



Harbor Funds®

Semi-Annual Report
April 30, 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



Table of Contents

Letter from the Chairman	1	Fees and Expenses Example	49
Managers' Commentary	3	Additional Information	
Asset Allocation Framework	7	PROXY VOTING	51
Target Retirement Funds		HOUSEHOLDING	51
HARBOR TARGET RETIREMENT INCOME FUND		QUARTERLY PORTFOLIO DISCLOSURES.....	51
Fund Summary	9	ADVISORY AGREEMENT APPROVALS	51
Portfolio of Investments	10	Benchmark Descriptions	55
HARBOR TARGET RETIREMENT 2015 FUND			
Fund Summary	11		
Portfolio of Investments	12		
HARBOR TARGET RETIREMENT 2020 FUND			
Fund Summary	13		
Portfolio of Investments	14		
HARBOR TARGET RETIREMENT 2025 FUND			
Fund Summary	15		
Portfolio of Investments	16		
HARBOR TARGET RETIREMENT 2030 FUND			
Fund Summary	17		
Portfolio of Investments	18		
HARBOR TARGET RETIREMENT 2035 FUND			
Fund Summary	19		
Portfolio of Investments	20		
HARBOR TARGET RETIREMENT 2040 FUND			
Fund Summary	21		
Portfolio of Investments	22		
HARBOR TARGET RETIREMENT 2045 FUND			
Fund Summary	23		
Portfolio of Investments	24		
HARBOR TARGET RETIREMENT 2050 FUND			
Fund Summary	25		
Portfolio of Investments	26		
HARBOR TARGET RETIREMENT 2055 FUND			
Fund Summary	27		
Portfolio of Investments	28		
Financial Statements			
STATEMENTS OF ASSETS AND LIABILITIES....	29		
STATEMENTS OF OPERATIONS	30		
STATEMENTS OF CHANGES IN NET ASSETS ...	31		
FINANCIAL HIGHLIGHTS.....	35		
Notes to Financial Statements	40		

Letter from the Chairman



Charles F. McCain
Chairman

Dear Fellow Shareholder:

The Harbor Target Retirement Funds invest in a diversified portfolio of Harbor equity and fixed income funds. In the fiscal half year ended April 30, 2018, most equity funds posted positive returns while most fixed income funds had negative returns.

Strong gains for U.S. equities in the early part of the fiscal half year were tempered by increased volatility from February through April. Low unemployment, robust corporate earnings and solid consumer and business spending contributed to positive market sentiment initially, but negative sentiment took hold on fears of U.S. Federal Reserve (Fed) rate hikes and concerns over trade relations between the U.S. and China. The Russell 3000[®] Index, a measure of the broad U.S. stock market, had a return of 3.79% for the fiscal half year.

International stock markets posted strong gains in the early part of the fiscal half year, supported by broad-based global economic improvement. Market optimism seemed to fall away in February, however, amid increased volatility. Emerging markets outperformed their developed market peers. The MSCI All Country World Ex. U.S. (ND) Index, a measure of the equity markets outside the U.S., had a return of 3.47%.

Fixed income markets faced a more challenging environment during the six-month period, as expectations for higher inflation, increased Treasury supply and more Fed hikes all contributed to a rise in interest rates. The Bloomberg Barclays U.S. Aggregate Bond Index (a diversified benchmark of U.S. investment grade bonds) returned -1.87% for the fiscal half year, whereas the ICE BofAML U.S. Non-Distressed High Yield Index had a return of -0.31%.

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, 2018

	Unannualized		Annualized		
	6 Months	1 Year	5 Years	10 Years	30 Years
Domestic Equities					
Russell 3000 [®] (entire U.S. stock market)	3.79%	13.05%	12.75%	9.13%	10.46%
S&P 500 (large cap stocks)	3.82	13.27	12.96	9.02	10.44
Russell Midcap [®] (mid cap stocks)	3.69	11.17	11.77	9.48	11.69
Russell 2000 [®] (small cap stocks)	3.27	11.54	11.74	9.49	9.76
Russell 3000 [®] Growth (growth stocks)	5.66	18.78	14.97	10.78	10.20
Russell 3000 [®] Value (value stocks)	1.86	7.42	10.50	7.39	10.36
International & Global					
MSCI EAFE (ND)(foreign stocks)	3.41%	14.51%	5.90%	2.43%	5.06%
MSCI EAFE Small Cap (ND)(foreign small cap stocks)	5.96	20.03	10.61	6.38	N/A
MSCI World (ND)(global stocks)	3.40	13.22	9.28	5.48	7.07
MSCI All Country World Ex. U.S. (ND)(foreign stocks)	3.47	15.91	5.46	2.26	N/A
MSCI Emerging Markets (ND)(emerging market stocks)	4.80	21.71	4.74	2.17	N/A
Fixed Income					
ICE BofAML U.S. Non-Distressed High Yield (domestic high-yield bonds)	-0.31%	3.26%	4.87%	6.69%	N/A
Bloomberg Barclays U.S. Aggregate Bond (domestic bonds)	-1.87	-0.32	1.47	3.57	6.17%
Bloomberg Barclays U.S. TIPS (domestic inflation-linked bonds)	0.19	0.27	-0.12	3.14	N/A
ICE BofAML U.S. 3-Month Treasury Bill (proxy for money market returns)	0.68	1.18	0.36	0.34	3.28

HOLDING STEADY THROUGH VOLATILE MARKETS

U.S. and global markets saw a significant increase in volatility during the first calendar quarter of 2018, a trend that continued into April. Developments that played a major role in driving investor worries included the prospect of a trade war between the U.S. and China, uncertainty on inflation and a more hawkish Fed policy.

When markets are volatile, investors may wonder whether they should pivot to a more conservative allocation in the short-term to avoid potential losses. What history shows us, however, is that it is very difficult to time the market successfully. While past performance is never a guarantee of future results, many investors have historically achieved their financial objectives by making a long-term plan and staying true to it through market ups and downs.

We encourage all investors to maintain a diversified portfolio of stocks, bonds and cash in an allocation that matches their long-term financial goals and risk tolerance. Harbor Funds offers a variety of equity and fixed income funds to help you achieve your financial goals.

Thank you for investing with Harbor Funds.

June 22, 2018



Charles F. McCain
Chairman

Harbor Target Retirement Funds

MANAGERS' COMMENTARY (Unaudited)

ADVISER

**Harbor Capital
Advisors, Inc.**

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34th Floor
Chicago, IL 60606

PORTFOLIO MANAGERS

Brian L. Collins, CFA
Since Inception

**Paul C. Herbert, CFA,
CAIA**
Since Inception

Linda M. Molenda
Since Inception

Harbor Capital has
managed the Funds
since inception.

MARKET REVIEW

The tranquil market conditions that prevailed for much of 2017 and the beginning of fiscal year 2018 subsided in late January 2018. Stock markets treated many investors to small absolute gains and doses of volatility during the six months ended April 30, 2018, while bond markets skidded to losses.

The Russell 3000[®] Index, which we consider to be a measure of the performance of the entire U.S. stock market, climbed 3.79% from November 1, 2017 to the end of the period. Among U.S. equities, growth continued its outperformance versus value, while we found the differences among large-, mid-, and small-cap stock performance to be minimal. There was quite a bit of difference among the returns of the 11 economic sectors of the S&P 500 Index for the period, which measures the performance of U.S. large-cap stocks. Seven sectors posted gains, led by the Consumer Discretionary sector's 13.54% rise. Strong showings from online platform Amazon.com, Inc. and streaming entertainment company Netflix, Inc. paced the group. Meanwhile, the Consumer Staples and Utilities sectors delivered declines of more than -4% apiece. These sectors, home to high-yielding stocks with more interest-rate sensitivity, largely declined as U.S. interest rates climbed on central-bank activity and higher inflation expectations during the period.

Non-U.S. stocks, which have generally been outperformed by their U.S. competition in recent years, held their own during the period. The MSCI EAFE (ND) Index, which measures developed non-U.S. market performance, rose by 3.41%. Each of the index's 11 economic sectors posted a gain for the period, with the Energy sector standing out for its 14.92% return. Stocks in the sector were buoyed by the strong rise in the price of oil during the period, which was a surprise to many investors. Country-by-country results varied greatly, with Pacific Rim markets generally faring better than European ones. Japan, the index's largest single-country weighting, gained 5.46%. Emerging market stocks outpaced U.S. and non-U.S. developed markets, as the MSCI Emerging Markets (ND) Index climbed 4.80%.

Fixed income markets declined during the period, as the Bloomberg Barclays U.S. Aggregate Bond Index, a barometer of U.S. investment grade bond performance, fell by -1.87%. Across the maturity spectrum, U.S. Treasury bond yields rose. As briefly mentioned above, the U.S. Federal Reserve raised short-term rates in December 2017 and March 2018 and projected higher policy rates in the future than it had previously and investors' inflation expectations climbed. The ICE BofAML U.S. High Yield Bond Index, representing performance of below-investment grade corporate bonds, fared comparatively better, declining by 23 basis points (-0.23%) for the period. Inflation-protected bonds were bolstered by higher inflation expectations, with the Bloomberg Barclays U.S. TIPS Index finishing the period slightly in the black with a return of 19 basis points (0.19%).

PERFORMANCE

The Harbor Target Retirement Funds, which provide exposure to equity, fixed-income, and short-term investments markets, delivered positive returns for the fiscal half year. Consistent with the market performance results discussed in the previous section, the Target Retirement Funds with larger equity fund weightings, which are designed for investors planning to retire decades into the future, delivered higher absolute returns than those with greater fixed-income and short-term fund allocations, intended for investors with expected retirement dates in the near to intermediate term. Please see the table on the following page for each of the Target Retirement Funds' returns for the six months ended April 30, 2018.

The Target Retirement Funds' performance is also measured against the results of the Composite Indices. During the period, four of the Target Retirement Funds (2040 through 2055) outperformed their respective Composite Indices, while the remaining six Target Retirement Funds (Income through 2035) underperformed their respective Composite Indices. Please see the table on the following page for the performance of the Composite Indices for the six months ended April 30, 2018. A broad discussion on performance of the Funds relative to the Composite Indices follows.

The longer-dated Target Retirement Funds' heavier reliance on strong-performing equity funds paid off for relative performance during the period. Some of these components fared very well relative to their respective benchmarks. For example, Harbor Capital Appreciation Fund,

Harbor Target Retirement Funds

MANAGERS' COMMENTARY—Continued

one of the largest fund holdings in the Target Retirement Funds, gained 8.55% and outperformed the Russell 1000[®] Growth Index by 2.87%. (All returns in this section are for the respective underlying fund's Institutional Class shares.) Strong stock selection within Information Technology and Consumer Discretionary sectors drove results for the Funds, with strong showings from open-source software firm Red Hat, Inc. and Netflix, Inc. leading the way. Harbor Large Cap Value Fund, another meaningful position for each Target Retirement Fund, climbed 2.85%, outperforming the Russell 1000[®] Value Index by 0.91%. Stock picking in Consumer Staples, headlined by grocer Kroger, Inc. and in Information Technology, with creative software provider Adobe Systems, Inc. setting the pace, guided the Harbor Large Cap Value Fund passed its benchmark. Finally, Harbor Global Leaders Fund, while a smaller allocation, rose by 8.17%, ahead of the MSCI All-Country World Index's 3.56% gain. Selections including pet health care firm Zoetis, Inc. and Adobe Systems, Inc. were top contributors to the Harbor Global Leaders Fund's relative performance.

An emphasis on fixed-income funds worked against the results of the shorter-dated Target Retirement Funds for the period, as these holdings failed to match their benchmarks' performance. Harbor Bond Fund, the Target Retirement Funds' largest fixed-income fund holding, underperformed the Bloomberg Barclays U.S. Aggregate Bond Index by 17 basis points (-0.17%). Strategies favoring the intermediate-term portion of the U.S. Treasury curve, maintaining an underweight position in the investment-grade corporate sector, and positioning for the U.S. Dollar to appreciate against certain Asian currencies detracted from the Harbor Bond Fund's results. Harbor High-Yield Opportunities Fund, a new position in the Target Retirement Funds during the period, lagged the ICE BofAML U.S. High Yield Index during the period of its inclusion. The Harbor High-Yield Opportunities Fund took a stance that assumed more interest-rate risk than the benchmark for much of the period, which hurt performance as rates rose, and the Harbor High-Yield Opportunities Fund's overweight position in the Energy sector of the high-yield market, which generally did not benefit as the price of oil recovered, also worked against it.

Despite uneven performance relative to the Composite Indices for the six months ended April 30, 2018, each of the Target Retirement Funds outperformed its Composite Index for the trailing 1-year and since inception periods.

