

HARBOR DIVIDEND GROWTH LEADERS ETF

Westfield Capital Management Company, L.P.

Subadvisor Since 04/30/2010

Ticker: GDIV
CUSIP: 41151J703
Net Expense Ratio: 0.50%
Gross Expense Ratio: 0.50%
Total Net Assets: \$293,396,655
Benchmark 1 Name: NASDAQ Dividend Achievers Select Total Return Index
Benchmark 2 Name: S&P 500 Index

Portfolio Managers



William A. Muggia

Investment Philosophy

The Harbor Dividend Growth Leaders ETF 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, 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.

CHARACTERISTICS & ALLOCATION

As of 09/30/2024

Portfolio Characteristics				Economic Sectors			
	Portfolio	Bench 1	Bench 2		Portfolio %	Bench 1 %	Bench 2 %
Number of Holdings	44	299	504	Information Technology	27.27	23.76	31.66
Wtd Avg Market Cap (\$Mil)	632,181.40	524,120.00	999,698.30	Financials	17.86	20.76	12.90
Median Market Cap (\$Mil)	45,169.00	14,855.00	38,143.00	Industrials	11.17	13.95	8.52
Price/Book Ratio	8.48	7.92	8.27	Health Care	10.93	14.55	11.66
Adjusted Trailing P/E Ratio	31.60	30.40	35.50	Consumer Discretionary	7.57	6.29	10.11
% EPS Growth - Past 3 Yr	30.70	14.90	25.30	Consumer Staples	5.39	13.66	5.88
Est 3-5 Yr EPS Growth Rate (%)	13.00	10.80	14.80	Communication Services	4.46	0.90	8.87
Return on Equity (%)	30.94	21.17	26.88	Utilities	3.68	1.72	2.51
Forecasted P/E Ratio	25.20	26.20	27.50	Energy	3.34	0.31	3.30
				Materials	3.00	4.18	2.24
				Real Estate	1.55	0.00	2.33

Top 10 Holdings				Top 10 Industries			
	Portfolio %	Bench 1 %	Bench 2 %		Portfolio %	Bench 1 %	Bench 2 %
Microsoft Corporation	7.35	3.72	6.57	Semiconductors	9.68	7.86	11.10
Apple Inc.	5.88	4.61	7.27	Pharmaceuticals	8.72	4.19	3.62
Broadcom Inc.	5.54	4.36	1.65	Insurance	8.62	4.74	2.18
Arthur J. Gallagher & Co.	3.69	0.33	0.13	Software	7.35	7.54	10.32
Coca-Cola Company	2.76	1.69	0.57	Tech Hardware Storage	5.88	4.61	7.65
Mueller Industries Inc.	2.68	0.00	0.00	Capital Markets	4.86	5.33	2.98
Primerica Inc.	2.58	0.05	0.00	Specialty Retail	4.47	3.39	1.94
Meta Platforms Inc Class A	2.54	0.00	2.57	Machinery	4.19	2.97	1.70
Cintas Corporation	2.50	0.46	0.14	Commercial Serv & Suppl	3.53	1.34	0.56
Merck & Co. Inc.	2.47	1.57	0.59	Trading Companies	3.45	0.70	0.28
Total	37.99	16.79	19.49	Total	60.75	42.67	42.33

Market Capitalization		
		Portfolio %
Large	Above 25.0B	76.88
	10.0B - 25.0B	10.62
Mid	5.0B - 10.0B	6.81
	1.0B - 5.0B	1.92
Small	0.0 - 1.0B	0.00

Harbor Dividend Growth Leaders ETF



PERFORMANCE

As of 09/30/2024

Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor Dividend Growth Leaders ETF (NAV)	7.56%	15.58%	28.90%	10.22%	13.44%	11.77%	12.04%	04/30/2010
Harbor Dividend Growth Leaders ETF (Market)	7.85%	15.56%	29.06%	10.27%	13.47%	11.79%	12.05%	04/30/2010
NASDAQ Dividend Achievers Select Total Return Index	9.11%	18.83%	31.23%	11.20%	12.95%	12.25%	12.44%	04/30/2010
S&P 500 Index	5.89%	22.08%	36.35%	11.91%	15.98%	13.38%	13.75%	04/30/2010

MANAGER COMMENTARY

As of 09/30/2024

“2024 has been a challenging environment thus far and remains so with the forthcoming election and likelihood of increased volatility.”

Westfield Capital Management Company, L.P.

Market in Review

The third quarter of 2024 saw continued strength in U.S. equity markets, with both the S&P 500 Index and Nasdaq reaching new all-time highs. Market participation broadened significantly, as confidence in the U.S. Federal Reserve's (“Fed”) ability to deliver a soft landing grew. In a reversal of prior trends, equal-weight indexes like the S&P 500 outperformed their cap-weighted counterparts, with sectors such as Industrials, Financials, and Utilities showing notable resilience, while Information Technology leadership eroded. Small-cap stocks also had a strong quarter, buoyed by optimism surrounding lower inflation, a stable labor market, and expectations of the Fed’s shift toward a monetary easing cycle.

