

# HARBOR DISRUPTIVE INNOVATION ETF

## CHARACTERISTICS & ALLOCATION

As of 03/31/2024

Portfolio Characteristics				Economic Sectors			
	Portfolio	Bench 1	Bench 2		Portfolio %	Bench 1 %	Bench 2 %
Number of Holdings	88	503	1,504	Information Technology	45.72	29.58	42.87
Wtd Avg Market Cap (\$Mil)	379,986.20	803,920.60	1,157,325.20	Health Care	24.93	12.43	10.93
Median Market Cap (\$Mil)	26,088.00	35,418.00	2,342.00	Financials	8.53	13.11	6.33
Price/Book Ratio	9.37	8.12	13.12	Consumer Discretionary	8.52	10.34	14.63
Adjusted Trailing P/E Ratio	52.00	31.10	38.10	Industrials	4.16	8.78	6.40
% EPS Growth - Past 3 Yr	20.20	23.80	27.50	Communication Services	3.07	8.94	11.50
Est 3-5 Yr EPS Growth Rate (%)	12.00	13.80	17.20	Materials	2.40	2.37	0.85
Return on Equity (%)	15.55	25.78	31.35	Energy	0.00	3.97	0.67
Forecasted P/E Ratio	43.20	25.40	29.20	Utilities	0.00	2.20	0.12
				Real Estate	0.00	2.28	0.83
				Consumer Staples	0.00	5.96	4.03

Top 10 Holdings				Top 10 Industries			
	Portfolio %	Bench 1 %	Bench 2 %		Portfolio %	Bench 1 %	Bench 2 %
Microsoft Corporation	4.84	7.09	11.35	Software	23.26	10.70	17.95
Lam Research Corporation	3.77	0.29	0.44	Semiconductors	15.46	10.24	13.17
ServiceNow Inc.	2.86	0.35	0.56	Biotechnology	14.80	1.93	2.63
ASML Holding NV	2.77	0.00	0.00	Financial Services	6.04	4.28	3.92
Advanced Micro Devices Inc.	2.54	0.66	0.60	It Services	5.95	1.17	1.45
Progressive Corporation	2.49	0.27	0.33	Life Sciences Tools	4.86	1.42	1.22
NVIDIA Corporation	2.49	5.06	7.78	Broadline Retail	4.57	3.82	6.01
Cadence Design Systems Inc.	2.45	0.19	0.30	Hotels Rest & Leisure	3.68	2.04	2.87
MercadoLibre Inc.	2.42	0.00	0.00	Health Care Equip	3.33	2.57	1.78
Linde plc	2.40	0.51	0.08	Interactive Media	2.77	6.16	10.04
<b>Total</b>	<b>29.03</b>	<b>14.42</b>	<b>21.44</b>	<b>Total</b>	<b>84.72</b>	<b>44.33</b>	<b>61.04</b>

Market Capitalization		
		Portfolio %
Large	Above 25.0B	68.07
	10.0B - 25.0B	10.69
Mid	5.0B - 10.0B	6.85
	1.0B - 5.0B	8.88
Small	0.0 - 1.0B	2.83

Harbor Capital Advisors, Inc.

Manager Since 12/01/2021

**Ticker:** INNO  
**CUSIP:** 41151J307  
**Net Expense Ratio:** 0.75%  
**Gross Expense Ratio:** 0.75%  
**Total Net Assets:** \$34,220,919  
**Benchmark 1 Name:** S&P 500 Index  
**Benchmark 2 Name:** Russell 3000® Growth Index

### Portfolio Managers



Spenser Lerner, CFA



Kristof Gleich, CFA

### Investment Philosophy

The Fund invests primarily in equity securities, principally common and preferred stocks of all cap companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in securities of U.S. domiciled companies. The Fund employs a multi-manager approach to achieve its investment objective. As the Fund's investment advisor, Harbor Capital Advisors, Inc. ("Harbor Capital") assumes responsibility of selecting and overseeing underlying managers for the Fund. Each underlying manager is responsible for submitting a model portfolio to Harbor Capital which the portfolio managers will implement in their discretion. The Fund seeks to invest in companies that are innovative and disruptive. The Fund defines innovation and disruption by those companies that are generating secular growth - that growth is typically tied to accelerating shifts in the global economy. The Fund may invest up to 20% of its total assets in the securities of foreign issuers, including issuers located or doing business in emerging markets.

