

Investment Overview

The Fund invests primarily in below investment-grade bonds of corporate issuers. These bonds may pay interest on a semi-annual basis (i.e., cash pay bonds) or have a deferred interest feature (i.e., zero coupon bonds). The Fund also may invest in private placements. Only U.S. dollar denominated securities are considered for investment in the Fund.

Portfolio Management

Subadviser:

Shenkman Capital Management, Inc.
Since 12/01/2002

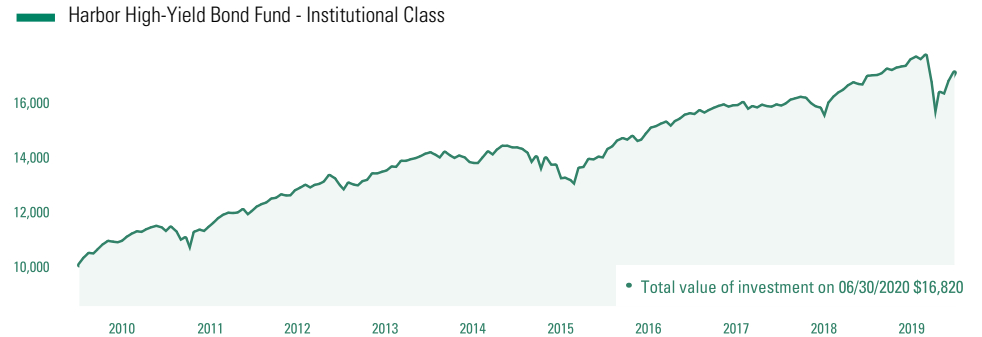
Portfolio Managers:

Mark R. Shenkman
Justin W. Slatky
Eric S. Dobbin
Robert S. Kricheff
Neil Wechsler, CFA
Jordan N. Barrow, CFA

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. 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	9.04%	-3.93%	-0.22%	2.82%	3.52%	5.33%	6.40%
Retirement Class	9.06%	-3.88%	-0.13%	2.87%	3.59%	5.36%	6.42%
Administrative Class	8.93%	-4.13%	-0.47%	2.56%	3.26%	5.07%	6.15%
Investor Class	8.82%	-4.20%	-0.70%	2.42%	3.13%	4.94%	6.00%
ICE BofAML US Non-Distressed High Yield Index	7.98%	-3.83%	0.49%	3.66%	4.90%	6.67%	7.14%
ICE BofAML US High Yield Index (H0A0)	9.61%	-4.78%	-1.10%	2.94%	4.58%	6.48%	7.97%

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.

ICE BofAML US Non-Distressed High Yield Index is a subset of the ICE BofAML US High Yield Index (H0A0) including all securities with an option-adjusted spread less than 1,000 basis points. ICE BofAML US High Yield Index (H0A0) 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. These unmanaged indices do not reflect fees and expenses and are 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	HYFAX	HNHYX	HYFRX	HYFIX
Fund Number	2024	2524	2224	2424
CUSIP	411511553	411512379	411511546	411511538
Inception Date	12/01/2002	03/01/2016	12/01/2002	12/01/2002
12b-1 Fee	None	None	0.25%	0.25%
Total Net Assets (\$MM)	277.513	90.023	0.610	26.150
Redemption Fee	1.00%	1.00%	1.00%	1.00%
Net Expense Ratio	0.65	0.57	0.90	1.02
Gross Expense Ratio	0.74	0.66	0.99	1.11

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

Media	9.41%
Oil, Gas & Consumable Fuels	9.27%
Health Care Providers & Serv...	7.09%
Hotels, Restaurants & Leisure	6.29%
Equity Real Estate Investmen...	3.90%
Commercial Services & Suppli...	3.66%
Diversified Telecommunicatio...	3.51%
Technology Hardware, Storage...	3.15%
Pharmaceuticals	2.79%
Wireless Telecommunication S...	2.55%
Total	51.62%

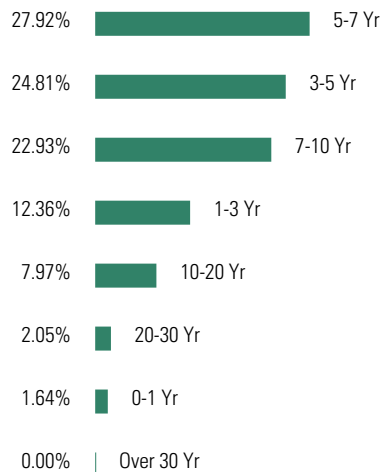
Duration

0-1 yr	19.51%
1-3 yr	21.30%
3-5 yr	30.48%
5-7 yr	15.79%
7-10 yr	10.20%
10-20 yr	2.40%
20-30 yr	0.00%
Over 30 yr	0.00%

Top Holdings

	Portfolio %
1. CSC Holdings LLC	1.08%
2. Dell International LLC / EMC Corp.	1.02%
3. Bausch Health Cos Inc.	0.86%
4. Sprint Capital Corp.	0.81%
5. United Rentals North America Inc.	0.80%
6. Hughes Satellite Systems Corp.	0.79%
7. Centene Corp.	0.77%
8. Vistra Operations Co. LLC	0.75%
9. XPO Logistics Inc.	0.71%
10. Iron Mountain Inc.	0.70%
Total	8.29%

Maturity Profile



Portfolio Statistics

Number of Bonds	497
Weighted Avg. Maturity (yrs)	6.37
Annualized Turnover - as of 10/31/2019	80%

Risk Statistics

	The Fund	ICE BofAML US Non-Distressed High Yield Index
Alpha	-0.88%	0.00%
R-Squared	0.22%	0.36%
Standard Deviation	8.01%	7.70%
Sharpe Ratio	0.18%	0.29%

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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