HARBOR TARGET RETIREMENT FUNDS

	Unannualized Total Return 6 Months Ended April 30, 2018
Harbor Target Retirement Income Fund	0.07%
Harbor Target Retirement 2015 Fund	0.21
Harbor Target Retirement 2020 Fund	0.68
Harbor Target Retirement 2025 Fund	0.87
Harbor Target Retirement 2030 Fund	1.32
Harbor Target Retirement 2035 Fund	1.82
Harbor Target Retirement 2040 Fund	2.38
Harbor Target Retirement 2045 Fund	2.78
Harbor Target Retirement 2050 Fund	3.24
Harbor Target Retirement 2055 Fund	3.52

COMMONLY USED MARKET INDICES

	Unannualized Total Return 6 Months Ended April 30, 2018
Bloomberg Barclays U.S. Aggregate Bond (domestic bonds)	-1.87%
MSCI EAFE (ND) (foreign stocks)	3.41
Russell 3000 [®] (entire U.S. stock market)	3.79

HARBOR TARGET RETIREMENT FUND INDICES

	Unannualized Total Return 6 Months Ended April 30, 2018
Composite Index Income	0.09%
Composite Index 2015	0.36
Composite Index 2020	0.72
Composite Index 2025	0.95
Composite Index 2030	1.34
Composite Index 2035	1.80
Composite Index 2040	2.19
Composite Index 2045	2.64
Composite Index 2050	3.09
Composite Index 2055	3.29

Harbor Target Retirement Funds

MANAGERS' COMMENTARY—Continued

UNDERLYING HARBOR FUNDS PERFORMANCE (INSTITUTIONAL CLASS SHARES)

EQUITY	Total Return for the Period Ended April 30, 2018					Current 7-Day SEC Yield		Inception Date	Expense Ratios ^{*,a}	
	6 Months ^b	One Year	Five Years ^a	Ten Years ^a	Since Inception ^a	Subsidized ^c	Unsubsidized ^d		Net	Gross
Harbor Capital Appreciation Fund . . .	8.55%	26.80%	16.99%	11.45%	11.83%	N/A	N/A	12/29/1987	0.66% ^e	0.71%
Harbor Strategic Growth Fund	4.52	14.55	13.19	N/A	14.48	N/A	N/A	11/01/2011	0.70 ^f	0.89
Harbor Mid Cap Growth Fund	6.55	22.33	12.89	8.60	4.85	N/A	N/A	11/01/2000	0.89	0.89
Harbor Small Cap Growth Fund	9.28	18.32	13.53	10.17	8.99	N/A	N/A	11/01/2000	0.87	0.87
Harbor Small Cap Growth Opportunities Fund	7.85	11.85	N/A	N/A	8.46	N/A	N/A	02/01/2014	0.89	0.89
Harbor Large Cap Value Fund	2.85	12.26	13.40	8.19	10.14	N/A	N/A	12/29/1987	0.68 ^f	0.72
Harbor Mid Cap Value Fund	1.42	4.93	11.45	9.94	8.17	N/A	N/A	03/01/2002	0.84 ^e	0.87
Harbor Small Cap Value Fund	0.39	12.23	12.89	9.33	10.79	N/A	N/A	12/14/2001	0.88	0.88
Harbor Small Cap Value Opportunities Fund	1.59	N/A	N/A	N/A	2.30	N/A	N/A	08/01/2017	0.88 ^f	1.24
Harbor International Fund	2.92	9.90	4.12	2.20	10.69	N/A	N/A	12/29/1987	0.72 ^e	0.81
Harbor Diversified International All Cap Fund	2.09	12.39	N/A	N/A	8.32	N/A	N/A	11/02/2015	0.85 ^f	1.07
Harbor International Growth Fund . . .	1.20	14.23	6.34	1.91	3.99	N/A	N/A	11/01/1993	0.85 ^f	0.92
Harbor International Small Cap Fund	3.59	19.69	N/A	N/A	18.26	N/A	N/A	02/01/2016	0.95 ^f	1.42
Harbor Global Leaders Fund	8.17	20.72	11.64	N/A	17.39	N/A	N/A	03/01/2009	0.90 ^f	1.21
Harbor Emerging Markets Equity Fund	5.46	20.86	N/A	N/A	3.61	N/A	N/A	11/01/2013	1.15 ^f	1.43
FIXED INCOME										
Harbor Convertible Securities Fund . .	2.03%	5.76%	5.11%	N/A	4.93%	N/A	N/A	05/01/2011	0.75% ^g	0.80%
Harbor High-Yield Bond Fund	-0.28	2.71	3.68	6.21%	6.89	N/A	N/A	12/01/2002	0.63 ^g	0.72
Harbor High-Yield Opportunities Fund	-1.05	N/A	N/A	N/A	-1.05	N/A	N/A	11/01/2017	0.73 ^g	1.08
Harbor Bond Fund	-2.04	0.35	1.52	4.29	6.89	N/A	N/A	12/29/1987	0.51 ^{g,h}	0.63
Harbor Real Return Fund	0.12	0.57	-0.53	3.06	3.72	N/A	N/A	12/01/2005	0.52 ^h	1.03
SHORT-TERM										
Harbor Money Market Fund	0.60%	1.07%	0.36%	0.38%	3.17%	1.43%	1.33%	12/29/1987	0.28% ^{g,h}	0.35%

OUTLOOK

As indicated in the Market Review section, after many years of strong performance across markets, a more cautious tone seemed to take hold early in 2018. As one data point, the S&P 500 Index declined by 2% or more in a day on seven occasions in the first four months of calendar year 2018, after avoiding posting such a loss on any day in 2017. In our opinion, Explanations for these sell-offs that we believe are sensible include that on certain measures stock market valuations may have appeared extended and it seemed likely that central banks, and perhaps in particular the U.S. Federal Reserve would continue to remove accommodative policy measures, even amid a change in Chairman.

Regardless of the reasons, these losses, and the associated pickup in volatility, may provide a good opportunity for investors to review their portfolio positioning and its appropriateness for their risk tolerance and time horizon. Diversifying across assets and styles that exhibit different behaviors, and keeping a long-term perspective may be expected to help tilt the odds in favor of investors meeting long-term objectives.

Harbor Target Retirement Funds

MANAGERS' COMMENTARY—Continued

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.

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, but does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. 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 Funds invest 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 Funds have partial exposure to the risks of many different areas of the market. Investments in the Funds are not guaranteed. An investor may experience losses. There is no guarantee that the Funds will provide adequate income through retirement. For information on the different share classes and the risks associated with an investment in the Funds, please refer to the current prospectus.

* 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 Unannualized

c Reflects reimbursements or waivers in effect during the period

d Does not reflect reimbursements or waivers currently in effect

e Reflects a contractual management fee waiver effective through February 28, 2019

f Reflects an expense limitation agreement (excluding interest expense, if any) effective through February 28, 2019

g Reflects a contractual management fee waiver effective through February 29, 2020

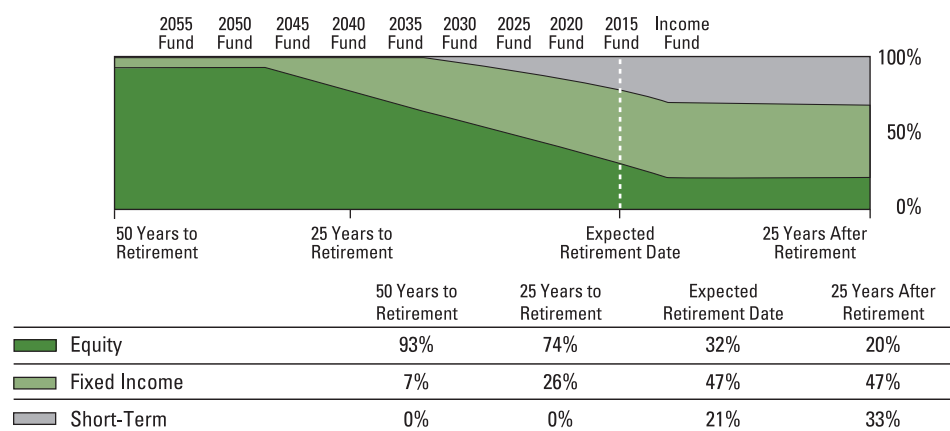
h Reflects an expense limitation agreement (excluding interest expense, if any) effective through February 29, 2020

Harbor Target Retirement Funds

ASSET ALLOCATION FRAMEWORK (Unaudited)

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, 2018

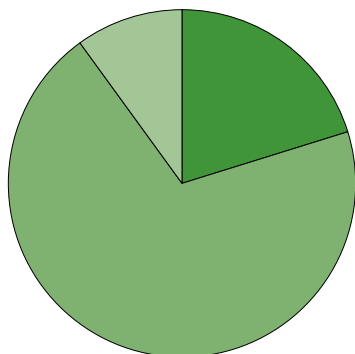
	2055 Fund	2050 Fund	2045 Fund	2040 Fund	2035 Fund	2030 Fund	2025 Fund	2020 Fund	2015 Fund	Income Fund
EQUITY										
Harbor Capital Appreciation Fund	8%	7%	6%	6%	5%	4%	2%	2%	1%	1%
Harbor Strategic Growth Fund	4	4	3	3	2	2	2	2	1	1
Harbor Mid Cap Growth Fund	6	6	5	5	4	3	3	2	2	1
Harbor Small Cap Growth Fund	5	5	5	4	4	3	2	2	1	1
Harbor Large Cap Value Fund	14	13	11	10	8	7	6	5	3	3
Harbor Mid Cap Value Fund	9	8	7	7	6	4	4	3	2	2
Harbor Small Cap Value Fund	6	6	5	5	4	3	3	3	2	1
Harbor International Fund	12	11	10	8	7	6	5	4	3	3
Harbor Diversified International All Cap Fund	12	11	10	8	7	6	5	4	3	3
Harbor International Growth Fund	12	11	10	8	7	6	5	4	3	3
Harbor Global Leaders Fund	5	4	4	3	3	2	2	2	1	1
Total Equity	93	86	76	67	57	46	39	33	22	20
FIXED INCOME										
Harbor Bond Fund	4%	8%	14%	20%	22%	27%	31%	33%	38%	39%
Harbor High-Yield Bond Fund	0	0	6	8	10	12	12	10	8	8
Harbor High-Yield Opportunities Fund	3	6	4	5	7	8	8	6	5	5
Harbor Real Return Fund	0	0	1	2	4	7	10	12	15	18
Total Fixed Income	7	14	24	33	43	54	61	61	68	70
SHORT-TERM										
Harbor Money Market Fund	0%	0%	0%	0%	0%	0%	0%	6%	10%	10%
Total Short-Term	0	0	0	0	0	0	0	6	10	10
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



Harbor Target Retirement Income Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



Equity Funds	20.2%	Fixed Income Funds	69.8%
Harbor Large Cap Value Fund	3.0%	Harbor Bond Fund	39.0%
Harbor Diversified International All Cap Fund	2.5%	Harbor Real Return Fund	17.6%
Harbor International Fund	2.5%	Harbor High-Yield Bond Fund	7.9%
Harbor International Growth Fund	2.5%	Harbor High-Yield Opportunities Fund	5.3%
Harbor Mid Cap Value Fund	2.0%	Short-Term Investments	10.0%
Harbor Small Cap Value Fund	1.5%	Harbor Money Market Fund	10.0%
Harbor Capital Appreciation Fund	1.3%		
Harbor Mid Cap Growth Fund	1.3%		
Harbor Strategic Growth Fund	1.3%		
Harbor Small Cap Growth Fund	1.2%		
Harbor Global Leaders Fund	1.1%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement Income Fund

	Unannualized		Annualized		Inception
	6 Months	1 Year	5 Years	Life of Fund	Date
Harbor Target Retirement Income Fund					
Institutional Class.....	0.07%	3.62%	3.08%	5.85%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond.....	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND).....	3.41	14.51	5.90	8.59	—
Russell 3000®.....	3.79	13.05	12.75	14.83	—
Composite Index Income.....	0.09	3.11	3.11	5.53	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.64%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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, but does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or upon the redemption of Fund shares. 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 so that Fund shares, 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. See the Benchmark Descriptions at the end of this report for a description of the Composite Index.

Harbor Target Retirement Income Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—20.2%

Shares		Value
2,342	Harbor Capital Appreciation Fund	\$ 172
8,708	Harbor Strategic Growth Fund	168
15,947	Harbor Mid Cap Growth Fund	171
10,418	Harbor Small Cap Growth Fund	156
26,936	Harbor Large Cap Value Fund	399
11,286	Harbor Mid Cap Value Fund	257
5,342	Harbor Small Cap Value Fund	190
4,929	Harbor International Fund	334
28,639	Harbor Diversified International All Cap Fund	333
21,113	Harbor International Growth Fund	332
5,699	Harbor Global Leaders Fund	143

TOTAL EQUITY FUNDS
(Cost \$2,288) 2,655

FIXED INCOME FUNDS—69.8%

104,620	Harbor High-Yield Bond Fund	1,033
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FIXED INCOME FUNDS—Continued

Shares		Value
70,994	Harbor High-Yield Opportunities Fund	\$ 691
456,479	Harbor Bond Fund	5,131
250,401	Harbor Real Return Fund	2,314

TOTAL FIXED INCOME FUNDS
(Cost \$9,571) 9,169

SHORT-TERM INVESTMENTS—10.0%

(Cost \$1,314)		
1,314,261	Harbor Money Market Fund	1,314

TOTAL INVESTMENTS—100.0%
(Cost \$13,173) 13,138

CASH AND OTHER ASSETS, LESS LIABILITIES—0.0% 1

TOTAL NET ASSETS—100.0% \$13,139

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 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.

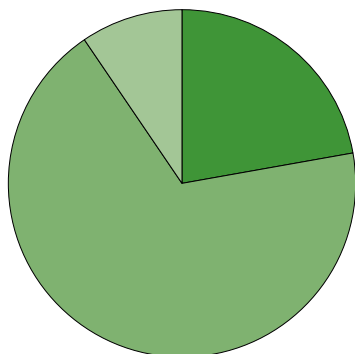
[†] The Harbor Target Retirement Income Fund is investing in Institutional Class shares of Harbor funds.

