



Harbor Funds®

Quarterly Schedules of
Portfolio Holdings
July 31, 2018

Target Retirement Funds

	Institutional Class
Harbor Target Retirement Income	HARAX
Harbor Target Retirement 2015 Fund	HARGX
Harbor Target Retirement 2020 Fund	HARJX
Harbor Target Retirement 2025 Fund	HARMX
Harbor Target Retirement 2030 Fund	HARPX
Harbor Target Retirement 2035 Fund	HARUX
Harbor Target Retirement 2040 Fund	HARYX
Harbor Target Retirement 2045 Fund	HACCX
Harbor Target Retirement 2050 Fund	HAFFX
Harbor Target Retirement 2055 Fund	HATRX



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Harbor Target Retirement Income Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—20.0%

Shares		Value
2,081	Harbor Capital Appreciation Fund	\$ 162
8,020	Harbor Strategic Growth Fund	166
14,232	Harbor Mid Cap Growth Fund	165
9,562	Harbor Small Cap Growth Fund	153
25,340	Harbor Large Cap Value Fund	392
10,777	Harbor Mid Cap Value Fund	257
4,922	Harbor Small Cap Value Fund	187
4,864	Harbor International Fund	329
28,541	Harbor Diversified International All Cap Fund	328
20,327	Harbor International Growth Fund	325
5,199	Harbor Global Leaders Fund	139
TOTAL EQUITY FUNDS		
	(Cost \$2,178)	<u>2,603</u>

FIXED INCOME FUNDS—70.0%

Shares		Value
103,908	Harbor High-Yield Bond Fund	\$ 1,023
70,166	Harbor High-Yield Opportunities Fund	683
456,553	Harbor Bond Fund	5,132
249,797	Harbor Real Return Fund	2,295
TOTAL FIXED INCOME FUNDS		
	(Cost \$9,528)	<u>9,133</u>

SHORT-TERM INVESTMENTS—10.0%

	(Cost \$1,305)	
1,305,241	Harbor Money Market Fund	<u>1,305</u>

TOTAL INVESTMENTS—100.0%		
	(Cost \$13,011)	<u>13,041</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>a</u>
TOTAL NET ASSETS—100.0%		<u>\$13,041</u>

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2015 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—22.5%

Shares		Value
884	Harbor Capital Appreciation Fund	\$ 69
3,437	Harbor Strategic Growth Fund	71
6,114	Harbor Mid Cap Growth Fund	71
4,122	Harbor Small Cap Growth Fund	66
10,814	Harbor Large Cap Value Fund	167
4,629	Harbor Mid Cap Value Fund	110
2,126	Harbor Small Cap Value Fund	81
2,084	Harbor International Fund	141
12,306	Harbor Diversified International All Cap Fund	142
8,780	Harbor International Growth Fund	140
2,179	Harbor Global Leaders Fund	58
TOTAL EQUITY FUNDS		
	(Cost \$954)	<u>1,116</u>

FIXED INCOME FUNDS—68.1%

Shares		Value
40,716	Harbor High-Yield Bond Fund	\$ 401
27,484	Harbor High-Yield Opportunities Fund	267
168,761	Harbor Bond Fund	1,897
89,294	Harbor Real Return Fund	821
TOTAL FIXED INCOME FUNDS		
	(Cost \$3,481)	<u>3,386</u>

SHORT-TERM INVESTMENTS—9.4%

	(Cost \$467)	
467,216	Harbor Money Market Fund	<u>467</u>

TOTAL INVESTMENTS—100.0%		
	(Cost \$4,902)	<u>4,969</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u><u>\$4,969</u></u>

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2020 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—33.1%

