



➤ Form ADV Part 2A Brochure

March 28, 2023

This Brochure provides information about the qualifications and business practices of Harbor Capital Advisors, Inc. ("**Harbor Capital**"). Please contact compliance@harborcapital.com if you have any questions. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Harbor Capital is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Harbor Capital is available through the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Material Changes

Harbor Capital has updated our Brochure as of March 28, 2023 to reflect current AUM and certain clarifying changes.



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Form ADV Part 2A

ADVISORY BUSINESS

Harbor's History, Organization & Ownership

Harbor Capital is an investment adviser registered with the U.S. Securities and Exchange Commission.

Harbor Capital was founded in 1983 and is a wholly owned subsidiary of ORIX Corporation (ORIX), a global financial services company based in Tokyo, Japan. ORIX provides a range of financial services to corporate and retail customers around the world, including financing, leasing, real estate and investment banking services. The stock of ORIX trades publicly on both the New York (through American Depositary Receipts) and Tokyo Stock Exchanges.

Investment Advisory Services

Harbor Capital provides discretionary investment advisory services to our clients. Our investment solutions include:

- the **Harbor Funds** complex of mutual funds, an investment company registered under the Investment Company Act of 1940. Harbor Funds is comprised of individual funds ("**Funds**"), each with different investment objectives and strategies. Harbor Capital provides investment management services with respect to each Fund, subject to the oversight of the Board of Trustees of Harbor Funds.
- the **Harbor ETF Trust** complex of exchange-traded funds, an investment company registered under the Investment Company Act of 1940. Harbor ETF Trust is comprised of individual exchange-traded funds ("**ETFs**"), each with different investment objectives and strategies. Harbor Capital provides investment management services with respect to each ETF, subject to the oversight of the Board of Trustees of Harbor ETF Trust.
- the **Harbor Cayman Inflation Focus Ltd** and **Harbor Cayman Energy Transition Ltd** (each a "**Cayman Subsidiary**"), which are wholly-owned subsidiaries of Harbor Commodity All-Weather Strategy ETF and Harbor Energy Transition Strategy ETF, series of Harbor ETF Trust, respectively. The sole purpose of each Cayman Subsidiary is to provide the respective ETF exposure to the commodity markets within the limitations of Subchapter M of the Internal Revenue Code. Each Cayman Subsidiary is a company organized under the laws of the Cayman Islands and is overseen by its own board of directors. Each respective ETF is the sole shareholder of the respective Cayman Subsidiary, and it is not currently expected that shares of a Cayman Subsidiary will be sold or offered to other investors.
- the **Harbor Collective Investment Trust**, a collective investment trust exempt from registration under the Investment Company Act of 1940 pursuant to section 3(c)(11). Harbor Collective Investment Trust is comprised of individual collective investment trusts ("**CITs**"), each with different investment objectives and strategies. Harbor Trust Company, Inc. ("**Harbor Trust Company**"), a wholly owned subsidiary of Harbor Capital, serves as trustee to Harbor Collective Investment Trust and the CITs. Harbor Capital provides investment management services with respect to the CITs, subject to the oversight of Harbor Trust Company. The CITs are only available for investment by certain qualified plans and other eligible investors.
- the **Harbor Capital Group Trust for Defined Benefit Plans**, a collective investment vehicle exempt from registration under the Investment Company Act of 1940 pursuant to Sections 3(c)(1) and 3(c)(7). The Group Trust is comprised of defined benefit retirement plan assets of a small number of corporate defined benefit plans. The Group Trust is not marketed or offered to the public.
- a range of **model portfolios** ("**Model Portfolios**") comprised of mutual funds and/or ETFs. Harbor Capital expects to provide the Model Portfolios for use by third-party financial advisers and other



intermediaries for use as investment strategies for managing their underlying client accounts. One Model Portfolio is being used by one financial institution on a limited basis. Harbor Capital does not manage Model Portfolio assets on behalf of individual financial advisers or individual clients. We provide investment advisory services directly or by employing a “manager-of-managers” approach through which we enter into subadvisory agreements with investment advisers) (each, an “**Investment Partner**”) that either provide discretionary investment management services directly or provide portfolios of investment recommendations to us that we select and execute. We monitor, evaluate and oversee each Investment Partner’s performance. When necessary, we replace or terminate or, in the case of Harbor Funds and Harbor ETF Trust, we recommend to the Board of Trustees the replacement or termination of an Investment Partner. With respect to Harbor Funds and Harbor ETF Trust, the Board of Trustees must approve each investment advisory and subadvisory agreement.

