

Harbor Long-Term Growers ETF

Jennison Associates LLC

Subadvisor Since 02/02/2022

Ticker: WINN
CUSIP: 41151J406
Net Expense Ratio: 0.57%
Gross Expense Ratio: 0.57%
Total Net Assets: \$157,404,312
Benchmark Name: Russell 1000® Growth Index

Portfolio Managers



Kathleen A. McCarragher



Blair A. Boyer



Natasha Kuhlkin, CFA



Jason McManus

Investment Philosophy

The Harbor Long-Term Growers ETF (WINN) seeks long-term growth of capital. The Fund invests primarily in equity securities of U.S. companies that the investment team believes will deliver superior long-term growth in revenues and earnings. This strategy employs a proprietary combination of bottom-up, fundamental research and systematic portfolio construction to derive a portfolio of growth stocks that reflects a compelling combination of opportunity, valuation and risk.

The investment team's fundamental research seeks to identify large- and mid- capitalization companies that have superior prospects for long-term growth. The investment team uses systematic portfolio construction to achieve characteristics and risk exposures consistent with the ETF's objectives. Portfolio optimization tools are employed to incorporate the investment team's fundamental growth insights, considering diversification and liquidity risk.

CHARACTERISTICS & ALLOCATION

As of 06/30/2023

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	72	444	Information Technology	42.38	43.31
Wtd Avg Market Cap (\$Mil)	1,044,847.20	1,052,556.70	Consumer Discretionary	22.65	15.94
Median Market Cap (\$Mil)	107,369.00	16,713.00	Health Care	10.82	10.94
Price/Book Ratio	13.01	13.01	Communication Services	9.79	10.72
Adjusted Trailing P/E Ratio	39.30	35.60	Financials	7.07	6.37
% EPS Growth - Past 3 Yr	22.50	22.80	Consumer Staples	3.06	4.40
Est 3-5 Yr EPS Growth Rate (%)	20.00	17.10	Industrials	2.22	5.95
Return on Equity (%)	25.59	30.59	Real Estate	1.07	0.97
Forecasted P/E Ratio	35.40	32.40	Energy	0.31	0.51
			Utilities	0.00	0.05
			Materials	0.00	0.69

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Apple Inc.	11.73	13.37	Software	15.65	18.20
Microsoft Corporation	11.42	11.70	Semiconductors	12.97	9.28
NVIDIA Corporation	7.30	4.64	Tech Hardware Storage	11.73	13.46
Amazon.com Inc.	5.88	5.42	Interactive Media	7.90	9.23
Alphabet Inc. Class A	5.81	3.28	Broadline Retail	7.18	5.56
Tesla Inc.	4.95	3.33	Pharmaceuticals	6.10	2.47
Eli Lilly and Company	3.08	1.83	Financial Services	5.36	4.18
Visa Inc. Class A	2.31	1.78	Automobiles	4.95	3.33
Uber Technologies Inc.	2.22	0.39	Textiles Apparel & Lux	4.65	0.60
Meta Platforms Inc. Cla	2.09	2.93	Specialty Retail	2.71	3.36
Total	56.79	48.67	Total	79.20	69.67

Market Capitalization		
		Portfolio %
Large	Above 25.0B	98.98
	10.0B - 25.0B	1.02
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00



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Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor Long-Term Growers ETF (NAV)	14.96%	36.48%	30.96%	N/A	N/A	N/A	-2.92%	02/02/22
Harbor Long-Term Growers ETF (Market)	15.01%	36.73%	31.38%	N/A	N/A	N/A	-2.84%	02/02/22
Russell 1000® Growth Index	12.81%	29.02%	27.11%	N/A	N/A	N/A	-1.02%	02/02/22

MANAGER COMMENTARY

As of 06/30/2023

"Consumer confidence currently reflects optimism in the near term despite announced workforce reductions, interest rates at the highest levels in over a decade, and reduced credit availability in the financial system."

Jennison Associates LLC

Market in Review

The U.S. economy remained resilient during the second quarter of 2023. The positive trends in consumer spending and wage growth countered an uptick in the unemployment rate. Despite an overall mixed picture of the economy's health, investors cheered the slowing pace of the Federal Reserve's ("Fed") monetary policy adjustment, with the second quarter seeing just one increase of 25 basis points. Corporate profits exceeded expectations from early in the year. Given the relative strength of the U.S. economy, we believe the slope of the economy's slowing trajectory will likely remain shallower while employment remains healthy.

China's economy continued to rebound from the end of its zero-COVID policy, but China's recovery has been less impactful than in other economies given domestic property market weakness and its interrelationship with overall consumer wealth. European interest rate increases continued, while its economies faced ongoing disruptions caused by the Russia-Ukraine conflict. Overall growth expectations remained at restrained levels, though consumer spending surprised positively.

The nascent environment surrounding artificial intelligence ("AI") — catalyzed by the launch of ChatGPT in late November of last year — emerged during the quarter, heralding transformative technological change. Investors expressed the greatest enthusiasm for companies that supply the foundational components to architect and run AI and machine learning capabilities, positively impacting several of the semiconductor and software holdings in the Harbor Long-Term Growers ETF ("ETF").

Conflicting signals on end-market demand into an expected economic slowdown challenged the share prices of several of our retail holdings. In some cases, there are ongoing normalizations in sales trends post-pandemic pull forward, but we believe these retailers are well positioned to manage slowing trends and should continue to take share while reinvesting in their business for future growth.

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.

A basis point is one hundredth of 1 percentage point.



Portfolio Performance

The ETF outperformed the benchmark during the period. Stock selection within the Information Technology and Health Care sectors, along with an underweight allocation to Industrials, contributed the most to relative performance. Stock selection within the Consumer Discretionary sector, along with an underweight allocation to Information Technology, detracted the most from relative results.

