2.5%
Harbor Mid Cap Growth Fund	2.4%
Harbor Small Cap Growth Fund	2.1%
Harbor Global Leaders Fund	1.7%

### Fixed Income

Harbor Bond Fund	32.5%
Harbor High-Yield Bond Fund	17.0%
Harbor Real Return Fund	11.6%

### Short-Term Investments

Harbor Money Market Fund	4.2%
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<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

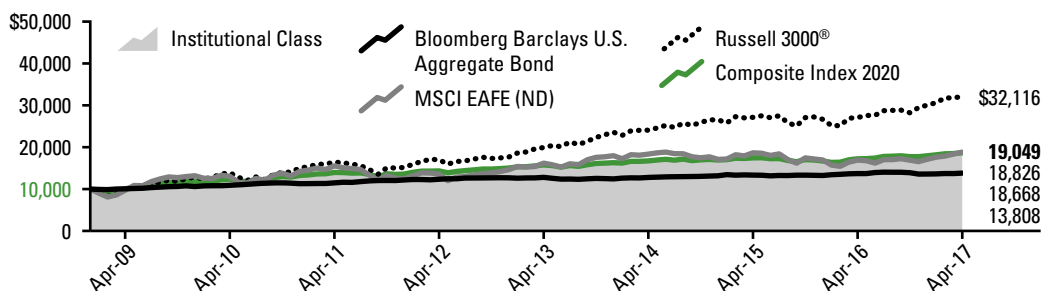
# Harbor Target Retirement 2020 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2020 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	5.51%	9.03%	5.28%	8.05%	01/02/2009	\$19,049
Administrative Class .....	5.63	9.04	5.29	8.05	01/02/2009	19,057
Investor Class .....	5.52	9.04	5.28	8.05	01/02/2009	19,053
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2020 .....	5.19	8.39	5.42	7.78	—	18,668

As stated in the Fund's current prospectus, the expense ratios were 0.66% (Institutional Class), 0.91% (Administrative Class) and 1.03% (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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—34.7%

Shares		Value
17,763	Harbor Capital Appreciation Fund . . . . .	\$ 1,145
63,185	Harbor Mid Cap Growth Fund . . . . .	618
40,068	Harbor Small Cap Growth Fund . . . . .	557
97,151	Harbor Large Cap Value Fund . . . . .	1,330
38,942	Harbor Mid Cap Value Fund . . . . .	878
20,629	Harbor Small Cap Value Fund . . . . .	667
17,639	Harbor International Fund . . . . .	1,155
107,611	Harbor Diversified International All Cap Fund . . . . .	1,153
83,067	Harbor International Growth Fund . . . . .	1,155
20,207	Harbor Global Leaders Fund . . . . .	458
<b>TOTAL EQUITY FUNDS</b>		
	(Cost \$8,093) . . . . .	<u>9,116</u>

### FIXED INCOME FUNDS—61.1%

436,856	Harbor High-Yield Bond Fund . . . . .	4,451
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### FIXED INCOME FUNDS—Continued

Shares		Value
737,160	Harbor Bond Fund . . . . .	\$ 8,528
322,090	Harbor Real Return Fund . . . . .	3,057
<b>TOTAL FIXED INCOME FUNDS</b>		
	(Cost \$16,344) . . . . .	<u>16,036</u>

### SHORT-TERM INVESTMENTS—4.2%

	(Cost \$1,095)	
1,094,617	Harbor Money Market Fund . . . . .	<u>1,095</u>

### TOTAL INVESTMENTS—100.0%

	(Cost \$25,532) . . . . .	<u>26,247</u>
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**CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%** . . . . . 1

**TOTAL NET ASSETS—100.0%** . . . . . \$26,248

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2020 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2025 Fund recorded a return of 6.48% (Institutional Class) and 6.39% (Administrative and Investor Classes) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 6.21% gain of the Composite Index 2025, the Fund's additional benchmark.

The performance of the Fund's fixed income fund holdings was positive across the lineup for the six-month period in both absolute and benchmark-relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over

# Harbor Target Retirement 2025 Fund

## MANAGERS' COMMENTARY—Continued

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the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

Turning to domestic equity fund performance, each of the U.S. stock funds held by the Fund gained more than 10% during the period, though relative results among funds in this group were mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points. Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9% a piece. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

The Fund's small positions in the Harbor Commodity Real Return Strategy Fund and the Harbor Convertible Securities Fund were liquidated during the period and reallocated among the Fund's equity fund and fixed income fund holdings, respectively.

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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 2025 Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2604
Cusip	411511249
Ticker	HARMX
Inception Date	01/02/2009
Net Expense Ratio	0.68% <sup>a</sup>
Total Net Assets (000s)	\$17,642

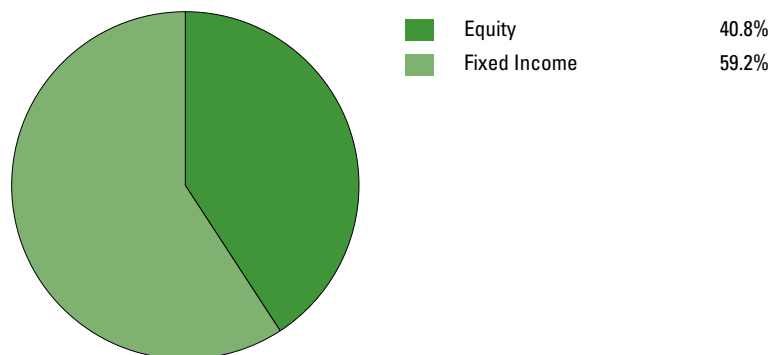
## ADMINISTRATIVE CLASS

Fund #	2704
Cusip	411511231
Ticker	HARNX
Inception Date	01/02/2009
Net Expense Ratio	0.68% <sup>a</sup>
Total Net Assets (000s)	\$20

## INVESTOR CLASS

Fund #	2804
Cusip	411511223
Ticker	HAROX
Inception Date	01/02/2009
Net Expense Ratio	0.68% <sup>a</sup>
Total Net Assets (000s)	\$20

## ASSET ALLOCATION (% of investments)



### Equity

Harbor Large Cap Value Fund	5.9%
Harbor Diversified International All Cap Fund	5.2%
Harbor International Fund	5.2%
Harbor International Growth Fund	5.2%
Harbor Capital Appreciation Fund	5.1%
Harbor Mid Cap Value Fund	3.9%
Harbor Small Cap Value Fund	3.0%
Harbor Mid Cap Growth Fund	2.8%
Harbor Small Cap Growth Fund	2.5%
Harbor Global Leaders Fund	2.0%

### Fixed Income

Harbor Bond Fund	29.4%
Harbor High-Yield Bond Fund	20.3%
Harbor Real Return Fund	9.5%

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

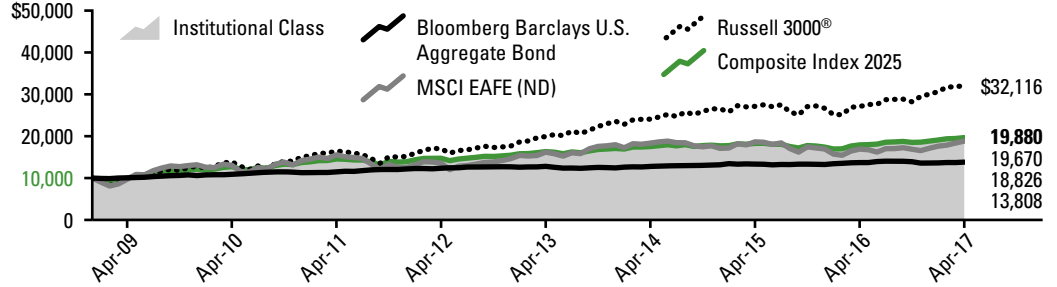
# Harbor Target Retirement 2025 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2025 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	6.48%	10.12%	5.74%	8.60%	01/02/2009	\$19,880
Administrative Class .....	6.39	10.04	5.73	8.59	01/02/2009	19,867
Investor Class .....	6.39	10.04	5.73	8.59	01/02/2009	19,867
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2025 .....	6.21	9.72	5.95	8.46	—	19,670

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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—40.8%

Shares		Value
14,015	Harbor Capital Appreciation Fund . . . . .	\$ 904
50,309	Harbor Mid Cap Growth Fund . . . . .	492
31,946	Harbor Small Cap Growth Fund . . . . .	444
76,749	Harbor Large Cap Value Fund . . . . .	1,051
30,838	Harbor Mid Cap Value Fund . . . . .	695
16,401	Harbor Small Cap Value Fund . . . . .	530
14,034	Harbor International Fund . . . . .	919
85,338	Harbor Diversified International All Cap Fund . . . . .	914
65,767	Harbor International Growth Fund . . . . .	914
15,650	Harbor Global Leaders Fund . . . . .	355
<b>TOTAL EQUITY FUNDS</b>		
	(Cost \$6,530) . . . . .	<u>7,218</u>

### FIXED INCOME FUNDS—59.2%

Shares		Value
351,081	Harbor High-Yield Bond Fund . . . . .	\$ 3,578
449,449	Harbor Bond Fund . . . . .	5,200
177,681	Harbor Real Return Fund . . . . .	1,686
<b>TOTAL FIXED INCOME FUNDS</b>		
	(Cost \$10,544) . . . . .	<u>10,464</u>
<b>TOTAL INVESTMENTS—100.0%</b>		
	(Cost \$17,074) . . . . .	<u>17,682</u>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
<b>TOTAL NET ASSETS—100.0%</b>		<u>\$17,682</u>

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2025 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2030 Fund recorded a return of 7.52% (Institutional Class) and 7.40% (Administrative and Investor Classes) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 7.20% gain of the Composite Index 2030, the Fund's additional benchmark.

The performance of the Fund's fixed income fund holdings was positive across the lineup for the six-month period in both absolute and benchmark-relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over



# Harbor Target Retirement 2030 Fund

## MANAGERS' COMMENTARY—Continued

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the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

Turning to domestic equity fund performance, each of the U.S. stock funds held by the Fund gained more than 10% during the period, though relative results among funds in this group were mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points. Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. This fund holding was added to better diversify the international equity allocation across styles, countries, and market cap ranges. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

The Fund's small positions in the Harbor Commodity Real Return Strategy Fund and the Harbor Convertible Securities Fund were liquidated during the period and reallocated among the Fund's equity fund and fixed income fund holdings, respectively.

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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.

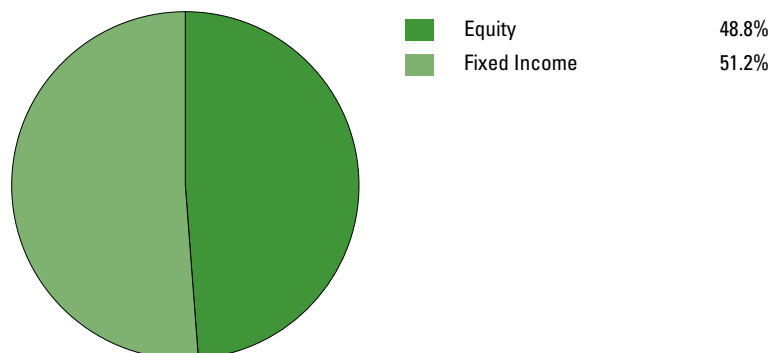
# Harbor Target Retirement 2030 Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2605
Cusip	411512700
Ticker	HARPX
Inception Date	01/02/2009
Net Expense Ratio	0.70% <sup>a</sup>
Total Net Assets (000s)	\$27,566

## ASSET ALLOCATION (% of investments)



## ADMINISTRATIVE CLASS

Fund #	2705
Cusip	411512882
Ticker	HARQX
Inception Date	01/02/2009
Net Expense Ratio	0.70% <sup>a</sup>
Total Net Assets (000s)	\$21

### Equity

Harbor Large Cap Value Fund	7.1%
Harbor Diversified International All Cap Fund	6.2%
Harbor International Fund	6.2%
Harbor International Growth Fund	6.2%
Harbor Capital Appreciation Fund	6.1%
Harbor Mid Cap Value Fund	4.7%
Harbor Small Cap Value Fund	3.6%
Harbor Mid Cap Growth Fund	3.3%
Harbor Small Cap Growth Fund	3.0%
Harbor Global Leaders Fund	2.4%

### Fixed Income

Harbor Bond Fund	25.5%
Harbor High-Yield Bond Fund	19.0%
Harbor Real Return Fund	6.7%

## INVESTOR CLASS

Fund #	2805
Cusip	411512809
Ticker	HARTX
Inception Date	01/02/2009
Net Expense Ratio	0.70% <sup>a</sup>
Total Net Assets (000s)	\$21

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.



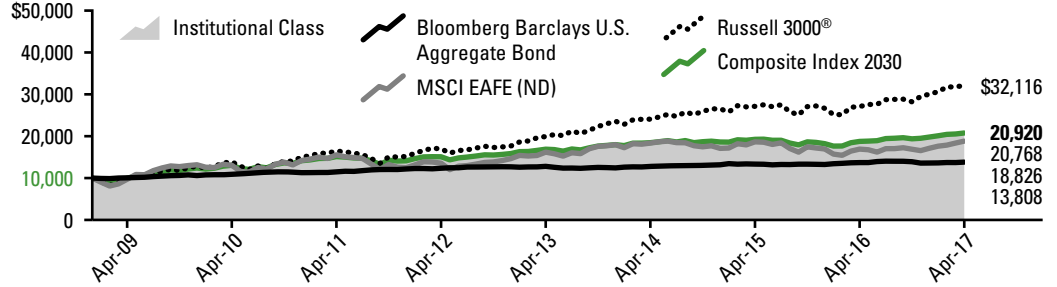
# Harbor Target Retirement 2030 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2030 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	7.52%	11.14%	6.37%	9.27%	01/02/2009	\$20,920
Administrative Class .....	7.40	11.15	6.36	9.26	01/02/2009	20,905
Investor Class .....	7.40	11.15	6.36	9.26	01/02/2009	20,905
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2030 .....	7.20	10.72	6.60	9.17	—	20,768

As stated in the Fund's current prospectus, the expense ratios were 0.70% (Institutional Class), 0.95% (Administrative Class) and 1.07% (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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—48.8%

Shares		Value
26,110	Harbor Capital Appreciation Fund . . . . .	\$ 1,684
94,488	Harbor Mid Cap Growth Fund . . . . .	924
60,114	Harbor Small Cap Growth Fund . . . . .	836
142,819	Harbor Large Cap Value Fund . . . . .	1,955
57,650	Harbor Mid Cap Value Fund . . . . .	1,300
30,808	Harbor Small Cap Value Fund . . . . .	996
26,116	Harbor International Fund . . . . .	1,710
159,131	Harbor Diversified International All Cap Fund . . . . .	1,704
122,821	Harbor International Growth Fund . . . . .	1,707
29,129	Harbor Global Leaders Fund . . . . .	661
<b>TOTAL EQUITY FUNDS</b>		
(Cost \$11,936) . . . . .		<u>13,477</u>

### FIXED INCOME FUNDS—51.2%

Shares		Value
515,262	Harbor High-Yield Bond Fund . . . . .	\$ 5,250
608,042	Harbor Bond Fund . . . . .	7,035
194,505	Harbor Real Return Fund . . . . .	1,846
<b>TOTAL FIXED INCOME FUNDS</b>		
(Cost \$14,404) . . . . .		<u>14,131</u>
<b>TOTAL INVESTMENTS—100.0%</b>		
(Cost \$26,340) . . . . .		<u>27,608</u>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
<b>TOTAL NET ASSETS—100.0%</b>		<u>\$27,608</u>

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2030 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2035 Fund recorded a return of 8.57% (Institutional Class) and 8.58% (Administrative and Investor Classes) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 8.22% gain of the Composite Index 2035, the Fund's additional benchmark.

Domestic equity fund performance for each of the U.S. stock funds held by the Fund gained more than 10% during the period, though benchmark-relative performance for these funds was mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

# Harbor Target Retirement 2035 Fund

## MANAGERS' COMMENTARY—Continued

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The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points over the period in which it was held in the Fund due to of stock selection in emerging markets. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

Turning to fixed income performance, each of the Fund's fixed income holdings showed positive returns across the lineup for the six-month period in both absolute and relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points. Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

The Fund's small positions in the Harbor Commodity Real Return Strategy Fund and the Harbor Convertible Securities Fund were liquidated during the period and reallocated among the Fund's equity fund and fixed income fund holdings, respectively.

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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.