We establish investment policies, strategies, and guidelines for each client and update those policies, strategies, and guidelines as necessary. In the case of discretionary subadvised arrangements, each Investment Partner is responsible for making the day-to-day investment decisions for the assets that we have allocated to them, including the securities to be purchased or sold and the timing and manner in which to effect those securities transactions. In the case of Investment Partner strategies executed by Harbor Capital, we may implement the strategies as provided or may deviate from them but in either case are responsible for the timing and manner in which to effect securities transactions. All investment decisions must conform to the stated investment policies, strategies and guidelines. Harbor Capital does not tailor the Model Portfolios to meet the needs of individual clients.

Assets Under Management

The amount of regulatory assets under management as of December 31, 2022 was \$38,762,162,820. All assets under management are managed on a discretionary basis.

FEES & COMPENSATION

Compensation Terms

We do not have an established fee schedule. The specific manner in which fees are charged is negotiated with each client and established within the advisory agreement between Harbor Capital and such client. Each of Harbor Capital’s advisory agreements provides that the agreement may be terminated upon written notice to the other party without penalty. We may voluntarily agree not to impose a portion of our fee for a client for a period of time during the advisory relationship. Our compensation is derived solely from fees we receive under our agreements. Currently, we do not receive compensation in connection with any Model Portfolios.

Harbor Funds

Harbor Funds pays Harbor Capital an advisory fee at an annual rate based on the average net assets of each Fund. Advisory fees accrue daily and are paid monthly in arrears. Harbor Capital, in turn, uses its assets to pay each Investment Partner for advisory services. The advisory fee is in addition to Harbor Funds’ other operating expenses that are borne by each Fund. The annual operating expenses of each Fund are described in the respective Fund’s prospectus.

Harbor ETF Trust

Harbor ETF Trust pays Harbor Capital a unitary advisory fee at an annual rate based on the average net assets of each ETF. Advisory fees accrue daily and are paid monthly in arrears. Out of the unitary advisory fee, Harbor Capital pays substantially all operating expenses of the ETF, including the cost of transfer agency, custody, fund administration, legal, audit and other services. Harbor Capital is responsible for compensating Investment Partners,



if any, for advisory services. The total annual operating expenses of each ETF is described in the respective ETF's prospectus.

Cayman Subsidiaries

In order to avoid any double charging of advisory fees, Harbor Capital has contractually agreed to waive the advisory fee received from the Harbor Commodity All-Weather Strategy ETF and Harbor Energy Transition Strategy ETF in an amount equal to the advisory fee received from each respective Cayman Subsidiary.

Harbor Collective Investment Trusts

Each CIT pays Harbor Capital an advisory fee at an annual rate based on the average net assets of such CIT. Advisory fees accrue daily and are paid monthly in arrears. Harbor Capital, in turn, uses its assets to pay each Investment Partner for advisory services provided with respect to such CIT. The advisory fee is in addition to the CITs' other operating expenses (including trustee and other expenses) that are borne by each CIT. The annual operating expenses of each CIT are described in the respective CIT's offering documents.

Group Trust

The corporate defined benefits plans comprising the Group Trust pay servicing fees to Harbor Capital quarterly in arrears that are based on a percentage of the average value of the assets of their respective plans as of month end. Each Investment Partner is paid for its advisory services directly from the assets of the Group Trust.

Management, Administrative & Support Services

Harbor Capital is also responsible for providing various management, financial, administrative, compliance, legal and regulatory, and tax services to its clients. These services are described in the agreements between Harbor Capital and each client. We do not receive a separate fee for any of these services.

Fees to Our Subsidiaries

Harbor Services Group, Inc. serves as the transfer agent for each Fund and each CIT. Harbor Funds Distributors, Inc. serves as the distributor for the Funds and the CITs. Harbor Trust Company serves as the trustee to the CITs. Harbor Services Group and Harbor Funds Distributors receive transfer agency fees and distribution fees, respectively, from the Funds. Harbor Services Group and Harbor Trust Company receive transfer agency fees and trustee fees, respectively, from the CITs. See below at *"Other Financial Industry Activities and Affiliations."*

Other Expenses

Our clients also pay transaction costs or commissions when securities are bought and sold. See *"Brokerage Practices"* below.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

We do not receive performance-based fees from any client. All of the fees that we receive from a client are based on a percentage of the assets being managed.

