

HARBOR COMMODITY ALL-WEATHER STRATEGY ETF

Quantix Commodities LP

Subadvisor Since 02/09/2022

Investment Philosophy

The Harbor Commodity All-Weather Strategy ETF (HGER) seeks to provide investment results that correspond, before fees and expenses, to the performance of the Quantix Commodity Index (the "Index"). The Index is composed of futures contracts on physical commodities and is constructed using Quantix's proprietary quantitative methodology, which considers a commodity's relative inflation sensitivity and the relative cost of holding a "rolling" futures position in the commodity (as described below).

Under normal market conditions, the Index contains at least 15 U.S. dollar-denominated commodity futures traded on exchanges in the United States and United Kingdom. A commodity futures contract is a legal agreement to buy or sell a particular commodity (for example, metals, oil or agricultural products) at a predetermined price at a specified time in the future.

Portfolio Managers



Matthew Schwab

Ticker: HGER
CUSIP: 41151J505
Net Expense Ratio: 0.68%
Gross Expense Ratio: 0.68%
Total Net Assets: \$195,770,079
Benchmark 1 Name: Quantix Commodity Total Return Index
Benchmark 2 Name: Bloomberg Commodity Index Total Return(SM)

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 Commodity All-Weather Strategy ETF (NAV)	1.72%	7.71%	13.50%	N/A	N/A	N/A	8.46%	02/09/2022
Harbor Commodity All-Weather Strategy ETF (Market)	1.58%	7.40%	13.27%	N/A	N/A	N/A	8.43%	02/09/2022
Quantix Commodity Total Return Index	1.57%	7.85%	14.40%	N/A	N/A	N/A	9.89%	02/09/2022
Bloomberg Commodity Index Total Return(SM)	2.89%	5.14%	5.00%	N/A	N/A	N/A	0.65%	02/09/2022

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.

WEIGHTS

As of 06/30/2024

Commodity Sector Weights				
Commodity Sector	Commodity	Ticker	Facility	Daily Weight %
Precious	Gold	GCZ4	CME	30.59
Petroleum	Gasoil	QSU4	ICE	12.07
Petroleum	Heating Oil	HOU4	CME	7.40
Petroleum	RBOB Gasoline	XBU4	CME	7.07
Petroleum	Brent Crude Oil	COX4	ICE	6.53
Softs	Sugar	SBV4	ICE	3.91
Grains And Soybean Products	Corn	C U4	CME	3.42
Grains And Soybean Products	Soybeans	S X4	CME	3.32
Industrial	Zinc	LXU4	LME	2.58
Softs	Coffee	KCU4	ICE	2.35
Industrial	Aluminum	LAU24	LME	2.33
Industrial	Comex Copper	HGU4	CME	2.33
Natural Gas	Natural Gas	NGU24	CME	2.30
Industrial	Nickel	LNU4	LME	2.21
Grains And Soybean Products	Kansas Wheat	KWU4	CME	2.05
Softs	Cotton	CTZ4	ICE	2.03
Grains And Soybean Products	Wheat	W U4	CME	2.03
Grains And Soybean Products	Bean Oil	BOZ4	CME	1.98
Grains And Soybean Products	Soymeal	SMZ4	CME	1.95
Softs	Cocoa	CCU4	ICE	1.54

Harbor Commodity All-Weather Strategy ETF



MANAGER COMMENTARY

As of 06/30/2024

"Artificial intelligence ("AI") has emerged as a common theme that is central to the best performers across both asset classes, reinforcing the awakening commodity bull market."

Quantix Commodities

Market in Review

The second quarter of 2024 featured record-breaking prices across multiple asset classes. While much attention has been focused on the historic rise in equity markets, several commodities also rose to all-time highs over the past several months. Artificial intelligence ("AI") has emerged as a common theme that is central to the best performers across both asset classes, reinforcing the awakening commodity bull market. While broad-based commodity indexes were modestly positive over the second quarter, some notable dispersion masked powerful bullish themes that are driving many commodity prices higher. For example, Gold, Cocoa, and Copper have all made all-time highs in the past three months.

Gold continued to benefit from the de-dollarization of central bank reserves. Investors' confidence in the U.S. dollar continues to erode, and with no foreseeable end to ever-increasing and expanding U.S. deficits, there is a mounting argument for a long-term structural rally in Gold. On top of that, there is now potential for the U.S. Federal Reserve ("Fed") to begin to cut rates, likely bringing the retail buyer back into Gold and Precious Metals more broadly, adding another catalyst for prices to potentially increase.

Cocoa has had an astonishing rally to record prices in 2024, principally driven by low supply in a highly inelastic market. The drought that ravaged Western Africa, an area that accounts for more than 60% of the global production of cocoa, is a poignant reminder of how climate change can inject higher volatility into various commodity markets. Climate change is even more prominent in "tree"-based agricultural products (such as cocoa and orange juice), which can take years to recover from a weather event relative to row crops (such as corn and wheat), which are more capable of responding to favorable weather in the following season.