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

Harbor Target Retirement 2015 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



Equity Funds	22.2%	Fixed Income Funds	68.3%
Harbor Large Cap Value Fund	3.3%	Harbor Bond Fund	38.2%
Harbor Diversified International All Cap Fund	2.8%	Harbor Real Return Fund	16.7%
Harbor International Fund	2.8%	Harbor High-Yield Bond Fund	8.0%
Harbor International Growth Fund	2.8%	Harbor High-Yield Opportunities Fund	5.4%
Harbor Mid Cap Value Fund	2.2%	Short-Term Investments	9.5%
Harbor Small Cap Value Fund	1.6%	Harbor Money Market Fund	9.5%
Harbor Capital Appreciation Fund	1.4%		
Harbor Mid Cap Growth Fund	1.4%		
Harbor Strategic Growth Fund	1.4%		
Harbor Small Cap Growth Fund	1.3%		
Harbor Global Leaders Fund	1.2%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2015 Fund

	Unannualized		Annualized		Inception
	6 Months	1 Year	5 Years	Life of Fund	Date
Institutional Class	0.21%	4.28%	3.67%	7.04%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2015	0.36	3.83	3.70	6.74	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.64%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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Harbor Target Retirement 2015 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—22.2%

Shares		Value
970	Harbor Capital Appreciation Fund	\$ 71
3,664	Harbor Strategic Growth Fund	71
6,784	Harbor Mid Cap Growth Fund	73
4,420	Harbor Small Cap Growth Fund	66
11,293	Harbor Large Cap Value Fund	168
4,794	Harbor Mid Cap Value Fund	109
2,258	Harbor Small Cap Value Fund	80
2,089	Harbor International Fund	141
12,243	Harbor Diversified International All Cap Fund	142
9,045	Harbor International Growth Fund	142
2,371	Harbor Global Leaders Fund	60

TOTAL EQUITY FUNDS		
(Cost \$981)		1,123

FIXED INCOME FUNDS—68.3%

41,112	Harbor High-Yield Bond Fund	406
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FIXED INCOME FUNDS—Continued

Shares		Value
27,847	Harbor High-Yield Opportunities Fund	\$ 271
171,934	Harbor Bond Fund	1,932
90,982	Harbor Real Return Fund	841

TOTAL FIXED INCOME FUNDS		
(Cost \$3,548)		3,450

SHORT-TERM INVESTMENTS—9.5%

(Cost \$478)		
478,108	Harbor Money Market Fund	478

TOTAL INVESTMENTS—100.0%		
(Cost \$5,007)		5,051

CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		1
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TOTAL NET ASSETS—100.0%		<u>\$5,052</u>
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FAIR VALUE MEASUREMENTS

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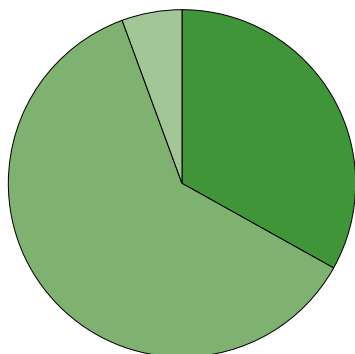
[†] The Harbor Target Retirement 2015 Fund is investing in Institutional Class shares of Harbor funds.

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

Harbor Target Retirement 2020 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



Equity Funds	33.1%	Fixed Income Funds	61.3%
Harbor Large Cap Value Fund	4.8%	Harbor Bond Fund	33.3%
Harbor Diversified International All Cap Fund	4.2%	Harbor Real Return Fund	12.1%
Harbor International Fund	4.2%	Harbor High-Yield Bond Fund	9.5%
Harbor International Growth Fund	4.2%	Harbor High-Yield Opportunities Fund	6.4%
Harbor Mid Cap Value Fund	3.2%	Short-Term Investments	5.6%
Harbor Small Cap Value Fund	2.4%	Harbor Money Market Fund	5.6%
Harbor Mid Cap Growth Fund	2.2%		
Harbor Capital Appreciation Fund	2.1%		
Harbor Strategic Growth Fund	2.1%		
Harbor Small Cap Growth Fund	2.0%		
Harbor Global Leaders Fund	1.7%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2020 Fund

	Unannualized		Annualized		Inception
	6 Months	1 Year	5 Years	Life of Fund	Date
Institutional Class	0.68%	5.70%	4.46%	7.79%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2020	0.72	5.14	4.47	7.50	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.67%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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Harbor Target Retirement 2020 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—33.1%

Shares		Value
7,632	Harbor Capital Appreciation Fund	\$ 560
28,888	Harbor Strategic Growth Fund	558
55,770	Harbor Mid Cap Growth Fund	598
36,451	Harbor Small Cap Growth Fund	545
88,098	Harbor Large Cap Value Fund	1,307
38,054	Harbor Mid Cap Value Fund	867
18,304	Harbor Small Cap Value Fund	651
16,676	Harbor International Fund	1,128
97,024	Harbor Diversified International All Cap Fund	1,128
71,930	Harbor International Growth Fund	1,129
17,862	Harbor Global Leaders Fund	448

TOTAL EQUITY FUNDS
(Cost \$7,705) 8,919

FIXED INCOME FUNDS—61.3%

259,950	Harbor High-Yield Bond Fund	2,568
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FIXED INCOME FUNDS—Continued

Shares		Value
175,990	Harbor High-Yield Opportunities Fund	\$ 1,713
797,621	Harbor Bond Fund	8,965
352,307	Harbor Real Return Fund	3,255

TOTAL FIXED INCOME FUNDS
(Cost \$17,033) 16,501

SHORT-TERM INVESTMENTS—5.6%

(Cost \$1,510)		
1,509,668	Harbor Money Market Fund	1,510

TOTAL INVESTMENTS—100.0%
(Cost \$26,248) 26,930

CASH AND OTHER ASSETS, LESS LIABILITIES—0.0% 2

TOTAL NET ASSETS—100.0% \$26,932

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 2017, and no transfers between levels during the six-month period.

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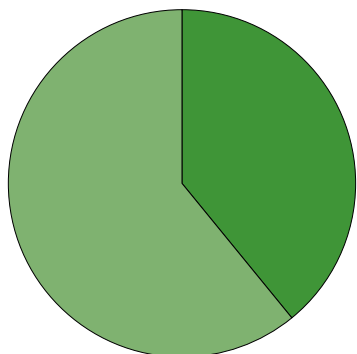
[†] The Harbor Target Retirement 2020 Fund is investing in Institutional Class shares of Harbor funds.

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

Harbor Target Retirement 2025 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



■ Equity Funds	39.1%	■ Fixed Income Funds	60.9%
Harbor Large Cap Value Fund	5.7%	Harbor Bond Fund	30.5%
Harbor International Fund	5.0%	Harbor High-Yield Bond Fund	12.2%
Harbor International Growth Fund	5.0%	Harbor Real Return Fund	10.1%
Harbor Diversified International All Cap Fund	4.9%	Harbor High-Yield Opportunities Fund	8.1%
Harbor Mid Cap Value Fund	3.8%		
Harbor Small Cap Value Fund	2.9%		
Harbor Mid Cap Growth Fund	2.6%		
Harbor Capital Appreciation Fund	2.5%		
Harbor Small Cap Growth Fund	2.4%		
Harbor Strategic Growth Fund	2.4%		
Harbor Global Leaders Fund	1.9%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2025 Fund

	Unannualized		Annualized		Inception
	6 Months	1 Year	5 Years	Life of Fund	Date
Harbor Target Retirement 2025 Fund					
Institutional Class	0.87%	6.46%	4.98%	8.37%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2025	0.95	6.00	5.02	8.20	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.70%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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Harbor Target Retirement 2025 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—39.1%

Shares		Value
6,786	Harbor Capital Appreciation Fund	\$ 498
25,654	Harbor Strategic Growth Fund	495
50,169	Harbor Mid Cap Growth Fund	538
32,887	Harbor Small Cap Growth Fund	491
78,129	Harbor Large Cap Value Fund	1,159
33,926	Harbor Mid Cap Value Fund	773
16,406	Harbor Small Cap Value Fund	584
14,909	Harbor International Fund	1,009
86,520	Harbor Diversified International All Cap Fund	1,006
64,233	Harbor International Growth Fund	1,008
15,659	Harbor Global Leaders Fund	393
TOTAL EQUITY FUNDS		
(Cost \$7,096)		7,954

FIXED INCOME FUNDS—60.9%

Shares		Value
251,293	Harbor High-Yield Bond Fund	\$ 2,483
170,112	Harbor High-Yield Opportunities Fund	1,655
551,761	Harbor Bond Fund	6,202
223,181	Harbor Real Return Fund	2,062
TOTAL FIXED INCOME FUNDS		
(Cost \$12,739)		12,402
TOTAL INVESTMENTS—100.0%		
(Cost \$19,835)		20,356
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		— ^a
TOTAL NET ASSETS—100.0%		<u>\$20,356</u>

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 2017, and no transfers between levels during the six-month period.

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

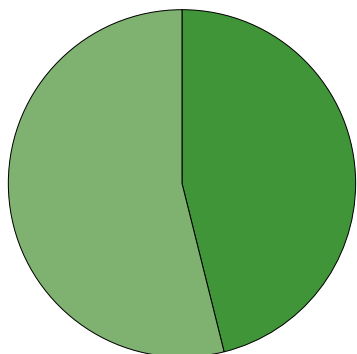
^a Rounds to less than \$1,000

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

Harbor Target Retirement 2030 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



■ Equity Funds	46.1%	■ Fixed Income Funds	53.9%
Harbor Large Cap Value Fund	6.7%	Harbor Bond Fund	26.8%
Harbor Diversified International All Cap Fund	5.8%	Harbor High-Yield Bond Fund	11.8%
Harbor International Fund	5.8%	Harbor High-Yield Opportunities Fund	7.9%
Harbor International Growth Fund	5.8%	Harbor Real Return Fund	7.4%
Harbor Mid Cap Value Fund	4.5%		
Harbor Capital Appreciation Fund	3.9%		
Harbor Small Cap Value Fund	3.4%		
Harbor Mid Cap Growth Fund	3.1%		
Harbor Small Cap Growth Fund	2.9%		
Harbor Global Leaders Fund	2.3%		
Harbor Strategic Growth Fund	1.9%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2030 Fund

	<u>Unannualized</u>		<u>Annualized</u>		<u>Inception</u>
	<u>6 Months</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Life of Fund</u>	<u>Date</u>
Institutional Class	1.32%	7.61%	5.71%	9.09%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2030	1.34	7.07	5.64	8.94	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.71%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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Harbor Target Retirement 2030 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—46.1%

Shares		Value
15,608	Harbor Capital Appreciation Fund	\$ 1,145
29,296	Harbor Strategic Growth Fund	566
86,611	Harbor Mid Cap Growth Fund	929
56,892	Harbor Small Cap Growth Fund	850
134,082	Harbor Large Cap Value Fund	1,988
58,330	Harbor Mid Cap Value Fund	1,329
28,396	Harbor Small Cap Value Fund	1,010
25,624	Harbor International Fund	1,734
149,031	Harbor Diversified International All Cap Fund	1,733
110,608	Harbor International Growth Fund	1,737
26,686	Harbor Global Leaders Fund	670
TOTAL EQUITY FUNDS		
	(Cost \$11,805)	13,691

FIXED INCOME FUNDS—53.9%

Shares		Value
355,103	Harbor High-Yield Bond Fund	\$ 3,508
240,410	Harbor High-Yield Opportunities Fund	2,339
707,714	Harbor Bond Fund	7,955
238,584	Harbor Real Return Fund	2,205
TOTAL FIXED INCOME FUNDS		
	(Cost \$16,448)	16,007
TOTAL INVESTMENTS—100.0%		
	(Cost \$28,253)	29,698
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		— ^a
TOTAL NET ASSETS—100.0%		<u>\$29,698</u>

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 2017, and no transfers between levels during the six-month period.

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

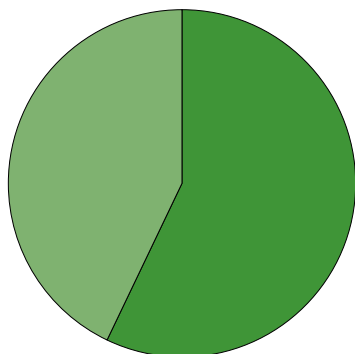
^a Rounds to less than \$1,000

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

Harbor Target Retirement 2035 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



■ Equity Funds	57.1%	■ Fixed Income Funds	42.9%
Harbor Large Cap Value Fund	8.3%	Harbor Bond Fund	22.0%
Harbor Diversified International All Cap Fund	7.2%	Harbor High-Yield Bond Fund	10.0%
Harbor International Fund	7.2%	Harbor High-Yield Opportunities Fund	6.6%
Harbor International Growth Fund	7.2%	Harbor Real Return Fund	4.3%
Harbor Mid Cap Value Fund	5.5%		
Harbor Capital Appreciation Fund	4.8%		
Harbor Small Cap Value Fund	4.2%		
Harbor Mid Cap Growth Fund	3.9%		
Harbor Small Cap Growth Fund	3.6%		
Harbor Global Leaders Fund	2.8%		
Harbor Strategic Growth Fund	2.4%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2035 Fund

	<u>Unannualized</u>		<u>Annualized</u>		<u>Inception</u>
	<u>6 Months</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Life of Fund</u>	<u>Date</u>
Institutional Class	1.82%	9.08%	6.60%	9.80%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2035	1.80	8.40	6.37	9.66	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.72%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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Harbor Target Retirement 2035 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—57.1%

Shares		Value
10,070	Harbor Capital Appreciation Fund	\$ 739
18,843	Harbor Strategic Growth Fund	364
55,297	Harbor Mid Cap Growth Fund	593
36,640	Harbor Small Cap Growth Fund	547
86,615	Harbor Large Cap Value Fund	1,284
37,505	Harbor Mid Cap Value Fund	855
18,283	Harbor Small Cap Value Fund	650
16,447	Harbor International Fund	1,113
95,630	Harbor Diversified International All Cap Fund	1,112
70,610	Harbor International Growth Fund	1,109
17,220	Harbor Global Leaders Fund	432
TOTAL EQUITY FUNDS		
(Cost \$7,679)		8,798

FIXED INCOME FUNDS—42.9%

Shares		Value
155,231	Harbor High-Yield Bond Fund	\$ 1,534
105,174	Harbor High-Yield Opportunities Fund	1,023
302,266	Harbor Bond Fund	3,398
71,766	Harbor Real Return Fund	663
TOTAL FIXED INCOME FUNDS		
(Cost \$6,805)		6,618
TOTAL INVESTMENTS—100.0%		
(Cost \$14,484)		15,416
CASH AND OTHER ASSETS, LESS LIABILITIES—0.0%		— ^a
TOTAL NET ASSETS—100.0%		<u>\$15,416</u>

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 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.

