

HARBOR HUMAN CAPITAL FACTOR US SMALL CAP ETF

Harbor Capital Advisors, Inc.

Advisor Since 04/12/2023

Ticker: HAPS
CUSIP: 41151J851
Net Expense Ratio: 0.60%
Gross Expense Ratio: 0.60%
Total Net Assets: \$121,177,594
Benchmark 1 Name: Human Capital Factor Small Cap Index
Benchmark 2 Name: Russell 2000® Index

Portfolio Managers



Investment Philosophy

The Harbor Human Capital Factor US Small Cap ETF (HAPS) seeks to provide investment results that correspond, before fees and expenses, to the performance of the Human Capital Factor Small Cap Index (the "Index"). The Fund employs an indexing investment approach designed to track the performance of the Index. The Fund invests at least 80% of its total assets in securities that are included in the Index.

The Index consists of a modified market capitalization-weighted portfolio of equity securities of approximately 200 U.S. companies identified by Irrational Capital LLC ("Irrational Capital") as those it believes to possess strong corporate culture based on its proprietary scoring methodology. The Index was developed by the Canadian Imperial Bank of Commerce (CIBC, the "Index Provider"). Irrational Capital calculates Human Capital Factor scores based on a proprietary, rules-based scoring methodology it developed by leveraging its research in behavioral science, data science, and human capital. The scoring methodology seeks to quantitatively measure the contribution of a company's corporate culture to its financial performance.

CHARACTERISTICS & ALLOCATION

As of 03/31/2025

Portfolio Characteristics			
	Portfolio	Bench 1	Bench 2
Number of Holdings	200	200	1,953
Wtd Avg Market Cap (\$Mil)	3,101.80	3,232.70	3,449.30
Median Market Cap (\$Mil)	1,957.00	1,957.00	812.00
Price/Book Ratio	3.01	3.01	2.18
Adjusted Trailing P/E Ratio	21.20	21.20	20.60
% EPS Growth - Past 3 Yr	15.70	14.90	9.20
Est 3-5 Yr EPS Growth Rate (%)	9.20	8.80	13.40
Return on Equity (%)	9.35	9.04	8.86
Beta vs. Fund Benchmark	1.00		
Forecasted P/E Ratio	16.70	16.70	16.50

Economic Sectors			
	Portfolio %	Bench 1 %	Bench 2 %
Financials	18.40	18.38	19.77
Industrials	17.43	17.45	17.61
Health Care	16.95	16.91	16.62
Consumer Discretionary	14.57	14.60	9.13
Information Technology	11.82	11.82	12.35
Real Estate	6.52	6.52	6.43
Energy	5.25	5.25	5.16
Utilities	2.86	2.88	3.19
Materials	2.77	2.78	3.84
Communication Services	2.08	2.07	2.63
Consumer Staples	1.36	1.37	3.18

Top 10 Holdings			
	Portfolio %	Bench 1 %	Bench 2 %
Invesco S&P SmallCap Energy ETF	2.57	2.57	0.00
ALLETE Inc.	2.29	2.30	0.16
Phillips Edison & Company Inc.	2.28	2.28	0.19
Apple Hospitality REIT Inc	1.94	1.94	0.12
Haemonetics Corporation	1.81	1.81	0.13
PTC Therapeutics Inc.	1.71	1.70	0.16
InvenTrust Properties Corp	1.58	1.58	0.09
Radian Group Inc.	1.54	1.54	0.21
Rhythm Pharmaceuticals Inc.	1.42	1.42	0.12
Invesco S&P SmallCap Financials ETF	1.41	1.41	0.00
Total	18.55	18.55	1.18

Top 10 Industries			
	Portfolio %	Bench 1 %	Bench 2 %
Biotechnology	7.23	7.20	8.04
Banks	7.19	7.21	10.79
Software	7.04	7.04	5.96
Hotels Rest & Leisure	4.65	4.66	1.97
Health Care Equip	4.14	4.13	2.84
Financial Services	4.09	4.08	2.84
Retail Reits	3.86	3.86	1.36
Aerospace & Defense	3.56	3.56	1.43
Capital Markets	3.19	3.19	1.83
Professional Services	3.11	3.12	2.36
Total	48.06	48.05	39.42

