

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: \$268,014,009
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 06/30/2024

Portfolio Characteristics				Economic Sectors			
	Portfolio	Bench 1	Bench 2		Portfolio %	Bench 1 %	Bench 2 %
Number of Holdings	41	300	503	Information Technology	30.36	24.57	32.45
Wtd Avg Market Cap (\$Mil)	611,309.60	505,823.30	1,010,474.00	Financials	19.56	20.50	12.41
Median Market Cap (\$Mil)	51,260.00	13,457.00	35,083.00	Industrials	12.49	13.65	8.14
Price/Book Ratio	7.77	7.90	8.55	Health Care	11.86	14.89	11.72
Adjusted Trailing P/E Ratio	26.40	28.90	32.80	Energy	5.35	0.36	3.65
% EPS Growth - Past 3 Yr	31.00	14.80	25.00	Consumer Staples	4.24	13.52	5.79
Est 3-5 Yr EPS Growth Rate (%)	13.90	11.20	16.20	Materials	3.58	4.15	2.14
Return on Equity (%)	30.94	22.24	26.88	Consumer Discretionary	3.35	5.80	9.96
Beta vs Fund Benchmark	1.03			Utilities	2.01	1.59	2.26
Forecasted P/E Ratio	22.10	22.60	26.00	Communication Services	1.75	0.92	9.33
				Real Estate	1.54	0.00	2.21

Top 10 Holdings

	Portfolio %	Bench 1 %	Bench 2 %
Apple Inc.	7.12	4.52	6.62
Microsoft Corporation	6.73	4.19	7.25
Broadcom Inc.	5.54	4.41	1.53
Arthur J. Gallagher & Co.	3.65	0.33	0.12
International Business Machines Corporation	3.54	0.00	0.35
Eli Lilly and Company	2.96	0.00	1.58
Microchip Technology Incorporated	2.74	0.29	0.11
Merck & Co. Inc.	2.67	1.86	0.68
Coca-Cola Company	2.62	1.63	0.54
American International Group Inc.	2.56	0.00	0.11

Total **40.13 17.23 18.89**

Market Capitalization

	Portfolio %	
Large	Above 25.0B	77.68
	10.0B - 25.0B	9.37
Mid	5.0B - 10.0B	7.30
	1.0B - 5.0B	1.75
Small	0.0 - 1.0B	0.00

Top 10 Industries

	Portfolio %	Bench 1 %	Bench 2 %
Semiconductors	10.58	8.42	12.04
Pharmaceuticals	9.33	4.42	3.78
Insurance	8.69	4.49	2.04
Tech Hardware Storage	7.12	4.52	6.99
Software	6.73	7.94	10.98
Oil Gas & Consumables	5.35	0.36	3.35
Machinery	5.32	2.87	1.60
Capital Markets	4.66	5.04	2.81
Banks	3.67	5.82	3.21
It Services	3.54	1.13	1.04
Total	64.99	45.01	47.84

Harbor Dividend Growth Leaders ETF



PERFORMANCE

As of 06/30/2024

Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor Dividend Growth Leaders ETF (NAV)	-0.75%	7.46%	16.01%	6.65%	12.39%	10.69%	11.69%	04/30/2010
Harbor Dividend Growth Leaders ETF (Market)	-0.95%	7.15%	15.76%	6.60%	12.36%	10.68%	11.68%	04/30/2010
NASDAQ Dividend Achievers Select Total Return Index	0.96%	8.90%	15.33%	7.95%	11.91%	11.20%	11.99%	04/30/2010
S&P 500 Index	4.28%	15.29%	24.56%	10.01%	15.05%	12.86%	13.55%	04/30/2010

MANAGER COMMENTARY

As of 06/30/2024

“While 2024 has so far remained a challenging environment for dividend growth stocks, we are confident in the long-term value, stability, and growth potential of this area of the market and the role it can play in client portfolios.”

Westfield Capital Management Company, L.P.