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

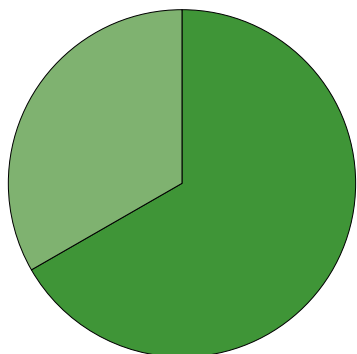
^a Rounds to less than \$1,000

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

Harbor Target Retirement 2040 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



■ Equity Funds	66.7%	■ Fixed Income Funds	33.3%
Harbor Large Cap Value Fund	9.8%	Harbor Bond Fund	19.5%
Harbor Diversified International All Cap Fund	8.4%	Harbor High-Yield Bond Fund	8.3%
Harbor International Fund	8.4%	Harbor High-Yield Opportunities Fund	5.5%
Harbor International Growth Fund	8.4%		
Harbor Mid Cap Value Fund	6.5%		
Harbor Capital Appreciation Fund	5.6%		
Harbor Small Cap Value Fund	4.9%		
Harbor Mid Cap Growth Fund	4.5%		
Harbor Small Cap Growth Fund	4.1%		
Harbor Global Leaders Fund	3.3%		
Harbor Strategic Growth Fund	2.8%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2040 Fund

	Unannualized 6 Months	1 Year	Annualized		Inception Date
			5 Years	Life of Fund	
Institutional Class	2.38%	10.46%	7.55%	10.46%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2040	2.19	9.54	7.16	10.37	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.73%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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, but does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or upon the redemption of Fund shares. 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 so that Fund shares, 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. See the Benchmark Descriptions at the end of this report for a description of the Composite Index.

Harbor Target Retirement 2040 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—66.7%

Shares		Value
19,759	Harbor Capital Appreciation Fund	\$ 1,450
37,084	Harbor Strategic Growth Fund	716
107,717	Harbor Mid Cap Growth Fund	1,155
70,588	Harbor Small Cap Growth Fund	1,055
170,279	Harbor Large Cap Value Fund	2,525
73,614	Harbor Mid Cap Value Fund	1,678
35,422	Harbor Small Cap Value Fund	1,260
32,171	Harbor International Fund	2,177
187,907	Harbor Diversified International All Cap Fund	2,185
139,056	Harbor International Growth Fund	2,183
34,450	Harbor Global Leaders Fund	864

TOTAL EQUITY FUNDS

(Cost \$14,622) 17,248

FIXED INCOME FUNDS—33.3%

Shares		Value
216,088	Harbor High-Yield Bond Fund	\$ 2,135
145,287	Harbor High-Yield Opportunities Fund	1,414
449,801	Harbor Bond Fund	5,056

TOTAL FIXED INCOME FUNDS

(Cost \$8,844) 8,605

TOTAL INVESTMENTS—100.0%

(Cost \$23,466) 25,853

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

TOTAL NET ASSETS—100.0% \$25,853

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 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.

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

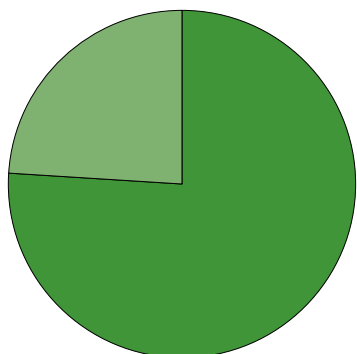
^a Rounds to less than \$1,000

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

Harbor Target Retirement 2045 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



■ Equity Funds	76.0%	■ Fixed Income Funds	24.0%
Harbor Large Cap Value Fund	11.2%	Harbor Bond Fund	14.0%
Harbor Diversified International All Cap Fund	9.6%	Harbor High-Yield Bond Fund	6.0%
Harbor International Fund	9.6%	Harbor High-Yield Opportunities Fund	4.0%
Harbor International Growth Fund	9.6%		
Harbor Mid Cap Value Fund	7.4%		
Harbor Capital Appreciation Fund	6.3%		
Harbor Small Cap Value Fund	5.5%		
Harbor Mid Cap Growth Fund	5.1%		
Harbor Small Cap Growth Fund	4.6%		
Harbor Global Leaders Fund	3.9%		
Harbor Strategic Growth Fund	3.2%		

FUND PERFORMANCE

TOTAL RETURNS For the periods ended 04/30/2018	Unannualized		Annualized		Inception Date
	6 Months	1 Year	5 Years	Life of Fund	
Harbor Target Retirement 2045 Fund					
Institutional Class	2.78%	11.76%	8.37%	10.99%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2045	2.64	10.74	7.87	10.97	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.75%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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, but does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or upon the redemption of Fund shares. 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 so that Fund shares, 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. See the Benchmark Descriptions at the end of this report for a description of the Composite Index.

Harbor Target Retirement 2045 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—76.0%

Shares		Value
10,733	Harbor Capital Appreciation Fund	\$ 787
20,362	Harbor Strategic Growth Fund	393
58,666	Harbor Mid Cap Growth Fund	629
38,217	Harbor Small Cap Growth Fund	571
93,589	Harbor Large Cap Value Fund	1,388
40,307	Harbor Mid Cap Value Fund	918
19,304	Harbor Small Cap Value Fund	687
17,521	Harbor International Fund	1,186
101,946	Harbor Diversified International All Cap Fund	1,186
75,518	Harbor International Growth Fund	1,186
19,051	Harbor Global Leaders Fund	478

TOTAL EQUITY FUNDS

(Cost \$8,455) 9,409

FIXED INCOME FUNDS—24.0%

Shares		Value
75,646	Harbor High-Yield Bond Fund	\$ 747
50,843	Harbor High-Yield Opportunities Fund	495
153,836	Harbor Bond Fund	1,729

TOTAL FIXED INCOME FUNDS

(Cost \$3,043) 2,971

TOTAL INVESTMENTS—100.0%

(Cost \$11,498) 12,380

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

TOTAL NET ASSETS—100.0% **\$12,380**

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 2017, and no transfers between levels during the six-month period.

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

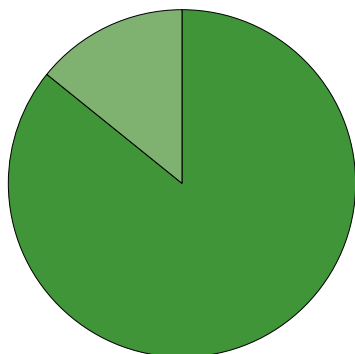
^a Rounds to less than \$1,000

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

Harbor Target Retirement 2050 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



■ Equity Funds	85.8%	■ Fixed Income Funds	14.2%
Harbor Large Cap Value Fund	12.7%	Harbor Bond Fund	7.8%
Harbor Diversified International All Cap Fund	10.8%	Harbor High-Yield Opportunities Fund	6.4%
Harbor International Fund	10.8%		
Harbor International Growth Fund	10.8%		
Harbor Mid Cap Value Fund	8.3%		
Harbor Capital Appreciation Fund	7.3%		
Harbor Small Cap Value Fund	6.2%		
Harbor Mid Cap Growth Fund	5.7%		
Harbor Small Cap Growth Fund	5.2%		
Harbor Global Leaders Fund	4.4%		
Harbor Strategic Growth Fund	3.6%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2050 Fund

	Unannualized 6 Months	1 Year	Annualized 5 Years	Annualized Life of Fund	Inception Date
Institutional Class	3.24%	13.11%	9.21%	11.50%	01/02/2009
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	1.47%	3.49%	—
MSCI EAFE (ND)	3.41	14.51	5.90	8.59	—
Russell 3000®	3.79	13.05	12.75	14.83	—
Composite Index 2050	3.09	11.98	8.58	11.46	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.77%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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Harbor Target Retirement 2050 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—85.8%

Shares		Value
24,016	Harbor Capital Appreciation Fund	\$ 1,762
45,100	Harbor Strategic Growth Fund	871
128,358	Harbor Mid Cap Growth Fund	1,376
83,936	Harbor Small Cap Growth Fund	1,254
207,622	Harbor Large Cap Value Fund	3,079
88,756	Harbor Mid Cap Value Fund	2,023
42,332	Harbor Small Cap Value Fund	1,506
38,893	Harbor International Fund	2,632
226,441	Harbor Diversified International All Cap Fund	2,634
167,787	Harbor International Growth Fund	2,634
42,904	Harbor Global Leaders Fund	1,076

TOTAL EQUITY FUNDS

(Cost \$17,910) 20,847

FIXED INCOME FUNDS—14.2%

Shares		Value
160,147	Harbor High-Yield Opportunities Fund	\$ 1,558
169,372	Harbor Bond Fund	1,904

TOTAL FIXED INCOME FUNDS

(Cost \$3,546) 3,462

TOTAL INVESTMENTS—100.0%

(Cost \$21,456) 24,309

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

TOTAL NET ASSETS—100.0% **\$24,309**

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 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.

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

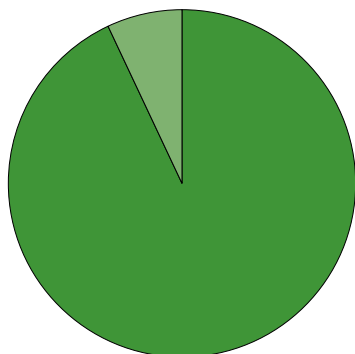
^a Rounds to less than \$1,000

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

Harbor Target Retirement 2055 Fund

FUND SUMMARY —April 30, 2018 (Unaudited)

ASSET ALLOCATION (% of investments)



■ Equity Funds	93.0%	■ Fixed Income Funds	7.0%
Harbor Large Cap Value Fund	13.7%	Harbor Bond Fund	3.8%
Harbor International Fund	11.8%	Harbor High-Yield Opportunities Fund	3.2%
Harbor International Growth Fund	11.8%		
Harbor Diversified International All Cap Fund	11.7%		
Harbor Mid Cap Value Fund	9.0%		
Harbor Capital Appreciation Fund	7.9%		
Harbor Small Cap Value Fund	6.7%		
Harbor Mid Cap Growth Fund	6.1%		
Harbor Small Cap Growth Fund	5.5%		
Harbor Global Leaders Fund	4.9%		
Harbor Strategic Growth Fund	3.9%		

FUND PERFORMANCE

TOTAL RETURNS

For the periods ended 04/30/2018

Harbor Target Retirement 2055 Fund

	<u>Unannualized</u>			<u>Annualized</u>	<u>Inception</u>
	<u>6 Months</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Life of Fund</u>	<u>Date</u>
Harbor Target Retirement 2055 Fund					
Institutional Class	3.52%	13.79%	N/A	8.36%	11/01/2014
Comparative Indices					
Bloomberg Barclays U.S. Aggregate Bond	-1.87%	-0.32%	N/A	1.51%	—
MSCI EAFE (ND)	3.41	14.51	N/A	6.21	—
Russell 3000®	3.79	13.05	N/A	10.14	—
Composite Index 2055	3.29	12.59	N/A	7.70	—

As stated in the Fund's prospectus dated March 1, 2018, the expense ratio was 0.78%. 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; and (iii) certain other expenses such as extraordinary items. The expense ratio in the prospectus may differ from the actual expense ratio for the period disclosed within this report. The expense ratio shown in the prospectus is 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 supplement thereto, if applicable).

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Harbor Target Retirement 2055 Fund[†]

PORTFOLIO OF INVESTMENTS—April 30, 2018 (Unaudited)

Value and Cost in Thousands

EQUITY FUNDS—93.0%

Shares		Value
3,552	Harbor Capital Appreciation Fund	\$ 261
6,690	Harbor Strategic Growth Fund	129
18,946	Harbor Mid Cap Growth Fund	203
12,310	Harbor Small Cap Growth Fund	184
30,787	Harbor Large Cap Value Fund	456
13,132	Harbor Mid Cap Value Fund	299
6,241	Harbor Small Cap Value Fund	222
5,758	Harbor International Fund	390
33,433	Harbor Diversified International All Cap Fund	389
24,822	Harbor International Growth Fund	390
6,402	Harbor Global Leaders Fund	161

TOTAL EQUITY FUNDS

(Cost \$2,899) 3,084

FIXED INCOME FUNDS—7.0%

Shares		Value
10,790	Harbor High-Yield Opportunities Fund	\$ 105
11,417	Harbor Bond Fund	128

TOTAL FIXED INCOME FUNDS

(Cost \$239) 233

TOTAL INVESTMENTS—100.0%

(Cost \$3,138) 3,317

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

TOTAL NET ASSETS—100.0% \$3,317

FAIR VALUE MEASUREMENTS

All holdings at April 30, 2018 (as disclosed in the preceding Portfolio of Investments) are classified as Level 1. There were no Level 3 holdings at April 30, 2018 or October 31, 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.