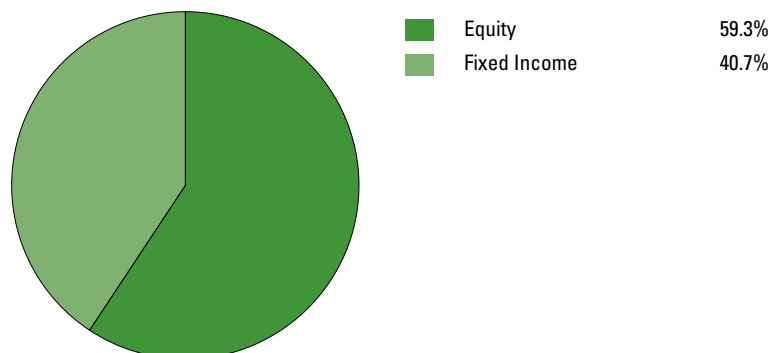
# Harbor Target Retirement 2035 Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2606
Cusip	411512106
Ticker	HARUX
Inception Date	01/02/2009
Net Expense Ratio	0.72% <sup>a</sup>
Total Net Assets (000s)	\$12,854

## ASSET ALLOCATION (% of investments)



## ADMINISTRATIVE CLASS

Fund #	2706
Cusip	411512304
Ticker	HARVX
Inception Date	01/02/2009
Net Expense Ratio	0.72% <sup>a</sup>
Total Net Assets (000s)	\$22

### Equity

Harbor Large Cap Value Fund	8.6%
Harbor Diversified International All Cap Fund	7.5%
Harbor International Fund	7.5%
Harbor International Growth Fund	7.5%
Harbor Capital Appreciation Fund	7.4%
Harbor Mid Cap Value Fund	5.7%
Harbor Small Cap Value Fund	4.4%
Harbor Mid Cap Growth Fund	4.1%
Harbor Small Cap Growth Fund	3.7%
Harbor Global Leaders Fund	2.9%

### Fixed Income

Harbor Bond Fund	21.2%
Harbor High-Yield Bond Fund	15.7%
Harbor Real Return Fund	3.8%

## INVESTOR CLASS

Fund #	2806
Cusip	411512205
Ticker	HARWX
Inception Date	01/02/2009
Net Expense Ratio	0.72% <sup>a</sup>
Total Net Assets (000s)	\$22

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

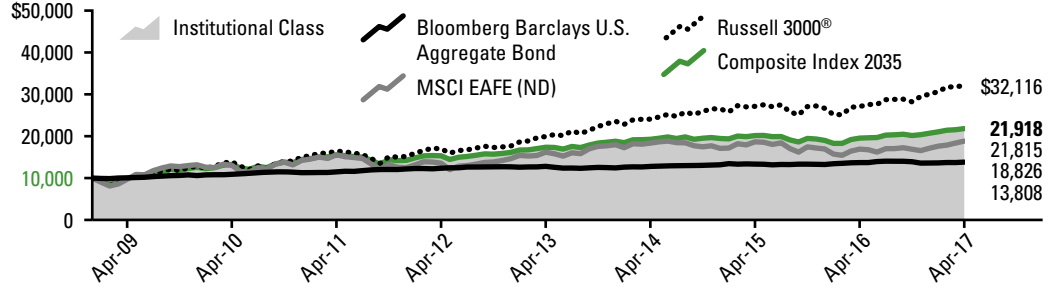
# Harbor Target Retirement 2035 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2035 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	8.57%	12.40%	7.15%	9.88%	01/02/2009	\$21,918
Administrative Class .....	8.58	12.32	7.14	9.88	01/02/2009	21,909
Investor Class .....	8.58	12.32	7.14	9.88	01/02/2009	21,909
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2035 .....	8.22	11.63	7.33	9.82	—	21,815

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 (or a supplement thereto, if applicable).

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](http://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 2035 Fund<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—59.3%

Shares		Value
14,870	Harbor Capital Appreciation Fund . . . . .	\$ 959
53,442	Harbor Mid Cap Growth Fund . . . . .	523
34,009	Harbor Small Cap Growth Fund . . . . .	473
81,041	Harbor Large Cap Value Fund . . . . .	1,109
32,741	Harbor Mid Cap Value Fund . . . . .	738
17,419	Harbor Small Cap Value Fund . . . . .	563
14,814	Harbor International Fund . . . . .	970
90,418	Harbor Diversified International All Cap Fund . . . . .	968
69,772	Harbor International Growth Fund . . . . .	970
16,667	Harbor Global Leaders Fund . . . . .	378
<b>TOTAL EQUITY FUNDS</b>		
	(Cost \$6,897) . . . . .	<u>7,651</u>

### FIXED INCOME FUNDS—40.7%

Shares		Value
198,780	Harbor High-Yield Bond Fund . . . . .	\$ 2,026
235,809	Harbor Bond Fund . . . . .	2,728
51,914	Harbor Real Return Fund . . . . .	493
<b>TOTAL FIXED INCOME FUNDS</b>		
	(Cost \$5,280) . . . . .	<u>5,247</u>
<b>TOTAL INVESTMENTS—100.0%</b>		
	(Cost \$12,177) . . . . .	<u>12,898</u>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
<b>TOTAL NET ASSETS—100.0%</b>		<u>\$12,898</u>

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2035 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2040 Fund recorded a return of 9.61% (Institutional, Administrative and Investor Classes) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 9.24% gain of the Composite Index 2040, the Fund's additional benchmark.

Domestic equity fund performance for each of the U.S. stock funds held by the Fund gained more than 10% during the period, though benchmark-relative performance for these funds was mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.



# Harbor Target Retirement 2040 Fund

## MANAGERS' COMMENTARY—Continued

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The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

Turning to fixed income performance, each of the Fund's fixed income holdings showed positive returns across the lineup for the six-month period in both absolute and relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points. Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

The Fund's small position in the Harbor Commodity Real Return Strategy Fund was liquidated during the period and reallocated among the Fund's equity fund holdings.

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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.

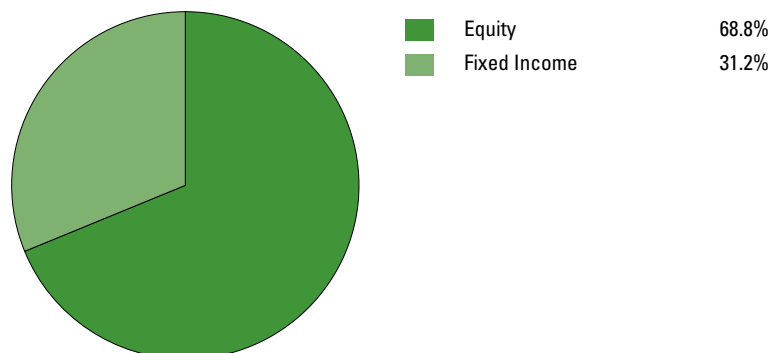
# Harbor Target Retirement 2040 Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2607
Cusip	411512403
Ticker	HARYX
Inception Date	01/02/2009
Net Expense Ratio	0.74% <sup>a</sup>
Total Net Assets (000s)	\$22,324

## ASSET ALLOCATION (% of investments)



## ADMINISTRATIVE CLASS

Fund #	2707
Cusip	411512601
Ticker	HARZX
Inception Date	01/02/2009
Net Expense Ratio	0.74% <sup>a</sup>
Total Net Assets (000s)	\$23

### Equity

Harbor Large Cap Value Fund	10.0%
Harbor Diversified International All Cap Fund	8.7%
Harbor International Fund	8.7%
Harbor International Growth Fund	8.7%
Harbor Capital Appreciation Fund	8.6%
Harbor Mid Cap Value Fund	6.7%
Harbor Small Cap Value Fund	5.0%
Harbor Mid Cap Growth Fund	4.7%
Harbor Small Cap Growth Fund	4.2%
Harbor Global Leaders Fund	3.5%

### Fixed Income

Harbor Bond Fund	16.9%
Harbor High-Yield Bond Fund	12.0%
Harbor Real Return Fund	2.3%

## INVESTOR CLASS

Fund #	2807
Cusip	411512502
Ticker	HABBX
Inception Date	01/02/2009
Net Expense Ratio	0.74% <sup>a</sup>
Total Net Assets (000s)	\$23

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

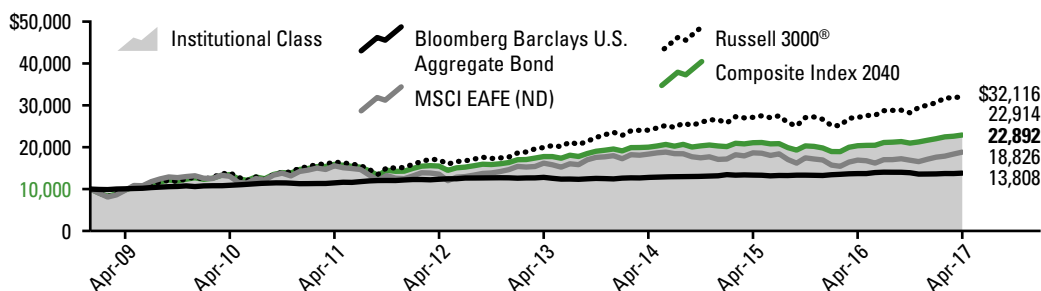
# Harbor Target Retirement 2040 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2040 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	9.61%	13.38%	7.98%	10.46%	01/02/2009	\$22,892
Administrative Class .....	9.61	13.37	7.98	10.47	01/02/2009	22,909
Investor Class .....	9.61	13.37	7.98	10.47	01/02/2009	22,909
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2040 .....	9.24	12.58	8.15	10.47	—	22,914

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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—68.8%

Shares		Value
29,988	Harbor Capital Appreciation Fund . . . . .	\$ 1,934
106,709	Harbor Mid Cap Growth Fund . . . . .	1,044
67,531	Harbor Small Cap Growth Fund . . . . .	939
164,398	Harbor Large Cap Value Fund . . . . .	2,250
66,093	Harbor Mid Cap Value Fund . . . . .	1,490
34,850	Harbor Small Cap Value Fund . . . . .	1,127
29,802	Harbor International Fund . . . . .	1,951
181,479	Harbor Diversified International All Cap Fund . . . . .	1,944
140,005	Harbor International Growth Fund . . . . .	1,946
34,140	Harbor Global Leaders Fund . . . . .	774
<b>TOTAL EQUITY FUNDS</b>		
(Cost \$13,414) . . . . .		<u>15,399</u>

### FIXED INCOME FUNDS—31.2%

Shares		Value
262,779	Harbor High-Yield Bond Fund . . . . .	\$ 2,678
326,967	Harbor Bond Fund . . . . .	3,783
53,748	Harbor Real Return Fund . . . . .	510
<b>TOTAL FIXED INCOME FUNDS</b>		
(Cost \$7,057) . . . . .		<u>6,971</u>
<b>TOTAL INVESTMENTS—100.0%</b>		
(Cost \$20,471) . . . . .		<u>22,370</u>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
<b>TOTAL NET ASSETS—100.0%</b>		<u>\$22,370</u>

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2040 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2045 Fund recorded a return of 10.70% (Institutional, Administrative and Investor Classes) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 10.40% gain of the Composite Index 2045, the Fund's additional benchmark.

Domestic equity fund performance for each of the U.S. stock funds held by the Fund gained more than 10% during the period, though benchmark-relative performance for these funds was mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

# Harbor Target Retirement 2045 Fund

## MANAGERS' COMMENTARY—Continued

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The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

Turning to fixed income performance, each of the Fund's fixed income holdings showed positive returns across the lineup for the six-month period in both absolute and relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points. Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

The Fund's small position in the Harbor Commodity Real Return Strategy Fund was liquidated during the period and reallocated among the Fund's equity fund holdings.

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# Harbor Target Retirement 2045 Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2608
Cusip	411511181
Ticker	HACCX
Inception Date	01/02/2009
Net Expense Ratio	0.76% <sup>a</sup>
Total Net Assets (000s)	\$8,953

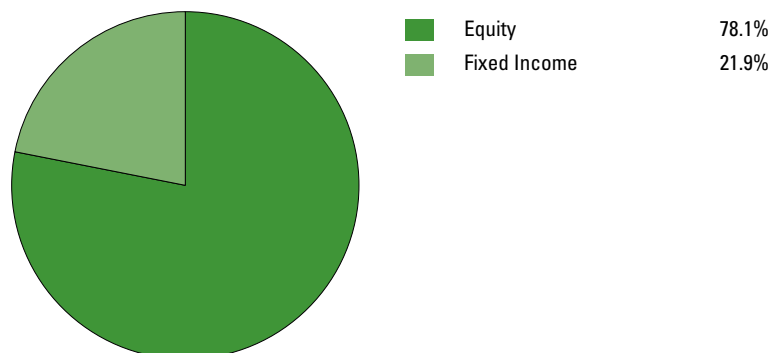
## ADMINISTRATIVE CLASS

Fund #	2708
Cusip	411511173
Ticker	HADDX
Inception Date	01/02/2009
Net Expense Ratio	0.76% <sup>a</sup>
Total Net Assets (000s)	\$24

## INVESTOR CLASS

Fund #	2808
Cusip	411511165
Ticker	HAEEX
Inception Date	01/02/2009
Net Expense Ratio	0.76% <sup>a</sup>
Total Net Assets (000s)	\$23

## ASSET ALLOCATION (% of investments)



### Equity

Harbor Large Cap Value Fund	11.5%
Harbor International Fund	9.9%
Harbor Capital Appreciation Fund	9.8%
Harbor Diversified International All Cap Fund	9.8%
Harbor International Growth Fund	9.8%
Harbor Mid Cap Value Fund	7.6%
Harbor Small Cap Value Fund	5.7%
Harbor Mid Cap Growth Fund	5.3%
Harbor Small Cap Growth Fund	4.7%
Harbor Global Leaders Fund	4.0%

### Fixed Income

Harbor Bond Fund	11.8%
Harbor High-Yield Bond Fund	8.7%
Harbor Real Return Fund	1.4%

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.



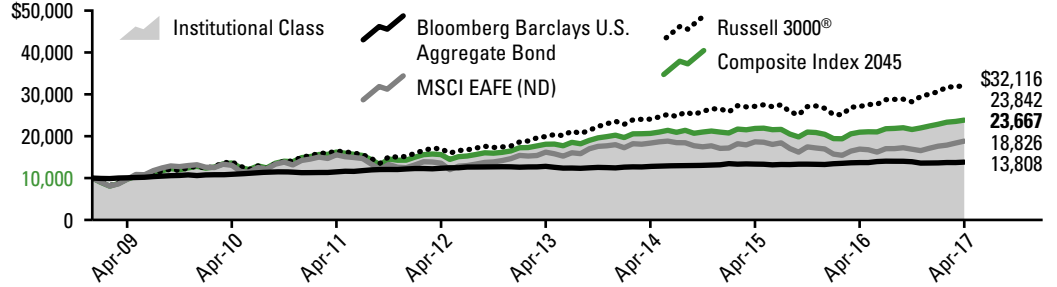
# Harbor Target Retirement 2045 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2045 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	10.70%	14.51%	8.67%	10.90%	01/02/2009	\$23,667
Administrative Class .....	10.70	14.51	8.67	10.90	01/02/2009	23,668
Investor Class .....	10.70	14.51	8.67	10.90	01/02/2009	23,668
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2045 .....	10.40	13.77	8.85	11.00	—	23,842

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 (or a supplement thereto, if applicable).

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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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—78.1%

Shares		Value
13,746	Harbor Capital Appreciation Fund . . . . .	\$ 886
48,396	Harbor Mid Cap Growth Fund . . . . .	473
30,575	Harbor Small Cap Growth Fund . . . . .	425
75,572	Harbor Large Cap Value Fund . . . . .	1,034
30,272	Harbor Mid Cap Value Fund . . . . .	683
15,838	Harbor Small Cap Value Fund . . . . .	512
13,566	Harbor International Fund . . . . .	888
82,596	Harbor Diversified International All Cap Fund . . . . .	885
63,642	Harbor International Growth Fund . . . . .	885
15,816	Harbor Global Leaders Fund . . . . .	359
<b>TOTAL EQUITY FUNDS</b>		
	(Cost \$6,351) . . . . .	<u>7,030</u>

### FIXED INCOME FUNDS—21.9%

Shares		Value
77,017	Harbor High-Yield Bond Fund . . . . .	\$ 785
91,685	Harbor Bond Fund . . . . .	1,061
13,136	Harbor Real Return Fund . . . . .	124
<b>TOTAL FIXED INCOME FUNDS</b>		
	(Cost \$1,970) . . . . .	<u>1,970</u>
<b>TOTAL INVESTMENTS—100.0%</b>		
	(Cost \$8,321) . . . . .	<u>9,000</u>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
<b>TOTAL NET ASSETS—100.0%</b>		<u>\$9,000</u>

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2045 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2050 Fund recorded a return of 11.71% (Institutional Class), 11.82% (Administrative Class) and 11.70% (Investor Class) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 11.56% gain of the Composite Index 2050, the Fund's additional benchmark.

Domestic equity fund performance for each of the U.S. stock funds held by the Fund gained more than 10% during the period, though benchmark-relative performance for these funds was mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.

# Harbor Target Retirement 2050 Fund

## MANAGERS' COMMENTARY—Continued

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The international and global stock funds held by the Fund were also strong absolute performers, each returning more than 9%. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

Turning to fixed income performance, each of the Fund's fixed income holdings showed positive returns across the lineup for the six-month period in both absolute and relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points. Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

The Fund's small position in the Harbor Commodity Real Return Strategy Fund was liquidated during the period and reallocated among the Fund's equity fund holdings.

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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.