Market Capitalization		
		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	1.05
Mid	5.0B - 10.0B	6.63
	1.0B - 5.0B	81.17
Small	0.0 - 1.0B	11.13



Harbor Human Capital Factor US Small Cap ETF



PERFORMANCE

As of 03/31/2025

Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor Human Capital Factor US Small Cap ETF (NAV)	-8.52%	-8.52%	-5.09%	N/A	N/A	N/A	4.49%	04/12/2023
Harbor Human Capital Factor US Small Cap ETF (Market)	-8.51%	-8.51%	-4.48%	N/A	N/A	N/A	4.53%	04/12/2023
Human Capital Factor Small Cap Index	-8.35%	-8.35%	-4.51%	N/A	N/A	N/A	5.18%	04/12/2023
Russell 2000® Index	-9.48%	-9.48%	-4.01%	N/A	N/A	N/A	8.18%	04/12/2023

MANAGER COMMENTARY

As of 03/31/2025

“Irrational Capital has developed an index that asserts that companies with the best human capital lead to long-term value creation and compelling equity returns.”

Harbor Capital Advisors, Inc.

Market in Review

The U.S. equity market faced significant challenges during the first quarter of 2025, with major indexes experiencing notable declines due to escalating trade tensions (including retaliatory measures from key trading partners), continued tariff policy uncertainty, and increasingly cautionary investor sentiment. The S&P 500 Index returned –4.3% during the period, while the Russell 1000® Index returned –4.5%. Small caps, represented by the Russell 2000® Index, fared worse, returning –9.5%.

Portfolio Performance

During the quarter, the Harbor Human Capital Factor US Small Cap ETF (“ETF”) returned –8.52% (NAV), underperforming the Human Capital Factor Small Cap Index (the “Index”), which returned –8.35%, and outperforming the Russell 2000® Index, which returned –9.48%.

The ETF employs an indexing approach that seeks to provide investment results that correspond – before fees and expenses – to the performance of the Human Capital Factor Small Cap Index. The Index is developed by Irrational Capital and uses a rules-based methodology based on Irrational Capital’s research in behavioral science and human capital.

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. 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 harborcapital.com or by calling 800-422-1050.

Shares are bought and sold at market price not net asset value (NAV). A fund’s NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. Market price returns are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times.

Harbor Human Capital Factor US Small Cap ETF



MANAGER COMMENTARY

As of 03/31/2025

Contributors and Detractors

Top relative detractors (relative to the broad Russell 2000® Index) include Dutch Bros, Brinker International, Aurora Innovation Class A, PTC Therapeutics, and Zeta Global Holdings. Leading detractors include Kymera Therapeutics, Flywire, lack of exposure to Corcept Therapeutics, Doximity, and Moog. Three of the top five main detractors are companies in the Health Care sector.

Buys and Sells

In February 2025, the ETF underwent its annual reconstitution in conjunction with Irrational Capital's rescreeing of companies that possess strong human capital factor scores, based on a rules-based methodology and proprietary research in behavioral science and human capital. Eighty-seven names were removed, and 108 companies were added to the Index during the annual rescreeing. New holdings include Shake Shack, Nordstrom, and Emergent BioSolutions. Holdings that were removed include Brinker International, Phillips Edison & Company, and PTC Therapeutics.