TYPES OF CLIENTS

We provide advisory services to investment companies, a collective investment trust and other pooled investment vehicles. These clients are more fully described above at *"Advisory Business"*.



METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear.

Method of Analysis

Manager-of-Managers Strategy Investment Partners may provide day-to-day investment management over the client assets that Harbor Capital has allocated to each such Investment Partner or may serve as model portfolio providers and deliver model portfolios to Harbor Capital to execute. We perform due diligence in selecting and monitoring the performance of Investment Partners and, if warranted, replacing them. Investment Partners may also be employed either to provide discretionary investment management or model portfolios for our multi-asset strategies, which are discussed in more detail below in [“Multi-Asset Strategies”](#).

Selecting and monitoring Investment Partners includes the efforts of our Investments and Legal & Compliance Teams and our Investment Committee, among others. The selection processes include:

- Assessing the Investment Partner’s ability to deliver upon the stated mandate for which it has been engaged;
- Evaluating the Investment Partner’s investment management, model portfolio and/or index composition processes, as applicable;
- Evaluating the expertise of the Investment Partner’s personnel who will be responsible for the provision of services to Harbor Capital’s Clients;
- Evaluating the Investment Partner’s ownership and organizational structures;
- Ascertaining the adequacy of the Investment Partner’s legal, compliance, and operational infrastructure;
- Reviewing the Investment Partner’s historical performance record in the context of Harbor Capital’s assessment of the Investment Partner’s ability to deliver future performance. Harbor Capital may at times evaluate Investment Partner candidates that may be newly formed or yet to be formed entities that may not have existing products and corresponding investment performance records to evaluate, and may also evaluate Investment Partner candidates that while established as investment advisers the proposed product(s) being evaluated may not currently exist;
- Reviewing the Investment Partner’s financial condition;
- Informing each Investment Partner of the investment objective(s), policies, and restrictions applicable to each product that it manages, as applicable; and
- For investment company clients, formulating and presenting a recommendation for review and approval by such investment company’s Board of Trustees regarding the hiring of a particular Investment Partner.

The ongoing oversight processes include:

- Reviewing the performance of each Investment Partner relative to its own historical record, peers and/or applicable benchmarks;
- Continuing to assess the adequacy of the Investment Partner’s legal, compliance, and operational infrastructure and monitoring ongoing compliance with respect to the mandate;
- Monitoring for material changes in ownership and organization structures;
- Evaluating conditions made known during the ongoing monitoring process that may negatively impact the Investment Partner’s future performance;



- Confirming adherence to investment guidelines and, in the case of the Funds, the ETFs and the CITs, reporting material violations thereof to the applicable Board of Trustees or Directors;
- Reviewing brokerage practices, including the process to achieve best execution, the use of soft dollar commissions, and affiliated brokerage;
- In the case of the Funds, the ETFs and the CITs, reporting the results of the performance and compliance monitoring and review to the applicable Board of Trustees or Directors on a periodic basis;
- In the case of the Group Trust or a CIT, determining whether an Investment Partner will continue to manage Group Trust or CIT assets or be replaced;
- For the Funds and the ETFs, formulating a recommendation regarding the renewal or replacement of Investment Partners for consideration by such entity's Board of Trustees; and
- For the Funds, the ETFs and the CITs, preparing materials for the applicable Board of Trustees or Directors to assist in their regular or special review of Investment Partner arrangements.

Multi-Asset Strategies

Our investment philosophy and process combine both quantitative modeling and predictive forecasting, with qualitative investment research and oversight. Harbor Capital believes that markets are reasonably—though not entirely—efficient and, therefore, emphasize the importance of portfolio construction and strategic asset allocation in its efforts to maximize returns per unit of risk taken. The team also attempts to identify inefficiencies and to generate alpha through tactical asset allocation.

We break down portfolios into three segments: strategic asset allocation, tactical asset allocation and manager selection.

- The **strategic asset allocation** is constructed based on long-term capital market assumptions and discretionary insight and is calibrated to a longer-term time horizon of seven to over ten years.
- The **tactical asset allocation** is constructed based on a process of evaluating assets on four criteria: (1) fundamentals, (2) valuation, (3) sentiment and technical factors and (4) risk. The tactical asset allocation is calibrated to a time horizon of 12 months.
- We allocate a portion of portfolio risk to **manager selection** and styles within regions and asset classes. We leverage our extensive network to identify best-in-class managers to generate security-specific alpha for broader multi-asset portfolios.

