

Harbor Corporate Culture Leaders ETF

Harbor Capital Advisors, Inc.

Subadvisor Since 02/23/2022

Ticker: HAPY
CUSIP: 41151J604
Net Expense Ratio: 0.50%
Gross Expense Ratio: 0.50%
Total Net Assets: \$10,796,688
Benchmark Name: Human Capital Factor Unconstrained Index

Portfolio Managers



Steve Cook



Jim Erceg

Investment Philosophy

The Harbor Corporate Culture Leaders ETF (HAPY) seeks to provide investment results that correspond, before fees and expenses, to the performance of the Human Capital Factor Unconstrained 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 is designed to deliver exposure to equity securities of large cap U.S. companies that demonstrate high employee engagement, based on scores produced by Irrational Capital LLC ("Irrational Capital" or the "Index Provider"). Large cap companies are defined by the Fund as those with market capitalizations over \$1 billion at the time of Index reconstitution. The Index is equally weighted and composed of approximately 70 to 100 companies with top "Human Capital Factor" scores at the time of Index reconstitution.

The Index Provider calculates Human Capital Factor scores based on a proprietary scoring methodology developed by Irrational Capital 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 future performance.

CHARACTERISTICS & ALLOCATION

As of 06/30/2023

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	76	75	Information Technology	35.20	35.33
Wtd Avg Market Cap (\$Mil)	151,565.70	151,529.50	Financials	16.78	16.73
Median Market Cap (\$Mil)	23,598.00	23,598.00	Communication Services	13.68	13.71
Price/Book Ratio	5.90	5.90	Health Care	11.35	11.65
Adjusted Trailing P/E Ratio	39.30	39.30	Industrials	4.52	4.50
% EPS Growth - Past 3 Yr	17.80	17.70	Consumer Discretionary	3.73	3.72
Est 3-5 Yr EPS Growth Rate (%)	21.80	21.80	Real Estate	3.56	3.56
Return on Equity (%)	10.50	10.50	Utilities	3.30	3.31
Forecasted P/E Ratio	27.70	27.70	Materials	2.79	2.77
			Energy	2.45	2.45
			Consumer Staples	2.26	2.28

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Gitlab Inc. Class A	2.14	2.12	Software	21.78	21.88
MongoDB Inc. Class A	1.83	1.86	Capital Markets	8.77	8.73
NVIDIA Corporation	1.76	1.78	It Services	7.40	7.42
Adobe Incorporated	1.74	1.74	Interactive Media	6.72	6.70
Delta Air Lines Inc.	1.71	1.71	Semiconductors	6.02	6.03
Samsara Inc. Class A	1.71	1.74	Entertainment	5.51	5.53
Twilio Inc. Class A	1.66	1.66	Health Care Equip	3.80	3.84
Globant SA	1.56	1.56	Biotechnology	3.13	3.36
monday.com Ltd.	1.56	1.56	Consumer Finance	2.92	2.90
Netflix Inc.	1.54	1.55	Professional Services	2.81	2.79
Total	17.21	17.28	Total	68.86	69.18

Market Capitalization		
		Portfolio %
Large	Above 25.0B	48.40
	10.0B - 25.0B	22.19
Mid	5.0B - 10.0B	20.56
	1.0B - 5.0B	8.84
Small	0.0 - 1.0B	0.00



Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor Corporate Culture Leaders ETF (NAV)	7.44%	18.41%	18.38%	N/A	N/A	N/A	-1.92%	02/23/22
Harbor Corporate Culture Leaders ETF (Market)	7.56%	18.47%	18.59%	N/A	N/A	N/A	-1.89%	02/23/22
Human Capital Factor Unconstrained Index	7.47%	19.38%	19.95%	N/A	N/A	N/A	-0.74%	02/23/22

MANAGER COMMENTARY

As of 06/30/2023

"During the second quarter of 2023, the Harbor Corporate Culture Leaders ETF returned 7.44% (NAV) vs. 7.47% for the Human Capital Factor Unconstrained Index."

Harbor Capital Advisors, Inc.