Shares		Value
6,685	Harbor Capital Appreciation Fund	\$ 521
25,776	Harbor Strategic Growth Fund	532
47,355	Harbor Mid Cap Growth Fund	550
32,291	Harbor Small Cap Growth Fund	516
80,720	Harbor Large Cap Value Fund	1,248
35,124	Harbor Mid Cap Value Fund	837
16,374	Harbor Small Cap Value Fund	622
15,930	Harbor International Fund	1,079
93,421	Harbor Diversified International All Cap Fund	1,074
66,562	Harbor International Growth Fund	1,064
15,812	Harbor Global Leaders Fund	422
TOTAL EQUITY FUNDS		
	(Cost \$7,128)	<u>8,465</u>

FIXED INCOME FUNDS—61.3%

Shares		Value
248,327	Harbor High-Yield Bond Fund	\$ 2,446
167,639	Harbor High-Yield Opportunities Fund	1,631
759,350	Harbor Bond Fund	8,535
337,183	Harbor Real Return Fund	3,099
TOTAL FIXED INCOME FUNDS		
	(Cost \$16,200)	<u>15,711</u>

SHORT-TERM INVESTMENTS—5.6%

	(Cost \$1,438)	
1,437,677	Harbor Money Market Fund	<u>1,438</u>

TOTAL INVESTMENTS—100.0%		
	(Cost \$24,766)	<u>25,614</u>
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		<u>—^a</u>
TOTAL NET ASSETS—100.0%		<u>\$25,614</u>

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2025 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—39.4%

Shares		Value
6,232	Harbor Capital Appreciation Fund	\$ 485
24,221	Harbor Strategic Growth Fund	500
45,101	Harbor Mid Cap Growth Fund	524
30,723	Harbor Small Cap Growth Fund	491
75,470	Harbor Large Cap Value Fund	1,167
32,650	Harbor Mid Cap Value Fund	778
15,406	Harbor Small Cap Value Fund	585
14,845	Harbor International Fund	1,006
87,500	Harbor Diversified International All Cap Fund	1,006
62,538	Harbor International Growth Fund	1,000
14,597	Harbor Global Leaders Fund	390
TOTAL EQUITY FUNDS		
(Cost \$6,894)		7,932

FIXED INCOME FUNDS—60.6%

Shares		Value
248,651	Harbor High-Yield Bond Fund	\$ 2,449
167,887	Harbor High-Yield Opportunities Fund	1,634
541,311	Harbor Bond Fund	6,084
218,711	Harbor Real Return Fund	2,010
TOTAL FIXED INCOME FUNDS		
(Cost \$12,497)		12,177
TOTAL INVESTMENTS—100.0%		
(Cost \$19,391)		20,109
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		— ^a
TOTAL NET ASSETS—100.0%		<u>\$20,109</u>

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2030 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—46.0%

Shares		Value
14,306	Harbor Capital Appreciation Fund	\$ 1,114
27,649	Harbor Strategic Growth Fund	571
77,949	Harbor Mid Cap Growth Fund	906
53,286	Harbor Small Cap Growth Fund	852
129,704	Harbor Large Cap Value Fund	2,005
56,891	Harbor Mid Cap Value Fund	1,356
26,861	Harbor Small Cap Value Fund	1,020
25,839	Harbor International Fund	1,750
151,615	Harbor Diversified International All Cap Fund	1,744
108,128	Harbor International Growth Fund	1,729
24,906	Harbor Global Leaders Fund	664
TOTAL EQUITY FUNDS		
(Cost \$11,505)		13,711

FIXED INCOME FUNDS—54.0%

Shares		Value
357,958	Harbor High-Yield Bond Fund	\$ 3,526
241,631	Harbor High-Yield Opportunities Fund	2,351
710,575	Harbor Bond Fund	7,987
240,518	Harbor Real Return Fund	2,210
TOTAL FIXED INCOME FUNDS		
(Cost \$16,514)		16,074
TOTAL INVESTMENTS—100.0%		
(Cost \$28,019)		29,785
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		— ^a
TOTAL NET ASSETS—100.0%		<u>\$29,785</u>

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2035 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—57.1%