Positions are sized according to their contribution to overall risk, which determination takes into account volatility and correlation as well as the strength of Harbor Capital's conviction in the expected risk-adjusted return of the asset. We also conduct risk management and portfolio construction using a framework that goes beyond traditional risk modeling by deconstructing indices into individual securities and then re-constructing those securities into "building blocks," which offer additional granularity in the portfolio construction process. Construction of these "building blocks" is based on risk characteristics that cause the underlying securities to co-vary beyond market capitalization, size and style. The team believes that this process leads to a more balanced portfolio.

Model Investment Strategies

Conservative

The Conservative strategy is designed with a low risk profile for conservative investors who prioritize the preservation of capital and income over the growth of capital. Approximately 20% of the portfolio is invested in equity securities and approximately 80% of the portfolio is invested in fixed income securities. The portfolio may be invested in diversified or non-diversified mutual funds, money market funds, exchange-traded funds, exchange-



traded notes and exchange-traded products. The portfolio is benchmarked 20% to the MSCI All Country World Index and 80% to the Barclays Global Aggregate Index.

Balanced

The Balanced strategy is designed for the investor with a more balanced preference for capital growth, income and capital preservation. Approximately 60% of the portfolio is invested in equity securities and approximately 40% of the portfolio is invested in fixed income securities. The portfolio may be invested in diversified or non-diversified mutual funds, money market funds, exchange-traded funds, exchange-traded notes and exchange-traded products. The portfolio is benchmarked 60% to the MSCI All Country World Index and 40% to the Barclays Global Aggregate Index.

Growth

The Growth strategy is designed for investors with a higher tolerance for capital risk, and a strong preference for capital growth over income and capital preservation. Approximately 85% of the portfolio is invested in equity securities and approximately 15% of the portfolio is invested in fixed income securities. The portfolio may be invested in diversified or non-diversified mutual funds, money market funds, exchange-traded funds, exchange-traded notes and exchange-traded products. The portfolio is benchmarked 85% to the MSCI All Country World Index and 15% to the Barclays Global Aggregate Index.

Other

The Adviser has created a number of all-active multi-manager model portfolios that seek to balance risk with upside potential. These model portfolios are not seeded. One such model portfolio is being used by a financial institution on a limited basis.

Material Risks

In our business, there are a number of material risks. We have put controls in place to address those risks and actively monitor those risks and controls. The material risks relating to our significant investment strategies and methods of analysis are summarized below. Not all of the risks listed below will apply to every investment strategy, as certain risks may only apply to certain investment strategies or investments in different types of securities. The summary provided is not intended to be a complete description of the risks associated with the investment strategies and methods of analysis employed by Harbor Capital.

Active Management Risk

There is a risk that our judgments about the attractiveness, value or potential appreciation in a client's investments may prove to be incorrect. If the selection of securities or strategies fail to produce the intended results, the account could underperform other accounts with similar objectives and investment strategies.

Asset Allocation Risk

Investing in multiple asset classes (either directly or indirectly, such as through pooled investment vehicles) can facilitate diversification, but also creates exposure to the risks of many different areas of the market. The selection of investments and the allocation of assets among various asset classes and market sectors could cause the account to underperform other accounts with a similar investment objective but a different asset allocation. Further, the allocation of assets among multiple Investment Partners or strategies within an asset class creates exposure to the risks of different strategies and the assets may be allocated to an Investment Partner or strategy that underperforms other strategies or Investment Partners within an asset class.



Use of Investment Partners

When we engage Investment Partners, we are highly dependent upon their investment expertise and abilities as they may have day-to-day investment discretion over the underlying portfolio assets or may be providing a model portfolio to Harbor Capital to implement. Some of these Investment Partners may be newly formed and may have limited or no investment track records applicable to the client assets that they would manage for us or that we would allocate to their models. There is a risk that an Investment Partner will not meet our expectations from an investment performance perspective over time and a risk that an event having a negative impact at an Investment Partner (such as a significant change in personnel, corporate structure or resources) may adversely impact a client's investment results.

We also may engage Investment Partners that are affiliated with us. There is a risk that our evaluation or oversight of an affiliated Investment Partner would be less objective or less thorough than that of an unaffiliated Investment Partner. The criteria that we use to evaluate and oversee Investment Partners, which is the same irrespective of whether an Investment Partners is affiliated or unaffiliated, is discussed below.