Portfolio Performance

During the third quarter, the Harbor Dividend Growth Leaders ETF (“ETF”) returned 7.56% (NAV), underperforming the ETF’s primary benchmark, the Nasdaq Dividend Achievers Select Total Return Index, which returned 9.11%, and outperforming the ETF’s secondary benchmark, the S&P 500 Index, which returned 5.89%.

From a sector perspective, relative weakness within Consumer Discretionary and Information Technology offset relative strength within Utilities and Industrials.

The underperformance was due to a combination of stock selection and a common factor headwind. From a factor perspective, the ETF’s overweight exposures to earnings variation and volatility were relative headwinds to performance, which offset tailwinds from the overweight exposures to currency sensitivity and momentum.

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.

ETF performance prior to 5/23/22 is attributable to the Westfield Capital Dividend Growth Mutual Fund, Institutional Share class and/or Westfields private investment vehicle. The historical NAV of the predecessor are used for both NAV and Market Offer Price performance from inception to ETF listing date. Performance periods since GDIV listing date may contain NAV and MOP data of both the newly formed ETF and the predecessor fund performance. Please refer to the Fund prospectus for further details.

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 Dividend Growth Leaders ETF



MANAGER COMMENTARY

As of 09/30/2024

Contributors & Detractors

International Business Machines (“IBM”) was the top contributor to relative performance during the quarter, with the company showing improvement in operational performance and competitive positioning. We believe IBM’s 2024 numbers have largely been derisked, and fiscal year 2025 results should be strong with revenue growth. Mueller Industries, a metal and plastic manufacturing company, also contributed positively to relative results, as it continued to put up solid earnings and free-cash-flow numbers in the face of a nonresidential slowdown. Mueller is an underfollowed company but continues to demonstrate idiosyncratic strengths with durable growth, even during broader industry headwinds.

Microsoft was the biggest detractor from relative returns during the quarter, as the stock price lagged the broader market following underwhelming performance from Azure, Microsoft’s cloud computing platform. There has also been continued scrutiny into hyperscaler capital expenditure versus return on investment. Microsoft remains a core software holding, and we are optimistic the company can continue its impressive growth over the long term.

Microchip Technology, a manufacturer of microcontroller, mixed-signal, analog, and Flash-IP integrated circuits, also detracted from relative performance during the quarter, despite an improvement in its inventory over the past several quarters, as specific timing for its customer demand recovery remains uncertain and difficult to forecast. We continue to believe Microchip’s proprietary technologies, loyal customer base, and cross-selling opportunities make it an attractive name within the semiconductor space.

Buys & Sells

During the quarter, we purchased Vistra, an electric and natural gas integrated power company. We believe Vistra is a strategically positioned power company with 75% of earnings before interest, taxes, depreciation, and amortization sourced from merchant power generation, and it should be a beneficiary of increased demand for reliable power due to artificial intelligence (“AI”) data center growth and the ongoing energy transition. Anticipated agreements with hyperscalers for nuclear and combined cycle gas-turbine power purchases should provide additional growth potential to help profitability.

During the quarter, we sold ConocoPhillips, an energy exploration and production company, due to a combination of concerns about the global macroeconomy, China weakness, and supply/demand imbalance creating a risk for oil prices. The sale was timely, as oil has been weak on the back of China data, and now there are rumors of OPEC discipline fading.

Sector Overweights & Underweights

Entering 2024, the Real Estate sector represented the ETF’s largest overweight relative to the primary index. We remain overweight the sector as of quarter-end but have reduced exposure throughout the year with four sales, as we have rotated capital into names that we believe have better risk/reward profiles.

The Communication Services sector represented the ETF’s largest overweight relative to the primary index as of quarter-end. We have increased exposure with three new buys over the course of the year, including the purchase of Meta Platforms during the quarter, which recently announced its first-ever dividend. We believe the company should be an AI -beneficiary with a long runway for revenue growth.

The Consumer Staples sector represented the ETF’s largest underweight at the end of 2023 and continues to be the largest underweight as of quarter-end. We have historically struggled to identify exciting growth opportunities in this sector, and the resultant underweight has been characteristic of the ETF positioning over time.