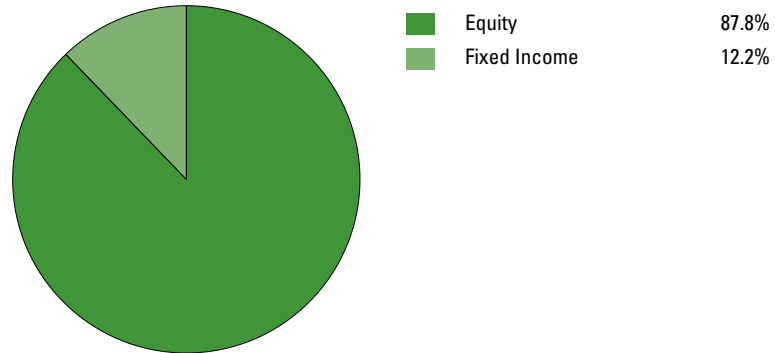
# Harbor Target Retirement 2050 Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2609
Cusip	411511157
Ticker	HAFFX
Inception Date	01/02/2009
Net Expense Ratio	0.79% <sup>a</sup>
Total Net Assets (000s)	\$20,526

## ASSET ALLOCATION (% of investments)



## ADMINISTRATIVE CLASS

Fund #	2709
Cusip	411511140
Ticker	HAGGX
Inception Date	01/02/2009
Net Expense Ratio	0.79% <sup>a</sup>
Total Net Assets (000s)	\$25

### Equity

Harbor Large Cap Value Fund	13.0%
Harbor Capital Appreciation Fund	11.1%
Harbor Diversified International All Cap Fund	11.1%
Harbor International Fund	11.1%
Harbor International Growth Fund	11.1%
Harbor Mid Cap Value Fund	8.4%
Harbor Small Cap Value Fund	6.3%
Harbor Mid Cap Growth Fund	5.9%
Harbor Small Cap Growth Fund	5.3%
Harbor Global Leaders Fund	4.5%

### Fixed Income

Harbor Bond Fund	6.7%
Harbor High-Yield Bond Fund	5.5%

## INVESTOR CLASS

Fund #	2809
Cusip	411511132
Ticker	HAHHX
Inception Date	01/02/2009
Net Expense Ratio	0.79% <sup>a</sup>
Total Net Assets (000s)	\$24

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

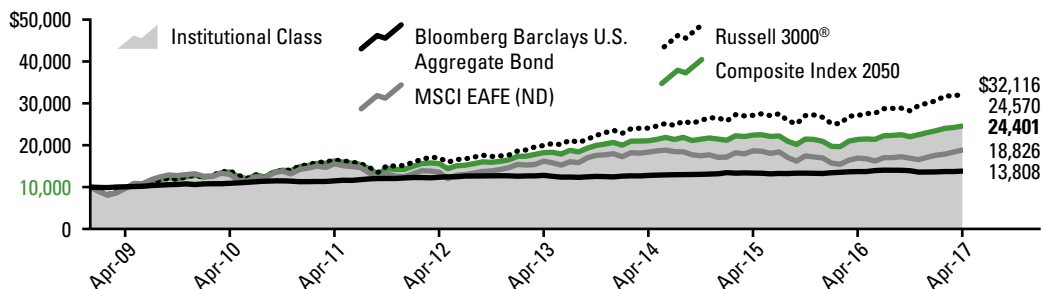
# Harbor Target Retirement 2050 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 01/02/2009 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2050 Fund

	Unannualized		Annualized		Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	11.71%	15.59%	9.34%	11.31%	01/02/2009	\$24,401
Administrative Class .....	11.82	15.70	9.37	11.33	01/02/2009	24,434
Investor Class .....	11.70	15.58	9.35	11.31	01/02/2009	24,408
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	2.27%	3.95%	—	\$13,808
MSCI EAFE (ND) .....	11.47	11.29	6.78	7.89	—	18,826
Russell 3000® .....	13.83	18.58	13.57	15.04	—	32,116
Composite Index 2050 .....	11.56	14.94	9.50	11.40	—	24,570

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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—87.8%

Shares		Value
35,430	Harbor Capital Appreciation Fund . . . . .	\$ 2,285
123,267	Harbor Mid Cap Growth Fund . . . . .	1,206
77,728	Harbor Small Cap Growth Fund . . . . .	1,081
194,596	Harbor Large Cap Value Fund . . . . .	2,664
77,046	Harbor Mid Cap Value Fund . . . . .	1,737
40,400	Harbor Small Cap Value Fund . . . . .	1,306
34,931	Harbor International Fund . . . . .	2,287
212,909	Harbor Diversified International All Cap Fund . . . . .	2,280
164,118	Harbor International Growth Fund . . . . .	2,281
41,142	Harbor Global Leaders Fund . . . . .	933
<b>TOTAL EQUITY FUNDS</b>		
(Cost \$15,881) . . . . .		<u>18,060</u>

### FIXED INCOME FUNDS—12.2%

Shares		Value
111,505	Harbor High-Yield Bond Fund . . . . .	\$ 1,136
119,176	Harbor Bond Fund . . . . .	1,379
<b>TOTAL FIXED INCOME FUNDS</b>		
(Cost \$2,508) . . . . .		<u>2,515</u>
<b>TOTAL INVESTMENTS—100.0%</b>		
(Cost \$18,389) . . . . .		<u>20,575</u>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
<b>TOTAL NET ASSETS—100.0%</b>		<u>\$20,575</u>

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

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<sup>a</sup> 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

The Fund seeks capital  
appreciation and  
current income  
consistent with the  
Fund's current asset  
allocation.

### MARKET REVIEW

In general, a sense of enthusiasm powered equities markets forward during the first six months of fiscal year 2017, with U.S. and non-U.S. equities markets finishing the fiscal half year considerably higher. Meanwhile, fixed-income and broad commodity markets posted slight declines during the period.

The Russell 3000<sup>®</sup> Index, a benchmark measuring U.S. stock performance, returned 13.83% from November 1, 2016 through April 30, 2017. Small cap stocks delivered far better returns than either mid cap or large cap equities, and growth stocks outperformed value stocks across these market cap ranges. The S&P 500 Index, a proxy for the U.S. large-cap universe, returned 13.32% for the period. Each of the S&P 500 Index's 11 economic sectors posted a gain during the period. Financials stocks led the way, rising by 20%, while Information Technology, Consumer Discretionary, Industrials, Materials, and Health Care stocks climbed by more than 10% each. The Energy sector's return was flat, while the Telecommunications Services, Real Estate, Consumer Staples, and Utilities sectors delivered mid-single-digit returns.

Non-US equity markets were similarly strong, with the MSCI EAFE (ND) Index, which measures developed foreign market stock returns, gaining 11.47%. As in the U.S., small cap and growth stocks outperformed large cap and value stocks. The Financials sector (+18%) was also the highest performing sector overseas while Telecommunications Services (+1%) gained the smallest amount. The MSCI Emerging Markets (ND) Index, a barometer of equity market performance in developing markets, climbed by 8.88% for the period.

On the fixed income front, the Bloomberg Barclays U.S. Aggregate Bond Index fell by -0.67% during the six-month stretch. The U.S. Treasury bond component of the index fared the worst (-1%) as U.S. Treasury yields climbed as investors reset their inflation expectations higher following the U.S. Presidential election in November 2016. Below-investment grade bonds continued to deliver comfortable gains, with the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, representing higher-quality below-investment grade bonds, concluding the period 4.86% higher.

Commodities continued to be a volatile area during this period, gaining ground in the first three months of the fiscal half year before giving up their gains by fiscal half year end. The Bloomberg Commodity Index Total Return<sup>SM</sup> declined by -0.76%.

### PERFORMANCE

Harbor Target Retirement 2055 Fund recorded a return of 12.21% (Institutional, Administrative and Investor Classes) for the six-month period ended April 30, 2017. Below are the results for the Fund's primary benchmarks, which are measures of broad market performance. The Bloomberg Barclays U.S. Aggregate Bond Index, which tracks U.S. investment grade bonds, declined by -0.67%; the MSCI EAFE (ND) Index, measuring non-U.S. developed market equity performance, gained 11.47%; and the Russell 3000<sup>®</sup> Index, an index of U.S. stocks, increased by 13.83%. Consistent with these results, the Fund's equity fund holdings delivered the highest absolute performance during the period while its bond fund holdings notched smaller gains. Meanwhile, the Fund's largest holdings outpaced their benchmarks, leading the Fund to outperform the 12.04% gain of the Composite Index 2055, the Fund's additional benchmark.

Domestic equity fund performance for each of the U.S. stock funds held by the Fund gained more than 10% during the period, though benchmark-relative performance for these funds was mixed. Harbor Large Cap Value Fund, the Fund's largest U.S. equity fund holding, gained 15.44% to outperform the Russell 1000<sup>®</sup> Value Index by 375 basis points (all underlying fund returns cited are for the respective underlying fund's Institutional Class shares). Strong stock selection particularly in the Financials, Information Technology, Consumer Discretionary and Industrial sectors drove the Harbor Large Cap Value Fund's results. Harbor Capital Appreciation Fund, the Fund's second largest U.S. equity holding, returned 13.45%, but trailed its benchmark by 178 basis points. Harbor Capital Appreciation Fund's relative performance was hurt primarily by stock selection decisions in the Information Technology and Health Care sectors.



# Harbor Target Retirement 2055 Fund

## MANAGERS' COMMENTARY—Continued

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The international and global stock funds held by the Fund were also strong absolute performers, returning more than 9% a piece. As with the U.S. stock funds, relative-to-benchmark results within this group varied. Harbor International Fund and Harbor International Growth Fund lagged their benchmarks by 74 and 107 basis points, respectively. Harbor International Fund was hurt primarily by the underweight to Financials, which was the best performing sector in the index. Harbor International Growth Fund trailed because of stock selection in Japanese stocks. A relative bright spot in this area was a new position in Harbor Diversified International All Cap Fund, which topped its benchmark by 17 basis points due to stock selection in emerging markets over the period in which it was held in the Fund. The Harbor Diversified International All Cap Fund was added during the fiscal period to the Fund's allocation to better diversify the international equity allocation across styles, countries, and market cap ranges.

Turning to fixed income performance, each of the Fund's fixed income holdings showed positive returns across the lineup for the six-month period in both absolute and relative terms. Harbor Bond Fund, the largest underlying fixed income fund position, gained 0.37% to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 104 basis points. Harbor Bond Fund benefited from U.S. interest rate strategies, including duration and yield curve positioning, and an underweight to the front and long-end of the U.S. Treasury curve as rates rose over the period. The Harbor Bond Fund's results were buoyed by the performance of its out-of-benchmark-sector positions, specifically its exposure to Treasury Inflation-Protected Securities (TIPS), non-agency mortgage-backed securities, municipal and high-yield bonds. As mentioned above, the performance of U.S. below investment-grade bonds outpaced other fixed income sectors over the six-month period. Harbor High-Yield Bond Fund, the Fund's second-largest fixed income fund holding, rose 5.02%, outperforming its benchmark, the BofA Merrill Lynch U.S. Non-Distressed High Yield Index, by 16 basis points.

The Fund's small position in the Harbor Commodity Real Return Strategy Fund was liquidated during the period and reallocated among the Fund's equity fund holdings.

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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 2055 Fund

FUND SUMMARY—April 30, 2017 (Unaudited)

## INSTITUTIONAL CLASS

Fund #	2610
Cusip	411512635
Ticker	HATRX
Inception Date	11/01/2014
Net Expense Ratio	0.80% <sup>a</sup>
Total Net Assets (000s)	\$1,923

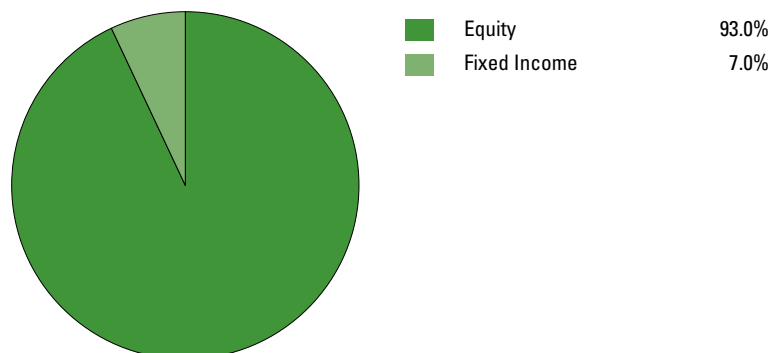
## ADMINISTRATIVE CLASS

Fund #	2710
Cusip	411512627
Ticker	HATAX
Inception Date	11/01/2014
Net Expense Ratio	0.80% <sup>a</sup>
Total Net Assets (000s)	\$12

## INVESTOR CLASS

Fund #	2810
Cusip	411512619
Ticker	HATTX
Inception Date	11/01/2014
Net Expense Ratio	0.80% <sup>a</sup>
Total Net Assets (000s)	\$12

## ASSET ALLOCATION (% of investments)



### Equity

Harbor Large Cap Value Fund	13.8%
Harbor Capital Appreciation Fund	11.7%
Harbor Diversified International All Cap Fund	11.7%
Harbor International Fund	11.7%
Harbor International Growth Fund	11.7%
Harbor Mid Cap Value Fund	9.1%
Harbor Small Cap Value Fund	6.7%
Harbor Mid Cap Growth Fund	6.2%
Harbor Small Cap Growth Fund	5.6%
Harbor Global Leaders Fund	4.8%

### Fixed Income

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

<sup>a</sup> Annualized. 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 six-month period ended April 30, 2017, all 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.

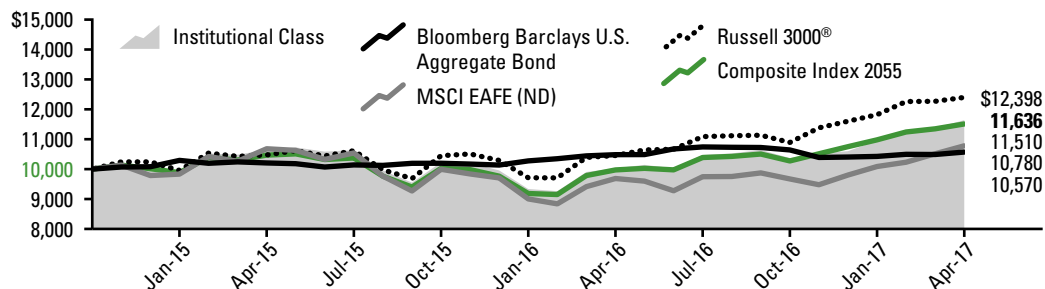
# Harbor Target Retirement 2055 Fund

## FUND PERFORMANCE SUMMARY (Unaudited)

### CHANGE IN A \$10,000 INVESTMENT

For the period 11/01/2014 through 04/30/2017

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 04/30/2017

#### Harbor Target Retirement 2055 Fund

	Unannualized			Annualized	Inception Date	Final Value of a \$10,000 Investment
	6 Months	1 Year	5 Years	Life of Fund		
Institutional Class .....	12.21%	16.03%	N/A	6.26%	11/01/2014	\$11,636
Administrative Class .....	12.21	16.03	N/A	6.26	11/01/2014	11,637
Investor Class .....	12.21	16.03	N/A	6.26	11/01/2014	11,637
<b>Comparative Indices</b>						
Bloomberg Barclays U.S. Aggregate Bond .....	-0.67%	0.83%	N/A	2.25%	—	\$10,570
MSCI EAFE (ND) .....	11.47	11.29	N/A	3.06	—	10,780
Russell 3000® .....	13.83	18.58	N/A	8.99	—	12,398
Composite Index 2055 .....	12.04	15.41	N/A	5.80	—	11,510

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 (or a supplement thereto, if applicable).

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](http://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<sup>†</sup>

## PORTFOLIO OF INVESTMENTS—April 30, 2017 (Unaudited)

Value and Cost in Thousands

### EQUITY FUNDS—93.0%

Shares		Value
3,540	Harbor Capital Appreciation Fund . . . . .	\$ 228
12,242	Harbor Mid Cap Growth Fund . . . . .	120
7,787	Harbor Small Cap Growth Fund . . . . .	108
19,642	Harbor Large Cap Value Fund . . . . .	269
7,830	Harbor Mid Cap Value Fund . . . . .	177
4,054	Harbor Small Cap Value Fund . . . . .	131
3,481	Harbor International Fund . . . . .	228
21,274	Harbor Diversified International All Cap Fund . . . . .	228
16,396	Harbor International Growth Fund . . . . .	228
4,143	Harbor Global Leaders Fund . . . . .	94
<b>TOTAL EQUITY FUNDS</b>		
	(Cost \$1,652) . . . . .	<u>1,811</u>

### FIXED INCOME FUNDS—7.0%

Shares		Value
6,015	Harbor High-Yield Bond Fund . . . . .	\$ 61
6,474	Harbor Bond Fund . . . . .	75
<b>TOTAL FIXED INCOME FUNDS</b>		
	(Cost \$135) . . . . .	<u>136</u>
<b>TOTAL INVESTMENTS—100.0%</b>		
	(Cost \$1,787) . . . . .	<u>1,947</u>
<b>CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%</b>		<u>—<sup>a</sup></u>
<b>TOTAL NET ASSETS—100.0%</b>		<u>\$1,947</u>

### FAIR VALUE MEASUREMENTS

All holdings at April 30, 2017 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at October 31, 2016 or April 30, 2017, and no transfers between levels during the six-month period.

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.

<sup>†</sup> The Harbor Target Retirement 2055 Fund is investing in Institutional Class shares of affiliated Harbor Funds.