# Harbor Disruptive Innovation ETF



## PERFORMANCE

As of 03/31/2024

### Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor Disruptive Innovation ETF (NAV)	12.57%	12.57%	28.96%	N/A	N/A	N/A	-8.39%	12/01/2021
Harbor Disruptive Innovation ETF (Market)	12.79%	12.79%	29.22%	N/A	N/A	N/A	-8.35%	12/01/2021
S&P 500 Index	10.56%	10.56%	29.88%	N/A	N/A	N/A	8.46%	12/01/2021
Russell 3000® Growth Index	11.23%	11.23%	37.95%	N/A	N/A	N/A	6.54%	12/01/2021

## MANAGER COMMENTARY

As of 03/31/2024

**"The first quarter's strong rally raises the bar for the earnings and growth expectations needed to continue the advance."**

Harbor Multi-Assets Solutions Team

### Market in Review

The first quarter of 2024 defied the cautious whispers of many investors' year-end outlooks, as the resilience and vigor of the U.S. equity markets were once again on full display. The quarter unfurled as a period of substantial stock gains with indexes such as the S&P 500 surging to its best start since 2019 and achieving new all-time highs. The strong returns underscored the market's bullish sentiment, which was propelled by the combination of robust earnings growth from artificial intelligence ("AI")-themed market leaders and dovish commentary from the U.S. Federal Reserve ("Fed"). Under the surface of the strong rally was a broadening market advance, which included more speculative pockets of AI-related optimism, but, importantly, also witnessed strength in the Energy, Industrials, and Financials sectors.

### Portfolio Performance

During the quarter, the Harbor Disruptive Innovation ETF ("ETF") returned 12.57% (NAV), outperforming its primary benchmark, the S&P 500 Index, which returned 10.56%, and the Russell 3000® Growth Index, which returned 11.23%.

From a sector perspective, relative weakness within Information Technology outweighed relative strength within Consumer Discretionary.

Common factors provided a tailwind to relative performance during the quarter. From a factor perspective, the ETF's overweight to momentum provided a tailwind to relative performance. This was partially offset by a headwind from the ETF's overweight exposure to volatility and underweight exposure to size.

**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.

# Harbor Disruptive Innovation ETF



## MANAGER COMMENTARY

As of 03/31/2024

### Contributors & Detractors

NVIDIA Corporation, a semi-conductor company serving gaming, data center, and AI end markets, was the top absolute performer during the quarter. NVIDIA has continued to outperform the broader market as an AI leader. The company continues to launch new products, and near-term supply/demand still seems healthy and robust. Meta Platforms, operator of Facebook, the largest social media platform, also had strong absolute performance as fourth quarter 2023 results and first quarter 2024 revenue guidance beat high expectations. Management also announced a dividend, which broadens Meta's potential investor base. We continue to believe that Meta could be an AI winner, a political ad spend beneficiary, and a new product cycle should drive ongoing market share gains.

Tesla, a global electric vehicle ("EV") manufacturer, was the weakest absolute performer during the period. The stock was sold off on soft fourth quarter results coupled with weaker-than-expected sell-through data and incremental promotional activity ahead of first quarter deliveries.

Mural Oncology, a novel immunotherapy company for the treatment of cancer, also had weak absolute performance. Mural is a spin out from Alkermes' oncology business, and given lack of catalysts, initial spin price, and the shareholder base in Alkermes, shares were sold aggressively following the spin-off. We exited our position as we lacked confidence in its trial readout next year.

### Buys & Sells

During the quarter, we purchased DraftKings, a digital sports betting company with strong market share and accelerating momentum in the rapidly growing online sports betting market. As promotional activity and marketing spend become more rational, free cash flow and profitability have inflected more positively, and we believe it should continue to grow as market penetration matures and brand awareness becomes more commonplace. Additionally, we believe increasing state approvals should serve as an option-like kicker for additional upside.