Shares		Value
9,739	Harbor Capital Appreciation Fund	\$ 759
18,879	Harbor Strategic Growth Fund	390
53,121	Harbor Mid Cap Growth Fund	617
36,129	Harbor Small Cap Growth Fund	577
88,340	Harbor Large Cap Value Fund	1,366
38,438	Harbor Mid Cap Value Fund	916
18,184	Harbor Small Cap Value Fund	690
17,461	Harbor International Fund	1,183
102,862	Harbor Diversified International All Cap Fund	1,183
73,529	Harbor International Growth Fund	1,176
17,030	Harbor Global Leaders Fund	454
TOTAL EQUITY FUNDS		
(Cost \$7,898)		9,311

FIXED INCOME FUNDS—42.9%

Shares		Value
164,874	Harbor High-Yield Bond Fund	\$ 1,624
111,300	Harbor High-Yield Opportunities Fund	1,083
320,590	Harbor Bond Fund	3,603
75,933	Harbor Real Return Fund	698
TOTAL FIXED INCOME FUNDS		
(Cost \$7,202)		7,008
TOTAL INVESTMENTS—100.0%		
(Cost \$15,100)		16,319
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		— ^a
TOTAL NET ASSETS—100.0%		<u>\$16,319</u>

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2040 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—66.7%

Shares		Value
18,697	Harbor Capital Appreciation Fund	\$ 1,456
35,957	Harbor Strategic Growth Fund	742
100,493	Harbor Mid Cap Growth Fund	1,168
68,455	Harbor Small Cap Growth Fund	1,094
169,083	Harbor Large Cap Value Fund	2,614
73,723	Harbor Mid Cap Value Fund	1,758
34,523	Harbor Small Cap Value Fund	1,310
33,580	Harbor International Fund	2,274
197,232	Harbor Diversified International All Cap Fund	2,268
139,558	Harbor International Growth Fund	2,232
33,017	Harbor Global Leaders Fund	881

TOTAL EQUITY FUNDS

(Cost \$14,689) 17,797

FIXED INCOME FUNDS—33.3%

Shares		Value
224,006	Harbor High-Yield Bond Fund	\$ 2,207
150,154	Harbor High-Yield Opportunities Fund	1,461
464,622	Harbor Bond Fund	5,222

TOTAL FIXED INCOME FUNDS

(Cost \$9,127) 8,890

TOTAL INVESTMENTS—100.0%

(Cost \$23,816) 26,687

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

TOTAL NET ASSETS—100.0% \$26,687

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2045 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—75.9%

Shares		Value
10,359	Harbor Capital Appreciation Fund	\$ 807
19,853	Harbor Strategic Growth Fund	410
54,998	Harbor Mid Cap Growth Fund	639
37,216	Harbor Small Cap Growth Fund	595
93,626	Harbor Large Cap Value Fund	1,447
40,570	Harbor Mid Cap Value Fund	967
18,859	Harbor Small Cap Value Fund	716
18,447	Harbor International Fund	1,249
108,419	Harbor Diversified International All Cap Fund	1,247
76,708	Harbor International Growth Fund	1,227
18,517	Harbor Global Leaders Fund	494

TOTAL EQUITY FUNDS

(Cost \$8,575) 9,798

FIXED INCOME FUNDS—24.1%

Shares		Value
79,390	Harbor High-Yield Bond Fund	\$ 782
53,222	Harbor High-Yield Opportunities Fund	517
160,842	Harbor Bond Fund	1,808

TOTAL FIXED INCOME FUNDS

(Cost \$3,178) 3,107

TOTAL INVESTMENTS—100.0%

(Cost \$11,753) 12,905

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

TOTAL NET ASSETS—100.0% **\$12,905**

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2050 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—85.7%