Market in Review

The second quarter of 2024 continued the trends from early 2023, with sustained strong interest in big tech and artificial intelligence (AI)-related investments. Despite a broader economic slowdown, both the S&P 500 and Nasdaq reached new record highs, driven primarily by substantial gains in the “Magnificent 7” stocks. In contrast, the S&P 500 Equal-Weight Index, which reflects the performance of the broader equity market, showed more subdued returns. The broader market's performance more closely mirrored economic indicators, which displayed softening trends such as weaker nonresidential construction figures, decelerating home sales, and a softening employment landscape. This past quarter further underscored the sharp contrast between the significant gains in large-cap tech stocks and the broader struggles of smaller caps and cyclical sectors.

Portfolio Performance

During the second quarter, the Harbor Dividend Growth Leaders ETF (“ETF”) returned –0.75% (NAV), underperforming the ETF’s primary benchmark, the NASDAQ Dividend Achievers Select Total Return Index, which returned 0.96%, and underperforming the ETF’s secondary benchmark, the S&P 500 Index, which returned 4.28%.

From a sector perspective, relative weakness within Information Technology and Materials offset relative strength within Utilities and Energy.

Stock selection was the primary detractor from relative returns, while common factors were a modest headwind during the quarter. From a factor perspective, the ETF’s underweight exposure to size and underweight exposure to momentum were relative headwinds to performance, which offset a tailwind from overweight exposure to dividend yield and underweight exposure to currency sensitivity.

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 06/30/2024

Contributors & Detractors

Celanese, a global chemical company, was the biggest detractor from relative returns during the quarter, as the stock pulled back after significantly outperforming. We believe investors are attempting to call the trough in earnings, and the stock ran well ahead of itself. After earnings underwhelmed, investors took some profits. We continue to view Celanese as a high-quality, cyclical recovery play with a strong management team.

Global Payments, a payment technology service provider, also detracted from relative performance during the quarter, despite starting 2024 with notable momentum in the stock. As the quarter progressed, investor sentiment was adversely affected by concerns over a deceleration in organic growth, emerging weaknesses in merchant margins, and management guidance falling short of expectations. Despite these short-term challenges, we believe the guidance issued by the company is on the conservative side and that Global Payments is currently trading at a very attractive valuation discount relative to peers, considering the company's long-term growth potential and strategic position in the rapidly evolving payments industry.

Broadcom, a supplier of analog and digital semiconductor connectivity solutions, was the top contributor to relative performance during the quarter, as investor enthusiasm toward AI provided a durable tailwind. Broadcom benefits directly from AI through custom silicon accelerators via its partnership with Google, as well as AI networking.

Eli Lilly, a global pharmaceutical company, also contributed positively to relative results during the quarter after raising fiscal year estimates, based on confidence in the coming capacity expansion for its GLP-1 drug. We believe Eli Lilly has the best-in-class weight loss drug, which should continue to drive growth for the company.

Buys & Sells

During the quarter, we purchased Blue Owl Capital, an alternative asset manager. We believe Blue Owl has one of the best business models among asset management firms, with best-in-class fee earnings growth and a permanent capital base. Additionally, management is committed to adding a dividend in 2025, which has been well received by investors.

During the quarter, we sold Williams-Sonoma, a consumer retail company that sells kitchenware and home furnishings, as the stock hit our internal price target.

Sector Overweights & Underweights

Entering 2024, the Financials sector represented the ETF's largest overweight relative to the index and remains the largest overweight as of the end of the second quarter. The ETF's biggest overweight positions are in the insurance and capital markets subsectors, where we have continued to identify companies with good return-of-capital stories at attractive valuations.

The Communications Services sector represented the largest underweight entering 2024 and at the end of the second quarter. The majority of this underweight stems from not owning the mega-cap benchmark names, which do not meet our capital return thresholds.

Duration is an estimated measure of the price sensitivity of the aggregate market value of a portfolio of debt securities to changes in interest rates.