QUARTERLY ATTRIBUTION

As of 03/31/2025

Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
AURORA INNOVATION INC	0.47	50.32
SEMRUSH HOLDINGS INC CLASS A	0.03	49.07
UPSTART HOLDINGS INC	0.31	41.12
ADTRAN HOLDINGS INC	0.05	38.42
ZETA GLOBAL HOLDINGS CORP-A	0.41	37.24

Worst Performers	Average Weight %	Return % (NAV)
IROBOT CORPORATION	0.07	-65.16
IRONWOOD PHARMACEUTICALS INC	0.13	-54.85
FLYWIRE CORP-VOTING	0.39	-53.93
OUTBRAIN INC	0.01	-46.64
ALLEGiant TRAVEL COMPANY	0.38	-45.12

Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
AURORA INNOVATION INC	50.32	0.36
DUTCH BROS INC-CLASS A	17.87	0.34
BRINKER INTERNATIONAL INC	12.67	0.32
ZETA GLOBAL HOLDINGS CORP-A	37.24	0.23
SURGERY PARTNERS INC	22.11	0.20
Total		1.45

Greatest Detractors	Return % (NAV)	Contribution to Return %
DOXIMITY INC-CLASS A	-25.54	-0.32
APPLE HOSPITALITY REIT INC	-14.48	-0.30
FLYWIRE CORP-VOTING	-53.93	-0.30
KYMERa THERAPEUTICS INC	-31.97	-0.30
INVESCO S&P SMALLCAP ENERGY	-12.94	-0.26
Total		-1.48

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. 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 harborcapital.com or by calling 800-422-1050.

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ATTRIBUTION

As of 03/31/2025

Quarterly Attribution:
Harbor Human Capital Factor US Small Cap ETF vs CIBC Human Capital Factor Small Cap Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-8.30	-8.35	0.04
Currency Contribution	0.00	0.00	0.00
Total Return	-8.30	-8.35	0.04

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Financials	17.44	17.45	-0.01	-5.20	-5.81	0.61	-0.97	-1.07	0.00	0.10	0.11
Consumer Discretionary	14.14	14.18	-0.04	-6.55	-7.18	0.63	-1.16	-1.25	-0.01	0.09	0.08
Health Care	15.75	15.83	-0.08	-9.60	-9.79	0.20	-1.70	-1.73	0.01	0.03	0.04
Energy	4.56	4.58	-0.02	-13.33	-14.14	0.81	-0.57	-0.60	0.00	0.03	0.03
Utilities	2.62	2.63	-0.01	6.07	5.32	0.75	0.14	0.12	0.00	0.02	0.01
Materials	3.12	3.11	0.01	-11.26	-10.97	-0.30	-0.31	-0.32	0.01	-0.01	0.00
Real Estate	6.79	6.79	0.00	-5.39	-5.48	0.10	-0.36	-0.37	-0.01	0.01	0.00
Consumer Staples	1.70	1.69	0.01	-3.09	-2.13	-0.96	-0.06	-0.04	-0.01	-0.02	-0.03
Communication Services	2.23	2.22	0.01	-11.94	-10.71	-1.24	-0.25	-0.22	0.00	-0.03	-0.03
Industrials	16.81	16.81	0.00	-9.58	-9.06	-0.52	-1.56	-1.48	0.00	-0.09	-0.08
Information Technology	14.69	14.64	0.05	-11.85	-11.04	-0.81	-1.50	-1.39	0.02	-0.14	-0.12
Total	100.00	100.00	0.00	-8.30	-8.35	0.04	-8.30	-8.35	0.05	-0.01	0.04

Performance data shown represents past performance and is no guarantee of future results.

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IMPORTANT INFORMATION

Risks

Investing involves risk, principal loss is possible. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. Harbor ETFs are new and have limited operating history to judge.

There is no guarantee that the investment objective of the Fund will be achieved. Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions. Stocks of small cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies. The Fund may not exactly track the performance of the Index with perfect accuracy at all times. Tracking error may occur because of pricing differences, timing and costs incurred by the fund or during times of heightened market volatility. The Fund relies on the Index provider's methodology in assessing whether a company may be considered a corporate culture leader. There is no guarantee that the construction methodology will accurately assess a company to include or exclude it from the index which could have an adverse effect on the Fund's returns. The Fund's assets may be concentrated in a particular sector or industries to the extent the Index is concentrated and is subject to the risk that economic, political, or other market conditions that have a negative effect on that sector or industry will negatively impact the value of the Fund. The Fund's assets may be concentrated in a particular sector, industry or group of industries to the extent the Index is so concentrated and could subject the Fund to the risk that economic, political or other conditions that have a negative effect on the Fund. There can be no assurance that the Fund will grow to or maintain an economically viable size, in which case the Board of Trustees may determine to liquidate the Fund.

