

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: \$133,300,675
Benchmark 1 Name: Quantix Commodity Total Return Index
Benchmark 2 Name: Bloomberg Commodity Index Total Return(SM)

WEIGHTS

As of 03/31/2024

Commodity Sector Weights				
Commodity Sector	Commodity	Ticker	Facility	Daily Weight %
Precious	Gold	GCM4	CME	40.84
Petroleum	Gasoil	QSN4	ICE	10.78
Petroleum	RBOB Gasoline	XBN4	CME	6.81
Petroleum	Heating Oil	HON4	CME	6.54
Petroleum	Brent Crude Oil	CON4	ICE	6.17
Industrial	Comex Copper	HGN4	CME	4.60
Industrial	Nickel	LNN4	LME	3.34
Industrial	Zinc	LXN4	LME	3.29
Industrial	Aluminum	LAN24	LME	3.25
Grains And Soybean Products	Corn	C N4	CME	2.78
Grains And Soybean Products	Soybeans	S N4	CME	2.42
Grains And Soybean Products	Bean Oil	BON4	CME	2.06
Softs	Sugar	SBN4	ICE	1.98
Grains And Soybean Products	Kansas Wheat	KWN4	CME	1.73
Grains And Soybean Products	Soymeal	SMN4	CME	1.71
Grains And Soybean Products	Wheat	W N4	CME	1.70

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 Commodity All-Weather Strategy ETF (NAV)	5.89%	5.89%	7.25%	N/A	N/A	N/A	8.62%	02/09/2022
Harbor Commodity All-Weather Strategy ETF (Market)	5.73%	5.73%	7.23%	N/A	N/A	N/A	8.66%	02/09/2022
Quantix Commodity Total Return Index	6.18%	6.18%	8.71%	N/A	N/A	N/A	10.29%	02/09/2022
Bloomberg Commodity Index Total Return(SM)	2.19%	2.19%	-0.56%	N/A	N/A	N/A	-0.61%	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.

Harbor Commodity All-Weather Strategy ETF



MANAGER COMMENTARY

As of 03/31/2024

"After a muted start to 2024, commodity markets recovered to end the quarter higher, with high dispersion between the sectors."

Quantix Commodities

Market in Review

The first quarter of 2024 was largely a continuation of the same themes and macroeconomic environment that dominated 2023. Equity markets continued to make new highs, rate cuts remained perpetually two months away, and commodity markets were relatively steady before a decisive move higher at the end of the quarter.

The reality of a surprisingly robust U.S. economy and signs of improved manufacturing activity in Europe and China have some market observers now placing a higher probability on a "no-landing" scenario (at least for the foreseeable future). This has significant bullish implications for commodity markets, as inventories in many sectors are still historically low and investor interest (until very recently) is still relatively light.

Crucially, stubbornly high Consumer Price Index ("CPI") prints have accompanied the stronger-than-expected economy, not only putting the U.S. Federal Reserve on hold but also raising the threat of another bout of higher inflation. While central bank policy is obviously a major driver for fixed income markets, the effect of policy decisions on commodity markets should also not be overlooked. Like other asset classes, commodity market prices are a function of fundamental and technical factors, but most observers tend to focus on supply and demand factors.

After a muted start to 2024, commodity markets recovered to end the quarter higher, with high dispersion between the sectors. The Petroleum sector was the standout performer – with the BCOM Petroleum subindex that tracks the return of the petroleum sector up ~15% – as tighter inventories and geopolitical risk premiums powered the price of Crude Oil higher, and the backwardation in the futures curve added positively to returns. Precious Metals were also higher during the quarter, with Gold hitting record highs likely due to continued official sector buying. The low level of implied volatility is another indicator that the rally might not be driven by speculators.

Natural Gas was the biggest detractor on a sector basis, down ~30% for the quarter. Warm weather early in the quarter and high levels of production led to the cold snap later in the quarter being too little, too late for prices. The Grains sector was also down during the quarter, with every single commodity down on higher-than-expected supply.

Portfolio Performance

The Harbor Commodity All-Weather Inflation Focus ETF ("ETF") is a passive ETF that aims to track the Quantix Commodity Index ("QCI"). The ETF had a total return of 5.89% (NAV) for the first quarter, tracking the QCI's return of 6.18% after accounting for fees and expenses and outperforming the broad commodity markets, with the Bloomberg Commodity Index ("BCOM") returning 2.19% 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. The Petroleum sector was the biggest contributor on a sector basis, led by products such as Gas Oil and RBOB Gasoline.

On a relative basis to broad commodity indexes, the ETF outperformed BCOM primarily in Natural Gas (where it avoided losses by having no positions) and Precious Metals (by having a significantly bigger weight in Gold). On a relative basis, the ETF outperformed BCOM in Livestock, where it held no position.

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Harbor Commodity All-Weather Strategy ETF



MANAGER COMMENTARY

As of 03/31/2024

Contributors & Detractors

On a sector basis, the Petroleum sector added more than three quarters of the positive performance, with Precious Metals and Softs also contributing positively. Grains, along with Industrial Metals, was the biggest detractor from performance.