Despite the review process we undertake when selecting Investment Partners we may fail to identify an appropriate Investment Partner for the asset class. In the case of discretionary Investment Partners, we are dependent on each Investment Partner's infrastructure and processes and may fail to identify existing weaknesses in an Investment Partner's compliance or operational infrastructure, or existing material regulatory, financial or other operational issues at the Investment Partner. There is also a risk that, despite our efforts to monitor each Investment Partner, an Investment Partner will develop significant weaknesses in its compliance or operational infrastructure that could lead to a material adverse event, or will develop material regulatory, financial or other operational issues.

Investment Partner Due Diligence Considerations

We conduct extensive due diligence in selecting, monitoring, and overseeing the Investment Partners. However, due diligence is not foolproof and may not uncover problems associated with a particular Investment Partner. For example, one or more of the Investment Partners may engage in improper conduct (including unauthorized changes in investment strategy) that may be harmful and may result in losses. We may rely upon representations made by Investment Partners, accountants, attorneys, and/or other service providers. If any of these representations are misleading, incomplete or false, this may result in the selection of an Investment Partner that might otherwise have been eliminated from consideration if fully accurate and complete information had been made available to us. Even if our understanding of a particular Investment Partner is accurate, our judgment about whether a particular Investment Partner is able to perform in a manner that meets our expectations over the long-term may be incorrect.

Although the Investment Partners are subject to our investment policies, strategies, and guidelines, there can be no assurance that the Investment Partners will comply with these policies, strategies, and guidelines. Failure to comply with the policies, strategies, and guidelines could result in an unintended deviation in the investment strategy and could result in losses. We employ various reviews to seek to identify any deviations and would act promptly to correct them when identified.

Replacement of Investment Partner

We may replace an Investment Partner (or, with respect to a Fund or an ETF, we may recommend the replacement of an Investment Partner to the applicable Board of Trustees) in the event of a material adverse event, prolonged underperformance or for other reasons. The process for identifying an appropriate replacement Investment Partner and entering into a new subadvisory relationship takes a significant amount of due diligence and a significant amount of time. A decision to replace an Investment Partner could result in significant portfolio turnover and uneven performance during the period in which a new Investment Partner aligns the portfolio holdings to its strategy or Harbor Capital aligns the portfolio holdings to the new Investment Partner's model portfolio. High portfolio turnover could result in higher transaction costs.

Prolonged underperformance of or a decision to replace an Investment Partner to a Fund, ETF or CIT could cause some investors to redeem their holdings in the affected product, which could further impact performance of the



Fund, ETF or CIT. There could also be negative tax consequences to Fund or ETF shareholders associated with either liquidating ownership or remaining in a Fund or ETF where there are significant outflows or portfolio adjustments resulting from a transition to a new Investment Partner.

Investment Risks

The performance and risk of each strategy employed by Harbor Capital or its Investment Partners will correspond to the performance and risks of the underlying investments. Any investment in securities carries certain market risks.

Investments made by Harbor Capital or the Investment Partners may decline in value for a number of reasons. Those reasons include changes in the overall market for securities and other financial instruments, changes in the market for the particular types of securities or other financial instruments favored by Harbor Capital or the Investment Partner as well as factors relating to particular portfolio securities or other financial instruments (such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, availability of additional capital and labor, general economic conditions, or political conditions). In addition, certain securities in the portfolios may be subject to credit risk of the issuer or another party and/or interest rate risk.

The value of each investment portfolio will fluctuate. There is no assurance that our clients will achieve their investment objectives.

Risk factors associated with an Investment Partner's investment strategy are required to be disclosed in that Investment Partner's Form ADV Part 2A Brochure.

Brokerage Practices

There is a risk Harbor Capital or an Investment Partner may engage in more frequent trading to implement its investment strategy. More frequent trading of portfolio securities or other financial instruments will normally result in higher brokerage commissions, transaction costs and taxes. For the Funds, ETFs and CITs, these costs are not included explicitly in either the Funds', ETFs' or CITs' operating expense ratios. Instead, these costs are reflected in the Funds', ETFs' and CITs' net asset values, which can affect performance. This may make it more difficult for Fund and ETF shareholders and CIT investors to observe brokerage commission practices.

There is a risk that Harbor Capital or an Investment Partner could use client assets to pay for research and brokerage services that are excessive or do not fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Industry Changes Impacting Investment Partner Selection

The current marketplace offers investment managers multiple outlets for their investment products. Investment managers may be able to make their strategies available to investors through a variety of channels, potentially charging higher fees and/or retaining more of those fees than when they offer their services through Harbor products. Working through these additional channels may also leave less capacity in the investment managers' strategies for Harbor products. As a result, the most successful investment managers may be less willing to offer their strategies to investors through Harbor products going forward.