Lastly, Copper has been the beneficiary of anticipated demand growth from both the energy transition and AI. Similar to the Internet gaining widespread popularity in the late '90s and early 2000s, AI has the potential to revolutionize the world. As an investible theme in commodities, AI potentially has greater certainty of impact; while the long-term, legal commitment to the energy transition remains firm, the short-term implementation can waiver according to the politics of the day, as seen in Europe when natural gas and power prices spiked after the Ukraine invasion. On the other hand, the infrastructure spending and buildout for AI is happening in the immediate term.

Natural Gas was also up, bouncing from low levels on promises of production cuts. The return of the BCOM Natural Gas subindex was only up 12%, demonstrating the significant impact of roll yield (Roll yield is the return from adjusting a futures position from one futures contract to a longer-dated contract) in the commodity.

The Grains sector detracted during the quarter, as a series of bearish World Agricultural Supply and Demand Estimates reports highlighted the ample supply of this crop year. The Petroleum sector was also modestly negative, as Crude Oil prices shook off the geopolitical risk premium and traded within a range.

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Harbor Commodity All-Weather Strategy ETF



MANAGER COMMENTARY

As of 06/30/2024

Portfolio Performance

The Harbor Commodity All-Weather Inflation Focus ETF ("ETF") is a passive ETF that aims to track the Quantix Commodity Index ("QCI"). For the second quarter, the ETF had a total return of 1.72% (NAV), tracking the QCI's return of 1.57% after accounting for fees and expenses and underperforming the broad commodity markets. The Bloomberg Commodity Index ("BCOM") was up 2.89% for the quarter.

The biggest impact on absolute performance during the quarter was the continued rally in Gold, the biggest single holding and contributor to returns, which led Precious Metals to be the biggest sector contributor. The Industrial Metals sector was the next biggest contributor on a sector basis, led by Zinc and Copper, while the Grains and Petroleum sectors detracted from returns.

On a relative basis to broad commodity indexes, the ETF underperformed BCOM primarily in Natural Gas (where the ETF is relatively underweight) and the Softs sector (by having a relatively higher weight across the sector). In Precious Metals, the ETF outperformed BCOM on a relative basis, where an overweight in Gold was partially offset by an underweight in Silver.

Contributors & Detractors

On a sector basis, the Precious Metals and Industrial Metals sectors contributed positively, along with Natural Gas; however, this was offset by Grains, Petroleum, and the Softs detracting from performance.

The biggest individual contributor to performance was the biggest individual position, Gold, as U.S. inflation continued to soften and prompted speculation about interest rate cuts. Other individual contributors included Zinc and Copper, as energy transition and AI demand drove a rally in Industrial Metals.

The Grains sector was the biggest detractor, with all six commodities down on further evidence of ample supply.

Gold was the largest holding in QCI during the second quarter, as the debasement (debasement refers to lowering the value of a currency) theme continues to be more important than the scarcity (scarcity is when the demand for a good or service is greater than the availability of the good or service) theme.

Buys & Sells

The ETF aims to track the QCI, which rebalances on a quarterly basis. During rebalances, the index methodology considers the latest inflation data and the cost to hold and roll (adjust a short-term contract into a longer-term contract) each commodity. It also considers whether inflation is more likely to come from a scarcity or debasement environment and adjusts the weight of Gold relative to consumable commodities accordingly.

In the first quarter 2024 rebalance (calculated in March 2024 and implemented in the roll in the first half of April 2024), the weight of the Precious Metals sector decreased as Gold moved away from its maximum weight after one of the three scarcity/debasement triggers moved from debasement to scarcity. This additional weight mainly went into the Softs and Petroleum sectors, and Natural Gas entered the QCI for the first time since 2020 at the minimum weight of 2%.

There was a change in the scarcity debasement indicator, with one of the three signals switching to point to scarcity while the remaining two continued to point at debasement.

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Harbor Commodity All-Weather Strategy ETF



MANAGER COMMENTARY

As of 06/30/2024

Outlook

The QCI has a prescriptive, rules-based methodology and does not incorporate any discretionary views from Quantix.

Overall, Quantix remains constructive on some of the themes that drove commodity prices in the second quarter. We remain very constructive on Gold, as it appears that official sector buying is ongoing. There is also the potential for the Fed to finally begin to cut rates, likely bringing the retail buyer back into Gold and Precious Metals more broadly and adding another catalyst for prices to potentially increase.

It is increasingly apparent that commodity markets are reacting to a variety of significant investment phenomena. Inflation, the energy transition, and now AI are some of the most relevant examples of forces that may create substantial investment opportunities. We believe the AI theme is more likely to have a near-term impact than a longer-term theme, such as the energy transition.