<sup>a</sup> Rounds to less than \$1,000

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

# Harbor Target Retirement Funds

## STATEMENTS OF ASSETS AND LIABILITIES—April 30, 2017 (Unaudited)

(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
<b>ASSETS</b>										
Investments, at identified cost. . . .	\$13,618	\$6,259	\$25,532	\$17,074	\$26,340	\$12,177	\$20,471	\$8,321	\$18,389	\$1,787
Investments in affiliated funds, at value . . . . .	\$13,607	\$6,390	\$26,247	\$17,682	\$27,608	\$12,898	\$22,370	\$9,000	\$20,575	\$1,947
Receivables for:										
Investments in affiliated funds sold . . . . .	—	—	—	13	31	—	—	—	—	—
Capital shares sold. . . . .	8	4	25	19	35	18	84	44	31	9
Dividends from affiliated funds .	1	—	1	—	—	—	—	—	—	—
<b>Total Assets. . . . .</b>	<b>13,616</b>	<b>6,394</b>	<b>26,273</b>	<b>17,714</b>	<b>27,674</b>	<b>12,916</b>	<b>22,454</b>	<b>9,044</b>	<b>20,606</b>	<b>1,956</b>
<b>LIABILITIES</b>										
Payables for:										
Investments in affiliated funds purchased . . . . .	9	4	25	—	—	18	83	44	1	9
Capital shares reacquired . . . . .	—	—	—	32	66	—	1	—	30	—
<b>Total Liabilities. . . . .</b>	<b>9</b>	<b>4</b>	<b>25</b>	<b>32</b>	<b>66</b>	<b>18</b>	<b>84</b>	<b>44</b>	<b>31</b>	<b>9</b>
<b>NET ASSETS . . . . .</b>	<b>\$13,607</b>	<b>\$6,390</b>	<b>\$26,248</b>	<b>\$17,682</b>	<b>\$27,608</b>	<b>\$12,898</b>	<b>\$22,370</b>	<b>\$9,000</b>	<b>\$20,575</b>	<b>\$1,947</b>
<b>Net Assets Consist of:</b>										
Paid-in capital. . . . .	\$13,986	\$6,681	\$26,593	\$17,487	\$26,983	\$12,562	\$20,624	\$8,428	\$18,360	\$1,815
Accumulated undistributed net investment income/(loss) . . . . .	(75)	(13)	(37)	1	(1)	(3)	(8)	(4)	(4)	—
Accumulated net realized gain/(loss) . . . . .	(293)	(409)	(1,023)	(414)	(642)	(382)	(145)	(103)	33	(28)
Unrealized appreciation/(depreciation) of investments. . . . .	(11)	131	715	608	1,268	721	1,899	679	2,186	160
	\$13,607	\$6,390	\$26,248	\$17,682	\$27,608	\$12,898	\$22,370	\$9,000	\$20,575	\$1,947
<b>NET ASSET VALUE PER SHARE BY CLASS</b>										
<b>Institutional Class</b>										
Net assets . . . . .	\$13,575	\$6,354	\$26,210	\$17,642	\$27,566	\$12,854	\$22,324	\$8,953	\$20,526	\$1,923
Shares of beneficial interest <sup>1</sup> . . . . .	1,503	600	2,778	1,460	3,167	954	2,590	631	2,158	177
Net asset value per share <sup>2</sup> . . . . .	\$ 9.03	\$10.59	\$ 9.43	\$ 12.09	\$ 8.71	\$ 13.48	\$ 8.62	\$14.19	\$ 9.51	\$10.89
<b>Administrative Class</b>										
Net assets . . . . .	\$ 16	\$ 18	\$ 19	\$ 20	\$ 21	\$ 22	\$ 23	\$ 24	\$ 25	\$ 12
Shares of beneficial interest <sup>1</sup> . . . . .	2	2	2	2	2	2	2	2	2	1
Net asset value per share <sup>2</sup> . . . . .	\$ 9.02	\$10.59	\$ 9.43	\$ 12.08	\$ 8.70	\$ 13.47	\$ 8.63	\$14.19	\$ 9.53	\$10.89
<b>Investor Class</b>										
Net assets . . . . .	\$ 16	\$ 18	\$ 19	\$ 20	\$ 21	\$ 22	\$ 23	\$ 23	\$ 24	\$ 12
Shares of beneficial interest <sup>1</sup> . . . . .	2	2	2	2	2	2	2	2	2	1
Net asset value per share <sup>2</sup> . . . . .	\$ 9.03	\$10.59	\$ 9.43	\$ 12.08	\$ 8.70	\$ 13.47	\$ 8.63	\$14.19	\$ 9.52	\$10.89

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—Six Months Ended April 30, 2017 (Unaudited)

(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
<b>Investment Income</b>										
Dividends from affiliated funds .....	\$169	\$ 82	\$ 345	\$ 206	\$ 338	\$ 154	\$ 240	\$ 86	\$ 196	\$ 14
<b>Total Investment Income</b> ....	<b>169</b>	<b>82</b>	<b>345</b>	<b>206</b>	<b>338</b>	<b>154</b>	<b>240</b>	<b>86</b>	<b>196</b>	<b>14</b>
<b>Operating Expenses</b>										
12b-1 fees:										
Administrative Class <sup>a</sup> .....	—	—	—	—	—	—	—	—	—	—
Investor Class <sup>a</sup> .....	—	—	—	—	—	—	—	—	—	—
Transfer agent fees:										
Investor Class <sup>a</sup> .....	—	—	—	—	—	—	—	—	—	—
Total expenses <sup>a</sup> .....	—	—	—	—	—	—	—	—	—	—
Expenses waived <sup>a</sup> .....	—	—	—	—	—	—	—	—	—	—
Net expenses .....	—	—	—	—	—	—	—	—	—	—
<b>Net Investment Income/(Loss)</b> .	<b>169</b>	<b>82</b>	<b>345</b>	<b>206</b>	<b>338</b>	<b>154</b>	<b>240</b>	<b>86</b>	<b>196</b>	<b>14</b>
<b>Realized and Change in Net Unrealized Gain/(Loss) on Investment Transactions</b>										
Net realized gain/(loss) on:										
Sale of affiliated funds ....	(85)	(36)	(184)	(90)	(55)	(141)	95	(41)	183	(10)
Distributions received from affiliated funds ....	115	58	235	131	242	128	229	93	243	18
Change in net unrealized appreciation/(depreciation) on:										
Affiliated funds .....	261	165	1,017	768	1,353	877	1,344	696	1,583	167
Net gain/(loss) on investment transactions. . .	291	187	1,068	809	1,540	864	1,668	748	2,009	175
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b> .....	<b>\$460</b>	<b>\$269</b>	<b>\$1,413</b>	<b>\$1,015</b>	<b>\$1,878</b>	<b>\$1,018</b>	<b>\$1,908</b>	<b>\$834</b>	<b>\$2,205</b>	<b>\$189</b>

a Rounds to less than \$1,000

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

# 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, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016
<b>INCREASE/(DECREASE) IN NET ASSETS</b>	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
<b>Operations:</b>								
Net investment income/(loss) .....	\$ 169	\$ 396	\$ 82	\$ 203	\$ 345	\$ 727	\$ 206	\$ 324
Net realized gain/(loss) on sale of affiliated funds .....	(85)	(254)	(36)	(287)	(184)	(692)	(90)	(240)
Realized gain distributions received from affiliated funds .....	115	157	58	107	235	443	131	214
Change in net unrealized appreciation/(depreciation) on affiliated funds .....	261	201	165	211	1,017	343	768	120
<b>Net increase/(decrease) in assets resulting from operations .....</b>	<b>460</b>	<b>500</b>	<b>269</b>	<b>234</b>	<b>1,413</b>	<b>821</b>	<b>1,015</b>	<b>418</b>
<b>Distributions to Shareholders</b>								
Net investment income:								
Institutional Class .....	(258)	(449)	(178)	(261)	(681)	(859)	(348)	(352)
Administrative Class .....	(1)	(1)	—	(1)	(1)	(1)	(1)	—
Investor Class .....	—	—	—	—	(1)	—	(1)	(1)
Net realized gain on investments:								
Institutional Class .....	(50)	(466)	—	(218)	(304)	(1,705)	(181)	(501)
Administrative Class .....	—	—	—	—	—	(1)	—	(1)
Investor Class .....	—	1	—	1	—	(1)	—	(1)
<b>Total distributions to shareholders .....</b>	<b>(309)</b>	<b>(917)</b>	<b>(178)</b>	<b>(481)</b>	<b>(987)</b>	<b>(2,567)</b>	<b>(531)</b>	<b>(856)</b>
<b>Net Increase/(Decrease) Derived from Capital Share Transactions .....</b>								
Net increase/(decrease) in net assets .....	(230)	(1,317)	(219)	(1,202)	793	(1,869)	3,351	2,808
<b>Net Assets</b>								
Beginning of period .....	13,837	15,154	6,609	7,811	25,455	27,324	14,331	11,523
<b>End of period*</b> .....	<b>\$13,607</b>	<b>\$13,837</b>	<b>\$6,390</b>	<b>\$ 6,609</b>	<b>\$26,248</b>	<b>\$25,455</b>	<b>\$17,682</b>	<b>\$14,331</b>
* Includes accumulated undistributed net investment income/(loss) of: .....	\$ (75)	\$ 15	\$ (13)	\$ 83	\$ (37)	\$ 301	\$ 1	\$ 145

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, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016
(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
\$ 338	\$ 605	\$ 154	\$ 222	\$ 240	\$ 385	\$ 86	\$ 95	\$ 196	\$ 247	\$ 14	\$ 11
(55)	(100)	(141)	(220)	95	128	(41)	3	183	414	(10)	(33)
242	528	128	229	229	564	93	180	243	672	18	31
1,353	(414)	877	91	1,344	(703)	696	(148)	1,583	(1,123)	167	3
<b>1,878</b>	<b>619</b>	<b>1,018</b>	<b>322</b>	<b>1,908</b>	<b>374</b>	<b>834</b>	<b>130</b>	<b>2,205</b>	<b>210</b>	<b>189</b>	<b>12</b>
(590)	(700)	(256)	(238)	(387)	(451)	(121)	(106)	(260)	(305)	(17)	(12)
(1)	(1)	—	—	—	—	—	—	(1)	(1)	—	—
—	(1)	—	—	—	—	—	—	(1)	—	—	—
(855)	(1,477)	(222)	(403)	(930)	(1,314)	(272)	(272)	(1,219)	(1,978)	(28)	(3)
—	(1)	(1)	(1)	(1)	(2)	(1)	(1)	(1)	(3)	—	—
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	—	—
<b>(1,447)</b>	<b>(2,181)</b>	<b>(480)</b>	<b>(643)</b>	<b>(1,319)</b>	<b>(1,768)</b>	<b>(395)</b>	<b>(380)</b>	<b>(1,483)</b>	<b>(2,289)</b>	<b>(45)</b>	<b>(15)</b>
<b>2,504</b>	<b>1,113</b>	<b>824</b>	<b>2,811</b>	<b>2,291</b>	<b>1,039</b>	<b>1,308</b>	<b>1,938</b>	<b>1,081</b>	<b>1,587</b>	<b>543</b>	<b>481</b>
2,935	(449)	1,362	2,490	2,880	(355)	1,747	1,688	1,803	(492)	687	478
24,673	25,122	11,536	9,046	19,490	19,845	7,253	5,565	18,772	19,264	1,260	782
<b>\$27,608</b>	<b>\$24,673</b>	<b>\$12,898</b>	<b>\$11,536</b>	<b>\$22,370</b>	<b>\$19,490</b>	<b>\$9,000</b>	<b>\$7,253</b>	<b>\$20,575</b>	<b>\$18,772</b>	<b>\$1,947</b>	<b>\$1,260</b>
\$ (1)	\$ 252	\$ (3)	\$ 99	\$ (8)	\$ 139	\$ (4)	\$ 31	\$ (4)	\$ 62	\$ —	\$ 3

# 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, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>AMOUNT (\$)</b>								
<b>Institutional Class</b>								
Net proceeds from sale of shares .....	\$ 564	\$ 1,979	\$ 385	\$ 1,226	\$ 2,309	\$ 5,082	\$ 4,000	\$ 4,503
Reinvested distributions .....	308	915	178	479	985	2,563	528	853
Cost of shares reacquired .....	(1,253)	(3,796)	(873)	(2,662)	(2,929)	(7,771)	(1,663)	(2,112)
<b>Net increase/(decrease) in net assets .....</b>	<b>\$ (381)</b>	<b>\$ (902)</b>	<b>\$ (310)</b>	<b>\$ (957)</b>	<b>\$ 365</b>	<b>\$ (126)</b>	<b>\$ 2,865</b>	<b>\$ 3,244</b>
<b>Administrative Class</b>								
Net proceeds from sale of shares .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Reinvested distributions .....	—	1	—	1	1	2	1	1
<b>Net increase/(decrease) in net assets .....</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>Investor Class</b>								
Net proceeds from sale of shares .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Reinvested distributions .....	—	1	—	1	1	1	1	1
<b>Net increase/(decrease) in net assets .....</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SHARES</b>								
<b>Institutional Class</b>								
Shares sold .....	64	226	37	121	251	561	341	391
Shares issued due to reinvestment of distributions .....	34	107	18	49	110	293	46	77
Shares reacquired .....	(141)	(432)	(84)	(263)	(319)	(863)	(141)	(186)
Net increase/(decrease) in shares outstanding ..	(43)	(99)	(29)	(93)	42	(9)	246	282
Beginning of period .....	1,546	1,645	629	722	2,736	2,745	1,214	932
<b>End of period .....</b>	<b>1,503</b>	<b>1,546</b>	<b>600</b>	<b>629</b>	<b>2,778</b>	<b>2,736</b>	<b>1,460</b>	<b>1,214</b>
<b>Administrative Class</b>								
Shares sold .....	—	—	—	—	—	—	—	—
Shares issued due to reinvestment of distributions .....	—	—	—	1	—	—	—	1
Net increase/(decrease) in shares outstanding ..	—	—	—	1	—	—	—	1
Beginning of period .....	2	2	2	1	2	2	2	1
<b>End of period .....</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Investor Class</b>								
Shares sold .....	—	—	—	—	—	—	—	—
Shares issued due to reinvestment of distributions .....	—	—	—	1	—	—	—	1
Net increase/(decrease) in shares outstanding ..	—	—	—	1	—	—	—	1
Beginning of period .....	2	2	2	1	2	2	2	1
<b>End of period .....</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

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, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016	November 1, 2016 through April 30, 2017	November 1, 2015 through October 31, 2016
(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
\$ 2,558	\$ 4,715	\$ 1,731	\$ 4,330	\$ 2,308	\$ 4,210	\$1,549	\$ 2,976	\$ 2,186	\$ 3,233	\$ 701	\$ 847
1,445	2,177	478	641	1,317	1,763	393	378	1,479	2,283	44	15
(1,501)	(5,783)	(1,387)	(2,162)	(1,336)	(4,937)	(636)	(1,418)	(2,588)	(3,934)	(202)	(381)
<b>\$ 2,502</b>	<b>\$ 1,109</b>	<b>\$ 822</b>	<b>\$ 2,809</b>	<b>\$ 2,289</b>	<b>\$ 1,036</b>	<b>\$1,306</b>	<b>\$ 1,936</b>	<b>\$ 1,077</b>	<b>\$ 1,582</b>	<b>\$ 543</b>	<b>\$ 481</b>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1	2	1	1	1	2	1	1	2	3	—	—
<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>\$ —</b>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1	2	1	1	1	1	1	1	2	2	—	—
<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ —</b>
302	561	133	345	276	514	114	225	239	357	68	87
177	270	38	53	164	222	30	30	169	262	4	2
(176)	(697)	(106)	(173)	(160)	(615)	(46)	(109)	(280)	(439)	(19)	(41)
303	134	65	225	280	121	98	146	128	180	53	48
2,864	2,730	889	664	2,310	2,189	533	387	2,030	1,850	124	76
<b>3,167</b>	<b>2,864</b>	<b>954</b>	<b>889</b>	<b>2,590</b>	<b>2,310</b>	<b>631</b>	<b>533</b>	<b>2,158</b>	<b>2,030</b>	<b>177</b>	<b>124</b>
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	1	—	—	—	1	—	—	—	—
—	—	—	1	—	—	—	1	—	—	—	—
2	2	2	1	2	2	2	1	2	2	1	1
<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	1	—	—	—	1	—	—	—	—
—	—	—	1	—	—	—	1	—	—	—	—
2	2	2	1	2	2	2	1	2	2	1	1
<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>

# Harbor Target Retirement Funds Financial Highlights

## SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

### HARBOR TARGET RETIREMENT INCOME FUND

	6-Month Period Ended April 30, 2017  (Unaudited)	Institutional Class				
		Year Ended October 31,				
		2016	2015	2014	2013	2012
Net asset value beginning of period . . . . .	\$ 8.93	\$ 9.19	\$ 9.75	\$ 9.83	\$ 9.95	\$ 10.14
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.11 <sup>e</sup>	0.25 <sup>e</sup>	0.34 <sup>e</sup>	0.22	0.23	0.23
Net realized and unrealized gains/(losses) on investments . . . . .	0.19	0.08	(0.30)	0.19	0.20	0.61
Total from investment operations . . . . .	0.30	0.33	0.04	0.41	0.43	0.84
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.17)	(0.29)	(0.35)	(0.28)	(0.38)	(0.31)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.03)	(0.30)	(0.25)	(0.21)	(0.17)	(0.72)
Total distributions . . . . .	(0.20)	(0.59)	(0.60)	(0.49)	(0.55)	(1.03)
Net asset value end of period . . . . .	9.03	8.93	9.19	9.75	9.83	9.95
Net assets end of period (000s) . . . . .	\$13,575	\$13,805	\$15,124	\$17,410	\$15,510	\$16,383
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	3.49% <sup>c</sup>	3.91%	0.46%	4.32%	4.49%	9.23%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.51 <sup>d</sup>	2.87	3.57	2.14	2.36	2.26
Portfolio turnover <sup>3</sup> . . . . .	9 <sup>c</sup>	26	24	20	28	21