[†] 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 Financial Statements.

Harbor Target Retirement Funds

STATEMENTS OF ASSETS AND LIABILITIES—April 30, 2018 (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
ASSETS										
Investments, at identified cost. . . .	\$13,173	\$5,007	\$26,248	\$19,835	\$28,253	\$14,484	\$23,466	\$11,498	\$21,456	\$3,138
Investments in affiliated funds, at value	\$13,138	\$5,051	\$26,930	\$20,356	\$29,698	\$15,416	\$25,853	\$12,380	\$24,309	\$3,317
Receivables for:										
Investments in affiliated funds sold	—	—	74	—	5	5	10	—	7	—
Capital shares sold.	—	—	1	—	—	1	3	131	1	1
Distributions from affiliated funds.	1	1	2	—	—	—	—	—	—	—
Total Assets.	13,139	5,052	27,007	20,356	29,703	15,422	25,866	12,511	24,317	3,318
LIABILITIES										
Payables for:										
Investments in affiliated funds purchased	—	—	—	—	—	—	—	130	—	—
Capital shares reacquired	—	—	75	—	5	6	13	1	8	1
Total Liabilities.	—	—	75	—	5	6	13	131	8	1
NET ASSETS	\$13,139	\$5,052	\$26,932	\$20,356	\$29,698	\$15,416	\$25,853	\$12,380	\$24,309	\$3,317
Net Assets Consist of:										
Paid-in capital.	\$13,517	\$5,251	\$26,582	\$19,497	\$27,801	\$14,193	\$22,508	\$11,061	\$20,269	\$2,946
Accumulated undistributed net investment income/(loss)	(7)	12	37	27	31	3	(14)	(14)	(56)	(9)
Accumulated net realized gain/(loss)	(336)	(255)	(369)	311	421	288	972	451	1,243	201
Unrealized appreciation/(depreciation) of investments.	(35)	44	682	521	1,445	932	2,387	882	2,853	179
	\$13,139	\$5,052	\$26,932	\$20,356	\$29,698	\$15,416	\$25,853	\$12,380	\$24,309	\$3,317
NET ASSET VALUE PER SHARE BY CLASS										
Institutional Class										
Net assets	\$13,139	\$5,052	\$26,932	\$20,356	\$29,698	\$15,416	\$25,853	\$12,380	\$24,309	\$3,317
Shares of beneficial interest ¹	1,456	471	2,780	1,626	3,265	1,073	2,802	805	2,351	275
Net asset value per share ²	\$ 9.03	\$10.72	\$ 9.69	\$ 12.52	\$ 9.10	\$ 14.37	\$ 9.23	\$ 15.38	\$ 10.34	\$12.07

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, 2018 (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
Investment Income										
Dividends from affiliated funds	\$ 222	\$ 95	\$ 428	\$ 333	\$ 428	\$ 203	\$ 302	\$ 110	\$ 207	\$ 23
Total Investment Income	222	95	428	333	428	203	302	110	207	23
Net Investment Income/(Loss)	222	95	428	333	428	203	302	110	207	23
Realized and Change in Net Unrealized Gain/(Loss) on Investment Transactions										
Net realized gain/(loss) on:										
Sale of affiliated funds	4	105	209	308	284	231	427	186	476	115
Distributions received from affiliated funds	126	69	444	402	647	418	802	367	946	124
Change in net unrealized appreciation/(depreciation) on:										
Affiliated funds	(346)	(247)	(903)	(853)	(997)	(580)	(964)	(393)	(892)	(170)
Net gain/(loss) on investment transactions	(216)	(73)	(250)	(143)	(66)	69	265	160	530	69
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$ 6	\$ 22	\$ 178	\$ 190	\$ 362	\$ 272	\$ 567	\$ 270	\$ 737	\$ 92

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, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017
INCREASE/(DECREASE) IN NET ASSETS	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Operations:								
Net investment income/(loss)	\$ 222	\$ 337	\$ 95	\$ 155	\$ 428	\$ 646	\$ 333	\$ 427
Net realized gain/(loss) on sale of affiliated funds	4	(91)	105	(22)	209	(64)	308	(18)
Realized gain distributions received from affiliated funds	126	115	69	59	444	235	402	131
Change in net unrealized appreciation/(depreciation) on affiliated funds	(346)	583	(247)	325	(903)	1,887	(853)	1,534
Net increase/(decrease) in assets resulting from operations	6	944	22	517	178	2,704	190	2,074
Distributions to Shareholders								
Net investment income:								
Institutional Class	(249)	(410)	(177)	(179)	(775)	(682)	(585)	(349)
Administrative Class	—	—	—	—	—	—	—	(1)
Investor Class	—	—	—	—	—	—	—	(1)
Net realized gain on investments:								
Institutional Class	(88)	(51)	—	—	—	(304)	—	(180)
Administrative Class	—	—	—	—	—	—	—	—
Investor Class	—	—	—	—	—	—	—	—
Total distributions to shareholders	(337)	(461)	(177)	(179)	(775)	(986)	(585)	(531)
Net Increase/(Decrease) Derived from Capital Share Transactions								
Net increase/(decrease) in net assets	(607)	(91)	(1,236)	(321)	(810)	2,287	(862)	6,887
Net Assets								
Beginning of period	13,746	13,837	6,288	6,609	27,742	25,455	21,218	14,331
End of period*	\$13,139	\$13,746	\$ 5,052	\$6,288	\$26,932	\$27,742	\$20,356	\$21,218
* Includes accumulated undistributed net investment income/(loss) of:	\$ (7)	\$ 20	\$ 12	\$ 94	\$ 37	\$ 384	\$ 27	\$ 279

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, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017
(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
\$ 428	\$ 631	\$ 203	\$ 271	\$ 302	\$ 396	\$ 110	\$ 133	\$ 207	\$ 264	\$ 23	\$ 19
284	233	231	(83)	427	301	186	104	476	555	115	19
647	242	418	128	802	228	367	93	946	244	124	18
(997)	2,527	(580)	1,668	(964)	2,796	(393)	1,292	(892)	3,142	(170)	356
362	3,633	272	1,984	567	3,721	270	1,622	737	4,205	92	412
(776)	(590)	(350)	(255)	(514)	(386)	(181)	(121)	(351)	(260)	(37)	(18)
—	(1)	—	(1)	—	(1)	—	—	—	—	—	—
—	—	—	(1)	—	(1)	—	—	—	—	—	—
(68)	(855)	—	(224)	(266)	(930)	(130)	(272)	(562)	(1,219)	(38)	(28)
—	(1)	—	—	—	(1)	—	(1)	—	(2)	—	—
—	(1)	—	—	—	(1)	—	(1)	—	(1)	—	—
(844)	(1,448)	(350)	(481)	(780)	(1,320)	(311)	(395)	(913)	(1,482)	(75)	(46)
1,562	1,760	489	1,966	1,126	3,049	2,558	1,383	1,664	1,326	572	1,102
1,080	3,945	411	3,469	913	5,450	2,517	2,610	1,488	4,049	589	1,468
28,618	24,673	15,005	11,536	24,940	19,490	9,863	7,253	22,821	18,772	2,728	1,260
\$29,698	\$28,618	\$15,416	\$15,005	\$25,853	\$24,940	\$12,380	\$9,863	\$24,309	\$22,821	\$3,317	\$2,728
\$ 31	\$ 379	\$ 3	\$ 150	\$ (14)	\$ 198	\$ (14)	\$ 57	\$ (56)	\$ 88	\$ (9)	\$ 5

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, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
AMOUNT (\$)								
Institutional Class								
Net proceeds from sale of shares	\$ 900	\$ 1,411	\$ 306	\$ 1,101	\$ 1,172	\$ 5,095	\$ 1,981	\$ 7,504
Reinvested distributions	337	460	177	178	775	985	585	529
Cost of shares reacquired	(1,513)	(2,413)	(1,564)	(1,902)	(2,160)	(5,473)	(3,033)	(2,649)
Net increase/(decrease) in net assets	\$ (276)	\$ (542)	\$(1,081)	\$ (623)	\$ (213)	\$ 607	\$ (467)	\$ 5,384
Administrative Class								
Net proceeds from sale of shares	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Reinvested distributions	—	—	—	—	—	—	—	1
Cost of shares reacquired	—	(16)	—	(18)	—	(19)	—	(21)
Net increase/(decrease) in net assets	\$ —	\$ (16)	\$ —	\$ (18)	\$ —	\$ (19)	\$ —	\$ (20)
Investor Class								
Net proceeds from sale of shares	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Reinvested distributions	—	—	—	—	—	—	—	1
Cost of shares reacquired	—	(16)	—	(18)	—	(19)	—	(21)
Net increase/(decrease) in net assets	\$ —	\$ (16)	\$ —	\$ (18)	\$ —	\$ (19)	\$ —	\$ (20)
SHARES								
Institutional Class								
Shares sold	98	156	28	103	119	537	156	623
Shares issued due to reinvestment of distributions	37	52	16	18	80	110	47	46
Shares reacquired	(165)	(268)	(144)	(179)	(221)	(581)	(240)	(220)
Net increase/(decrease) in shares outstanding	(30)	(60)	(100)	(58)	(22)	66	(37)	449
Beginning of period	1,486	1,546	571	629	2,802	2,736	1,663	1,214
End of period	1,456	1,486	471	571	2,780	2,802	1,626	1,663
Administrative Class								
Shares sold	—	—	—	—	—	—	—	—
Shares reacquired	—	(2)	—	(2)	—	(2)	—	(2)
Net increase/(decrease) in shares outstanding	—	(2)	—	(2)	—	(2)	—	(2)
Beginning of period	—	2	—	2	—	2	—	2
End of period	—	—	—	—	—	—	—	—
Investor Class								
Shares sold	—	—	—	—	—	—	—	—
Shares reacquired	—	(2)	—	(2)	—	(2)	—	(2)
Net increase/(decrease) in shares outstanding	—	(2)	—	(2)	—	(2)	—	(2)
Beginning of period	—	2	—	2	—	2	—	2
End of period	—	—	—	—	—	—	—	—

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, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017	November 1, 2017 through April 30, 2018	November 1, 2016 through October 31, 2017
(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
\$ 2,655	\$ 6,126	\$ 1,795	\$ 3,780	\$ 2,467	\$ 4,661	\$3,020	\$ 3,106	\$ 2,260	\$ 4,814	\$1,097	\$1,585
844	1,445	350	479	780	1,316	311	393	913	1,479	75	45
(1,937)	(5,769)	(1,656)	(2,249)	(2,121)	(2,882)	(773)	(2,068)	(1,509)	(4,917)	(600)	(504)
\$ 1,562	\$ 1,802	\$ 489	\$ 2,010	\$ 1,126	\$ 3,095	\$2,558	\$ 1,431	\$ 1,664	\$ 1,376	\$ 572	\$1,126
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	1	—	1	—	1	—	1	—	2	—	—
—	(22)	—	(23)	—	(24)	—	(25)	—	(27)	—	(12)
\$ —	\$ (21)	\$ —	\$ (22)	\$ —	\$ (23)	\$ —	\$ (24)	\$ —	\$ (25)	\$ —	\$ (12)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	1	—	1	—	1	—	1	—	1	—	—
—	(22)	—	(23)	—	(24)	—	(25)	—	(26)	—	(12)
\$ —	\$ (21)	\$ —	\$ (22)	\$ —	\$ (23)	\$ —	\$ (24)	\$ —	\$ (25)	\$ —	\$ (12)
289	700	124	280	265	539	195	219	216	503	90	145
93	176	24	38	85	164	21	30	89	169	6	5
(210)	(647)	(114)	(168)	(229)	(332)	(50)	(143)	(145)	(511)	(49)	(46)
172	229	34	150	121	371	166	106	160	161	47	104
3,093	2,864	1,039	889	2,681	2,310	639	533	2,191	2,030	228	124
3,265	3,093	1,073	1,039	2,802	2,681	805	639	2,351	2,191	275	228
—	—	—	—	—	—	—	—	—	—	—	—
—	(2)	—	(2)	—	(2)	—	(2)	—	(2)	—	(1)
—	(2)	—	(2)	—	(2)	—	(2)	—	(2)	—	(1)
—	2	—	2	—	2	—	2	—	2	—	1
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	(2)	—	(2)	—	(2)	—	(2)	—	(2)	—	(1)
—	(2)	—	(2)	—	(2)	—	(2)	—	(2)	—	(1)
—	2	—	2	—	2	—	2	—	2	—	1
—	—	—	—	—	—	—	—	—	—	—	—

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, 2018 (Unaudited)	Institutional Class				
		Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 9.25	\$ 8.93	\$ 9.19	\$ 9.75	\$ 9.83	\$ 9.95
Income from Investment Operations						
Net investment income/(loss)	0.15 ^a	0.22 ^a	0.25 ^a	0.34 ^a	0.22	0.23
Net realized and unrealized gains/(losses) on investments	(0.14)	0.40	0.08	(0.30)	0.19	0.20
Total from investment operations	0.01	0.62	0.33	0.04	0.41	0.43
Less Distributions						
Dividends from net investment income	(0.17)	(0.27)	(0.29)	(0.35)	(0.28)	(0.38)
Distributions from net realized capital gains ¹	(0.06)	(0.03)	(0.30)	(0.25)	(0.21)	(0.17)
Total distributions	(0.23)	(0.30)	(0.59)	(0.60)	(0.49)	(0.55)
Net asset value end of period	9.03	9.25	8.93	9.19	9.75	9.83
Net assets end of period (000s)	\$13,139	\$13,746	\$13,805	\$15,124	\$17,410	\$15,510
Ratios and Supplemental Data (%)						
Total return	0.07% ^b	7.17%	3.91%	0.46%	4.32%	4.49%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	3.27% ^c	2.46	2.87	3.57	2.14	2.36
Portfolio turnover ³	17 ^b	16	26	24	20	28

HARBOR TARGET RETIREMENT 2015 FUND

	6-Month Period Ended April 30, 2018 (Unaudited)	Institutional Class				
		Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$11.02	\$10.45	\$10.77	\$11.68	\$ 11.87	\$ 11.52
Income from Investment Operations						
Net investment income/(loss)	0.17 ^a	0.26 ^a	0.29 ^a	0.36 ^a	0.24	0.28
Net realized and unrealized gains/(losses) on investments	(0.15)	0.60	0.05	(0.35)	0.29	0.60
Total from investment operations	0.02	0.86	0.34	0.01	0.53	0.88
Less Distributions						
Dividends from net investment income	(0.32)	(0.29)	(0.36)	(0.39)	(0.31)	(0.44)
Distributions from net realized capital gains ¹	—	—	(0.30)	(0.53)	(0.41)	(0.09)
Total distributions	(0.32)	(0.29)	(0.66)	(0.92)	(0.72)	(0.53)
Net asset value end of period	10.72	11.02	10.45	10.77	11.68	11.87
Net assets end of period (000s)	\$5,052	\$6,288	\$6,574	\$7,778	\$11,200	\$10,654
Ratios and Supplemental Data (%)						
Total return	0.21% ^b	8.43%	3.59%	0.13%	4.73%	7.89%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	3.23% ^c	2.43	2.82	3.26	2.08	2.43
Portfolio turnover ³	19 ^b	22	32	26	38	48

See page 39 for notes to the Financial Highlights.