The corporations key to enabling AI will likely outperform those that are not. More relevant for commodity investors is that the commodities necessary for AI (such as power, conducting metals, and fiber) will likely outperform those whose supply potentially benefits from using it (such as agriculture).

Finally, there is increasing focus on the potential effect that the U.S. election in November may have on commodity markets. While both the politics and the policies are fluid, there may be increased volatility between now and then.

Harbor Commodity All-Weather Strategy ETF



ATTRIBUTION

As of 06/30/2024

Commodity Attribution

Index Start	QCIER	BCOM ER
	3/31/2024	3/31/2024
End	6/30/2024	6/30/2024
WTI Crude Oil	0.00%	-0.01%
Brent Crude Oil	-0.01%	-0.01%
Heating Oil	-0.32%	-0.08%
Gasoil	-0.33%	-0.06%
Gasoline	-0.30%	-0.15%
Ethanol	0.00%	0.00%
Henry Hub	0.14%	0.76%
TTF Gas	0.00%	0.00%
UK Gas	0.00%	0.00%
Corn	-0.44%	-0.60%
Wheat	-0.08%	-0.09%
Kansas Wheat	-0.02%	-0.02%
Soybeans	-0.25%	-0.33%
Soymeal	-0.02%	0.02%
Beanoil	-0.25%	-0.34%
Cocoa	-0.31%	0.00%
Cotton	-0.34%	-0.38%
Coffee	0.16%	0.62%
Sugar	-0.26%	-0.24%
Feeder Cattle	0.00%	0.00%
Live Cattle	0.00%	0.14%
Lean Hogs	0.00%	-0.30%
Aluminum	0.19%	0.24%
Nickel	0.12%	0.05%
Zinc	0.53%	0.43%
LME Copper	0.00%	0.00%
CME Copper	0.34%	0.50%
Lead	0.00%	0.05%
Gold	1.66%	0.54%
Silver	0.00%	0.76%
Platinum	0.00%	0.00%
Palladium	0.00%	0.00%
CA Carbon	0.00%	0.00%
EU Carbon	0.00%	0.00%
INDEX RETURN	0.21%	1.51%

Commodity Sector Attribution

Index Start	QCIER	BCOM
	3/31/2024	3/31/2024
End	6/30/2024	6/30/2024
Petroleum	-0.96%	-0.30%
Natural Gas	0.14%	0.76%
Grains	-1.07%	-1.37%
Softs	-0.75%	0.00%
Livestock	0.00%	-0.16%
Ind. Metals	1.19%	1.27%
Pre. Metals	1.66%	1.30%
Emissions	0.00%	0.00%

QCIER – Quantix Commodity Index Excess Return

BCOM – Bloomberg Commodity Index

Exhibits above show Quantix Commodity Excess Return Index, reflecting commodity exposure of the index. Quantix Commodity Index Total Return would reflect commodity exposure plus the cash return.

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

Harbor Commodity All-Weather Strategy 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. A non-diversified Fund may invest a greater percentage of its assets in securities of a single issuer, and/or invest in a relatively small number of issuers, it is more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio.

Commodity Risk: The Fund has exposure to commodities through its and/or the Subsidiary's investments in commodity linked derivative instruments.

Authorized Participant Concentration/Trading Risk: Only authorized participants ("APs") may engage in creation or redemption transactions directly with the Fund.

Commodity- Linked Derivatives Risk: The Fund's investments in commodity-linked derivative instruments (either directly or through the Subsidiary) and the tracking of an Index comprised of commodity futures may subject the Fund to significantly greater volatility than investments in traditional securities.

Benchmarks

The Quantix Commodity Total Return Index ("QCI") is calculated on a total return basis, which combines the returns of the futures contracts with the returns on cash collateral invested in 13-week U.S. Treasury Bills. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Quantix Commodity Index was developed by Quantix Commodities LP and is owned by Quantix Commodities Indices LLC.

The Bloomberg Commodity Index measures the performance of future contracts on physical commodities which traded on US exchanges and London Metal Exchange. The commodity weightings are based on production and liquidity, subject to weighting restrictions applied annually. This unmanaged index 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.

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.

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.

Quantix derives a Quality Score for each commodity based on Inflation Sensitivity and Roll Yield Return. The Quality Score is determined based on the sensitivity of a commodity futures contract to inflation. The Quality Scores rank higher those commodity futures contracts in the Eligible Universe that show a higher sensitivity to inflation or a lower cost of holding a rolling futures position using a proprietary Quality Score framework.

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.

Quantix Commodities LP ("Quantix") is a third-party subadvisor to the Harbor Commodity All-Weather Strategy ETF.

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

Definitions

Roll is adjusting a short-term contract into a longer-term contract.

Scarcity is when the demand for a good or service is greater than the availability of the good or service.

Debasement refers to lowering the value of a currency.

Backwardation is when the current price of an underlying asset is higher than prices trading in the futures market.

Roll yield is the return from adjusting a futures position from one futures contract to a longer-dated contract.