### HARBOR TARGET RETIREMENT 2015 FUND

	6-Month Period Ended April 30, 2017  (Unaudited)	Institutional Class				
		Year Ended October 31,				
		2016	2015	2014	2013	2012
Net asset value beginning of period . . . . .	\$ 10.45	\$ 10.77	\$ 11.68	\$ 11.87	\$ 11.52	\$ 11.47
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.13 <sup>e</sup>	0.29 <sup>e</sup>	0.36 <sup>e</sup>	0.24	0.28	0.29
Net realized and unrealized gains/(losses) on investments . . . . .	0.30	0.05	(0.35)	0.29	0.60	0.69
Total from investment operations . . . . .	0.43	0.34	0.01	0.53	0.88	0.98
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.29)	(0.36)	(0.39)	(0.31)	(0.44)	(0.36)
Distributions from net realized capital gains <sup>1</sup> . . . . .	—	(0.30)	(0.53)	(0.41)	(0.09)	(0.57)
Total distributions . . . . .	(0.29)	(0.66)	(0.92)	(0.72)	(0.53)	(0.93)
Net asset value end of period . . . . .	10.59	10.45	10.77	11.68	11.87	11.52
Net assets end of period (000s) . . . . .	\$ 6,354	\$ 6,574	\$ 7,778	\$11,200	\$10,654	\$10,832
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	4.20% <sup>c</sup>	3.59%	0.13%	4.73%	7.89%	9.49%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.57 <sup>d</sup>	2.82	3.26	2.08	2.43	2.14
Portfolio turnover <sup>3</sup> . . . . .	14 <sup>c</sup>	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				
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,									
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012					
(Unaudited)						(Unaudited)										
<b>\$ 8.93</b>	\$ 9.19	\$ 9.75	\$ 9.83	\$ 9.95	\$10.13	<b>\$ 8.93</b>	\$ 9.19	\$ 9.75	\$ 9.83	\$ 9.95	\$10.13					
<b>0.11<sup>e</sup></b>	0.25 <sup>e</sup>	0.32 <sup>e</sup>	0.21	0.24	0.23	<b>0.11<sup>e</sup></b>	0.25 <sup>e</sup>	0.33 <sup>e</sup>	0.21	0.24	0.23					
<b>0.18</b>	0.08	(0.28)	0.20	0.19	0.62	<b>0.19</b>	0.08	(0.29)	0.20	0.19	0.62					
<b>0.29</b>	0.33	0.04	0.41	0.43	0.85	<b>0.30</b>	0.33	0.04	0.41	0.43	0.85					
<b>(0.17)</b>	(0.29)	(0.35)	(0.28)	(0.38)	(0.31)	<b>(0.17)</b>	(0.29)	(0.35)	(0.28)	(0.38)	(0.31)					
<b>(0.03)</b>	(0.30)	(0.25)	(0.21)	(0.17)	(0.72)	<b>(0.03)</b>	(0.30)	(0.25)	(0.21)	(0.17)	(0.72)					
<b>(0.20)</b>	(0.59)	(0.60)	(0.49)	(0.55)	(1.03)	<b>(0.20)</b>	(0.59)	(0.60)	(0.49)	(0.55)	(1.03)					
<b>9.02</b>	8.93	9.19	9.75	9.83	9.95	<b>9.03</b>	8.93	9.19	9.75	9.83	9.95					
<b>\$ 16</b>	\$ 16	\$ 15	\$ 15	\$ 14	\$ 14	<b>\$ 16</b>	\$ 16	\$ 15	\$ 15	\$ 15	\$ 14					
<b>3.38%<sup>c</sup></b>	3.91%	0.46%	4.32%	4.49%	9.34%	<b>3.50%<sup>c</sup></b>	3.91%	0.46%	4.32%	4.49%	9.34%					
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37					
<b>2.49<sup>d</sup></b>	2.82	3.46	2.12	2.35	2.24	<b>2.49<sup>d</sup></b>	2.82	3.47	2.12	2.35	2.24					
<b>9<sup>c</sup></b>	26	24	20	28	21	<b>9<sup>c</sup></b>	26	24	20	28	21					

Administrative Class						Investor Class					
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,				
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
(Unaudited)						(Unaudited)					
<b>\$10.44</b>	\$10.77	\$11.68	\$11.87	\$11.52	\$11.47	<b>\$10.45</b>	\$10.77	\$11.68	\$11.87	\$11.52	\$11.47
<b>0.13<sup>e</sup></b>	0.28 <sup>e</sup>	0.34 <sup>e</sup>	0.23	0.27	0.24	<b>0.13<sup>e</sup></b>	0.28 <sup>e</sup>	0.34 <sup>e</sup>	0.23	0.27	0.24
<b>0.31</b>	0.05	(0.33)	0.30	0.61	0.74	<b>0.30</b>	0.06	(0.33)	0.30	0.61	0.74
<b>0.44</b>	0.33	0.01	0.53	0.88	0.98	<b>0.43</b>	0.34	0.01	0.53	0.88	0.98
<b>(0.29)</b>	(0.36)	(0.39)	(0.31)	(0.44)	(0.36)	<b>(0.29)</b>	(0.36)	(0.39)	(0.31)	(0.44)	(0.36)
<b>—</b>	(0.30)	(0.53)	(0.41)	(0.09)	(0.57)	<b>—</b>	(0.30)	(0.53)	(0.41)	(0.09)	(0.57)
<b>(0.29)</b>	(0.66)	(0.92)	(0.72)	(0.53)	(0.93)	<b>(0.29)</b>	(0.66)	(0.92)	(0.72)	(0.53)	(0.93)
<b>10.59</b>	10.44	10.77	11.68	11.87	11.52	<b>10.59</b>	10.45	10.77	11.68	11.87	11.52
<b>\$ 18</b>	\$ 17	\$ 16	\$ 17	\$ 16	\$ 15	<b>\$ 18</b>	\$ 18	\$ 17	\$ 17	\$ 16	\$ 15
<b>4.30%<sup>c</sup></b>	3.50%	0.14%	4.73%	7.89%	9.49%	<b>4.20%<sup>c</sup></b>	3.59%	0.13%	4.73%	7.89%	9.49%
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37
<b>2.53<sup>d</sup></b>	2.75	3.12	2.06	2.40	2.21	<b>2.53<sup>d</sup></b>	2.76	3.12	2.06	2.40	2.21
<b>14<sup>c</sup></b>	32	26	38	48	50	<b>14<sup>c</sup></b>	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

	Institutional Class					
	6-Month Period Ended April 30, 2017	Year Ended October 31,				
		2016	2015	2014	2013	2012
	(Unaudited)					
Net asset value beginning of period . . . . .	\$ 9.29	\$ 9.94	\$ 10.63	\$ 10.78	\$ 10.43	\$ 10.92
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.12 <sup>e</sup>	0.26 <sup>e</sup>	0.32 <sup>e</sup>	0.23	0.26	0.25
Net realized and unrealized gains/(losses) on investments . . . . .	0.37	0.04	(0.30)	0.29	0.68	0.64
Total from investment operations . . . . .	0.49	0.30	0.02	0.52	0.94	0.89
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.24)	(0.32)	(0.34)	(0.30)	(0.40)	(0.32)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.11)	(0.63)	(0.37)	(0.37)	(0.19)	(1.06)
Total distributions . . . . .	(0.35)	(0.95)	(0.71)	(0.67)	(0.59)	(1.38)
Net asset value end of period . . . . .	9.43	9.29	9.94	10.63	10.78	10.43
Net assets end of period (000s) . . . . .	\$26,210	\$25,419	\$27,290	\$31,124	\$27,397	\$28,353
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	5.51% <sup>c</sup>	3.56%	0.30%	5.06%	9.43%	9.71%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.67 <sup>d</sup>	2.83	3.19	2.18	2.56	2.25
Portfolio turnover <sup>3</sup> . . . . .	20 <sup>c</sup>	33	28	19	36	22

### HARBOR TARGET RETIREMENT 2025 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2017	Year Ended October 31,				
		2016	2015	2014	2013	2012
	(Unaudited)					
Net asset value beginning of period . . . . .	\$ 11.78	\$ 12.32	\$ 13.48	\$ 13.44	\$ 12.69	\$ 12.50
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.15 <sup>e</sup>	0.31 <sup>e</sup>	0.37 <sup>e</sup>	0.29	0.34	0.27
Net realized and unrealized gains/(losses) on investments . . . . .	0.59	0.05	(0.36)	0.40	1.04	0.81
Total from investment operations . . . . .	0.74	0.36	0.01	0.69	1.38	1.08
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.28)	(0.37)	(0.41)	(0.36)	(0.45)	(0.32)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.15)	(0.53)	(0.76)	(0.29)	(0.18)	(0.57)
Total distributions . . . . .	(0.43)	(0.90)	(1.17)	(0.65)	(0.63)	(0.89)
Net asset value end of period . . . . .	12.09	11.78	12.32	13.48	13.44	12.69
Net assets end of period (000s) . . . . .	\$17,642	\$14,293	\$11,487	\$10,612	\$ 8,728	\$ 7,204
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	6.48% <sup>c</sup>	3.39%	0.11%	5.37%	11.33%	9.62%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.64 <sup>d</sup>	2.69	2.91	2.06	2.44	2.18
Portfolio turnover <sup>3</sup> . . . . .	22 <sup>c</sup>	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				
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,									
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012					
(Unaudited)						(Unaudited)										
<b>\$ 9.28</b>	\$ 9.94	\$10.63	\$10.77	\$10.42	\$10.91	<b>\$ 9.29</b>	\$ 9.94	\$10.63	\$10.77	\$10.43	\$10.92					
<b>0.12<sup>e</sup></b>	0.25 <sup>e</sup>	0.31 <sup>e</sup>	0.23	0.26	0.23	<b>0.12<sup>e</sup></b>	0.25 <sup>e</sup>	0.31 <sup>e</sup>	0.23	0.26	0.23					
<b>0.38</b>	0.04	(0.29)	0.30	0.68	0.66	<b>0.37</b>	0.05	(0.29)	0.30	0.67	0.66					
<b>0.50</b>	0.29	0.02	0.53	0.94	0.89	<b>0.49</b>	0.30	0.02	0.53	0.93	0.89					
<b>(0.24)</b>	(0.32)	(0.34)	(0.30)	(0.40)	(0.32)	<b>(0.24)</b>	(0.32)	(0.34)	(0.30)	(0.40)	(0.32)					
<b>(0.11)</b>	(0.63)	(0.37)	(0.37)	(0.19)	(1.06)	<b>(0.11)</b>	(0.63)	(0.37)	(0.37)	(0.19)	(1.06)					
<b>(0.35)</b>	(0.95)	(0.71)	(0.67)	(0.59)	(1.38)	<b>(0.35)</b>	(0.95)	(0.71)	(0.67)	(0.59)	(1.38)					
<b>9.43</b>	9.28	9.94	10.63	10.77	10.42	<b>9.43</b>	9.29	9.94	10.63	10.77	10.43					
<b>\$ 19</b>	\$ 18	\$ 17	\$ 17	\$ 16	\$ 15	<b>\$ 19</b>	\$ 18	\$ 17	\$ 18	\$ 17	\$ 15					
<b>5.63%<sup>c</sup></b>	3.46%	0.30%	5.16%	9.44%	9.72%	<b>5.52%<sup>c</sup></b>	3.56%	0.30%	5.16%	9.34%	9.71%					
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37					
<b>2.65<sup>d</sup></b>	2.79	3.11	2.17	2.50	2.25	<b>2.65<sup>d</sup></b>	2.79	3.11	2.17	2.50	2.25					
<b>20<sup>c</sup></b>	33	28	19	36	22	<b>20<sup>c</sup></b>	33	28	19	36	22					

Administrative Class						Investor Class					
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,				
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
(Unaudited)						(Unaudited)					
<b>\$11.78</b>	\$12.32	\$13.48	\$13.44	\$12.69	\$12.50	<b>\$11.78</b>	\$12.32	\$13.48	\$13.44	\$12.69	\$12.50
<b>0.16<sup>e</sup></b>	0.31 <sup>e</sup>	0.37 <sup>e</sup>	0.28	0.32	0.26	<b>0.16<sup>e</sup></b>	0.31 <sup>e</sup>	0.37 <sup>e</sup>	0.28	0.32	0.26
<b>0.57</b>	0.05	(0.36)	0.41	1.06	0.82	<b>0.57</b>	0.05	(0.36)	0.41	1.06	0.82
<b>0.73</b>	0.36	0.01	0.69	1.38	1.08	<b>0.73</b>	0.36	0.01	0.69	1.38	1.08
<b>(0.28)</b>	(0.37)	(0.41)	(0.36)	(0.45)	(0.32)	<b>(0.28)</b>	(0.37)	(0.41)	(0.36)	(0.45)	(0.32)
<b>(0.15)</b>	(0.53)	(0.76)	(0.29)	(0.18)	(0.57)	<b>(0.15)</b>	(0.53)	(0.76)	(0.29)	(0.18)	(0.57)
<b>(0.43)</b>	(0.90)	(1.17)	(0.65)	(0.63)	(0.89)	<b>(0.43)</b>	(0.90)	(1.17)	(0.65)	(0.63)	(0.89)
<b>12.08</b>	11.78	12.32	13.48	13.44	12.69	<b>12.08</b>	11.78	12.32	13.48	13.44	12.69
<b>\$ 20</b>	\$ 19	\$ 18	\$ 18	\$ 17	\$ 16	<b>\$ 20</b>	\$ 19	\$ 18	\$ 18	\$ 17	\$ 15
<b>6.39%<sup>c</sup></b>	3.40%	0.12%	5.37%	11.33%	9.62%	<b>6.39%<sup>c</sup></b>	3.40%	0.12%	5.37%	11.33%	9.62%
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37
<b>2.74<sup>d</sup></b>	2.74	2.94	2.13	2.50	2.14	<b>2.74<sup>d</sup></b>	2.74	2.94	2.13	2.50	2.14
<b>22<sup>c</sup></b>	25	25	33	32	30	<b>22<sup>c</sup></b>	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

	Institutional Class					
	6-Month Period Ended April 30, 2017	Year Ended October 31,				
		2016	2015	2014	2013	2012
	(Unaudited)					
Net asset value beginning of period . . . . .	\$ 8.60	\$ 9.19	\$ 10.04	\$ 10.22	\$ 9.56	\$ 10.59
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.11 <sup>e</sup>	0.21 <sup>e</sup>	0.24 <sup>e</sup>	0.21	0.25	0.21
Net realized and unrealized gains/(losses) on investments . . . . .	0.51	0.01	(0.23)	0.35	1.04	0.56
Total from investment operations . . . . .	0.62	0.22	0.01	0.56	1.29	0.77
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.21)	(0.26)	(0.28)	(0.27)	(0.33)	(0.26)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.30)	(0.55)	(0.58)	(0.47)	(0.30)	(1.54)
Total distributions . . . . .	(0.51)	(0.81)	(0.86)	(0.74)	(0.63)	(1.80)
Net asset value end of period . . . . .	8.71	8.60	9.19	10.04	10.22	9.56
Net assets end of period (000s) . . . . .	\$27,566	\$24,634	\$25,084	\$24,727	\$23,994	\$22,862
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	7.52% <sup>c</sup>	2.96%	0.13%	5.79%	14.19%	9.64%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.63 <sup>d</sup>	2.54	2.55	1.99	2.42	2.03
Portfolio turnover <sup>3</sup> . . . . .	19 <sup>c</sup>	31	24	22	31	27

### HARBOR TARGET RETIREMENT 2035 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2017	Year Ended October 31,				
		2016	2015	2014	2013	2012
	(Unaudited)					
Net asset value beginning of period . . . . .	\$ 12.93	\$ 13.56	\$ 14.92	\$ 14.52	\$ 13.01	\$ 12.99
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.16 <sup>e</sup>	0.27 <sup>e</sup>	0.30 <sup>e</sup>	0.29	0.33	0.24
Net realized and unrealized gains/(losses) on investments . . . . .	0.91	0.04	(0.26)	0.58	1.85	0.87
Total from investment operations . . . . .	1.07	0.31	0.04	0.87	2.18	1.11
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.28)	(0.35)	(0.36)	(0.33)	(0.40)	(0.25)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.24)	(0.59)	(1.04)	(0.14)	(0.27)	(0.84)
Total distributions . . . . .	(0.52)	(0.94)	(1.40)	(0.47)	(0.67)	(1.09)
Net asset value end of period . . . . .	13.48	12.93	13.56	14.92	14.52	13.01
Net assets end of period (000s) . . . . .	\$12,854	\$11,496	\$ 9,007	\$ 7,708	\$ 5,397	\$ 2,794
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	8.57% <sup>c</sup>	2.70%	0.34%	6.19%	17.43%	9.86%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.54 <sup>d</sup>	2.17	2.17	1.64	2.08	1.79
Portfolio turnover <sup>3</sup> . . . . .	23 <sup>c</sup>	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											
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,				
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
(Unaudited)						(Unaudited)					
<b>\$ 8.60</b>	\$ 9.19	\$10.03	\$10.22	\$ 9.56	\$10.58	<b>\$ 8.60</b>	\$ 9.19	\$10.03	\$10.22	\$ 9.56	\$10.58
<b>0.11<sup>e</sup></b>	0.21 <sup>e</sup>	0.24 <sup>e</sup>	0.20	0.24	0.20	<b>0.11<sup>e</sup></b>	0.21 <sup>e</sup>	0.24 <sup>e</sup>	0.20	0.24	0.20
<b>0.50</b>	0.01	(0.22)	0.35	1.05	0.58	<b>0.50</b>	0.01	(0.22)	0.35	1.05	0.58
<b>0.61</b>	0.22	0.02	0.55	1.29	0.78	<b>0.61</b>	0.22	0.02	0.55	1.29	0.78
<b>(0.21)</b>	(0.26)	(0.28)	(0.27)	(0.33)	(0.26)	<b>(0.21)</b>	(0.26)	(0.28)	(0.27)	(0.33)	(0.26)
<b>(0.30)</b>	(0.55)	(0.58)	(0.47)	(0.30)	(1.54)	<b>(0.30)</b>	(0.55)	(0.58)	(0.47)	(0.30)	(1.54)
<b>(0.51)</b>	(0.81)	(0.86)	(0.74)	(0.63)	(1.80)	<b>(0.51)</b>	(0.81)	(0.86)	(0.74)	(0.63)	(1.80)
<b>8.70</b>	8.60	9.19	10.03	10.22	9.56	<b>8.70</b>	8.60	9.19	10.03	10.22	9.56
<b>\$ 21</b>	\$ 19	\$ 19	\$ 19	\$ 18	\$ 16	<b>\$ 21</b>	\$ 20	\$ 19	\$ 19	\$ 18	\$ 16
<b>7.40%<sup>c</sup></b>	2.97%	0.24%	5.70%	14.20%	9.74%	<b>7.40%<sup>c</sup></b>	2.97%	0.24%	5.70%	14.20%	9.74%
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37
<b>2.66<sup>d</sup></b>	2.54	2.59	1.97	2.40	2.02	<b>2.66<sup>d</sup></b>	2.54	2.59	1.97	2.40	2.02
<b>19<sup>c</sup></b>	31	24	22	31	27	<b>19<sup>c</sup></b>	31	24	22	31	27