During the quarter, we sold Splunk, a software platform to help organizations gain real-time operational intelligence by harnessing the value of machine data, after news was announced that the company was being acquired by Cisco at a 31% premium.

### Sector Overweights & Underweights

It is important to remember that the Disruptive Innovation strategy is not a benchmark-driven strategy, but the S&P 500 Index serves as a broad market proxy. We take a bottom-up, fundamental approach when identifying securities for inclusion within the strategy, and sector exposures are the result of our fundamental conviction in individual companies.

The Information Technology sector was the ETF's largest overweight relative to the index entering the year and continues to be the largest overweight as of March 31, 2024. We continue to believe that the sector houses some of the best businesses with large total addressable markets and strong management teams. During the quarter, we purchased three new holdings within the sector, including Bentley Systems, Procore Technologies, and SAP.

The Financials sector represented the ETF's largest underweight at the end of 2023 and continues to be the largest underweight relative to the benchmark as of March 31, 2024, as we have no exposure to the sector and are finding better growth opportunities across other sectors.

# Harbor Disruptive Innovation ETF



## MANAGER COMMENTARY

As of 03/31/2024

### Outlook

The first quarter's strong rally raises the bar for the earnings and growth expectations needed to continue the advance. Amid the cheer of broadening equity participation lies a nuanced tale of economic indicators and policy developments that suggests a path laden with both opportunities and challenges. The market's rally, despite a recalibration of expectations around the Fed's monetary policy, underscores a fundamental confidence in the resilience of the U.S. economy, buoyed by strong GDP growth and labor market dynamics. However, the shadows cast by persistent core services inflation, uncertain AI implementation outcomes, and regulatory scrutiny remind us of the complex landscape that investors must traverse. Moving forward, the dual imperatives of seizing growth opportunities, while managing risks associated with persistent inflation, will likely define the strategic contours of our investment decisions for the foreseeable future. Given this backdrop, we believe clients' portfolios should continue to benefit from our balanced approach to the ETF's construction – one that harmonizes the pursuit of growth with a prudent acknowledgment of the risks that lie ahead.

# Harbor Disruptive Innovation ETF

## QUARTERLY ATTRIBUTION

As of 03/31/2024



### Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
AVIDITY BIOSCIENCES INC	0.49	181.99
NVIDIA CORP	1.90	82.47
IOVANCE BIOTHERAPEUTICS INC	0.81	82.29
KYMERA THERAPEUTICS INC	0.56	57.90
C4 THERAPEUTICS INC	0.59	44.60

Worst Performers	Average Weight %	Return % (NAV)
REPARE THERAPEUTICS INC	0.30	-35.48
DADA NEXUS LTD-ADR	0.39	-34.34
TESLA INC	0.56	-29.25
INSULET CORP	0.30	-21.01
SMARTSHEET INC-CLASS A	0.81	-19.49

### Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
NVIDIA CORP	82.47	1.15
ADVANCED MICRO DEVICES	22.44	0.99
LAM RESEARCH CORP	24.30	0.76
ASML HOLDING NV	28.19	0.69
PROGRESSIVE CORP	30.50	0.67
<b>Total</b>		<b>4.25</b>

Greatest Detractors	Return % (NAV)	Contribution to Return %
DADA NEXUS LTD-ADR	-34.34	-0.45
TESLA INC	-29.25	-0.21
ROCKET PHARMACEUTICALS INC	-10.11	-0.21
SNOWFLAKE INC-CLASS A	-18.79	-0.20
SMARTSHEET INC-CLASS A	-19.49	-0.18
<b>Total</b>		<b>-1.24</b>

# Harbor Disruptive Innovation ETF



## ATTRIBUTION

As of 03/31/2024

### Quarterly Attribution:

#### Harbor Disruptive Innovation ETF vs S&P 500 Index

##### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	12.80	10.56	2.24
Currency Contribution	-0.16	0.00	-0.16
<b>Total Return</b>	<b>12.63</b>	<b>10.56</b>	<b>2.08</b>

