

Harbor Corporate Culture ETF

Harbor Capital Advisors, Inc.

Subadvisor Since 10/12/2022

Ticker: HAPI
CUSIP: 41151J877
Net Expense Ratio: 0.36%
Gross Expense Ratio: 0.36%
Total Net Assets: \$235,024,646
Benchmark Name: CIBC Human Capital Index

Portfolio Managers



Steve Cook



Jim Erceg

Investment Philosophy

The HAPI Corporate Culture ETF (HAPI) seeks to provide investment results that correspond, before fees and expenses, to the performance of the CIBC Human Capital 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 net assets in securities that are included in the Index.

The Index consists of a modified market capitalization-weighted portfolio of equity securities of approximately 150 U.S. companies identified by 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 the 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 03/31/2023

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	154	153	Information Technology	22.07	22.11
Wtd. Avg Market Cap (\$Mil)	491,068.00	492,039.26	Health Care	14.75	14.70
Median Market Cap (\$Mil)	40,519.00	40,519.00	Financials	13.56	13.56
Price/Book Ratio	5.68	5.74	Communication Services	12.11	12.28
Adjusted Trailing P/E Ratio	26.10	26.10	Consumer Discretionary	11.46	11.64
% EPS Growth – Past 3 Year	24.30	24.20	Industrials	7.28	7.31
Est 3-5 Yr EPS Growth Rate (%)	14.10	14.10	Consumer Staples	6.09	6.07
Return on Equity (%)	23.62	23.62	Energy	5.14	5.03
Forecasted P/E Ratio	21.10	21.10	Utilities	2.83	2.85
			Real Estate	2.48	2.48
			Materials	2.00	1.97

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Consumer Discretionary	6.00	6.06	Capital Markets	12.28	12.36
Microsoft Corporation	5.35	5.29	Software	10.61	10.58
Apple Inc.	5.28	5.37	Pharmaceuticals	8.81	8.75
Alphabet Inc. Class A	3.32	3.39	Interactive Media	8.71	8.82
Mastercard Incorporated	3.20	3.18	Financial Services	5.89	5.87
Johnson & Johnson	3.02	3.01	Tech Hardware Storage	5.53	5.62
Alphabet Inc. Class C	3.01	3.08	Semiconductors	4.67	4.63
NVIDIA Corporation	2.99	2.96	Oil Gas & Consumables	4.41	4.31
Berkshire Hathaway Inc.	2.69	2.69	Household Products	3.17	3.17
Procter & Gamble Compan	2.43	2.43	Hotels Rest & Leisure	2.87	2.96
Total	37.29	37.46	Total	66.95	67.07

Market Capitalization		
		Portfolio %
Large	Above 25.0B	86.90
	10.0B - 25.0B	10.99
Mid	5.0B - 10.0B	2.09
	1.0B - 5.0B	0.02
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 ETF (NAV)	9.02%	9.02%	N/A	N/A	N/A	N/A	18.98%	10/12/22
Harbor Corporate Culture ETF (Market)	8.98%	8.98%	N/A	N/A	N/A	N/A	18.93%	10/12/22
CIBC Human Capital Index	8.97%	8.97%	N/A	N/A	N/A	N/A	19.03%	10/12/22

MANAGER COMMENTARY

As of 03/31/2023

"In fixed-income markets, longer-duration bonds outperformed shorter-duration bonds and more credit-sensitive areas did better."

Harbor Capital Advisors, Inc.

Market in Review

After a painful year for all major asset classes, markets experienced a strong rebound during the first quarter of 2023. U.S. markets kept pace with developed markets and outpaced emerging markets, with the S&P 500 Index up 7.5%, the MSCI EAFE Index up 8.5%, and MSCI Emerging Markets Index up 4.0%.

Within the U.S., there was wide dispersion between growth and value stocks and large-cap and small-cap stocks. Dispersion across sectors was also notable, with cyclical sectors, such as Communication Services, Consumer Discretionary, and Information Technology, all up over 15%. On the negative side, Energy, Financials, and Health Care were all down moderately during the quarter.

In fixed-income markets, longer-duration bonds outperformed shorter-duration bonds and more credit-sensitive areas did better. The Bloomberg Barclays US Aggregate Bond Index returned 3.0% during the quarter, and the ICE BofA US High Yield Index returned 3.7%.

Portfolio Performance

During the quarter, the Harbor Corporate Culture ETF ("ETF") returned 9.02% at net asset value (NAV), outperforming its benchmark, the CIBC Human Capital Index (the "Index"), which returned 8.97%.