Investor Class											
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,				
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
(Unaudited)						(Unaudited)					
<b>\$12.92</b>	\$13.55	\$14.91	\$14.51	\$13.01	\$12.99	<b>\$12.92</b>	\$13.55	\$14.91	\$14.51	\$13.01	\$12.99
<b>0.16<sup>e</sup></b>	0.29 <sup>e</sup>	0.31 <sup>e</sup>	0.27	0.32	0.25	<b>0.16<sup>e</sup></b>	0.29 <sup>e</sup>	0.31 <sup>e</sup>	0.27	0.32	0.25
<b>0.91</b>	0.02	(0.27)	0.60	1.85	0.86	<b>0.91</b>	0.02	(0.27)	0.60	1.85	0.86
<b>1.07</b>	0.31	0.04	0.87	2.17	1.11	<b>1.07</b>	0.31	0.04	0.87	2.17	1.11
<b>(0.28)</b>	(0.35)	(0.36)	(0.33)	(0.40)	(0.25)	<b>(0.28)</b>	(0.35)	(0.36)	(0.33)	(0.40)	(0.25)
<b>(0.24)</b>	(0.59)	(1.04)	(0.14)	(0.27)	(0.84)	<b>(0.24)</b>	(0.59)	(1.04)	(0.14)	(0.27)	(0.84)
<b>(0.52)</b>	(0.94)	(1.40)	(0.47)	(0.67)	(1.09)	<b>(0.52)</b>	(0.94)	(1.40)	(0.47)	(0.67)	(1.09)
<b>13.47</b>	12.92	13.55	14.91	14.51	13.01	<b>13.47</b>	12.92	13.55	14.91	14.51	13.01
<b>\$ 22</b>	\$ 20	\$ 20	\$ 20	\$ 19	\$ 16	<b>\$ 22</b>	\$ 20	\$ 19	\$ 19	\$ 18	\$ 16
<b>8.58%<sup>c</sup></b>	2.70%	0.34%	6.19%	17.36%	9.87%	<b>8.58%<sup>c</sup></b>	2.70%	0.34%	6.19%	17.36%	9.87%
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37
<b>2.53<sup>d</sup></b>	2.30	2.27	1.80	2.30	1.93	<b>2.53<sup>d</sup></b>	2.30	2.27	1.80	2.30	1.93
<b>23<sup>c</sup></b>	26	22	39	12	41	<b>23<sup>c</sup></b>	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

	Institutional Class					
	6-Month Period Ended April 30, 2017	Year Ended October 31,				
		2016	2015	2014	2013	2012
	(Unaudited)					
Net asset value beginning of period . . . . .	\$ 8.42	\$ 9.05	\$ 9.84	\$ 10.01	\$ 9.19	\$ 10.85
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.10 <sup>e</sup>	0.17 <sup>e</sup>	0.18 <sup>e</sup>	0.17	0.22	0.18
Net realized and unrealized gains/(losses) on investments . . . . .	0.67	(0.01)	(0.10)	0.46	1.52	0.50
Total from investment operations . . . . .	0.77	0.16	0.08	0.63	1.74	0.68
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.17)	(0.20)	(0.22)	(0.23)	(0.26)	(0.20)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.40)	(0.59)	(0.65)	(0.57)	(0.66)	(2.14)
Total distributions . . . . .	(0.57)	(0.79)	(0.87)	(0.80)	(0.92)	(2.34)
Net asset value end of period . . . . .	8.62	8.42	9.05	9.84	10.01	9.19
Net assets end of period (000s) . . . . .	\$22,324	\$19,448	\$19,805	\$18,933	\$17,963	\$15,554
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	9.61% <sup>c</sup>	2.36%	0.94%	6.77%	20.63%	9.76%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.34 <sup>d</sup>	2.03	1.96	1.59	2.24	1.71
Portfolio turnover <sup>3</sup> . . . . .	18 <sup>c</sup>	30	18	22	22	27

### HARBOR TARGET RETIREMENT 2045 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2017	Year Ended October 31,				
		2016	2015	2014	2013	2012
	(Unaudited)					
Net asset value beginning of period . . . . .	\$ 13.51	\$ 14.25	\$ 15.17	\$ 14.85	\$ 12.42	\$ 12.85
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.14 <sup>e</sup>	0.21 <sup>e</sup>	0.23 <sup>e</sup>	0.23	0.29	0.19
Net realized and unrealized gains/(losses) on investments . . . . .	1.25	0.01	(0.06)	0.80	2.58	0.81
Total from investment operations . . . . .	1.39	0.22	0.17	1.03	2.87	1.00
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.22)	(0.27)	(0.29)	(0.31)	(0.31)	(0.19)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.49)	(0.69)	(0.80)	(0.40)	(0.13)	(1.24)
Total distributions . . . . .	(0.71)	(0.96)	(1.09)	(0.71)	(0.44)	(1.43)
Net asset value end of period . . . . .	14.19	13.51	14.25	15.17	14.85	12.42
Net assets end of period (000s) . . . . .	\$ 8,953	\$ 7,211	\$ 5,523	\$ 4,239	\$ 3,340	\$ 1,911
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	10.70% <sup>c</sup>	1.91%	1.23%	7.17%	23.75%	9.62%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.14 <sup>d</sup>	1.58	1.56	1.37	1.82	1.40
Portfolio turnover <sup>3</sup> . . . . .	19 <sup>c</sup>	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					
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,				
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
(Unaudited)						(Unaudited)					
<b>\$ 8.43</b>	\$ 9.06	\$ 9.85	\$10.02	\$ 9.20	\$10.86	<b>\$ 8.43</b>	\$ 9.06	\$ 9.85	\$10.02	\$ 9.20	\$10.86
<b>0.10<sup>e</sup></b>	0.17 <sup>e</sup>	0.18 <sup>e</sup>	0.16	0.21	0.17	<b>0.10<sup>e</sup></b>	0.17 <sup>e</sup>	0.18 <sup>e</sup>	0.16	0.21	0.17
<b>0.67</b>	(0.01)	(0.10)	0.47	1.53	0.51	<b>0.67</b>	(0.01)	(0.10)	0.47	1.53	0.51
<b>0.77</b>	0.16	0.08	0.63	1.74	0.68	<b>0.77</b>	0.16	0.08	0.63	1.74	0.68
<b>(0.17)</b>	(0.20)	(0.22)	(0.23)	(0.26)	(0.20)	<b>(0.17)</b>	(0.20)	(0.22)	(0.23)	(0.26)	(0.20)
<b>(0.40)</b>	(0.59)	(0.65)	(0.57)	(0.66)	(2.14)	<b>(0.40)</b>	(0.59)	(0.65)	(0.57)	(0.66)	(2.14)
<b>(0.57)</b>	(0.79)	(0.87)	(0.80)	(0.92)	(2.34)	<b>(0.57)</b>	(0.79)	(0.87)	(0.80)	(0.92)	(2.34)
<b>8.63</b>	8.43	9.06	9.85	10.02	9.20	<b>8.63</b>	8.43	9.06	9.85	10.02	9.20
<b>\$ 23</b>	\$ 21	\$ 20	\$ 20	\$ 19	\$ 16	<b>\$ 23</b>	\$ 21	\$ 20	\$ 20	\$ 19	\$ 16
<b>9.61%<sup>c</sup></b>	2.36%	0.94%	6.76%	20.62%	9.78%	<b>9.61%<sup>c</sup></b>	2.36%	0.94%	6.76%	20.62%	9.78%
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37
<b>2.37<sup>d</sup></b>	2.01	1.97	1.60	2.20	1.71	<b>2.37<sup>d</sup></b>	2.01	1.97	1.60	2.20	1.71
<b>18<sup>c</sup></b>	30	18	22	22	27	<b>18<sup>c</sup></b>	30	18	22	22	27

Administrative Class						Investor Class					
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,				
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
(Unaudited)						(Unaudited)					
<b>\$13.51</b>	\$14.25	\$15.17	\$14.84	\$12.42	\$12.85	<b>\$13.51</b>	\$14.25	\$15.17	\$14.84	\$12.42	\$12.85
<b>0.15<sup>e</sup></b>	0.22 <sup>e</sup>	0.24 <sup>e</sup>	0.22	0.28	0.20	<b>0.15<sup>e</sup></b>	0.22 <sup>e</sup>	0.24 <sup>e</sup>	0.22	0.28	0.20
<b>1.24</b>	—*	(0.07)	0.82	2.58	0.80	<b>1.24</b>	—*	(0.07)	0.82	2.58	0.80
<b>1.39</b>	0.22	0.17	1.04	2.86	1.00	<b>1.39</b>	0.22	0.17	1.04	2.86	1.00
<b>(0.22)</b>	(0.27)	(0.29)	(0.31)	(0.31)	(0.19)	<b>(0.22)</b>	(0.27)	(0.29)	(0.31)	(0.31)	(0.19)
<b>(0.49)</b>	(0.69)	(0.80)	(0.40)	(0.13)	(1.24)	<b>(0.49)</b>	(0.69)	(0.80)	(0.40)	(0.13)	(1.24)
<b>(0.71)</b>	(0.96)	(1.09)	(0.71)	(0.44)	(1.43)	<b>(0.71)</b>	(0.96)	(1.09)	(0.71)	(0.44)	(1.43)
<b>14.19</b>	13.51	14.25	15.17	14.84	12.42	<b>14.19</b>	13.51	14.25	15.17	14.84	12.42
<b>\$ 24</b>	\$ 21	\$ 21	\$ 21	\$ 20	\$ 16	<b>\$ 23</b>	\$ 21	\$ 21	\$ 21	\$ 19	\$ 15
<b>10.70%<sup>c</sup></b>	1.91%	1.23%	7.24%	23.66%	9.62%	<b>10.70%<sup>c</sup></b>	1.91%	1.23%	7.24%	23.66%	9.62%
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37
<b>2.19<sup>d</sup></b>	1.68	1.63	1.40	2.06	1.50	<b>2.19<sup>d</sup></b>	1.68	1.63	1.40	2.06	1.50
<b>19<sup>c</sup></b>	24	15	21	20	16	<b>19<sup>c</sup></b>	24	15	21	20	16

# Harbor Target Retirement Funds Financial Highlights—Continued

## SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

### HARBOR TARGET RETIREMENT 2050 FUND

	6-Month Period Ended April 30, 2017  (Unaudited)	Institutional Class				
		Year Ended October 31,				
		2016	2015	2014	2013	2012
Net asset value beginning of period . . . . .	\$ 9.23	\$ 10.39	\$ 11.40	\$ 11.46	\$ 10.17	\$ 11.75
<b>Income from Investment Operations</b>						
Net investment income/(loss) <sup>a</sup> . . . . .	0.09 <sup>e</sup>	0.12 <sup>e</sup>	0.14 <sup>e</sup>	0.15	0.22	0.16
Net realized and unrealized gains/(losses) on investments . . . . .	0.93	(0.03)	0.05	0.67	2.20	0.58
Total from investment operations . . . . .	1.02	0.09	0.19	0.82	2.42	0.74
<b>Less Distributions</b>						
Dividends from net investment income . . . . .	(0.13)	(0.17)	(0.19)	(0.23)	(0.24)	(0.17)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.61)	(1.08)	(1.01)	(0.65)	(0.89)	(2.15)
Total distributions . . . . .	(0.74)	(1.25)	(1.20)	(0.88)	(1.13)	(2.32)
Net asset value end of period . . . . .	9.51	9.23	10.39	11.40	11.46	10.17
Net assets end of period (000s) . . . . .	\$20,526	\$18,728	\$19,221	\$20,434	\$19,170	\$14,516
<b>Ratios and Supplemental Data (%)</b>						
Total return <sup>b</sup> . . . . .	11.71% <sup>c</sup>	1.51%	1.83%	7.61%	26.12%	9.66%
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	2.00 <sup>d</sup>	1.34	1.35	1.17	1.88	1.41
Portfolio turnover <sup>3</sup> . . . . .	26 <sup>c</sup>	24	24	23	17	21

### HARBOR TARGET RETIREMENT 2055 FUND

	6-Month Period Ended April 30, 2017  (Unaudited)	Institutional Class	
		Year Ended October 31,	
		2016	2015
Net asset value beginning of period . . . . .	\$10.02	\$10.08	\$10.00
<b>Income from Investment Operations</b>			
Net investment income/(loss) <sup>a</sup> . . . . .	0.09 <sup>e</sup>	0.11 <sup>e</sup>	0.05 <sup>e</sup>
Net realized and unrealized gains/(losses) on investments . . . . .	1.10	0.01	0.18
Total from investment operations . . . . .	1.19	0.12	0.23
<b>Less Distributions</b>			
Dividends from net investment income . . . . .	(0.12)	(0.14)	(0.15)
Distributions from net realized capital gains <sup>1</sup> . . . . .	(0.20)	(0.04)	—
Total distributions . . . . .	(0.32)	(0.18)	(0.15)
Net asset value end of period . . . . .	10.89	10.02	10.08
Net assets end of period (000s) . . . . .	\$1,923	\$1,240	\$ 762
<b>Ratios and Supplemental Data (%)</b>			
Total return <sup>b</sup> . . . . .	12.21% <sup>c</sup>	1.38%	2.28% <sup>c</sup>
Ratio of total expenses to average net assets <sup>2</sup> . . . . .	—	—	—
Ratio of net expenses to average net assets <sup>a,2</sup> . . . . .	—	—	—
Ratio of net investment income to average net assets <sup>a,2</sup> . . . . .	1.77 <sup>d</sup>	1.13	0.52 <sup>d</sup>
Portfolio turnover <sup>3</sup> . . . . .	24 <sup>c</sup>	33	15 <sup>c</sup>

See page 73 for notes to the Financial Highlights.

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

Administrative Class						Investor Class					
6-Month Period Ended April 30, 2017	Year Ended October 31,					6-Month Period Ended April 30, 2017	Year Ended October 31,				
	2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
(Unaudited)						(Unaudited)					
<b>\$ 9.24</b>	\$10.40	\$11.41	\$11.47	\$10.18	\$11.75	<b>\$ 9.24</b>	\$10.40	\$11.41	\$11.47	\$10.18	\$11.75
<b>0.09<sup>e</sup></b>	0.12 <sup>e</sup>	0.14 <sup>e</sup>	0.15	0.22	0.16	<b>0.09<sup>e</sup></b>	0.12 <sup>e</sup>	0.14 <sup>e</sup>	0.15	0.22	0.16
<b>0.94</b>	(0.03)	0.05	0.67	2.20	0.59	<b>0.93</b>	(0.03)	0.05	0.67	2.20	0.59
<b>1.03</b>	0.09	0.19	0.82	2.42	0.75	<b>1.02</b>	0.09	0.19	0.82	2.42	0.75
<b>(0.13)</b>	(0.17)	(0.19)	(0.23)	(0.24)	(0.17)	<b>(0.13)</b>	(0.17)	(0.19)	(0.23)	(0.24)	(0.17)
<b>(0.61)</b>	(1.08)	(1.01)	(0.65)	(0.89)	(2.15)	<b>(0.61)</b>	(1.08)	(1.01)	(0.65)	(0.89)	(2.15)
<b>(0.74)</b>	(1.25)	(1.20)	(0.88)	(1.13)	(2.32)	<b>(0.74)</b>	(1.25)	(1.20)	(0.88)	(1.13)	(2.32)
<b>9.53</b>	9.24	10.40	11.41	11.47	10.18	<b>9.52</b>	9.24	10.40	11.41	11.47	10.18
<b>\$ 25</b>	\$ 22	\$ 21	\$ 21	\$ 19	\$ 15	<b>\$ 24</b>	\$ 22	\$ 22	\$ 21	\$ 20	\$ 16
<b>11.82%<sup>c</sup></b>	1.50%	1.83%	7.61%	26.09%	9.74%	<b>11.70%<sup>c</sup></b>	1.50%	1.83%	7.61%	26.09%	9.74%
<b>0.25<sup>d</sup></b>	0.25	0.25	0.25	0.25	0.25	<b>0.37<sup>d</sup></b>	0.37	0.37	0.37	0.37	0.37
<b>—</b>	—	—	—	—	—	<b>—</b>	—	—	—	—	—
<b>2.01<sup>d</sup></b>	1.36	1.32	1.17	1.91	1.35	<b>2.01<sup>d</sup></b>	1.36	1.32	1.17	1.91	1.35
<b>26<sup>c</sup></b>	24	24	23	17	21	<b>26<sup>c</sup></b>	24	24	23	17	21

Administrative Class			Investor Class		
6-Month Period Ended April 30, 2017	Year Ended October 31,		6-Month Period Ended April 30, 2017	Year Ended October 31,	
	2016	2015		2016	2015
(Unaudited)			(Unaudited)		
<b>\$10.02</b>	\$10.08	\$10.00	<b>\$10.02</b>	\$10.08	\$10.00
<b>0.10<sup>e</sup></b>	0.12 <sup>e</sup>	0.13 <sup>e</sup>	<b>0.10<sup>e</sup></b>	0.12 <sup>e</sup>	0.13 <sup>e</sup>
<b>1.09</b>	—*	0.10	<b>1.09</b>	—*	0.10
<b>1.19</b>	0.12	0.23	<b>1.19</b>	0.12	0.23
<b>(0.12)</b>	(0.14)	(0.15)	<b>(0.12)</b>	(0.14)	(0.15)
<b>(0.20)</b>	(0.04)	—	<b>(0.20)</b>	(0.04)	—
<b>(0.32)</b>	(0.18)	(0.15)	<b>(0.32)</b>	(0.18)	(0.15)
<b>10.89</b>	10.02	10.08	<b>10.89</b>	10.02	10.08
<b>\$ 12</b>	\$ 10	\$ 10	<b>\$ 12</b>	\$ 10	\$ 10
<b>12.21%<sup>c</sup></b>	1.39%	2.28% <sup>c</sup>	<b>12.21%<sup>c</sup></b>	1.39%	2.28% <sup>c</sup>
<b>0.25<sup>d</sup></b>	0.25	0.25 <sup>d</sup>	<b>0.37<sup>d</sup></b>	0.37	0.37 <sup>d</sup>
<b>—</b>	—	—	<b>—</b>	—	—
<b>1.90<sup>d</sup></b>	1.23	1.29 <sup>d</sup>	<b>1.90<sup>d</sup></b>	1.23	1.29 <sup>d</sup>
<b>24<sup>c</sup></b>	33	15 <sup>c</sup>	<b>24<sup>c</sup></b>	33	15 <sup>c</sup>

# Harbor Target Retirement Funds Financial Highlights—Continued

## SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

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\* 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 Unannualized.

d Annualized.