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
Financials	8.99	12.98	-3.99	23.63	12.46	11.17	1.96	1.59	-0.10	0.98	0.87
Consumer Discretionary	9.85	10.47	-0.63	10.31	4.98	5.33	1.10	0.51	0.08	0.51	0.60
Health Care	22.81	12.68	10.13	13.15	8.85	4.30	2.62	1.15	-0.19	0.73	0.54
Industrials	3.56	8.68	-5.12	22.04	10.97	11.06	0.72	0.93	-0.02	0.37	0.36
Real Estate	0.00	2.36	-2.36	0.00	-0.55	0.55	0.00	-0.03	0.28	0.00	0.28
Utilities	0.00	2.21	-2.21	0.00	4.57	-4.57	0.00	0.09	0.13	0.00	0.13
Materials	2.36	2.31	0.05	13.38	8.95	4.44	0.30	0.19	0.00	0.10	0.10
Information Technology	46.35	29.57	16.78	12.00	12.69	-0.69	5.77	3.78	0.38	-0.29	0.09
Energy	0.00	3.80	-3.80	0.00	13.69	-13.69	0.00	0.49	-0.14	0.00	-0.14
Communication Services	2.94	8.89	-5.96	20.00	15.82	4.18	0.58	1.39	-0.29	0.12	-0.18
Consumer Staples	0.39	6.06	-5.67	-34.34	7.52	-41.86	-0.45	0.46	0.16	-0.43	-0.27
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>12.63</b>	<b>10.56</b>	<b>2.08</b>	<b>12.63</b>	<b>10.56</b>	<b>-0.01</b>	<b>2.08</b>	<b>2.08</b>

### Quarterly Attribution:

#### Harbor Disruptive Innovation ETF vs Russell 3000® Growth Index

##### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	12.80	11.23	1.57
Currency Contribution	-0.16	0.00	-0.16
<b>Total Return</b>	<b>12.63</b>	<b>11.23</b>	<b>1.41</b>

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
Financials	8.99	6.38	2.62	23.63	10.89	12.74	1.96	0.70	-0.01	1.08	1.06
Consumer Discretionary	9.85	14.88	-5.03	10.31	5.31	5.00	1.10	0.75	0.33	0.47	0.80
Industrials	3.56	6.43	-2.86	22.04	10.23	11.81	0.72	0.63	0.06	0.40	0.46
Health Care	22.81	11.25	11.55	13.15	10.89	2.27	2.62	1.24	-0.05	0.31	0.27
Real Estate	0.00	0.90	-0.90	0.00	-1.90	1.90	0.00	-0.03	0.13	0.00	0.13
Materials	2.36	0.85	1.52	13.38	9.96	3.43	0.30	0.08	-0.02	0.08	0.06
Energy	0.00	0.65	-0.65	0.00	7.66	-7.66	0.00	0.04	0.02	0.00	0.02
Utilities	0.00	0.11	-0.11	0.00	3.39	-3.39	0.00	0.00	0.01	0.00	0.01
Information Technology	46.35	43.15	3.20	12.00	12.78	-0.78	5.77	5.54	0.06	-0.35	-0.28
Consumer Staples	0.39	4.09	-3.70	-34.34	9.22	-43.55	-0.45	0.38	0.07	-0.46	-0.39
Communication Services	2.94	11.33	-8.39	20.00	17.12	2.88	0.58	1.90	-0.47	0.08	-0.40
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>12.63</b>	<b>11.23</b>	<b>1.41</b>	<b>12.63</b>	<b>11.23</b>	<b>-0.21</b>	<b>1.61</b>	<b>1.41</b>

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

# Harbor Disruptive Innovation ETF



## IMPORTANT INFORMATION

### 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. Since the Fund may hold foreign securities, it may be subject to greater risks than funds invested only in the U.S. Investing in REITs will subject the Fund to additional risk. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions.

Companies that the adviser and sub-adviser believe create and capitalize on disruptive innovation and developing technologies to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. The Fund may invest in a company that does not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that a company will derive any revenue from disruptive innovations or technologies in the future.

### Benchmarks

The Russell 3000® Growth Index measures the performance of the broad growth segment of the US equity universe. It includes Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted. The Standard & Poor's 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. These unmanaged indices do not reflect fees and expenses and are not available for direct investment. The Russell 3000® 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](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

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

# Harbor Disruptive Innovation 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.

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

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

% 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.