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

HARBOR TARGET RETIREMENT 2020 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2018 (Unaudited)	Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 9.90	\$ 9.29	\$ 9.94	\$ 10.63	\$ 10.78	\$ 10.43
Income from Investment Operations						
Net investment income/(loss)	0.15 ^a	0.23 ^a	0.26 ^a	0.32 ^a	0.23	0.26
Net realized and unrealized gains/(losses) on investments	(0.08)	0.73	0.04	(0.30)	0.29	0.68
Total from investment operations	0.07	0.96	0.30	0.02	0.52	0.94
Less Distributions						
Dividends from net investment income	(0.28)	(0.24)	(0.32)	(0.34)	(0.30)	(0.40)
Distributions from net realized capital gains ¹	—	(0.11)	(0.63)	(0.37)	(0.37)	(0.19)
Total distributions	(0.28)	(0.35)	(0.95)	(0.71)	(0.67)	(0.59)
Net asset value end of period	9.69	9.90	9.29	9.94	10.63	10.78
Net assets end of period (000s)	\$26,932	\$27,742	\$25,419	\$27,290	\$31,124	\$27,397
Ratios and Supplemental Data (%)						
Total return	0.68% ^b	10.77%	3.56%	0.30%	5.06%	9.43%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	3.13 ^c	2.44	2.83	3.19	2.18	2.56
Portfolio turnover ³	19 ^b	29	33	28	19	36

HARBOR TARGET RETIREMENT 2025 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2018 (Unaudited)	Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 12.76	\$ 11.78	\$ 12.32	\$ 13.48	\$ 13.44	\$12.69
Income from Investment Operations						
Net investment income/(loss)	0.20 ^a	0.29 ^a	0.31 ^a	0.37 ^a	0.29	0.34
Net realized and unrealized gains/(losses) on investments	(0.09)	1.12	0.05	(0.36)	0.40	1.04
Total from investment operations	0.11	1.41	0.36	0.01	0.69	1.38
Less Distributions						
Dividends from net investment income	(0.35)	(0.28)	(0.37)	(0.41)	(0.36)	(0.45)
Distributions from net realized capital gains ¹	—	(0.15)	(0.53)	(0.76)	(0.29)	(0.18)
Total distributions	(0.35)	(0.43)	(0.90)	(1.17)	(0.65)	(0.63)
Net asset value end of period	12.52	12.76	11.78	12.32	13.48	13.44
Net assets end of period (000s)	\$20,356	\$21,218	\$14,293	\$11,487	\$10,612	\$8,728
Ratios and Supplemental Data (%)						
Total return	0.87% ^b	12.38%	3.39%	0.11%	5.37%	11.33%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	3.24 ^c	2.42	2.69	2.91	2.06	2.44
Portfolio turnover ³	25 ^b	24	25	25	33	32

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

Harbor Target Retirement Funds Financial Highlights—Continued

SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

HARBOR TARGET RETIREMENT 2030 FUND

	6-Month Period Ended April 30, 2018 (Unaudited)	Institutional Class				
		Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 9.25	\$ 8.60	\$ 9.19	\$ 10.04	\$ 10.22	\$ 9.56
Income from Investment Operations						
Net investment income/(loss)	0.13 ^a	0.20 ^a	0.21 ^a	0.24 ^a	0.21	0.25
Net realized and unrealized gains/(losses) on investments	(0.01)	0.96	0.01	(0.23)	0.35	1.04
Total from investment operations	0.12	1.16	0.22	0.01	0.56	1.29
Less Distributions						
Dividends from net investment income	(0.25)	(0.21)	(0.26)	(0.28)	(0.27)	(0.33)
Distributions from net realized capital gains ¹	(0.02)	(0.30)	(0.55)	(0.58)	(0.47)	(0.30)
Total distributions	(0.27)	(0.51)	(0.81)	(0.86)	(0.74)	(0.63)
Net asset value end of period	9.10	9.25	8.60	9.19	10.04	10.22
Net assets end of period (000s)	\$29,698	\$28,618	\$24,634	\$25,084	\$24,727	\$23,994
Ratios and Supplemental Data (%)						
Total return	1.32% ^b	14.18%	2.96%	0.13%	5.79%	14.19%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	2.94 ^c	2.30	2.54	2.55	1.99	2.42
Portfolio turnover ³	17 ^b	29	31	24	22	31

HARBOR TARGET RETIREMENT 2035 FUND

	6-Month Period Ended April 30, 2018 (Unaudited)	Institutional Class				
		Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 14.44	\$ 12.93	\$ 13.56	\$14.92	\$14.52	\$13.01
Income from Investment Operations						
Net investment income/(loss)	0.19 ^a	0.28 ^a	0.27 ^a	0.30 ^a	0.29	0.33
Net realized and unrealized gains/(losses) on investments	0.07	1.75	0.04	(0.26)	0.58	1.85
Total from investment operations	0.26	2.03	0.31	0.04	0.87	2.18
Less Distributions						
Dividends from net investment income	(0.33)	(0.28)	(0.35)	(0.36)	(0.33)	(0.40)
Distributions from net realized capital gains ¹	—	(0.24)	(0.59)	(1.04)	(0.14)	(0.27)
Total distributions	(0.33)	(0.52)	(0.94)	(1.40)	(0.47)	(0.67)
Net asset value end of period	14.37	14.44	12.93	13.56	14.92	14.52
Net assets end of period (000s)	\$15,416	\$15,005	\$11,496	\$9,007	\$7,708	\$5,397
Ratios and Supplemental Data (%)						
Total return	1.82% ^b	16.31%	2.70%	0.34%	6.19%	17.43%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	2.64 ^c	2.06	2.17	2.17	1.64	2.08
Portfolio turnover ³	19 ^b	26	26	22	39	12

See page 39 for notes to the Financial Highlights.

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

HARBOR TARGET RETIREMENT 2040 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2018 (Unaudited)	Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 9.30	\$ 8.42	\$ 9.05	\$ 9.84	\$ 10.01	\$ 9.19
Income from Investment Operations						
Net investment income/(loss)	0.11 ^a	0.15 ^a	0.17 ^a	0.18 ^a	0.17	0.22
Net realized and unrealized gains/(losses) on investments	0.11	1.30	(0.01)	(0.10)	0.46	1.52
Total from investment operations	0.22	1.45	0.16	0.08	0.63	1.74
Less Distributions						
Dividends from net investment income	(0.19)	(0.17)	(0.20)	(0.22)	(0.23)	(0.26)
Distributions from net realized capital gains ¹	(0.10)	(0.40)	(0.59)	(0.65)	(0.57)	(0.66)
Total distributions	(0.29)	(0.57)	(0.79)	(0.87)	(0.80)	(0.92)
Net asset value end of period	9.23	9.30	8.42	9.05	9.84	10.01
Net assets end of period (000s)	\$25,853	\$24,940	\$19,448	\$19,805	\$18,933	\$17,963
Ratios and Supplemental Data (%)						
Total return	2.38% ^b	18.26%	2.36%	0.94%	6.77%	20.63%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	2.36% ^c	1.78	2.03	1.96	1.59	2.24
Portfolio turnover ³	16 ^b	21	30	18	22	22

HARBOR TARGET RETIREMENT 2045 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2018 (Unaudited)	Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 15.43	\$13.51	\$14.25	\$15.17	\$14.85	\$12.42
Income from Investment Operations						
Net investment income/(loss)	0.15 ^a	0.21 ^a	0.21 ^a	0.23 ^a	0.23	0.29
Net realized and unrealized gains/(losses) on investments	0.28	2.42	0.01	(0.06)	0.80	2.58
Total from investment operations	0.43	2.63	0.22	0.17	1.03	2.87
Less Distributions						
Dividends from net investment income	(0.28)	(0.22)	(0.27)	(0.29)	(0.31)	(0.31)
Distributions from net realized capital gains ¹	(0.20)	(0.49)	(0.69)	(0.80)	(0.40)	(0.13)
Total distributions	(0.48)	(0.71)	(0.96)	(1.09)	(0.71)	(0.44)
Net asset value end of period	15.38	15.43	13.51	14.25	15.17	14.85
Net assets end of period (000s)	\$12,380	\$9,863	\$7,211	\$5,523	\$4,239	\$3,340
Ratios and Supplemental Data (%)						
Total return	2.78% ^b	20.37%	1.91%	1.23%	7.17%	23.75%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	1.93% ^c	1.50	1.58	1.56	1.37	1.82
Portfolio turnover ³	14 ^b	32	24	15	21	20

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

Harbor Target Retirement Funds Financial Highlights—Continued

SELECTED DATA FOR A SHARE OUTSTANDING FOR THE PERIODS PRESENTED

HARBOR TARGET RETIREMENT 2050 FUND

	Institutional Class					
	6-Month Period Ended April 30, 2018 (Unaudited)	Year Ended October 31,				
		2017	2016	2015	2014	2013
Net asset value beginning of period	\$ 10.42	\$ 9.23	\$ 10.39	\$ 11.40	\$ 11.46	\$ 10.17
Income from Investment Operations						
Net investment income/(loss)	0.09 ^a	0.12 ^a	0.12 ^a	0.14 ^a	0.15	0.22
Net realized and unrealized gains/(losses) on investments	0.24	1.81	(0.03)	0.05	0.67	2.20
Total from investment operations	0.33	1.93	0.09	0.19	0.82	2.42
Less Distributions						
Dividends from net investment income	(0.16)	(0.13)	(0.17)	(0.19)	(0.23)	(0.24)
Distributions from net realized capital gains ¹	(0.25)	(0.61)	(1.08)	(1.01)	(0.65)	(0.89)
Total distributions	(0.41)	(0.74)	(1.25)	(1.20)	(0.88)	(1.13)
Net asset value end of period	10.34	10.42	9.23	10.39	11.40	11.46
Net assets end of period (000s)	\$24,309	\$22,821	\$18,728	\$19,221	\$20,434	\$19,170
Ratios and Supplemental Data (%)						
Total return	3.24% ^b	22.40%	1.51%	1.83%	7.61%	26.12%
Ratio of total expenses to average net assets ²	—	—	—	—	—	—
Ratio of net investment income to average net assets ²	1.73 ^c	1.27	1.34	1.35	1.17	1.88
Portfolio turnover ³	16 ^b	33	24	24	23	17

HARBOR TARGET RETIREMENT 2055 FUND

	Institutional Class			
	6-Month Period Ended April 30, 2018 (Unaudited)	Year Ended October 31,		
		2017	2016	2015
Net asset value beginning of period	\$11.97	\$10.02	\$10.08	\$10.00
Income from Investment Operations				
Net investment income/(loss)	0.09 ^a	0.10 ^a	0.11 ^a	0.05 ^a
Net realized and unrealized gains/(losses) on investments	0.33	2.17	0.01	0.18
Total from investment operations	0.42	2.27	0.12	0.23
Less Distributions				
Dividends from net investment income	(0.16)	(0.12)	(0.14)	(0.15)
Distributions from net realized capital gains ¹	(0.16)	(0.20)	(0.04)	—
Total distributions	(0.32)	(0.32)	(0.18)	(0.15)
Net asset value end of period	12.07	11.97	10.02	10.08
Net assets end of period (000s)	\$3,317	\$2,728	\$1,240	\$ 762
Ratios and Supplemental Data (%)				
Total return	3.52% ^b	23.34%	1.38%	2.28% ^b
Ratio of total expenses to average net assets ²	—	—	—	—
Ratio of net investment income to average net assets ²	1.52 ^c	0.95	1.13	0.52 ^c
Portfolio turnover ³	23 ^b	32	33	15 ^b

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

b Unannualized

c Annualized

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

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—April 30, 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 April 30, 2018, the Trust consists of 31 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. The Funds previously offered two additional classes of shares, the Administrative Class and Investor Class, each class representing an interest in the same portfolio of investments of the respective Fund. As of October 31, 2017, all shares of the Administrative Class and Investor Class shares had been fully redeemed and therefore no shares of either of those classes remained outstanding. The Funds do not currently intend to continue to offer those classes of shares.