Benchmarks

The Human Capital Factor Small Cap Index is designed to deliver exposure to equity securities of U.S. companies that possess strong human capital, based on proprietary scoring methodology produced by Irrational Capital LLC. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

The Russell 2000® Index measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000® and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index and Russell® are trademarks of Frank Russell Company.

The Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe and includes approximately 1000 of the largest securities based on their market capitalization. The Russell 1000® Index and Russell® are trademarks of Frank Russell Company.

The S&P 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Disclosures

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expense.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

This information should not be considered as a recommendation to purchase or sell a particular security. The weightings, holdings, industries, sectors, countries, and returns mentioned may change at any time and may not represent current or future investments.

Views expressed herein are drawn from commentary provided to Harbor by the subadvisor and may not be reflective of their current opinions or future actions, are subject to change without prior notice, and should not be considered investment advice.

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

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

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit harborcapital.com or call 800-422-1050. Read it carefully before investing.

Foreside Fund Services, LLC is the Distributor of the Harbor ETFs.

Harbor Human Capital Factor US Small Cap ETF



IMPORTANT INFORMATION

Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

Active Currency Contribution is the Currency Contribution of the portfolio minus the Currency Contribution of the benchmark.

Allocation Effect is the portion of portfolio excess return that is attributable to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the average percent capitalization of the portfolio's group minus the average percent cap of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark.

Average Weight is the dollar value (price times the shares held) of the security or group, divided by the total dollar value of the entire portfolio displayed as a percentage. It is calculated as the simple arithmetic average of daily values.

Contribution to Return is the contribution of a security or group to the overall portfolio return. It is calculated as the security weight multiplied by the daily security return linked daily across the reporting period.

Currency Contribution is Total Return in USD subtracting out the Local Returns.

Local Returns are the Total Return of the portfolio or benchmark using the local currency.

Selection Effect is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's security selection effect equals the average weight of the benchmark's group times the total return of the portfolio's group minus the total return of the benchmark's group.

Total Effect is the sum of Allocation Effect and Selection Effect. The total effect represents the opportunity cost of what was done in a group relative to the overall portfolio. It is not just the difference between percent contribution in the portfolio and benchmark. At the overall portfolio level, the two numbers are equal. At the group level, they can be different.

Total Return is the price change of a security or group including dividends accrued over the report period (or the in-portfolio return) which includes only the time period that each security was in the portfolio.

Definitions

Beta is a measure of systematic risk, or the sensitivity of a fund to movements in the benchmark. A beta of 1 implies that the expected movement of a fund's return would match that of the benchmark used to measure beta.

Median Market Cap: The median size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Weighted Average Market Capitalization: The average size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

The Est 3-5 Yr EPS Growth (%) is the estimated growth of earnings per share over the next 3-5 years, using pre-calculated mean long-term EPS growth rate estimates, which are calculated using each individual broker's methodology, from FactSet, First Call, I/B/E/S Consensus, and Reuters. Forward looking estimates may not come to pass.

% EPS Growth - Past 3 Year: Earnings per share refers to the bottom-line measure of a company's profitability defined as net income divided by the number of outstanding shares.

The Adjusted Trailing P/E (price-to-earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS.

Forecasted P/E Ratio: a measure of the P/E (price-to-earnings) ratio using forecasted earnings for the P/E calculation.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

The Price/Book (price-to-book) Ratio evaluates a firm's market value relative to its book value.

All P/E, ROE and P/B statistics are calculated as weighted medians.