The ETF employs an indexing investment approach designed to track the performance of the CIBC Human Capital Index, and it invests at least 80% of 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 150 U.S. companies identified by 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).

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.



Contributors & Detractors

The largest contributors to the ETF's performance were NVIDIA and Meta Platforms, which were up 90.10% and 76.12%, respectively.

The largest detractors to performance were Pfizer and Johnson & Johnson, which returned -19.64% and -11.64%, respectively.

Buys & Sells

In February 2023, HAPI went through its annual reconstitution in conjunction with CIBC Human Capital Index's rescreening of companies that possess strong Human Capital Factor scores, based on Irrational Capital's proprietary research. Fifty-six names were removed from the Index and 61 names were added to the Index during the annual rescreening. The largest names added were Berkshire Hathaway and Booking Holdings. Costco and Walt Disney were removed from the Index in the reconstitution.

QUARTERLY ATTRIBUTION

As of 03/31/2023

Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
NVIDIA Corporation	2.54	90.10
Meta Platforms Inc. Class A	2.36	76.11
Advanced Micro Devices, Inc	0.66	51.32
Salesforce, Inc	0.91	50.68
Cadence Design System, Inc	0.27	30.78

Worst Performers	Average Weight %	Return % (NAV)
Charles Schwab Corp	0.33	-34.92
Pfizer Inc.	1.74	-19.64
Northrop Gruman Corp.	0.70	-15.07
ConocoPhillips	1.08	-15.02
Bank of America Corp.	1.43	-13.08

Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
NVIDIA Corporation	90.10	1.67
Meta Platforms Inc. Class A	76.12	1.42
Apple Inc.	27.11	1.17
Microsoft Corporation	20.52	0.95
Consumer Discretionary Select Sec	16.13	0.78
Total		5.99

Greatest Detractors	Return % (NAV)	Contribution to Return %
Pfizer Inc.	-19.64	-0.41
Johnson & Johnson	-11.64	-0.38
Charles Schwab Corp	-34.92	-0.30
Bank of America Corp.	-13.08	-0.24
Chevron Corporation	-8.29	-0.20
Total		-1.53

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.



Quarterly Attribution:
Harbor Corporate Culture ETF vs CIBC Human Capital Factor Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	8.76	8.98	-0.22
Currency Contribution	0.00	0.00	0.00
Total Return	8.76	8.98	-0.22

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	8.50	8.43	0.07	1.43	1.42	0.01	0.16	0.15	0.06	0.00	0.06
Consumer Staples	8.33	8.25	0.09	3.03	2.71	0.32	0.20	0.15	0.00	0.05	0.04
Information Technology	21.97	21.89	0.08	27.99	27.54	0.46	5.72	5.72	-0.04	0.09	0.04
Energy	4.79	4.77	0.02	-9.69	-9.55	-0.14	-0.51	-0.55	0.03	-0.01	0.02
Materials	1.92	1.92	0.00	4.59	4.49	0.09	0.09	0.08	0.00	0.00	0.01
Real Estate	2.41	2.43	-0.02	7.40	7.23	0.17	0.16	0.16	0.00	0.00	0.00
Utilities	2.77	2.79	-0.03	-1.95	-1.72	-0.23	-0.04	-0.04	0.00	-0.01	-0.01
Health Care	15.00	15.01	-0.01	-4.52	-4.50	-0.02	-0.67	-0.70	-0.02	0.00	-0.02
Financials	14.28	14.26	0.02	-1.03	-0.79	-0.25	-0.27	-0.22	0.00	-0.04	-0.04
Consumer Discretionary	9.74	9.92	-0.18	15.04	15.77	-0.74	1.10	1.18	-0.04	-0.06	-0.10
Communication Services	10.24	10.33	-0.09	33.38	35.05	-1.67	2.82	3.04	-0.06	-0.13	-0.20
Total	100.00	100.00	0.00	8.76	8.98	-0.22	8.76	8.98	-0.11	-0.11	-0.22

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.

Companies in the information technology sector can be significantly affected by short product cycles, obsolescence of existing technology, impairment or loss of intellectual property rights, falling prices and profits, competition from new market entrants, government regulation and other factors.

Benchmarks

The CIBC Human Capital Index consists of a modified market-weighted portfolio of the equity securities of 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. Constituents eligible are chosen from Solactive GBS United States 500 Index (the "index universe") at the time of Index reconstitution. The Solactive GBS United States 500 Index intends to track the performance of the largest 500 companies from the US stock market. The index listed is unmanaged and 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.

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.

CIBC is a third-party index provider to the Harbor Corporate Culture 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 (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.