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

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

# Harbor Target Retirement Funds

## NOTES TO FINANCIAL STATEMENTS—April 30, 2017 (Unaudited)

### 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 30 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' currently 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 (“SEC”) 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.



# Harbor Target Retirement Funds

## NOTES TO FINANCIAL STATEMENTS—Continued

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### NOTE 2—SIGNIFICANT ACCOUNTING POLICIES—Continued

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

#### 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 April 30, 2017, each Fund held 10% or fewer of the outstanding shares of any Underlying Fund. In aggregate, the Funds held 11% of Harbor Global Leaders Fund and 10% of Harbor Real Return Fund.

#### Investment Company Reporting Modernization

In October 2016, the 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, investment income, realized and unrealized gains or losses for each Fund for the six-month period ended April 30, 2017 are as follows:

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT INCOME FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 43	\$ 61	\$ —	\$ 21	\$ 20	\$ 3
Harbor Mid Cap Growth Fund .....	17	34	—	31	—	(7)
Harbor Small Cap Growth Fund .....	14	35	—	30	1	(5)
Harbor Large Cap Value Fund .....	34	78	2	34	13	10
Harbor Mid Cap Value Fund .....	28	62	4	15	4	16
Harbor Small Cap Value Fund.....	17	50	1	26	—	8
Harbor International Fund.....	46	329	12	65	—	(37)
Harbor Diversified International All Cap Fund.....	343	17	—	22	—	1
Harbor International Growth Fund .....	37	132	6	21	—	4
Harbor Global Leaders Fund.....	13	24	—	18	—	(1)
Harbor High-Yield Bond Fund.....	108	169	52	50	—	(15)
Harbor Bond Fund .....	370	373	81	(108)	77	(29)
Harbor Real Return Fund.....	106	166	8	36	—	(33)
Harbor Money Market Fund .....	61	94	3	—	—	—
<b>Total</b> .....	<b>\$1,237</b>	<b>\$1,624</b>	<b>\$169</b>	<b>\$ 261</b>	<b>\$115</b>	<b>\$(85)</b>

# 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)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2015 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 31	\$ 58	\$—	\$ 12	\$13	\$ 1
Harbor Mid Cap Growth Fund.....	10	28	—	16	—	(2)
Harbor Small Cap Growth Fund.....	8	28	—	17	1	(2)
Harbor Large Cap Value Fund.....	24	71	1	20	8	7
Harbor Mid Cap Value Fund.....	19	52	3	14	2	5
Harbor Small Cap Value Fund.....	11	38	—	16	—	5
Harbor International Fund.....	25	220	7	41	—	(23)
Harbor Diversified International All Cap Fund.....	203	12	—	12	—	—
Harbor International Growth Fund.....	19	97	4	13	—	3
Harbor Global Leaders Fund.....	7	24	—	11	—	(1)
Harbor Commodity Real Return Strategy Fund.....	3	85	—	2	—	2
Harbor High-Yield Bond Fund.....	71	138	27	29	—	(11)
Harbor Bond Fund.....	285	255	36	(45)	34	(15)
Harbor Real Return Fund.....	127	100	3	7	—	(5)
Harbor Money Market Fund.....	68	51	1	—	—	—
<b>Total</b> .....	<u>\$911</u>	<u>\$1,257</u>	<u>\$82</u>	<u>\$165</u>	<u>\$58</u>	<u>\$(36)</u>

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2020 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 177	\$ 170	\$ 1	\$ 70	\$ 63	\$ 8
Harbor Mid Cap Growth Fund.....	96	87	—	92	—	(15)
Harbor Small Cap Growth Fund.....	98	104	—	90	2	(10)
Harbor Large Cap Value Fund.....	149	221	7	88	42	51
Harbor Mid Cap Value Fund.....	135	173	13	28	12	69
Harbor Small Cap Value Fund.....	91	130	2	82	—	25
Harbor International Fund.....	170	966	37	228	—	(126)
Harbor Diversified International All Cap Fund.....	1,173	89	—	67	—	1
Harbor International Growth Fund.....	149	364	18	84	—	4
Harbor Global Leaders Fund.....	38	70	—	55	—	(3)
Harbor Commodity Real Return Strategy Fund.....	37	723	—	107	—	(74)
Harbor Convertible Securities Fund.....	32	803	5	(3)	—	17
Harbor High-Yield Bond Fund.....	530	395	127	124	—	(35)
Harbor Bond Fund.....	1,594	694	122	(128)	116	(69)
Harbor Real Return Fund.....	384	227	11	33	—	(27)
Harbor Money Market Fund.....	462	80	2	—	—	—
<b>Total</b> .....	<u>\$5,315</u>	<u>\$5,296</u>	<u>\$345</u>	<u>\$1,017</u>	<u>\$235</u>	<u>\$(184)</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)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2025 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 251	\$ 99	\$ 1	\$ 57	\$ 40	\$ 5
Harbor Mid Cap Growth Fund.....	140	58	—	66	—	(10)
Harbor Small Cap Growth Fund.....	129	60	—	63	2	(7)
Harbor Large Cap Value Fund.....	260	125	4	71	26	26
Harbor Mid Cap Value Fund.....	206	108	8	36	7	30
Harbor Small Cap Value Fund.....	144	77	1	59	—	14
Harbor International Fund.....	308	678	24	168	—	(88)
Harbor Diversified International All Cap Fund.....	882	20	—	53	—	1
Harbor International Growth Fund.....	231	230	11	70	—	1
Harbor Global Leaders Fund.....	71	45	—	41	—	(4)
Harbor Commodity Real Return Strategy Fund.....	81	617	—	66	—	(40)
Harbor Convertible Securities Fund.....	95	778	4	(4)	—	17
Harbor High-Yield Bond Fund.....	1,169	203	86	78	—	(17)
Harbor Bond Fund.....	1,775	273	62	(69)	56	(13)
Harbor Real Return Fund.....	481	92	5	13	—	(5)
<b>Total</b> .....	<u>\$6,223</u>	<u>\$3,463</u>	<u>\$206</u>	<u>\$768</u>	<u>\$131</u>	<u>\$ (90)</u>

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2030 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 221	\$ 93	\$ 1	\$ 108	\$ 84	\$ 7
Harbor Mid Cap Growth Fund.....	133	56	—	116	—	(8)
Harbor Small Cap Growth Fund.....	138	79	—	122	3	(10)
Harbor Large Cap Value Fund.....	212	156	9	121	56	72
Harbor Mid Cap Value Fund.....	228	164	17	53	16	79
Harbor Small Cap Value Fund.....	152	116	3	130	—	19
Harbor International Fund.....	240	1,199	50	223	—	(79)
Harbor Diversified International All Cap Fund.....	1,640	36	—	100	—	1
Harbor International Growth Fund.....	206	388	24	120	—	11
Harbor Global Leaders Fund.....	45	64	—	61	—	10
Harbor Commodity Real Return Strategy Fund.....	82	1,256	—	205	—	(150)
Harbor Convertible Securities Fund.....	58	1,052	6	(5)	—	23
Harbor High-Yield Bond Fund.....	1,236	135	133	106	—	(15)
Harbor Bond Fund.....	1,760	180	90	(118)	83	(11)
Harbor Real Return Fund.....	397	44	5	11	—	(4)
<b>Total</b> .....	<u>\$6,748</u>	<u>\$5,018</u>	<u>\$338</u>	<u>\$1,353</u>	<u>\$242</u>	<u>\$ (55)</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)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2035 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 184	\$ 108	\$ 1	\$ 59	\$ 49	\$ 7
Harbor Mid Cap Growth Fund.....	111	67	—	76	—	(13)
Harbor Small Cap Growth Fund.....	106	73	—	73	2	(9)
Harbor Large Cap Value Fund.....	171	138	5	93	33	18
Harbor Mid Cap Value Fund.....	152	115	10	55	9	19
Harbor Small Cap Value Fund.....	101	82	2	72	—	13
Harbor International Fund.....	178	728	29	187	—	(104)
Harbor Diversified International All Cap Fund.....	952	41	—	56	—	1
Harbor International Growth Fund.....	165	263	14	81	—	(5)
Harbor Global Leaders Fund.....	49	54	—	45	—	(4)
Harbor Commodity Real Return Strategy Fund.....	33	633	—	81	—	(52)
Harbor Convertible Securities Fund.....	11	181	1	(5)	—	8
Harbor High-Yield Bond Fund.....	478	112	53	46	—	(10)
Harbor Bond Fund.....	689	167	37	(44)	35	(10)
Harbor Real Return Fund.....	133	29	2	2	—	—
<b>Total</b> .....	<u>\$3,513</u>	<u>\$2,791</u>	<u>\$154</u>	<u>\$877</u>	<u>\$128</u>	<u>\$(141)</u>

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2040 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 294	\$ 119	\$ 2	\$ 93	\$ 97	\$ 38
Harbor Mid Cap Growth Fund.....	154	61	—	129	—	(6)
Harbor Small Cap Growth Fund.....	143	77	—	134	4	(9)
Harbor Large Cap Value Fund.....	249	145	10	162	64	57
Harbor Mid Cap Value Fund.....	237	147	20	70	18	77
Harbor Small Cap Value Fund.....	161	119	3	130	—	37
Harbor International Fund.....	276	1,337	57	201	—	(35)
Harbor Diversified International All Cap Fund.....	1,881	50	—	111	—	2
Harbor International Growth Fund.....	267	449	27	112	—	35
Harbor Global Leaders Fund.....	73	63	—	65	—	18
Harbor Commodity Real Return Strategy Fund.....	36	930	—	145	—	(103)
Harbor High-Yield Bond Fund.....	520	91	70	58	—	(10)
Harbor Bond Fund.....	858	110	50	(69)	46	(5)
Harbor Real Return Fund.....	98	13	1	3	—	(1)
<b>Total</b> .....	<u>\$5,247</u>	<u>\$3,711</u>	<u>\$240</u>	<u>\$1,344</u>	<u>\$229</u>	<u>\$ 95</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)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2045 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 174	\$ 45	\$ 1	\$ 52	\$43	\$ 8
Harbor Mid Cap Growth Fund.....	88	24	—	61	—	(7)
Harbor Small Cap Growth Fund.....	85	34	—	61	2	(5)
Harbor Large Cap Value Fund.....	186	70	4	76	28	22
Harbor Mid Cap Value Fund.....	153	69	9	40	8	26
Harbor Small Cap Value Fund.....	91	44	2	70	—	4
Harbor International Fund.....	208	613	25	155	—	(78)
Harbor Diversified International All Cap Fund.....	873	33	—	51	—	1
Harbor International Growth Fund.....	184	209	12	67	—	1
Harbor Global Leaders Fund.....	56	26	—	38	—	1
Harbor Commodity Real Return Strategy Fund.....	27	332	—	23	—	(9)
Harbor High-Yield Bond Fund.....	214	29	20	16	—	(2)
Harbor Bond Fund.....	351	41	13	(15)	12	(3)
Harbor Real Return Fund.....	50	4	—	1	—	—
<b>Total</b> .....	<u>\$2,740</u>	<u>\$1,573</u>	<u>\$86</u>	<u>\$696</u>	<u>\$93</u>	<u>\$(41)</u>

	Purchases (000s)	Sales (000s)	Investment income from affiliated funds (000s)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2050 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 336	\$ 259	\$ 2	\$ 90	\$120	\$ 67
Harbor Mid Cap Growth Fund.....	174	154	—	181	—	(32)
Harbor Small Cap Growth Fund.....	160	167	—	174	5	(19)
Harbor Large Cap Value Fund.....	291	323	13	143	80	131
Harbor Mid Cap Value Fund.....	256	269	25	51	22	134
Harbor Small Cap Value Fund.....	155	206	4	148	—	59
Harbor International Fund.....	402	1,892	71	363	—	(162)
Harbor Diversified International All Cap Fund.....	2,294	146	—	133	—	3
Harbor International Growth Fund.....	345	718	34	143	—	31
Harbor Global Leaders Fund.....	98	119	—	76	—	26
Harbor Commodity Real Return Strategy Fund.....	53	723	—	69	—	(38)
Harbor High-Yield Bond Fund.....	325	96	29	28	—	(9)
Harbor Bond Fund.....	454	130	18	(16)	16	(8)
<b>Total</b> .....	<u>\$5,343</u>	<u>\$5,202</u>	<u>\$196</u>	<u>\$1,583</u>	<u>\$243</u>	<u>\$ 183</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)	Change in Unrealized Gain/(Loss)	Net Realized Gain/(Loss)	
					Distributions received from affiliated funds (000s)	Sale of affiliated funds (000s)
<b>HARBOR TARGET RETIREMENT 2055 FUND</b>						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund.....	\$ 90	\$ 17	\$—	\$ 16	\$ 9	\$ (1)
Harbor Mid Cap Growth Fund .....	45	10	—	14	—	(1)
Harbor Small Cap Growth Fund .....	43	11	—	14	—	(2)
Harbor Large Cap Value Fund .....	105	24	1	23	6	1
Harbor Mid Cap Value Fund .....	74	19	2	13	2	—
Harbor Small Cap Value Fund .....	51	15	—	15	—	1
Harbor International Fund .....	116	155	6	32	—	(10)
Harbor Diversified International All Cap Fund .....	233	14	—	13	—	—
Harbor International Growth Fund .....	93	54	3	19	—	(1)
Harbor Global Leaders Fund .....	34	8	—	9	—	—
Harbor Commodity Real Return Strategy Fund.....	9	48	—	(1)	—	3
Harbor High-Yield Bond Fund .....	26	4	1	—	—	—
Harbor Bond Fund .....	35	5	1	—	1	—
<b>Total .....</b>	<b>\$954</b>	<b>\$384</b>	<b>\$14</b>	<b>\$167</b>	<b>\$18</b>	<b>\$(10)</b>

### 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 period ended April 30, 2017. 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 six-month period ended April 30, 2017. 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 April 30, 2017, 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 .....	9,081	1,816	1,816	12,713	0.8%
Harbor Target Retirement 2015 Fund .....	8,540	1,708	1,708	11,956	2.0
Harbor Target Retirement 2020 Fund .....	24,076	2,021	2,020	28,117	1.0
Harbor Target Retirement 2025 Fund .....	17,066	1,645	1,645	20,356	1.4
Harbor Target Retirement 2030 Fund .....	42,936	2,403	2,403	47,742	1.5
Harbor Target Retirement 2035 Fund .....	31,331	1,626	1,626	34,583	3.6
Harbor Target Retirement 2040 Fund .....	13,278	2,655	2,655	18,588	0.7
Harbor Target Retirement 2045 Fund .....	58,190	1,668	1,668	61,526	9.7
Harbor Target Retirement 2050 Fund .....	24,539	2,564	2,564	29,667	1.4
Harbor Target Retirement 2055 Fund .....	11,496	1,069	1,069	13,634	7.7

#### Independent Trustees

The Independent Trustees' received no remuneration from the Target Retirement Funds for the six-month period ended April 30, 2017.

#### 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 identified cost for federal income tax purposes of investments owned by each Fund and their respective gross unrealized appreciation and depreciation at April 30, 2017 are as follows:

	Identified Cost (000s)	Gross Unrealized		Net Unrealized Appreciation/ (Depreciation) (000s)
		Appreciation (000s)	(Depreciation) (000s)	
Harbor Target Retirement Income Fund .....	\$13,618	\$ 325	\$(336)	\$ (11)
Harbor Target Retirement 2015 Fund* .....	6,259	204	(73)	131
Harbor Target Retirement 2020 Fund .....	25,532	1,023	(308)	715
Harbor Target Retirement 2025 Fund .....	17,074	705	(97)	608
Harbor Target Retirement 2030 Fund .....	26,340	1,561	(293)	1,268
Harbor Target Retirement 2035 Fund .....	12,177	780	(59)	721
Harbor Target Retirement 2040 Fund .....	20,471	1,993	(94)	1,899
Harbor Target Retirement 2045 Fund .....	8,321	695	(16)	679
Harbor Target Retirement 2050 Fund .....	18,389	2,204	(18)	2,186
Harbor Target Retirement 2055 Fund .....	1,787	160	—	160

\* 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

## 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 (if any), 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 November 1, 2016 through April 30, 2017.