Harbor Dividend Growth Leaders ETF



MANAGER COMMENTARY

As of 09/30/2024

Outlook

The third quarter was an encouraging change of pace from the recent trend of extreme market concentration in U.S. equity markets, with increased participation outside of mega-cap tech stocks amid a largely expected rate cut from the Fed. As we've often touted in prior commentaries, once the tide starts to shift outside of a handful of non-dividend-paying tech stocks, high-quality companies with robust cash flows and dividend growth offer a very advantageous, long-term value proposition versus alternatives. 2024 has been a challenging environment thus far and remains so with the forthcoming election and likelihood of increased volatility. When comparing companies with varying dividend policies, those that grow their dividends over time tend to offer attractive return potential while simultaneously providing the least amount of risk, as measured by standard deviation. Durable valuation support, equity upside opportunity, and a (growing) income component are all checked for desirable characteristics among equity investment options in an expanding market breadth environment. Looking ahead to the fourth quarter of 2024 and beyond, we are encouraged by historical trends for dividend growers before and after interest rate cuts and continue to believe in their long-term consistent growth potential.

QUARTERLY ATTRIBUTION

As of 09/30/2024

Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
VISTRA CORP	0.61	51.04
MUELLER INDUSTRIES INC	2.52	30.53
INTL BUSINESS MACHINES CORP	3.89	28.94
NEXTERA ENERGY INC	2.15	20.14
WILEY (JOHN) & SONS-CLASS A	1.91	19.49

Worst Performers	Average Weight %	Return % (NAV)
VALERO ENERGY CORP	1.86	-13.27
MICROCHIP TECHNOLOGY INC	2.41	-11.75
NXP SEMICONDUCTORS NV	2.09	-10.41
MERCK & CO. INC.	2.63	-7.67
FREEMPORT-MCMORAN INC	0.26	-5.23

Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
INTL BUSINESS MACHINES CORP	28.94	1.04
APPLE INC	10.75	0.79
MUELLER INDUSTRIES INC	30.53	0.67
VISTRA CORP	51.04	0.51
BROADCOM INC	7.78	0.46
Total		3.47

Greatest Detractors	Return % (NAV)	Contribution to Return %
MICROCHIP TECHNOLOGY INC	-11.75	-0.34
MICROSOFT CORP	-3.55	-0.31
VALERO ENERGY CORP	-13.27	-0.28
NXP SEMICONDUCTORS NV	-10.41	-0.25
MERCK & CO. INC.	-7.67	-0.20
Total		-1.37

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

Harbor Dividend Growth Leaders ETF



ATTRIBUTION

As of 09/30/2024

Quarterly Attribution:

Harbor Dividend Growth Leaders ETF vs NASDAQ Dividend Achievers Select Total Return Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	7.72	9.11	-1.39
Currency Contribution	0.00	0.00	0.00
Total Return	7.72	9.11	-1.39

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
Utilities	2.76	1.67	1.10	34.65	16.44	18.20	0.92	0.26	0.02	0.53	0.56
Communication Services	3.98	0.89	3.09	23.89	7.53	16.36	0.64	0.06	0.10	0.23	0.33
Industrials	11.54	13.75	-2.21	14.00	11.07	2.93	1.51	1.49	-0.06	0.33	0.27
Real Estate	1.62	0.00	1.62	9.41	0.00	9.41	0.14	0.00	0.01	0.00	0.01
Consumer Staples	4.99	13.68	-8.69	13.11	10.20	2.92	0.60	1.39	-0.10	0.09	-0.01
Health Care	11.73	14.99	-3.27	4.88	6.77	-1.89	0.60	1.01	0.10	-0.24	-0.14
Materials	2.89	4.14	-1.25	-3.01	9.58	-12.59	0.05	0.38	-0.01	-0.30	-0.31
Financials	18.92	20.95	-2.03	8.75	10.40	-1.66	1.55	2.18	0.00	-0.34	-0.35
Information Technology	29.62	23.68	5.94	4.48	5.37	-0.90	1.42	1.33	-0.20	-0.25	-0.46
Energy	3.73	0.33	3.40	-2.59	-6.08	3.49	-0.16	-0.02	-0.63	0.16	-0.47
Consumer Discretionary	6.34	5.93	0.42	4.75	18.10	-13.35	0.43	1.03	0.13	-0.81	-0.68
Total	100.00	100.00	0.00	7.72	9.11	-1.39	7.72	9.11	-0.79	-0.60	-1.39

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

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IMPORTANT INFORMATION

Risks

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

Investments involve risk including the possible loss of principal. There is no guarantee the investment objective of the Fund will be achieved. 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 effect those sectors. The Fund may invest in foreign securities which may be more volatile and less liquid due to currency fluctuation, political instability, government sanctions, social and economic risks. Foreign currencies can decline in value and can adversely affect the dollar value of the fund.

Benchmarks

The S&P 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. The NASDAQ U.S. Dividend Achievers Select® Index is a modified market capitalization weighted index. The NASDAQ U.S. Dividend Achievers Select® Index is comprised of a select group of securities with at least ten consecutive years of increasing annual regular dividend payments. The indices are unmanaged and do not reflect fees and expenses and are not available for direct investment.

Disclosures

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 Subadvisor 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.

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

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.

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

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

Harbor Dividend Growth Leaders 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

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.

Free cash flow represents the cash a company can generate after accounting for capital expenditures needed to maintain or maximize its asset base.