Contributors & Detractors

Nvidia reported substantially better-than-expected results in late May and guided to an increase in sales growth in the current quarter far ahead of expectations. The company's graphics processing units are best suited for the training of models used in generative AI, as well as the inferencing abilities that the models, once trained, can deliver. Microsoft is gaining share across multiple product lines, and it remains well-positioned to capitalize on the AI wave, as it becomes a more meaningful business driver.

Shares of MercadoLibre were down despite continued share gains in Brazil and user-base expansion. Recent weakness in AbbVie was due to lower-than-expected sales guidance for Imbruvica, as it faces new competition and fears around the Humira franchise as the first biosimilar officially hit the market.

Buys & Sells

We initiated a position in Becton Dickinson, which offers growth potential as medical procedure volumes rise. T-Mobile was sold due to disappointing forward guidance and resultant pressure on margins.

Outlook

The U.S. economy stands in better shape than we anticipated at the beginning of the year. Robust employment sustained consumer spending at a solid pace. Consumer confidence currently reflects optimism in the near term despite announced workforce reductions, interest rates at the highest levels in over a decade, and reduced credit availability in the financial system. Therefore, we believe it seems likely that the slope of the economy's slowing trajectory will remain shallower while employment remains healthy.

Inflationary pressures, while still evident, will likely continue to moderate. We anticipate further increases in interest rates, though evidence leans toward the bulk of the rate increases being behind us for this cycle.

Trends in technology spending, which weakened earlier last year, have begun to stabilize. A combination of easing year-over-year comparisons and the priority of digital transformation — with an emerging impetus from AI — increasingly suggest a rebound in spending and a return to longer-term investment trends moving toward year-end. The strong rebound in the prices of select technology shares year to date reflects both the depressed nature of valuations when the year began and the first signs of upgrades to near- and medium-term revenue and profit expectations from company managements, a trend we believe will gather pace in the coming quarters.

We anticipate that generative AI use cases and applications will spread from technology providers and developers to a wide variety of industries and companies that use these tools to increase competitive positioning through improved time to market, streamlined customer service, and accelerated efforts to harness data in increasingly sophisticated ways. It is still very early, but the sense of urgency could lead to tangible results sooner and more spending than is currently discounted.



Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
NVIDIA Corporation	6.22	52.31
Marvell Technology Inc.	0.58	38.27
Eli Lilly and Company	3.11	36.92
Uber Technologies Inc.	2.08	36.18
Broadcom Inc.	0.65	35.94

Worst Performers	Average Weight %	Return % (NAV)
Enphase Energy Inc.	0.25	-24.50
AbbVie Inc.	0.84	-14.69
Ulta Beauty Inc.	0.48	-13.76
Roblox Corp. Class A	0.39	-10.41
MercadoLibre Inc.	1.75	-10.13

Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
NVIDIA Corporation	52.31	2.94
Microsoft Corporation	18.38	2.20
Apple Inc.	17.79	2.02
Amazon.com Inc.	26.21	1.37
Eli Lilly and Company	36.92	1.08
Total		9.60

Greatest Detractors	Return % (NAV)	Contribution to Return %
MercadoLibre Inc.	-10.13	-0.20
AbbVie Inc.	-14.69	-0.15
Aptiv PLC	-9.00	-0.10
Enphase Energy Inc.	-24.50	-0.09
Ulta Beauty Inc.	-13.76	-0.07
Total		-0.60

Harbor Long-Term Growers ETF

ATTRIBUTION

As of 06/30/2023



Quarterly Attribution:

Harbor Long-Term Growers ETF vs Russell 1000® Growth Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	15.15	12.81	2.34
Currency Contribution	0.00	0.00	0.00
Total Return	15.15	12.81	2.34

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
	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
Industrials	2.30	7.76	-5.46	31.87	6.09	25.78	0.68	0.36	0.41	0.57	0.98
Information Technology	39.11	42.43	-3.32	22.06	19.25	2.81	8.54	8.14	-0.27	0.98	0.71
Health Care	13.25	11.59	1.67	10.33	4.58	5.75	1.42	0.54	-0.13	0.84	0.71
Consumer Staples	3.32	5.72	-2.40	6.95	0.03	6.91	0.22	-0.01	0.36	0.23	0.58
Communication Services	8.70	7.78	0.92	16.58	16.26	0.32	1.42	1.24	0.09	0.04	0.13
Financials	7.98	6.56	1.42	8.36	5.72	2.64	0.63	0.35	-0.14	0.22	0.09
Materials	0.00	1.21	-1.21	0.00	10.26	-10.26	0.00	0.09	0.05	0.00	0.05
Energy	1.24	1.24	0.00	0.57	-1.40	1.97	-0.06	-0.06	0.02	0.00	0.02
Real Estate	1.19	1.35	-0.17	-3.62	-1.30	-2.31	-0.06	-0.05	0.04	-0.03	0.01
Utilities	0.00	0.04	-0.04	0.00	0.12	-0.12	0.00	0.00	0.01	0.00	0.01
Consumer Discretionary	22.30	14.32	7.98	11.26	15.84	-4.58	2.36	2.21	0.20	-1.04	-0.85
Total	100.00	100.00	0.00	15.15	12.81	2.34	15.15	12.81	0.54	1.80	2.34

Past performance is not a guarantee of future results.

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. At times, a growth investing style may be out of favor with investors which could cause growth securities to underperform value or other equity securities.

Benchmarks

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.

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.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

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.

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.

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.

Jennison Associates LLC is an independent subadvisor to the Harbor Long-Term Growers 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

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.