Changes in the industry may make it more difficult to identify and secure the investment services of outstanding Investment Partners at all or at fee levels consistent with those we have obtained historically. These changes may require us to identify and retain Investment Partners at an earlier stage and to take risks that we may not have taken historically, such as retaining an Investment Partner that does not have an investment performance record or a record that reflects a full market cycle.

In the best of circumstances, it is difficult to find investment managers that outperform over the long term. We continue to look for skilled investment managers while recognizing there is a risk that it may be increasingly difficult for us to identify compelling investment managers that are willing to partner with us from a fee and/or capacity perspective.



Management of the Group Trust

There is a risk that the guidelines established by, or agreed upon with, the corporate defined benefit plan sponsors that invest in the Group Trust are not followed. This could result in a material divergence between the expectations of the Group Trust participants and actual performance.

There is also a risk that the Investment Partners we select to manage portions of the Group Trust's assets or pooled investment vehicles into which Group Trust assets are invested fail to perform as expected or underperform relative to other investment managers providing exposure to similar asset classes. Poor performance by the Investment Partners or pooled investment vehicles can result in poor performance at the overall Group Trust level even if asset allocation guidelines are followed consistently.

Investment in Funds, ETFs and CITs

The principal risks of investing in specific Funds, ETFs and CITs are described in each Fund's and ETF's prospectus and each CIT's offering documents.

DISCIPLINARY INFORMATION

Neither Harbor Capital nor its management personnel has been involved in any legal or disciplinary event that we believe is material to a client's evaluation of Harbor Capital or the integrity of its management.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Registered Personnel & Affiliated Entities

Harbor Funds is registered under the Investment Company Act of 1940 as an open-end management investment company. Harbor Funds' Board of Trustees is responsible for overseeing Harbor Funds' business and each of its service providers, including Harbor Capital. Harbor Funds' Board of Trustees is comprised of eight trustees, seven of whom are independent of Harbor Capital. Harbor Capital is engaged by the Board of Trustees of Harbor Funds to serve as the investment manager to each Fund. Certain members of Harbor Capital's senior management serve as officers to Harbor Funds.

Harbor ETF Trust is registered under the Investment Company Act of 1940 as an open-end management investment company. Harbor ETF Trust's Board of Trustees is responsible for overseeing Harbor ETF Trust's business and each of its service providers, including Harbor Capital. Harbor ETF Trust's Board of Trustees is comprised of eight trustees, seven of whom are independent of Harbor Capital. Harbor Capital is engaged by the Board of Trustees of Harbor ETF Trust to serve as the investment manager to each ETF. Certain members of Harbor Capital's senior management serve as officers to Harbor ETF Trust.

Harbor Trust Company, a New Hampshire non-depository trust company, is wholly owned by Harbor Capital and serves as trustee to the CITs. Certain members of Harbor Capital's senior management are also officers of Harbor Trust Company.

Harbor Funds Distributors, Inc., a broker-dealer registered with the SEC, is wholly owned by Harbor Capital and is the distributor for the Funds and the CITs. Harbor Funds' Board of Trustees has adopted distribution and service plans pursuant to Rule 12b-1 under the Investment Company Act of 1940 that provide for the payment of a distribution and service fee of 0.25% to the Administrative and Investor Classes of each Fund. Harbor Funds Distributors does not execute brokerage transactions in securities held by the Funds or CITs. Certain members of Harbor Capital's senior management are also officers and registered principals of Harbor Funds Distributors.

Harbor Services Group, Inc., a transfer agent registered with the SEC, is wholly owned by Harbor Capital and is the shareholder servicing agent for the Funds and the CITs. Certain members of Harbor Capital's senior management are also officers of Harbor Services Group.



Both Harbor Funds Distributors and Harbor Services Group have been engaged by the Board of Trustees of Harbor Funds to provide services to the Funds and by Harbor Trust Company to provide services to the CITs. Harbor Funds Distributors is compensated by the Funds for services provided to the Funds. Harbor Services Group is compensated by the Funds and the CITs for services provided with respect to the Funds and CITs, respectively. Harbor Trust Company serves as trustee to the CITs and is compensated by each CIT for such services. Those fees are described in detail in the Funds' current prospectuses and statement of additional information and in each CIT's offering documents. Each Fund's current prospectus and statement of additional information is available on harborfunds.com. The CIT offering documents are available upon request to qualified plans and other eligible investors.

