

Harbor Dividend Growth Leaders ETF

Ticker: **GDIV** | June 2023

Fund Highlights

Income & Growth Potential. The investment team seeks to invest in companies with growing dividend streams with equity upside participation during periods of market advances and improved downside support during market declines.

Experienced & Tenured Team. Continuity and experience of senior team ensures a repeatable process over time. The portfolio manager is supported by career sector analysts with deep domain expertise across the capitalization spectrum.

Growth-at-a-Reasonable-Price. Westfield employs a Growth-at-a-Reasonable-Price (GARP) investment style by seeking to invest in companies with underappreciated earnings growth trading at reasonable valuations, believing stock prices will ultimately follow earnings growth.

Overview

The **Harbor Dividend Growth Leaders ETF (GDIV)** seeks long-term growth of capital.

Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in dividend-paying equity securities. The Fund invests primarily in equity securities, principally common and preferred stocks of large capitalization companies with a history of paying dividends or as determined by the Westfield Capital's analysis, the ability to increase dividends in the future.

Westfield Capital uses a bottom-up process to identify companies which meet its fundamental criteria that evaluates companies on earnings, free cash flow generation and return of capital priorities, including dividends and stock buybacks. In constructing the Fund's portfolio, Westfield Capital seeks to identify companies that it believes possess the following quantitative and qualitative characteristics:

- High quality balance sheet;
- Good stewards of capital;
- Consistent free cash flow generation; and
- History of dividend increases.

¹The Harbor Dividend Growth Leaders ETF (GDIV) was created on May 23, 2022, resulting from a conversion of the Westfield Capital Dividend Growth Fund. GDIV is the performance successor of the reorganization.

Ticker Symbol	GDIV
Cusip	41151J703
Expense (%)	0.50
Inception Date	4/30/2010
Composite Record ¹	7/1/2010
AUM (as of 3/31/2023)	\$160M
Listing Date	5/23/2022
Subadvisor	Westfield Capital
Primary Benchmark	S&P 500 Index
Secondary Benchmark	NASDAQ Dividend Achievers Select Total Return Index
Listed Exchange	NYSE
Lead Market Maker	GTS
Management Style	Active

ETF Structure

- **Cost Effective:** GDIV is a cost-efficient way to gain access to dividend-paying, growth-oriented securities.
- **Liquid:** The ETF vehicle can be traded throughout the day, which provides intra-day liquidity for shareholders.
- **Tax-efficient:** Due to the in-kind exchange of shares, the ETF vehicle may allow for greater tax efficiency and reduced costs.
- **Transparent:** The availability of daily holdings may allow investors to make more informed investment decisions.



Investment Philosophy

- Westfield believes they can achieve above-market returns with lower risk over a complete market cycle by investing in a concentrated portfolio of competitively advantaged businesses which have the potential to grow free cash flow and increase return of capital to shareholders over time.
- Westfield seeks to invest in companies with growing dividend streams with equity upside participation during periods of market advances and improved downside support during market declines.
- Westfield's growth investing heritage compels them to bring a growth mindset to dividend investing.

Investment Process



- Idea generation is a collaborative process driven by the portfolio manager's experience, deep domain expertise of research analysts, and customized fundamental screens. Stocks are evaluated on earnings, free cash flow, valuation, and return of capital priorities. Ideal candidates are high quality companies with proven track records of creating shareholder value and management commitment to increasing dividends over time.
- The due diligence process leverages the sector analysts' industry expertise with deep fundamental research in the pursuit of identifying companies best positioned to grow dividends over time. Through a bottom-up approach, the investment team creates a comprehensive assessment of a target company's path to shareholder value creation
- Buy decisions are guided by the long-term total return assessment – capital appreciation + dividend – and are dependent on existing exposures, macro environment, and thematic considerations. Stocks may be sold due to fundamental deterioration, changes in dividend policy, stretched valuations/achieved targets, or for more attractive opportunities.
- The portfolio will generally consist of 30 – 50 mid to large capitalization positions, broadly diversified across all sectors. The investment team targets companies with greater expected dividend yield and dividend growth rate than the benchmark.
- Risk is monitored and managed throughout all steps of the investment life-cycle and from multiple perspectives. Individual security risk & portfolio exposures are evaluated by integrating fundamental and process-related inputs



Important Information

Investors should carefully consider the investment objectives, risks, charges and expenses of a Harbor 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.

All investments involve risk including the possible loss of principal. 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's emphasis on dividend paying stocks involves the risk that such stocks may fall out of favor with investors and under-perform the market. There is no guarantee that a company will pay or continually increase its dividend. The Fund may invest in a limited number of companies or at times may be more heavily invested in particular sectors. As a result, the Fund's performance may be more volatile, and the value of its shares may be especially sensitive to factors that specifically affect those sectors. Since the Fund may hold foreign securities, it may be subject to greater risks than funds invested only in the U.S. The Fund may invest in a limited number of companies and from time to time, the Fund may be more heavily invested in particular countries, geographic regions or sectors. As a result, the Fund's performance may be more volatile, and you may experience greater losses.

On or about May 20, 2022, the Fund acquired the assets and assumed the then existing known liabilities of the Predecessor Fund and the Fund is expected to be the performance successor of the reorganization. This means that the Predecessor Fund's performance and financial history will be used by the Fund going forward from the date of reorganization.

In the reorganization, former shareholders of the Predecessor Fund received shares of the Fund. Accordingly, the performance of the Fund for periods prior to the reorganization is the performance of the Predecessor Fund and the performance shown for periods prior to July 26, 2013 is the performance of a private investment vehicle that predated the Predecessor Fund. The private investment vehicle was managed by the Subadviser using investment policies, objectives and guidelines that were in all material respects equivalent to the management of the Fund and Predecessor Fund. However, the private investment vehicle was not a registered investment company and so it was not subject to the same investment and tax restrictions as the Fund and Predecessor Fund. If it had been, its performance may have been lower. The performance of the Predecessor Fund has not been restated to reflect the annual operating expenses of the Fund, which are lower than those of the Predecessor Fund. Because the Fund has different fees and expenses than the Predecessor Fund, the Fund would also have had different performance results.

Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. The ETF is new and has limited operating history to judge.

Foreside Fund Services, LLC. is the Distributor of the Harbor Dividend Growth Leaders ETF.

Westfield Capital Management is a third-party subadvisor to the Harbor Dividend Growth Leaders ETF.

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