

Investment Overview

The Fund invests primarily in convertible securities of U.S. and non-U.S. corporate issuers. Convertible securities are “hybrid” securities that possess both fixed income and equity characteristics. These convertible securities include corporate bonds, preferred stocks and other types of securities that are convertible into common stock or its equivalent value.

Portfolio Management

Subadviser:

Shenkman Capital Management, Inc.
Since 05/11/2011

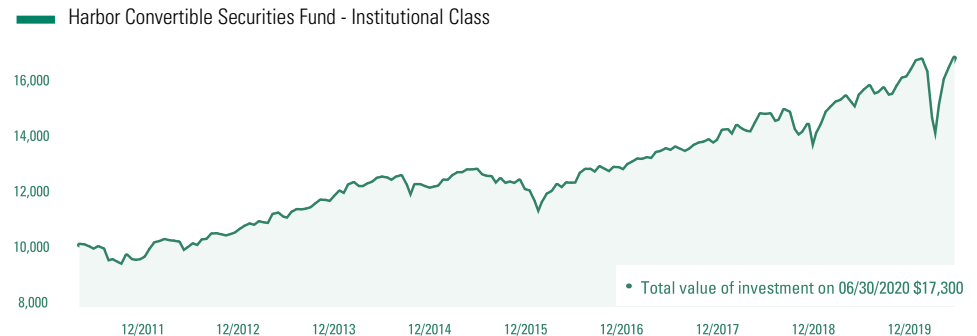
Portfolio Managers:

Mark R. Shenkman
Justin W. Slatky
Raymond F. Condon
Jordan N. Barrow, CFA
Thomas Whitley, CFA

Investment Risks

Convertible securities generally tend to be of lower credit quality and the value of a convertible security generally increases and decreases with the value of the underlying common stock, but may also be sensitive to changes in interest rates. As interest rates rise, the values of convertible securities held by the Fund are likely to decrease and reduce the value of the Fund's portfolio. Credit risk is higher for the Fund because it invests primarily in convertible securities of companies with debt rated below investment grade. High yield investing poses additional credit risk related to lower-rated bonds.

Growth of a Hypothetical \$10,000 investment



Performance

	Three Months	Year to Date	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception
Institutional Class	23.06%	6.85%	11.83%	8.93%	6.62%	N/A	6.16%
Retirement Class	23.18%	6.88%	12.12%	9.05%	6.71%	N/A	6.21%
Administrative Class	23.04%	6.63%	11.57%	8.57%	6.32%	N/A	5.86%
Investor Class	23.11%	6.65%	11.50%	8.54%	6.26%	N/A	5.77%
ICE BofAML US Convertible Ex Mandatory Index	25.92%	9.64%	17.79%	12.99%	10.45%	N/A	10.00%

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

The ICE BofAML US Convertible Excluding 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.

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

The Fund charges a redemption fee of 1.00% on redemption of shares that are held for less than 90 days.

Fund Facts	Institutional Class	Retirement Class	Administrative Class	Investor Class
Ticker	HACSX	HNCVX	HRCSX	HICSX
Fund Number	2034	2534	2234	2434
CUSIP	411512734	411512387	411512726	411512718
Inception Date	05/01/2011	03/01/2016	05/01/2011	05/01/2011
12b-1 Fee	None	None	0.25%	0.25%
Total Net Assets (\$MM)	112.482	33.983	0.065	1.967
Redemption Fee	1.00%	1.00%	1.00%	1.00%
Net Expense Ratio	0.77	0.69	1.02	1.14
Gross Expense Ratio	0.82	0.74	1.07	1.19

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2021.

Top Industries

Software	16.48%
Media	7.95%
Semiconductors & Semiconduct...	7.19%
Health Care Equipment & Supp...	5.75%
Internet Software & Services	5.70%
Biotechnology	4.58%
It Services	4.45%
Internet & Direct Marketing ...	4.29%
Communications Equipment	3.56%
Interactive Media & Services	3.18%
Total	63.13%

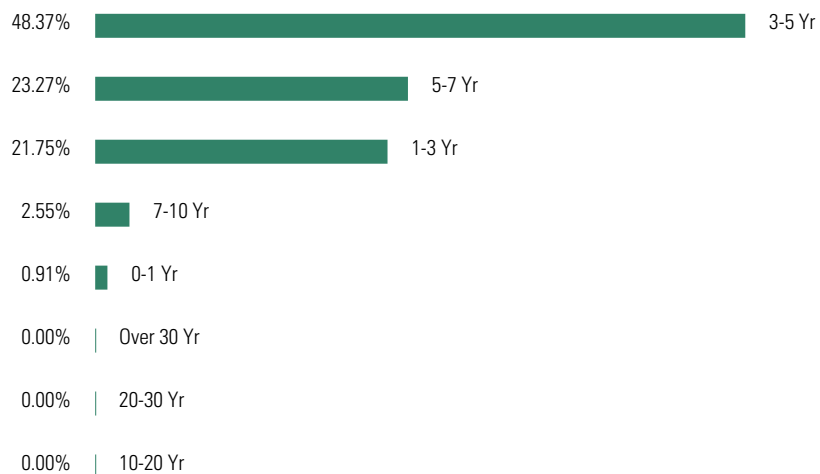
Duration

0-1 yr	16.56%
1-3 yr	71.78%
3-5 yr	8.50%
5-7 yr	0.00%
7-10 yr	0.00%
10-20 yr	0.00%
20-30 yr	0.00%
Over 30 yr	0.00%

Top Holdings

	Portfolio %
1. BioMarin Pharmaceutical Inc.	2.07%
2. Microchip Technology Inc.	1.98%
3. Dish Network Corp.	1.90%
4. Palo Alto Networks Inc.	1.81%
5. Etsy Inc.	1.57%
6. ON Semiconductor Corp.	1.55%
7. Zillow Group Inc.	1.51%
8. Blackstone Mortgage Trust Inc.	1.47%
9. Bilibili Inc.	1.43%
10. Booking Holdings Inc.	1.41%
Total	16.70%

Maturity Profile



Portfolio Statistics

Number of Issues	135
Weighted Avg. Maturity (yrs)	4.36
Convertible Avg. Price (\$)	114.71
Average Issue Size (MM)	781.44
Annualized Turnover - as of 10/31/2019	74%

Risk Statistics

	The Fund	ICE BofAML US Convertible Ex Mandatory Index
Alpha	-2.30%	0.00%
R-Squared	98.02%	100.00%
Standard Deviation	12.51%	14.44%
Sharpe Ratio	0.61%	0.80%

Definitions:

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

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

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

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

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

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

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

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

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

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

As a result of changing market conditions, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

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

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

Distributed by Harbor Funds Distributors, Inc.

Not FDIC Insured. No Bank Guarantee. May Lose Value.