Providing Seed Capital

Harbor Capital typically serves as the initial investor in a new Fund and may invest its own capital in an ETF. We may be the sole or majority investor in any new Fund or ETF until that Fund or ETF garners significant assets from unaffiliated outside investors. Please refer to each Fund's or ETF's prospectus for additional information. Harbor Capital does not provide seed capital for the CITs.

Revenue-Sharing

We have in the past and could in the future pay intermediaries for marketing activities and presentations, educational training programs, conferences, the development of technology platforms and reporting systems and data or other services related to the sale of Fund or ETF shares and related services, including making shares of a Fund or ETF and certain other Harbor funds available to their customers generally and in certain investment programs. Such payments, which may be significant to the intermediary or its representatives, are not made by a Fund or ETF. Rather, such payments are made by the Advisor or its affiliates from their own resources, which come directly or indirectly in part from fees paid by the Harbor fund complex.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Code of Ethics

Harbor Capital has adopted a Code of Ethics and Standards of Conduct ("**Code of Ethics**") that requires all of its employees to conduct their activities and carry out their responsibilities following these standards:

- Client interests must come first. Each employee must place at all times the interests of each client of Harbor first. In particular, each employee must avoid serving his or her own personal interests ahead of the interests of Harbor clients.
- Each employee must avoid any situation involving an actual or potential impropriety with respect to his or her duties and responsibilities to Harbor clients.
- No employee will take advantage of his or her position of trust and responsibility at Harbor and must avoid any situation that might compromise or call into question his or her exercise of full independent judgment in the best interests of Harbor clients.
- Avoid violations of the federal securities laws. No employee will engage in any act, practice or course of conduct that would violate any applicable federal securities laws, including the Investment Advisers Act of 1940.

Each employee must promptly report potential violations to Harbor Capital's Chief Compliance Officer.

Employees are required to preclear personal securities transactions and are subject to ongoing reporting regarding certain personal securities transactions and holdings. We review the reports submitted by our employees for



compliance with our Code of Ethics. We actively monitor transactions by employees for compliance with our Code of Ethics.

Employees who transact in reportable securities must hold such securities for at least 30 calendar days prior to requesting to sell such security. Employees are prohibited from transacting in any security while in possession of material non-public information regarding such security. Additional requirements apply to Harbor Capital's investment professionals.

All of our employees must certify upon their initial employment with Harbor Capital, and then annually, that they have read and understand our Code of Ethics and have complied with all applicable requirements.

Investment Partners

Harbor Capital requires each Investment Partner to certify each quarter that all of its personnel who are engaged in providing investment advisory services to our clients have complied with the requirements of that Investment Partner's code of ethics. As part of our due diligence, we review each Investment Partner's code of ethics to assess how the Investment Partner monitors trading by employees and to determine if the Investment Partner has ethical walls and controls to prevent the misuse of inside information.

To Request our Code of Ethics

You may request a copy of our Code of Ethics by contacting: Legal & Compliance at Harbor Capital Advisors, Inc., 111 South Wacker Drive, 34th Floor, Chicago, IL 60606 or by sending an email to compliance@harborcapital.com.

Participation/Interest in Client Transactions

Harbor Capital has adopted policies and associated procedures intended to address any actual conflict of interest in a manner that is fair and equitable for Harbor Capital and its clients and does not disadvantage a client relative to Harbor Capital, and to make full disclosure of those conflicts to its clients. Ongoing monitoring to address personal and firm conflicts is conducted by compliance or business unit employees using various systems and reports. The results of these reviews are discussed with senior management as appropriate.

Conflicts that are not eliminated are addressed through disclosure and/or adoption of policies and procedures reasonably designed to manage or mitigate such conflicts. We seek to disclose material conflicts of interest to our clients and prospective clients, including disclosure in this Part 2A of Form ADV, and seek to manage and mitigate conflicts through governance, oversight and the adoption of additional policies and procedures. We cannot guarantee that our policies and procedures will detect and prevent, or lead to the disclosure of any situation in which a conflict may arise.

Potential Conflicts Between Harbor Capital Employees and Clients

A Harbor Capital employee may have a conflict of interest where the employee has a personal interest that could be placed ahead of the employee's obligations to Harbor Capital or its clients. Such personal conflicts may arise, for example, in the following circumstances.