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 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.

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES—Continued

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.

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.

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 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, 2014–2016), including all positions expected to be taken upon filing the 2017 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.

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, 2018, each Fund held 10% or fewer 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 Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Adviser

Harbor Capital is a wholly-owned subsidiary of ORIX Corporation (“ORIX”). Harbor Capital is the Funds’ 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; and (iii) certain other expenses such as extraordinary items.

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. The Funds do not pay any fees for the services of the Distributor.

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 Funds do not pay any fees for the services of Harbor Services Group.

Shareholders

On April 30, 2018, Harbor Capital, and its wholly owned subsidiaries, collectively held the following shares of beneficial interest in each Fund:

	Number of Shares Owned by Harbor Capital and Subsidiaries	
	Institutional Class	Percentage of Outstanding Shares
Harbor Target Retirement 2025 Fund	13,985	0.9%
Harbor Target Retirement 2030 Fund	33,054	1.0
Harbor Target Retirement 2035 Fund	23,252	2.2
Harbor Target Retirement 2040 Fund	682	0.0
Harbor Target Retirement 2045 Fund	62,835	7.9
Harbor Target Retirement 2050 Fund	12,608	0.5
Harbor Target Retirement 2055 Fund	6,379	2.3

Independent Trustees

The Independent Trustees’ received no remuneration from the Target Retirement Funds for the six-month period ended April 30, 2018.

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 3—FEES AND OTHER TRANSACTIONS WITH AFFILIATES—Continued

Investment Portfolio Transactions

Purchases and sales of investments, investment income, realized and unrealized gains or losses for each Fund for the six-month period ended April 30, 2018 are as follows:

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT INCOME FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 70	\$ 244	\$ 1	\$ (60)	\$ 36	\$ 50
Harbor Strategic Growth Fund	187	20	—	1	—	—
Harbor Mid Cap Growth Fund	40	44	—	(13)	19	6
Harbor Small Cap Growth Fund	33	38	—	(4)	15	4
Harbor Large Cap Value Fund	77	90	1	(19)	11	20
Harbor Mid Cap Value Fund	57	62	4	(15)	6	10
Harbor Small Cap Value Fund	38	41	—	(13)	4	12
Harbor International Fund	77	80	6	(21)	15	12
Harbor Diversified International Fund	57	67	3	(14)	8	10
Harbor International Growth Fund	55	73	4	(15)	—	16
Harbor Global Leaders Fund	33	38	—	(4)	12	5
Harbor High-Yield Bond Fund	158	871	43	7	—	(53)
Harbor High-Yield Opportunities Fund	741	39	7	(11)	—	—
Harbor Bond Fund	479	543	96	(158)	—	(48)
Harbor Real Return Fund	195	254	49	(7)	—	(40)
Harbor Money Market Fund	88	146	8	—	—	—
Total	<u>\$2,385</u>	<u>\$2,650</u>	<u>\$222</u>	<u>\$(346)</u>	<u>\$126</u>	<u>\$ 4</u>

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2015 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 40	\$ 160	\$—	\$ (42)	\$19	\$ 34
Harbor Strategic Growth Fund	90	21	—	—	—	1
Harbor Mid Cap Growth Fund	23	51	—	(15)	11	12
Harbor Small Cap Growth Fund	16	44	—	(10)	8	10
Harbor Large Cap Value Fund	34	99	1	(22)	6	23
Harbor Mid Cap Value Fund	23	64	2	(12)	4	10
Harbor Small Cap Value Fund	16	48	—	(15)	2	14
Harbor International Fund	34	86	3	(20)	8	16
Harbor Diversified International All Cap Fund	22	75	2	(12)	5	11
Harbor International Growth Fund	24	80	2	(20)	—	21
Harbor Global Leaders Fund	14	35	—	(6)	6	6
Harbor High-Yield Bond Fund	49	486	20	(12)	—	(9)
Harbor High-Yield Opportunities Fund	335	59	3	(4)	—	(1)
Harbor Bond Fund	210	523	40	(48)	—	(35)
Harbor Real Return Fund	118	236	19	(9)	—	(8)
Harbor Money Market Fund	59	134	3	—	—	—
Total	<u>\$1,107</u>	<u>\$2,201</u>	<u>\$95</u>	<u>\$(247)</u>	<u>\$69</u>	<u>\$105</u>

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—FEES AND OTHER TRANSACTIONS WITH AFFILIATES—Continued

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2020 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 214	\$ 817	\$ 2	\$(202)	\$124	\$ 161
Harbor Strategic Growth Fund	602	48	—	4	—	1
Harbor Mid Cap Growth Fund	121	149	—	(42)	69	16
Harbor Small Cap Growth Fund	90	132	—	(11)	55	9
Harbor Large Cap Value Fund	174	262	5	(57)	39	58
Harbor Mid Cap Value Fund	120	159	12	(50)	23	31
Harbor Small Cap Value Fund	83	125	—	(44)	13	35
Harbor International Fund	170	217	21	(60)	51	26
Harbor Diversified International All Cap Fund	101	168	12	(37)	29	23
Harbor International Growth Fund	101	185	13	(38)	—	42
Harbor Global Leaders Fund	67	94	—	(13)	41	11
Harbor High-Yield Bond Fund	217	2,228	111	44	—	(162)
Harbor High-Yield Opportunities Fund	1,809	69	18	(27)	—	(1)
Harbor Bond Fund	677	428	160	(319)	—	(29)
Harbor Real Return Fund	269	198	66	(51)	—	(12)
Harbor Money Market Fund	433	86	8	—	—	—
Total	<u>\$5,248</u>	<u>\$5,365</u>	<u>\$428</u>	<u>\$(903)</u>	<u>\$444</u>	<u>\$ 209</u>

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2025 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 227	\$ 766	\$ 2	\$(179)	\$113	\$140
Harbor Strategic Growth Fund	527	35	—	3	—	1
Harbor Mid Cap Growth Fund	130	157	—	(43)	63	19
Harbor Small Cap Growth Fund	94	134	—	(14)	50	11
Harbor Large Cap Value Fund	185	272	4	(60)	34	60
Harbor Mid Cap Value Fund	129	172	11	(41)	21	25
Harbor Small Cap Value Fund	100	141	1	(46)	12	38
Harbor International Fund	177	225	19	(65)	46	33
Harbor Diversified International All Cap Fund	115	182	11	(38)	27	25
Harbor International Growth Fund	136	218	12	(43)	—	46
Harbor Global Leaders Fund	70	97	—	(13)	36	10
Harbor High-Yield Bond Fund	358	2,056	103	(68)	—	(42)
Harbor High-Yield Opportunities Fund	1,738	56	17	(26)	—	—
Harbor Bond Fund	827	686	112	(199)	—	(40)
Harbor Real Return Fund	306	238	41	(21)	—	(18)
Total	<u>\$5,119</u>	<u>\$5,435</u>	<u>\$333</u>	<u>\$(853)</u>	<u>\$402</u>	<u>\$308</u>

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—FEES AND OTHER TRANSACTIONS WITH AFFILIATES—Continued

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2030 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 321	\$ 852	\$ 3	\$(207)	\$179	\$ 157
Harbor Strategic Growth Fund	585	24	—	4	—	—
Harbor Mid Cap Growth Fund	172	156	—	(49)	101	10
Harbor Small Cap Growth Fund	124	134	—	(13)	82	9
Harbor Large Cap Value Fund	222	246	7	(97)	56	96
Harbor Mid Cap Value Fund	153	145	18	(90)	34	59
Harbor Small Cap Value Fund	125	125	1	(54)	19	40
Harbor International Fund	236	204	31	(63)	75	12
Harbor Diversified International All Cap Fund	181	180	17	(46)	43	26
Harbor International Growth Fund	184	203	20	(42)	—	48
Harbor Global Leaders Fund	94	96	—	(15)	58	11
Harbor High-Yield Bond Fund	473	2,278	135	8	—	(153)
Harbor High-Yield Opportunities Fund	2,417	40	24	(37)	—	—
Harbor Bond Fund	1,108	234	132	(267)	—	(24)
Harbor Real Return Fund	388	73	40	(29)	—	(7)
Total	<u>\$6,783</u>	<u>\$4,990</u>	<u>\$428</u>	<u>\$(997)</u>	<u>\$647</u>	<u>\$ 284</u>

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2035 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 209	\$ 562	\$ 2	\$(139)	\$116	\$107
Harbor Strategic Growth Fund	385	24	—	3	—	—
Harbor Mid Cap Growth Fund	110	102	—	(35)	65	10
Harbor Small Cap Growth Fund	87	87	—	(6)	52	4
Harbor Large Cap Value Fund	156	154	5	(31)	36	31
Harbor Mid Cap Value Fund	117	100	11	(36)	22	16
Harbor Small Cap Value Fund	97	89	1	(35)	13	26
Harbor International Fund	164	138	20	(45)	49	12
Harbor Diversified International All Cap Fund	124	120	11	(30)	28	17
Harbor International Growth Fund	113	130	13	(27)	—	31
Harbor Global Leaders Fund	63	65	—	(10)	37	7
Harbor High-Yield Bond Fund	268	1,026	60	(48)	—	(15)
Harbor High-Yield Opportunities Fund	1,083	43	10	(16)	—	—
Harbor Bond Fund	506	179	58	(114)	—	(14)
Harbor Real Return Fund	134	37	12	(11)	—	(1)
Total	<u>\$3,616</u>	<u>\$2,856</u>	<u>\$203</u>	<u>\$(580)</u>	<u>\$418</u>	<u>\$231</u>

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—FEES AND OTHER TRANSACTIONS WITH AFFILIATES—Continued

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2040 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 320	\$1,014	\$ 3	\$(274)	\$224	\$242
Harbor Strategic Growth Fund	755	19	—	(20)	—	—
Harbor Mid Cap Growth Fund	186	153	—	(53)	124	8
Harbor Small Cap Growth Fund	137	130	—	(8)	100	5
Harbor Large Cap Value Fund	230	197	9	(101)	69	101
Harbor Mid Cap Value Fund	167	107	22	(97)	42	59
Harbor Small Cap Value Fund	123	97	1	(45)	24	27
Harbor International Fund	271	188	38	(73)	93	9
Harbor Diversified International All Cap Fund	158	111	22	(43)	53	16
Harbor International Growth Fund	138	125	25	(23)	—	29
Harbor Global Leaders Fund	96	86	—	(30)	73	27
Harbor High-Yield Bond Fund	317	1,086	77	(10)	—	(71)
Harbor High-Yield Opportunities Fund	1,487	48	15	(25)	—	(1)
Harbor Bond Fund	1,213	229	78	(158)	—	(14)
Harbor Real Return Fund	52	610	12	(4)	—	(10)
Total	<u>\$5,650</u>	<u>\$4,200</u>	<u>\$302</u>	<u>\$(964)</u>	<u>\$802</u>	<u>\$427</u>

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2045 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 302	\$ 487	\$ 1	\$(108)	\$103	\$ 99
Harbor Strategic Growth Fund	412	8	—	(10)	—	—
Harbor Mid Cap Growth Fund	190	61	—	(25)	56	6
Harbor Small Cap Growth Fund	153	49	—	(3)	45	4
Harbor Large Cap Value Fund	339	74	4	(25)	32	22
Harbor Mid Cap Value Fund	247	51	10	(32)	19	10
Harbor Small Cap Value Fund	187	47	1	(24)	11	14
Harbor International Fund	311	67	18	(38)	43	8
Harbor Diversified International All Cap Fund	275	49	10	(20)	24	7
Harbor International Growth Fund	271	57	11	(12)	—	13
Harbor Global Leaders Fund	115	29	—	(3)	34	2
Harbor High-Yield Bond Fund	287	373	25	(35)	—	9
Harbor High-Yield Opportunities Fund	521	17	5	(9)	—	—
Harbor Bond Fund	697	81	22	(48)	—	(5)
Harbor Real Return Fund	40	173	3	(1)	—	(3)
Total	<u>\$4,347</u>	<u>\$1,623</u>	<u>\$110</u>	<u>\$(393)</u>	<u>\$367</u>	<u>\$186</u>

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 3—FEES AND OTHER TRANSACTIONS WITH AFFILIATES—Continued

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2050 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 383	\$1,135	\$ 4	\$(295)	\$265	\$258
Harbor Strategic Growth Fund	908	13	—	(24)	—	—
Harbor Mid Cap Growth Fund	222	133	—	(58)	145	4
Harbor Small Cap Growth Fund	167	115	—	(7)	115	4
Harbor Large Cap Value Fund	287	142	11	(79)	82	74
Harbor Mid Cap Value Fund	228	93	26	(99)	49	51
Harbor Small Cap Value Fund	167	84	1	(46)	28	22
Harbor International Fund	324	137	45	(82)	110	5
Harbor Diversified International All Cap Fund	255	108	26	(48)	63	15
Harbor International Growth Fund	226	116	29	(22)	—	26
Harbor Global Leaders Fund	124	70	—	(19)	89	14
Harbor High-Yield Bond Fund	156	1,404	20	(30)	—	13
Harbor High-Yield Opportunities Fund	1,653	66	16	(28)	—	(1)
Harbor Bond Fund	533	114	29	(55)	—	(9)
Total	<u>\$5,633</u>	<u>\$3,730</u>	<u>\$207</u>	<u>\$(892)</u>	<u>\$946</u>	<u>\$476</u>