### 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/Class’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the respective Fund/Class’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 November 1, 2016	Ending Account Value April 30, 2017
<b>HARBOR TARGET RETIREMENT INCOME FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,034.90
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,033.80
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,035.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>HARBOR TARGET RETIREMENT 2015 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,042.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,043.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,042.00
Hypothetical (5% return)		0.00	1,000	1,024.79

# Harbor Target Retirement Funds

## FEES AND EXPENSES EXAMPLE—Continued

	Annualized Expense Ratios	Expenses Paid During Period*	Beginning Account Value November 1, 2016	Ending Account Value April 30, 2017
<b>HARBOR TARGET RETIREMENT 2020 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,055.10
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,056.30
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,055.20
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>HARBOR TARGET RETIREMENT 2025 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,064.80
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,063.90
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,063.90
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>HARBOR TARGET RETIREMENT 2030 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,075.20
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,074.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,074.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>HARBOR TARGET RETIREMENT 2035 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,085.70
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,085.80
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,085.80
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>HARBOR TARGET RETIREMENT 2040 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,096.10
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,096.10
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,096.10
Hypothetical (5% return)		0.00	1,000	1,024.79

# Harbor Target Retirement Funds

## FEES AND EXPENSES EXAMPLE—Continued

	Annualized Expense Ratios	Expenses Paid During Period*	Beginning Account Value November 1, 2016	Ending Account Value April 30, 2017
<b>HARBOR TARGET RETIREMENT 2045 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,107.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,107.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,107.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>HARBOR TARGET RETIREMENT 2050 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,117.10
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,118.20
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,117.00
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>HARBOR TARGET RETIREMENT 2055 FUND</b>				
<b>Institutional Class</b>	<b>0.00%</b>			
Actual		\$0.00	\$1,000	\$1,122.10
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Administrative Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,122.10
Hypothetical (5% return)		0.00	1,000	1,024.79
<b>Investor Class</b>	<b>0.00%</b>			
Actual		\$0.00**	\$1,000	\$1,122.10
Hypothetical (5% return)		0.00	1,000	1,024.79

\* Expenses are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (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)

### 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.

### ADVISORY AGREEMENT APPROVALS

#### FACTORS CONSIDERED BY THE TRUSTEES IN APPROVING THE INVESTMENT ADVISORY AGREEMENTS OF THE TARGET RETIREMENT FUNDS

The Investment Company Act of 1940, as amended, requires that the Investment Advisory Agreement of each Fund be approved initially, and following an initial two-year term, at least annually, by the Harbor Funds Board of Trustees, including a majority of the Independent Trustees voting separately.

At an in-person meeting of the Board of Trustees held on February 12, 13 and 14, 2017 (the "Meeting"), the Board, including the Independent Trustees voting separately, considered and approved the continuation of an Investment Advisory Agreement with Harbor Capital Advisors, Inc., the adviser to each Fund (the "Adviser"), with respect to 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 (each, a "Target Retirement Fund" and collectively, the "Target Retirement Funds"), each a series of the Harbor Funds.

In evaluating the Target Retirement Funds' Investment Advisory Agreement, the Trustees reviewed materials furnished by the Adviser, including information about its affiliates, personnel, and operations, and also relied upon their knowledge of the Adviser resulting from their quarterly meetings, periodic telephonic meetings and other prior communications. At the Meeting, which had been called for the purpose of considering the continuation of the Investment Advisory Agreements, and at prior meetings, the Trustees, including the Independent Trustees, requested and received materials and presentations relating to Fund performance and the services rendered by the Adviser.

At the Meeting, the Trustees, including all of the Independent Trustees voting separately, determined that the terms of the Investment Advisory Agreement were fair and reasonable and approved the continuation for a one-year period of the Investment Advisory Agreement as being in the best interests of each Fund and its shareholders.

In their deliberations, the Independent Trustees had the opportunity to meet privately without representatives of the Adviser present and were represented throughout the process by legal counsel to the Independent Trustees and the Funds.

# Harbor Target Retirement Funds

## ADDITIONAL INFORMATION—Continued

### ADVISORY AGREEMENT APPROVALS—Continued

In considering the approval of the Target Retirement Funds' Investment Advisory Agreement, the Board, including the Independent Trustees, evaluated a number of factors it considered relevant to its determination. The Board did not identify any single factor as all-important or controlling, and individual Trustees did not necessarily attribute the same weight or importance to each factor.

Among the factors considered by the Trustees in approving the Investment Advisory Agreement were the following:

- the nature, extent, and quality of the services provided by the Adviser, including the background, education, expertise and experience of the investment professionals of the Adviser who provide services to the Target Retirement Funds;
- the favorable history, reputation, qualifications and background of the Adviser, as well as the qualifications of its personnel;
- the profitability of the Adviser with respect to each Target Retirement Fund;
- while no fees were proposed to be charged by the Adviser for investment advisory services, the Adviser would benefit from assets invested in the Target Retirement Funds in the form of increased advisory and other fees from the underlying Harbor Funds attributable to assets invested in such Funds by the Target Retirement Funds;
- the fees and expense ratios of each Target Retirement Fund relative to the quality of services provided and the fees and expense ratios of similar investment companies;
- the short- and long-term investment performance of each Target Retirement Fund in comparison to peer funds and the impact of the Target Retirement Funds' glidepaths on relative performance;
- the compensation received by Harbor Services Group and Harbor Funds Distributors in consideration of the services each provides to the Target Retirement Funds, and any other "fall out" benefits that inure to the Adviser and its affiliates as a result of their relationship with the Target Retirement Funds;
- information received at regular meetings throughout the year related to Target Retirement Funds' performance and services rendered by the Adviser; and
- information contained in materials provided by the Adviser and compiled by Broadridge, as to the investment returns, advisory fees and total expense ratios of each share class of each Target Retirement Fund (and, in certain cases, total expense ratios of certain other classes) relative to those of other investment companies with similar objectives and strategies managed by other investment advisers, consisting both of a peer group of funds as well as a broader universe of funds compiled by Broadridge.

### Nature, Extent, and Quality of Services

The Board evaluated the nature, extent, and quality of the Adviser's services in light of the Board's experience with the Adviser, as well as materials provided by the Adviser as part of its comprehensive written response to the 15(c) request letter prepared by legal counsel to the Independent Trustees in consultation with the Independent Trustees concerning the financial and other resources devoted by the Adviser to Harbor Funds, including the breadth and depth of experience and expertise of the investment, administrative, legal and compliance professionals dedicated to Harbor Funds' operations. The Trustees noted that the Adviser had a favorable long-term record of identifying mutual fund products that proved to be attractive to investors.

### Investment Performance, Advisory Fees, and Expense Ratios

In considering each Target Retirement Fund's performance, advisory fees and expense ratio, the Trustees requested and received from the Adviser data compiled by Broadridge. The Trustees also received information explaining the methodology for compilation of certain of this information and what it was intended to demonstrate. In evaluating performance, the Trustees recognized that the performance data reflects a snapshot of a period as of a particular date and that selecting a different performance period could produce significantly different results.

**Harbor Target Retirement Funds.** In consideration of the Investment Advisory Agreement for each Target Retirement Fund (inception date of January 2, 2009 for each Target Retirement Fund except the Target Retirement 2055 Fund which had an inception date of November 1, 2014), the Trustees noted that Broadridge had selected 15 peer complexes' target date funds as peers for the Target Retirement Funds that Broadridge believes are the most comparable to the Target Retirement Funds. These 15 peer complexes are: American Century One Choice Portfolios, BlackRock LifePath Smart Beta Portfolios, Fidelity Advisor Freedom Funds, Franklin LifeSmart Retirement Target Funds, John Hancock Retirement Living Portfolios, JPMorgan SmartRetirement Funds, MainStay Retirement Funds, Principal LifeTime Portfolios, Putnam Retirement Ready Portfolios, Russell Strategy Portfolios, Schwab Target Funds, T. Rowe Price Retirement Funds, TIAA-CREF Lifecycle Portfolios and USAA Target Retirement Funds. The Trustees further noted that the performance analysis conducted by Broadridge included these



# Harbor Target Retirement Funds

## ADDITIONAL INFORMATION—Continued

### ADVISORY AGREEMENT APPROVALS—Continued

15 selected peers, as applicable, as the performance group and all target date funds as the performance universe. The Trustees also noted that Broadridge had produced reports on only the Institutional Class shares of the Target Retirement Funds as there are no shareholders currently in either of the Administrative or Investor share classes and no 12b-1 fees are assessed.

The Trustees considered the expertise of the Adviser in managing assets generally and in the target retirement asset class specifically, noting that the Adviser had maintained risk-based asset allocation options for retirement plans sponsored by Owens-Illinois and other clients for more than 15 years prior to the 2009 launch of these funds. The Trustees noted that the Target Retirement Funds totaled \$146.45 million in assets, out of a firm-wide total of approximately \$67.14 billion in assets under management as of December 31, 2016.

The Trustees considered the fact that the Target Retirement Funds had been in operation for a shorter period than many of their peers. They also noted that the glidepaths for the Target Retirement Funds are generally more conservative compared to the peer funds in that the equity exposure for the Target Retirement Funds declines more steeply than it does in other target date fund families. The Trustees considered how periods of strong equity market performance would negatively impact the performance of the Target Retirement Funds relative to their more aggressively positioned peer funds. The Trustees also considered the fact that the Adviser charged no management fee to the Funds and that the Adviser was voluntarily waiving its fees and/or reimbursing each of the Target Retirement Fund's expenses, acknowledging that the waivers/reimbursements could be discontinued at any time. The Trustees noted that the Adviser's profitability in operating the Target Retirement Funds was negative.

**Harbor Target Retirement Income Fund.** The Trustees noted the Fund's Institutional Class outperformance relative to its universe median for the two-, and three-year periods ended December 31, 2016, its underperformance relative to its universe median for the one- and four-year periods ended December 31, 2016, and its performance at its universe median for the five-year period ended December 31, 2016, according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were below the peer group median. They also noted that the Fund's underlying fund expenses caused the Fund to rank in the top third of its peer group. The actual total expense ratio of the Fund's Institutional Class was below both the peer group and universe medians.

**Harbor Target Retirement 2015 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its universe medians for each of the one-, two-, three-, four- and five-year periods ended December 31, 2016 according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were below the peer group median. They also noted that the Fund's underlying fund expenses caused the Fund to rank in the top half of its peer group. The actual total expense ratio of the Fund's Institutional Class was below both the peer group and universe medians.

**Harbor Target Retirement 2020 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its universe medians for the one-, three-, four- and five-year periods ended December 31, 2016 and the Fund's outperformance relative to its universe median for the two-year period ended December 31, 2016 according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were slightly above the peer group median. They also noted that the Fund's underlying fund expenses were in the third quintile of its peer group. The actual total expense ratio of the Fund's Institutional Class was below both the peer group and universe medians.

**Harbor Target Retirement 2025 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its universe medians for each of the one-, two-, three-, four- and five-year periods ended December 31, 2016 according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were above the peer group median. They also noted that the Fund's underlying fund expenses were in the bottom half of its peer group. The actual total expense ratio of the Fund's Institutional Class was at the peer group median and above the universe median.

**Harbor Target Retirement 2030 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its universe medians for each of the one-, two-, three-, four- and five-year periods ended December 31, 2016 according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were slightly above the peer group median. They also noted that the Fund's underlying fund expenses were in the third quintile of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group and universe median.

**Harbor Target Retirement 2035 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its universe medians for the one-, two-, three-, four- and five-year periods ended December 31, 2016 according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were at the peer group median. They also noted that the Fund's underlying fund expenses were in the middle of its peer group. The actual total expense ratio of the Fund's Institutional Class was below both the peer group and universe medians.

# Harbor Target Retirement Funds

## ADDITIONAL INFORMATION—Continued

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### ADVISORY AGREEMENT APPROVALS—Continued

**Harbor Target Retirement 2040 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its universe medians for the one-, two-, three-, four- and five-year periods ended December 31, 2016 according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were at the peer group median. They also noted that the Fund's underlying fund expenses were in the third quintile of its peer group. The actual total expense ratio of the Fund's Institutional Class was below both the peer group and universe medians.

**Harbor Target Retirement 2045 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its universe medians for the one-, two-, three-, four- and five-year periods ended December 31, 2016 according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were slightly above the peer group median. They also noted that the Fund's underlying fund expenses caused the Fund to rank in the third quartile of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group median and at the universe median.

**Harbor Target Retirement 2050 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its Broadridge universe median for the one-, two-, three- and four-year periods ended December 31, 2016 and its outperformance for the five-year period ended December 31, 2016. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were above the peer group median. They also noted that the Fund's underlying fund expenses caused the Fund to rank in the bottom third of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group median and at the universe median.

**Harbor Target Retirement 2055 Fund.** The Trustees noted the Fund's Institutional Class underperformance relative to its Broadridge universe median for the one-year, two-year and since inception periods ended December 31, 2016. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were above the peer group median. They also noted that the Fund's underlying fund expenses caused the Fund to rank in the bottom third of its peer group. The actual total expense ratio of the Fund's Institutional Class was above both the peer group and universe medians.

### Adviser Fees and Profitability

The Trustees noted that the Adviser receives no fee from any of the Target Retirement Funds for the Adviser's services in allocating the Target Retirement Funds' assets among shares of the other Harbor Funds. They also noted that the Adviser benefits indirectly from assets invested in the Target Retirement Funds in the form of increased advisory and other fees from the underlying Harbor Funds attributable to assets invested in such funds by the Target Retirement Funds and that the Board considers the issue of the Adviser's profitability in operating these underlying funds at least annually as part of its annual investment advisory contract review process with respect to all of the Harbor Funds. The Board also noted that the Adviser was waiving fees and/or reimbursing a portion of each of the Target Retirement Fund's expenses and that the Adviser was incurring a loss in operating the Target Retirement Funds.

### Economies of Scale

As the Adviser does not receive a fee from any of the Target Retirement Funds for the Adviser's services, the Trustees determined that it was unnecessary to consider economies of scale in this context. However, given that the Adviser benefits from assets invested in the Target Retirement Funds in the form of increased advisory fees from the underlying Harbor Funds, the Board noted that it considers the issue of breakpoints in the Harbor Funds' fee schedules at least annually as part of its annual investment contract review process for all of the underlying Harbor Funds.



## Harbor's Privacy Statement

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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.

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**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.

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**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.

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**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.

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**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.

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

## BENCHMARK DESCRIPTIONS

**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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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, 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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.

## Glossary—Continued

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### BENCHMARK DESCRIPTIONS—Continued

**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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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<sup>®</sup> Growth Index, Russell Midcap<sup>®</sup> Growth Index, Russell 2000<sup>®</sup> Growth Index, Russell 1000<sup>®</sup> Value Index, Russell Midcap<sup>®</sup> Value Index, Russell 2000<sup>®</sup> 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 Return<sup>SM</sup>, 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.

**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.

## Glossary—Continued

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### BENCHMARK DESCRIPTIONS—Continued

**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 Return<sup>SM</sup>**—The Bloomberg Commodity Index Total Return<sup>SM</sup> 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.

**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.

**Russell 1000<sup>®</sup> Growth Index**—The Russell 1000<sup>®</sup> 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<sup>®</sup> Growth Index and Russell<sup>®</sup> are trademarks of Frank Russell Company.



## Glossary—Continued

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### BENCHMARK DESCRIPTIONS—Continued

**Russell 1000<sup>®</sup> Value Index**—The Russell 1000<sup>®</sup> 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<sup>®</sup> Value Index and Russell<sup>®</sup> are trademarks of Frank Russell Company.

**Russell 2000<sup>®</sup> Index**—The Russell 2000<sup>®</sup> Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000<sup>®</sup> Index is a subset of the Russell 3000<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> Index and Russell<sup>®</sup> are trademarks of Frank Russell Company.

**Russell 2000<sup>®</sup> Growth Index**—The Russell 2000<sup>®</sup> 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<sup>®</sup> Growth Index and Russell<sup>®</sup> are trademarks of Frank Russell Company.

**Russell 2000<sup>®</sup> Value Index**—The Russell 2000<sup>®</sup> 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<sup>®</sup> Value Index and Russell<sup>®</sup> are trademarks of Frank Russell Company.

**Russell 3000<sup>®</sup> Index**—The Russell 3000<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> Index and Russell<sup>®</sup> are trademarks of Frank Russell Company.

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**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.

### FINANCIAL TERMS

**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 Cap**—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 Market 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.

**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.

**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.

**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.

**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 Management 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.

## Glossary—Continued

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### FINANCIAL TERMS—Continued

**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.

**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.

**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.

## Glossary—Continued

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### FINANCIAL TERMS—Continued

**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.



# Notes

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111 South Wacker Drive, 34th Floor | Chicago, IL 60606-4302 | 800-422-1050 | harborfunds.com

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**Investment Adviser**

**Harbor Capital Advisors, Inc.**  
111 South Wacker Drive  
34th Floor  
Chicago, IL 60606-4302  
312-443-4400

**Distributor & Principal  
Underwriter**

**Harbor Funds Distributors, Inc.**  
111 South Wacker Drive  
34th Floor  
Chicago, IL 60606-4302  
312-443-4600

**Shareholder Servicing Agent**

**Harbor Services Group, Inc.**  
P.O. Box 804660  
Chicago, IL 60680-4108  
800-422-1050

**Custodian**

**State Street Bank & Trust Company**  
State Street Financial Center  
1 Lincoln Street  
Boston, MA 02111-2900