The biggest individual contributor to performance was the biggest individual position, Gold, as suspected continued official sector buying propelled the yellow metal to all-time highs. The other largest holdings, Heating Oil and RBOB Gasoline, were also the biggest contributors to performance, as tight inventories continued to keep prices high and futures curves in backwardation.

Gold was the largest holding in QCI during the first quarter, as the debasement theme continues to be more important than the scarcity theme. The yellow metal outperformed with the strongest individual commodity performance due to suspected strong central bank buying, a continuation of the theme from 2023.

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, as well as the cost to hold and roll 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 fourth quarter 2023 rebalance (calculated in December 2023 and implemented in the roll in the first half of January 2024), the weight of the Precious Metals sector increased, as Gold moved to its maximum weight of 40% with all three scarcity/debasement triggers pointing to debasement. This increase was mainly funded by Petroleum (Brent Crude Oil and Heating Oil), Softs (Cotton), and Industrial Metals (various).

There was a change in the scarcity debasement indicator, with the third signal switching to point to debasement.

These weight changes are primarily reflective of the change in the scarcity debasement indicator.

Outlook

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

Government policy has had a significant effect on the Petroleum sector. When it comes to policy, OPEC is the 800-pound gorilla in the market – for the past 18 months, the organization has kept supply off global markets, providing a bullish tailwind for prices. However, other examples of government policy have also been supportive of prices, including the use of sanctions. U.S. sanctions against Russia, Venezuela, and Iran have not only increased the costs but discouraged future investment in these oil-rich geographies. With the advent of Shale Oil and greater U.S. energy independence, even the strategic petroleum reserves have been deployed as a price tool and for energy security. While releases were effective in softening oil prices after the 2022 Russian invasion of Ukraine, inventories were never fully refilled to allow for similar relief should another bout of geopolitical unrest be ahead of us.

Over the longer term, we believe the U.S. Natural Gas balances will tighten as liquid natural gas (“LNG”) facilities come online. A recent pick up in Asian LNG demand has continued to draw cargoes. In the short term, the market remains prone to too much supply weighing on prices.

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MANAGER COMMENTARY

As of 03/31/2024

We remain very constructive on Gold. While the correlation with real (and nominal) yields has largely broken down, it appears that the consistent official sector buying has helped propel Gold prices to recent all-time highs and can continue to do so. This is, in effect, a targeted policy of nation states to de-dollarize their reserves, which could be a long-lasting trend. The low level of implied volatility indicates that there is also some room for speculators to participate in the rally.

We continue to believe that we are more likely to see true scarcity in the Industrial Metals sector (and in Copper) than any other due to lack of supply and robust demand in certain commodities. Historically low inventory levels met with sparks of increased demand throughout the quarter, leading to a significant rally. These general demand elements are supplemented with strong energy transition demand in addition to supply concerns related to significant mine closures.

In the latest QCI rebalance in March 2024, the index moved away from debasement, decreasing the Gold weight from its maximum holding of 40%. This was due to one of the three macroeconomic signals, which aim to take into account the economic environment and whether inflation is likely to be driven by scarcity or debasement, moving toward scarcity and away from debasement.

Harbor Commodity All-Weather Strategy ETF



ATTRIBUTION

As of 03/31/2024

Commodity Attribution

Index	QCIER	BCOM ER
Start	12/29/2023	12/29/2023
End	3/31/2024	3/31/2024
WTI Crude Oil	0.00%	1.15%
Brent Crude Oil	0.77%	1.03%
Heating Oil	0.83%	0.24%
Gasoil	1.18%	0.45%
Gasoline	1.03%	0.39%
Ethanol	0.00%	0.00%
Henry Hub	0.00%	-2.28%
TTF Gas	0.00%	0.00%
UK Gas	0.00%	0.00%
Corn	-0.28%	-0.46%
Wheat	-0.25%	-0.31%
Kansas Wheat	-0.17%	-0.14%
Soybeans	-0.27%	-0.50%
Soymeal	-0.25%	-0.38%
Beanoil	-0.02%	-0.05%
Cocoa	0.00%	0.00%
Cotton	0.00%	0.19%
Coffee	0.00%	0.05%
Sugar	0.21%	0.37%
Feeder Cattle	0.00%	0.00%
Live Cattle	0.00%	0.27%
Lean Hogs	0.00%	0.24%
Aluminum	-0.21%	-0.17%
Nickel	-0.02%	0.00%
Zinc	-0.37%	-0.26%
LME Copper	0.00%	0.00%
LME Copper	0.09%	0.12%
Lead	0.00%	0.00%
Gold	2.54%	0.81%
Silver	0.00%	0.10%
Platinum	0.00%	0.00%
Palladium	0.00%	0.00%
CA Carbon	0.00%	0.00%
EU Carbon	0.00%	0.00%
INDEX RETURN	4.79%	0.85%

Commodity Sector Attribution

Index	QCIER	BCOM
Start	12/29/2023	12/29/2023
End	3/31/2024	3/31/2024
Petroleum	0.0381%	3.26%
Natural Gas	0.00%	-2.28%
Grains	-0.0125%	-1.84%
Softs	0.002%	0.61%
Livestock	0.00%	0.51%
Ind. Metals	-0.005%	-0.31%
Pre. Metals	0.0254%	0.91%
Emissions	0.00%	0.00%
Oilseeds	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.