	Purchases of Affiliated Funds (000s)	Sales of Affiliated Funds (000s)	Investment Income from Affiliated Funds (000s)	Change in Unrealized Gain/(Loss) from Affiliated Funds (000s)	Net Realized Gain/(Loss)	
					Distributions Received from Affiliated Funds (000s)	Sale of Affiliated Funds (000s)
HARBOR TARGET RETIREMENT 2055 FUND						
<i>Underlying Funds</i>						
Harbor Capital Appreciation Fund	\$ 123	\$179	\$ 1	\$(43)	\$ 35	\$ 38
Harbor Strategic Growth Fund	142	9	—	(3)	—	—
Harbor Mid Cap Growth Fund	76	34	—	(17)	19	9
Harbor Small Cap Growth Fund	59	27	—	(7)	15	6
Harbor Large Cap Value Fund	150	65	1	(19)	11	16
Harbor Mid Cap Value Fund	100	39	3	(15)	6	7
Harbor Small Cap Value Fund	73	30	—	(13)	4	9
Harbor International Fund	129	49	6	(17)	14	7
Harbor Diversified International All Cap Fund	124	50	3	(11)	8	7
Harbor International Growth Fund	121	51	4	(13)	—	12
Harbor Global Leaders Fund	51	21	—	(4)	12	4
Harbor High-Yield Bond Fund	21	106	2	(2)	—	1
Harbor High-Yield Opportunities Fund	117	10	1	(2)	—	—
Harbor Bond Fund	52	24	2	(4)	—	(1)
Total	<u>\$1,338</u>	<u>\$694</u>	<u>\$23</u>	<u>\$(170)</u>	<u>\$124</u>	<u>\$115</u>

Harbor Target Retirement Funds

NOTES TO FINANCIAL STATEMENTS—Continued

NOTE 4—TAX INFORMATION

The identified cost for federal income tax purposes of investments owned by each Fund and its respective gross unrealized appreciation and depreciation at April 30, 2018 are as follows:

	Identified Cost (000s)	Gross Unrealized		Net Unrealized Appreciation/ (Depreciation) (000s)
		Appreciation (000s)	(Depreciation) (000s)	
Harbor Target Retirement Income Fund	\$13,173	\$ 369	\$(404)	\$ (35)
Harbor Target Retirement 2015 Fund*	5,007	142	(98)	44
Harbor Target Retirement 2020 Fund*	26,248	1,214	(532)	682
Harbor Target Retirement 2025 Fund*	19,835	858	(337)	521
Harbor Target Retirement 2030 Fund	28,253	1,885	(440)	1,445
Harbor Target Retirement 2035 Fund*	14,484	1,119	(187)	932
Harbor Target Retirement 2040 Fund	23,466	2,646	(259)	2,387
Harbor Target Retirement 2045 Fund	11,498	964	(82)	882
Harbor Target Retirement 2050 Fund	21,456	2,961	(108)	2,853
Harbor Target Retirement 2055 Fund	3,138	187	(8)	179

* Capital loss carryforwards are available, which may reduce taxable income from future net realized gain on investments.

NOTE 5—SUBSEQUENT EVENTS

Through the date the financial statements were issued, there were no subsequent events or transactions 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 expense ratios reflected below do not include the acquired fund fees and expenses from Underlying 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, 2017 through April 30, 2018.

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, 2017	Ending Account Value April 30, 2018
HARBOR TARGET RETIREMENT INCOME FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,000.70
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2015 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,002.10
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2020 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,006.80
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2025 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,008.70
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2030 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,013.20
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, 2017	Ending Account Value April 30, 2018
HARBOR TARGET RETIREMENT 2035 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,018.20
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2040 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,023.80
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2045 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,027.80
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2050 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,032.40
Hypothetical (5% return)		0.00	1,000	1,024.79
HARBOR TARGET RETIREMENT 2055 FUND				
Institutional Class	0.00%			
Actual		\$0.00	\$1,000	\$1,035.20
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).

Harbor Target Retirement Funds

ADDITIONAL INFORMATION (Unaudited)

PROXY VOTING

Harbor Funds has adopted Proxy Voting Policies and Procedures under which proxies relating to securities held by the Harbor funds are voted. In addition, Harbor Funds files 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 Harbor Funds' Proxy Voting Policies and Procedures and the proxy voting records (Form N-PX) are available (i) upon request, by calling Harbor Funds toll-free at 800-422-1050; (ii) on Harbor 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 materials, 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 "household," 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 SEC 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 Harbor 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 SEC'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 requires that the Investment Advisory Agreement of each Fund be approved initially, and following an initial two-year term, at least annually, by the Trust's Board of Trustees (the "Board" or the "Trustees"), including a majority of the Independent Trustees voting separately.

At an in-person meeting of the Board held on February 18, 19 and 20, 2018 (the "Meeting"), the Board, including the Independent Trustees voting separately, considered and approved the continuation of an Investment Advisory Agreement with Harbor Capital, the adviser to each Fund, 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. In connection with the Meeting, which had been called for the purpose of considering the continuation of the Investment Advisory Agreement, 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 the Independent Trustees voting separately, determined, in the exercise of their business judgment, 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 Target Retirement 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 providing 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 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;
- any "fall out" benefits that might 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 Inc. ("Broadridge"), as to the investment returns, advisory fees and total expense ratios of the Institutional Class of each Target Retirement Fund 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, accounting, administrative, legal and compliance professionals dedicated to Harbor Funds' operations. The Trustees determined that the Adviser has the expertise and resources to manage and operate effectively each Target Retirement Fund.

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 14 peer complexes' target date funds as peers for the Harbor Target Retirement Funds that Broadridge believes are the most comparable to the Target Retirement Funds. These 14 peer complexes are: American Century One Choice Portfolios, Fidelity Advisor Freedom Funds, Franklin LifeSmart Retirement Target Funds, Invesco Balanced-Risk Retirement Funds, John Hancock Multimanager Lifetime Portfolios, MainStay Retirement Funds, MFS Lifetime Funds, PIMCO RealPath Funds, Principal Lifetime Portfolios, Putnam RetirementReady 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 14 selected peers, as applicable, as the performance group and all target date funds as the performance universe.

Harbor Target Retirement Funds

ADDITIONAL INFORMATION—Continued

ADVISORY AGREEMENT APPROVALS—Continued

The Trustees considered the expertise of Harbor Capital in managing assets generally and in the target retirement asset class specifically, noting that Harbor Capital 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 \$176.96 million in assets, out of a firm-wide total of approximately \$69.69 billion in assets under management as of December 31, 2017.

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 Harbor Capital charged no management fee to the Funds and that Harbor Capital pays the expenses of each Target Retirement Fund with limited exceptions. The Trustees noted that Harbor Capital's profitability in managing the Target Retirement Funds was negative.

Harbor Target Retirement Income Fund. The Trustees noted the Fund's outperformance relative to its universe median for the three-year period ended December 31, 2017 and its underperformance relative to its universe median for the one-, two-, four- and five-year periods ended December 31, 2017, 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 the peer group and peer universe medians.

Harbor Target Retirement 2015 Fund. The Trustees noted the Fund's underperformance relative to its universe medians for each of the one-, two-, three-, four- and five-year periods ended December 31, 2017, according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were equal to the peer group median. They also noted that the Fund's underlying fund expenses caused the Fund to rank just below the top half of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group and peer universe medians.

Harbor Target Retirement 2020 Fund. The Trustees noted the Fund's underperformance relative to its universe medians for the one-, two-, three-, four- and five-year periods ended December 31, 2017, according to Broadridge. The Trustees also considered the Broadridge comparison of underlying fund expenses showing that the Fund's underlying fund expenses were equal to the peer group median. They also noted that the Fund's underlying fund expenses caused the Fund to rank just below the top half of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group and peer universe medians.

Harbor Target Retirement 2025 Fund. The Trustees noted the Fund's underperformance relative to its universe medians for each of the one-, two-, three-, four- and five-year periods ended December 31, 2017, 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 equal to the peer group median but above the peer universe median.

Harbor Target Retirement 2030 Fund. The Trustees noted the Fund's underperformance relative to its universe medians for each of the one-, two-, three-, four- and five-year periods ended December 31, 2017, 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 fourth quintile of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group median but above the peer universe median.

Harbor Target Retirement 2035 Fund. The Trustees noted the Fund's underperformance relative to its universe medians for the one-, two-, three-, four- and five-year periods ended December 31, 2017, 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 third of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group median but above the peer universe median.

Harbor Target Retirement Funds

ADDITIONAL INFORMATION—Continued

ADVISORY AGREEMENT APPROVALS—Continued

Harbor Target Retirement 2040 Fund. The Trustees noted the Fund's underperformance relative to its universe medians for the one-, two-, three-, four- and five-year periods ended December 31, 2017, 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 fourth quintile of its peer group. The actual total expense ratio of the Fund's Institutional Class was below the peer group median but above the peer universe median.

Harbor Target Retirement 2045 Fund. The Trustees noted the Fund's outperformance relative to its universe median for the one-year period ended December 31, 2017 and the Fund's underperformance relative to its universe medians for the two-, three-, four- and five-year periods ended December 31, 2017, 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 caused the Fund to rank in the fourth quartile of its peer group. The actual total expense ratio of the Fund's Institutional Class was above the peer group and peer universe medians.

Harbor Target Retirement 2050 Fund. The Trustees noted the Fund's outperformance relative to its Broadridge universe median for the one-, two-, three- and five-year periods ended December 31, 2017 and the Fund's underperformance relative to its Broadridge universe median for the four-year period ended December 31, 2017. 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 fifth quintile of its peer group. The actual total expense ratio of the Fund's Institutional Class was above the peer group and peer universe medians.

Harbor Target Retirement 2055 Fund. The Trustees noted the Fund's outperformance relative to its Broadridge universe median for the one-, two- and three-year and since inception periods ended December 31, 2017. 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 at the bottom of its peer group. The actual total expense ratio of the Fund's Institutional Class was above the peer group and peer 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 pays the expenses of each Target Retirement Fund with limited exceptions 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.

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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index, ICE BofAML 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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index, ICE BofAML 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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, , ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S. TIPS Index, ICE BofAML 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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML 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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML 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.

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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond Index, Bloomberg Barclays U.S.

Benchmark Descriptions—Continued

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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond 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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML U.S. High Yield Index, ICE BofAML U.S. Non-Distressed High Yield Index (prior to March 31, 2015, the ICE BofAML U.S. High Yield Index), Bloomberg Barclays U.S. Aggregate Bond 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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML 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[®] Growth Index, Russell Midcap[®] Growth Index, Russell 2000[®] Growth Index, Russell 1000[®] Value Index, Russell Midcap[®] Value Index, Russell 2000[®] 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, ICE BofAML 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.

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 ReturnSM—The Bloomberg Commodity Index Total ReturnSM 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.

ICE BofAML 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.

Benchmark Descriptions—Continued

ICE BofAML U.S. Dollar 3-Month LIBOR Constant Maturity Index—The ICE BofAML 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.

ICE BofAML 3-Month U.S. Treasury Bill Index—The ICE BofAML 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.

ICE BofAML U.S. High Yield Index (H0A0)—The ICE BofAML U.S. 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. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

ICE BofAML U.S. Non-Distressed High Yield Index—The ICE BofAML U.S. Non-Distressed High Yield Index is a subset of the ICE BofAML U.S. High Yield Index (H0A0) 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[®] Index—The Russell 1000[®] Index is an unmanaged index generally representative of the U.S. market for larger capitalization stocks as it includes the largest 1000 securities in the Russell 3000[®] Index by market capitalization. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 1000[®] Index and Russell[®] are trademarks of Frank Russell Company.

Russell 1000[®] Growth Index—The Russell 1000[®] 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[®] Growth Index and Russell[®] are trademarks of Frank Russell Company.

Russell 1000[®] Value Index—The Russell 1000[®] 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[®] Value Index and Russell[®] are trademarks of Frank Russell Company.

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

Benchmark Descriptions—Continued

Russell 2000[®] Growth Index—The Russell 2000[®] 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[®] Growth Index and Russell[®] are trademarks of Frank Russell Company.

Russell 2000[®] Value Index—The Russell 2000[®] 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[®] Value Index and Russell[®] are trademarks of Frank Russell Company.

Russell 3000[®] Index—The Russell 3000[®] 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[®] 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[®] Index and Russell[®] are trademarks of Frank Russell Company.

Russell 3000[®] Growth Index—The Russell 3000[®] Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000[®] companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000[®] Growth Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad growth market. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 3000[®] Growth Index and Russell[®] are trademarks of Frank Russell Company.

Russell 3000[®] Value Index—The Russell 3000[®] Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000[®] companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000[®] Value Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad value market. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 3000[®] Value Index and Russell[®] are trademarks of Frank Russell Company.

Russell Midcap[®] Index—The Russell Midcap[®] Index is an unmanaged index generally representative of the U.S. market for medium capitalization stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap[®] Index and Russell[®] are trademarks of Frank Russell Company.

Russell Midcap[®] Growth Index—The Russell Midcap[®] Growth Index is an unmanaged index generally representative of the U.S. market for medium capitalization growth stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap[®] Growth Index and Russell[®] are trademarks of Frank Russell Company.

Russell Midcap[®] Value Index—The Russell Midcap[®] Value Index is an unmanaged index generally representative of the U.S. market for medium capitalization value stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell Midcap[®] Value Index and Russell[®] are trademarks of Frank Russell Company.

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