

Investment Overview

The Fund invests primarily in investment-grade fixed income securities of issuers located in the U.S. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in a diversified portfolio of fixed income instruments.

Portfolio Management

Subadviser:

Income Research + Management
 Since 06/01/2018

Portfolio Managers:

William A. O'Malley, CFA
 James E. Gubitosi, CFA
 Sarah M. Kilpatrick

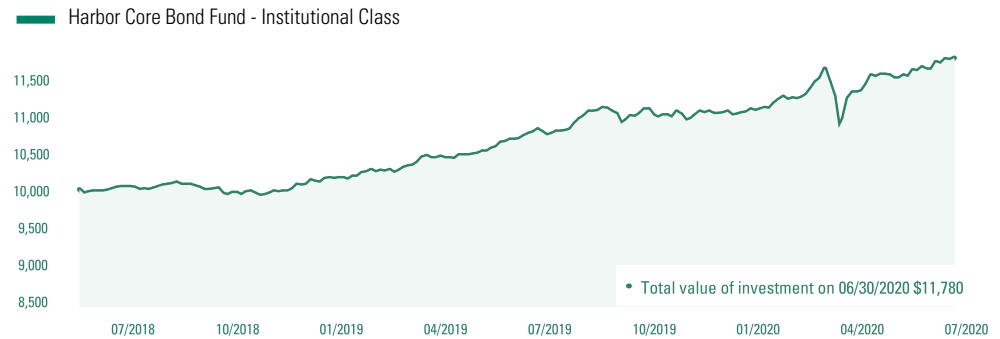
Investment Risks

Fixed income investments are affected by interest rate changes and the creditworthiness of the issues held by the Fund. As interest rates rise, the values of fixed income securities held by the Fund are likely to decrease and reduce the value of the Fund's portfolio.

The use of derivative instruments may add additional risk.

There may be a greater risk that the Fund could lose money due to prepayment and extension risks because the Fund invests heavily at times in mortgage-related and/or asset backed securities. The Fund may engage in active and frequent trading to achieve its principal investment strategies. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions.

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	4.20%	7.01%	9.41%	N/A	N/A	N/A	8.17%
Retirement Class	4.22%	6.95%	9.50%	N/A	N/A	N/A	8.25%
Bloomberg Barclays U.S. Aggregate Bond Index	2.90%	6.14%	8.74%	N/A	N/A	N/A	7.90%

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 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.

Fund Facts	Institutional Class	Retirement Class	Administrative Class	Investor Class
Ticker	HACBX	HCBRX	N/A	N/A
Fund Number	2043	2543	N/A	N/A
CUSIP	411512239	411512197	N/A	N/A
Inception Date	06/01/2018	06/01/2018	N/A	N/A
12b-1 Fee	None	None	N/A	N/A
Total Net Assets (\$MM)	85.632	20.373	N/A	N/A
Redemption Fee	None	None	N/A	N/A
Net Expense Ratio	0.45	0.37	N/A	N/A
Gross Expense Ratio	0.54	0.46	N/A	N/A

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

Mortgage Pass-Through	19.94%
U.S. Government Obligations	16.81%
Asset-Backed Securities	11.67%
Collateralized Mortgage Obli...	9.34%
Banks	4.81%
Capital Markets	4.61%
Electric Utilities	3.19%
Oil, Gas & Consumable Fuels	2.96%
Media	2.58%
Insurance	2.22%
Total	78.13%

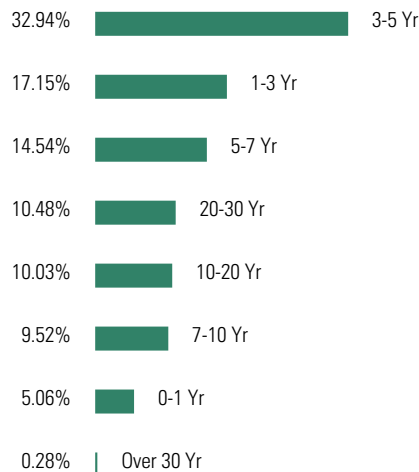
Duration

0-1 yr	7.94%
1-3 yr	28.93%
3-5 yr	26.83%
5-7 yr	11.43%
7-10 yr	8.11%
10-20 yr	11.72%
20-30 yr	5.04%
Over 30 yr	0.00%

Top Holdings

	Portfolio %
1. U.S. Treasury Bonds	2.90%
2. U.S. Treasury Inflation Index Notes	1.77%
3. U.S. Treasury Bonds	1.58%
4. Federal Home Loan Mortgage Corp.	1.30%
5. U.S. Treasury Notes	1.29%
6. U.S. Treasury Notes	1.27%
7. Federal Home Loan Mortgage Corp.	1.19%
8. U.S. Treasury Notes	1.19%
9. Government National Mortgage Asso...	1.14%
10. U.S. Small Business Administration	1.08%
Total	14.71%

Maturity Profile



Portfolio Statistics

Number of Issues	260
Weighted Avg. Maturity (yrs)	8.14
Weighted Avg. Duration (yrs)	6.02
Annualized Turnover - as of 10/31/2019	61%

Risk Statistics

	The Fund	Bloomberg Barclays U.S. Aggregate Bond Index
Alpha	N/A	N/A
R-Squared	N/A	N/A
Standard Deviation	N/A	N/A
Sharp Ratio	N/A	N/A

Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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