Portfolio Performance

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

During the second quarter of 2023, the Harbor Corporate Culture Leaders ETF returned 7.44% (NAV) vs. 7.47% for the Human Capital Factor Unconstrained Index.

Contributors & Detractors

The largest detractors to the ETF's performance were Etsy, agilon health, and EPAM Systems Inc. The largest contributors to the ETF's performance were MongoDB, GitLab, and NVIDIA Corporation.

Buys & Sells

The ETF was rebalanced in May 2023 as part of its quarterly rebalancing to return to an equal-weighted basis. First Republic Bank was eliminated from the Index.

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.



Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
MongoDB Inc. Class A	1.50	76.30
NVIDIA Corporation	1.67	52.31
Gitlab Inc. Class A	1.40	49.05
Samsara Inc. Class A	1.64	40.52
Delta Air Lines Inc.	1.35	36.14

Worst Performers	Average Weight %	Return % (NAV)
agilon health inc	1.26	-26.99
EPAM Systems Inc.	1.18	-24.83
Etsy Inc.	1.12	-24.00
Sarepta Therapeutics Inc.	1.29	-16.91
MSCI Inc. Class A	1.27	-15.91

Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
MongoDB Inc. Class A	76.30	0.97
Gitlab Inc. Class A	49.05	0.81
NVIDIA Corporation	52.31	0.72
Samsara Inc. Class A	40.52	0.55
Meta Platforms Inc. Class A	35.41	0.51
Total		3.55

Greatest Detractors	Return % (NAV)	Contribution to Return %
Etsy Inc.	-24.00	-0.36
agilon health inc	-26.99	-0.34
EPAM Systems Inc.	-24.83	-0.33
MSCI Inc. Class A	-15.91	-0.24
Tradeweb Markets Inc. Class A	-13.22	-0.21
Total		-1.48

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Quarterly Attribution:

Harbor Corporate Culture Leaders ETF vs Human Capital Factor Unconstrained Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	7.42	7.43	-0.01
Currency Contribution	0.00	0.00	0.00
Total Return	7.42	7.43	-0.01

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
Health Care	13.11	13.27	-0.16	0.09	-0.32	0.42	0.10	-0.03	0.08	0.05	0.13
Industrials	3.94	3.94	0.00	17.96	17.85	0.11	0.74	0.74	0.00	0.00	0.01
Communication Services	13.50	13.50	0.00	10.93	10.89	0.04	1.54	1.53	0.00	0.01	0.01
Materials	2.47	2.46	0.00	2.26	2.26	0.00	0.07	0.08	0.01	0.00	0.01
Real Estate	3.76	3.75	0.00	-3.69	-3.70	0.01	-0.16	-0.16	0.00	0.00	0.00
Energy	2.55	2.55	0.00	4.37	4.37	0.00	0.10	0.10	0.00	0.00	0.00
Utilities	3.81	3.82	-0.01	-7.05	-7.03	-0.02	-0.31	-0.31	-0.01	0.00	-0.01
Financials	16.71	16.71	0.01	2.18	2.30	-0.12	0.31	0.34	0.01	-0.02	-0.01
Consumer Staples	2.66	2.67	-0.01	2.92	2.92	0.00	0.10	0.11	-0.01	0.00	-0.01
Consumer Discretionary	3.90	3.89	0.01	-4.88	-4.59	-0.30	-0.28	-0.26	0.00	-0.01	-0.01
Information Technology	33.39	33.44	-0.06	15.08	15.33	-0.26	5.22	5.31	0.00	-0.08	-0.08
Total	100.00	100.00	0.00	7.42	7.43	-0.01	7.42	7.43	0.05	-0.05	-0.01

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. 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.

Benchmarks

The Human Capital Factor Unconstrained Index is designed to deliver exposure to equity securities of large cap U.S. companies that demonstrate high employee engagement, based on scores produced by Irrational Capital LLC. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

The Russell 1000[®] Index measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000[®] Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership.

Disclosures

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

All holdings-related data is provided by FactSet. Because FactSet relies on external sources for its data, that data may differ slightly from actual values maintained by Harbor Funds.

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.

Irrational Capital is a third-party index provider to the Harbor Corporate Culture Leaders ETF.

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

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

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.