Shares		Value
23,081	Harbor Capital Appreciation Fund	\$ 1,797
44,418	Harbor Strategic Growth Fund	917
121,197	Harbor Mid Cap Growth Fund	1,408
82,135	Harbor Small Cap Growth Fund	1,313
209,604	Harbor Large Cap Value Fund	3,241
90,475	Harbor Mid Cap Value Fund	2,157
41,824	Harbor Small Cap Value Fund	1,588
41,180	Harbor International Fund	2,789
241,920	Harbor Diversified International All Cap Fund	2,782
171,086	Harbor International Growth Fund	2,736
41,767	Harbor Global Leaders Fund	<u>1,114</u>

TOTAL EQUITY FUNDS
(Cost \$18,237) 21,842

FIXED INCOME FUNDS—14.3%

Shares		Value
168,147	Harbor High-Yield Opportunities Fund	\$ 1,636
177,683	Harbor Bond Fund	<u>1,997</u>

TOTAL FIXED INCOME FUNDS
(Cost \$3,713) 3,633

TOTAL INVESTMENTS—100.0%
(Cost \$21,950) 25,475

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

TOTAL NET ASSETS—100.0% \$25,475

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement 2055 Fund[†]

PORTFOLIO OF INVESTMENTS— July 31, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—93.0%

Shares		Value
3,684	Harbor Capital Appreciation Fund	\$ 287
7,051	Harbor Strategic Growth Fund	146
19,353	Harbor Mid Cap Growth Fund	225
13,040	Harbor Small Cap Growth Fund	208
33,336	Harbor Large Cap Value Fund	515
14,386	Harbor Mid Cap Value Fund	343
6,658	Harbor Small Cap Value Fund	253
6,502	Harbor International Fund	440
38,132	Harbor Diversified International All Cap Fund	439
27,103	Harbor International Growth Fund	433
6,677	Harbor Global Leaders Fund	178

TOTAL EQUITY FUNDS

(Cost \$3,189) 3,467

FIXED INCOME FUNDS—7.0%

Shares		Value
12,141	Harbor High-Yield Opportunities Fund	\$ 118
12,820	Harbor Bond Fund	144

TOTAL FIXED INCOME FUNDS

(Cost \$267) 262

TOTAL INVESTMENTS—100.0%

(Cost \$3,456) 3,729

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

TOTAL NET ASSETS—100.0% \$3,729

FAIR VALUE MEASUREMENTS

All investments at July 31, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 investments at July 31, 2018 or October 31, 2017 and no transfers between levels during the 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 Portfolios of Investments.

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

^a Rounds to less than \$1,000

The accompanying notes are an integral part of the Portfolios of Investments.

Harbor Target Retirement Funds

NOTES TO PORTFOLIOS OF INVESTMENTS— July 31, 2018 (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. As of July 31, 2018, the Trust consists of 32 separate portfolios. The portfolios covered by this report are: 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 Harbor 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 subadvisers, none of which is affiliated with the Adviser.

The Funds currently offer one class of shares, designated as Institutional Class.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Each Fund follows the investment company reporting requirements under U.S. Generally Accepted Accounting Principles.

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 indicative 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, if any, a reconciliation of the beginning to ending balances for reported fair values is provided that presents changes attributable to realized and unrealized gains and losses and purchases, sales, and transfers in/out of the Level 3 category during the period. A table that includes a categorization of investments into Levels 1, 2, or 3, transfers between levels, if any, and a Level 3 reconciliation, including details of significant unobservable inputs used, when applicable, can be found at the end of each Fund’s Portfolio of Investments schedule.

Each Fund used observable inputs in its 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 Target Retirement Funds’ prospectus and statement of additional information, as well as the prospectus 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.

Harbor Target Retirement Funds

NOTES TO PORTFOLIOS OF INVESTMENTS—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 July 31, 2018, each Fund held less than 10% of the outstanding shares of any Underlying Fund. In aggregate, the Funds held 16% of Harbor High-Yield Opportunities Fund and 12% of Harbor Real Return Fund.





Harbor Funds®

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