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

Harbor Dividend Growth Leaders ETF



MANAGER COMMENTARY

As of 06/30/2024

Outlook

While market leadership continued to narrow around an increasingly small number of mega-cap tech stocks, the rest of the market, including many high-quality, dividend growth stocks, marked time, trading sideways for most of the second quarter. When looking specifically at dividend growth stocks, generally speaking, they have trailed the broader market by a wide margin, year to date, in historical terms. The Dividend Aristocrats Index, a proxy for dividend growth stocks, has only lagged the S&P 500 by a greater amount in two other calendar years over the past 30 years. Importantly, those periods of weak results have typically been followed by strong relative returns. That was most pronounced in the runup to the dot-com bubble, when dividend growth stocks lagged by a wide margin but then ultimately outperformed for several years following, as the bubble deflated. While we are not currently calling for a top, history would suggest that the odds are starting to tilt in favor of better times ahead for this cohort of the market. We remain confident in our conviction that dividend growth stocks, with their sustainable cash flows, robust valuation support, and income component, provide investors with an attractive blend of upside opportunity and downside mitigation relative to an investment in the broader market. While 2024 has so far remained a challenging environment for dividend growth stocks, we are confident in the long-term value, stability, and growth potential of this area of the market and the role it can play in client portfolios.

QUARTERLY ATTRIBUTION

As of 06/30/2024

Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
APPLE INC	5.31	22.99
BROADCOM INC	4.70	21.53
ELI LILLY & CO	2.55	16.57
WILLIAMS COMPANIES, INC.	1.24	14.41
NEXTERA ENERGY INC	1.76	11.53

Worst Performers	Average Weight %	Return % (NAV)
GLOBAL PAYMENTS INC	1.51	-27.46
CELANESE CORP	2.42	-21.16
IDEX CORP	2.09	-17.29
INSTALLED BUILDING PRODUCTS, INC.	0.62	-14.82
RESTAURANT BRANDS INTERNATIONAL	0.81	-14.03

Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
APPLE INC	22.99	1.17
BROADCOM INC	21.53	0.91
ELI LILLY & CO	16.57	0.41
MICROSOFT CORPORATION	6.42	0.37
WILLIAMS COMPANIES, INC.	14.41	0.21
Total		3.07

Greatest Detractors	Return % (NAV)	Contribution to Return %
CELANESE CORP	-21.16	-0.58
GLOBAL PAYMENTS INC	-27.46	-0.51
IDEX CORP	-17.29	-0.41
UNITEDHEALTH GROUP INC	-10.71	-0.36
CDW CORPORATION	-12.25	-0.35
Total		-2.21

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

Harbor Dividend Growth Leaders ETF



ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:

Harbor Dividend Growth Leaders ETF vs NASDAQ Dividend Achievers Select Total

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-0.60	0.96	-1.56
Currency Contribution	0.00	0.00	0.00
Total Return	-0.60	0.96	-1.56

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	11.93	15.14	-3.21	-0.53	-1.93	1.40	-0.18	-0.27	0.07	0.10	0.17
Consumer Discretionary	8.04	6.17	1.87	-6.90	-11.13	4.23	-0.52	-0.75	-0.20	0.35	0.15
Industrials	12.40	14.11	-1.71	-3.18	-3.19	0.01	-0.38	-0.47	0.07	0.01	0.07
Communication Services	2.27	0.94	1.34	2.08	-9.00	11.07	-0.02	-0.10	-0.17	0.23	0.06
Energy	4.70	0.38	4.32	2.14	-12.90	15.04	0.11	-0.06	-0.65	0.70	0.05
Utilities	1.76	1.61	0.15	11.53	7.87	3.67	0.18	0.13	-0.01	0.05	0.05
Financials	17.84	20.84	-3.00	-3.58	-1.78	-1.80	-0.58	-0.38	0.11	-0.32	-0.21
Materials	2.99	4.33	-1.33	-18.89	-7.14	-11.75	-0.65	-0.34	0.12	-0.42	-0.30
Real Estate	3.08	0.00	3.08	-5.59	0.00	-5.59	-0.44	0.00	-0.37	0.00	-0.37
Consumer Staples	4.14	13.44	-9.31	0.94	4.37	-3.43	0.05	0.61	-0.31	-0.14	-0.45
Information Technology	28.86	23.03	5.84	6.58	11.68	-5.10	1.81	2.57	0.59	-1.34	-0.75
Total	100.00	100.00	0.00	-0.60	0.96	-1.56	-0.60	0.96	-0.78	-0.78	-1.56

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.

The S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The S&P 500 Dividend Aristocrats is a stock market index composed of the companies in the S&P 500 index that have increased their dividends in each of the past 25 consecutive years.

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.

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.

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.