Outside Business Activities. An outside business activity is any business activity outside of an employee's job at Harbor Capital. The interests of such organization may conflict with those of Harbor Capital or its clients, and/or may require time commitments that interfere with the employee's responsibilities to Harbor Capital.

Personal Securities Transactions. Personal trading by our employees creates a conflict when they are trading the same securities or types of securities as we trade on behalf of our clients. A portfolio manager who personally owns a security could decide to buy or sell the same security for client accounts. Similarly, an analyst who personally owns a security could recommend the security to be purchased or sold for client accounts. Personal securities transactions also present a conflict of interest if they compete with trades for clients or are structured in such a way as to benefit



from trades executed or to be executed on behalf of client accounts. Similarly, personal securities transactions in pooled funds managed by Harbor Capital present a conflict of interest if they are timed in such a way as to disadvantage other investors in those funds or take advantage of non-public information obtained about the fund or its holdings.

Personal Relationships or Substantial Financial Interest. Employees may not direct business to a person or entity due to a personal relationship. Employees are required to bring to our attention any personal relationship that could adversely affect their judgment or objectivity. For example, the decision to place trades with a particular broker-dealer or the selection of a vendor should not be based on a personal relationship. In addition, employees may not, without prior approval, have a substantial financial interest in any entity (whether through ownership or investment) involved in a business transaction with Harbor Capital or engaged in businesses similar to any business engaged in by Harbor Capital.

Gifts and Entertainment. Employees may occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. Potential conflicts of interest may exist with respect to such activity if it is intended to influence, or appears to influence, business decisions or the business decisions of our clients or prospects. In addition, employees are prohibited from soliciting the receipt of gifts, meals or entertainment.

Political Contributions. Potential conflicts may exist with respect to political contributions if the contributions appear to be made with the intent of influencing a public official about the award of public contracts or mandates.

Charitable Contributions. Employees may have a conflict of interest when making contributions to a charitable organization that is affiliated with, or is favored by, one of our clients. Charitable contributions could give the appearance of our improperly favoring one individual or institution over another or of our seeking to exert an improper influence on the requestor or recipient of a contribution.

Sales Activity. Employees engaged in selling Harbor products or services may have an incentive to make sales whether or not such products or services are in the best interests of a potential client because sales may be considered in connection with their compensation and also result in increased revenue to Harbor.

Potential Conflicts Between Harbor Capital and its Clients

Potential or actual conflicts of interest between client accounts and Harbor Capital may arise in a variety of circumstances. Set forth below are examples of potential conflicts of interest between client accounts and Harbor Capital.

Broker Selection. Harbor Capital may establish a brokerage relationship with brokers, or affiliates of brokers, that serve as lead market maker, authorized participant, or in another capacity with respect to a Harbor ETF. Harbor Capital may have an incentive to establish a brokerage relationship with or pay higher commissions to such a broker as a result of other services provided to a Harbor-sponsored products.

Co-Investment by Harbor Capital. Harbor Capital may provide initial funding or otherwise invest in products managed by us. When Harbor Capital provides capital for a product, it may do so with the intention of redeeming all or part of its interest at a future point in time or when it deems that sufficient additional outside capital has been invested in that product. Harbor Capital's interest may diverge from the interests of the product or other investors. For example, the timing of a redemption by Harbor Capital could benefit Harbor Capital. The product may also be more liquid at the time of Harbor Capital's redemption than it is at times when other investors may wish to withdraw all or part of their interests. Harbor Capital does not provide seed money for the CITs. See above at "[Other Financial Industry Activities and Affiliations](#)."



Valuation. When client accounts hold illiquid or difficult to value investments, Harbor Capital faces a conflict of interest when making recommendations regarding the value of such investments since our management fees are generally based on the value of assets under management.

Proxy Voting. Occasionally, a conflict of interest may arise with respect to proxy voting. For example, the issuer of the securities being voted may also be a client of Harbor Capital.

Securities in which Harbor Capital has a Financial Interest. Harbor Capital, on behalf of its clients, may purchase or sell securities of companies in which Harbor Capital or its affiliates (or their respective officers and employees) have interests. This creates a conflict of interest because it produces incentives to promote these securities over others. From time to time, Harbor Capital will establish proprietary accounts that are generally established for the purpose of developing new investment strategies and products. This creates a conflict of interest with our client accounts as our portfolio managers may be incented to focus extra attention on or allocate select investment opportunities to these accounts. To manage this conflict, we require that trades for proprietary accounts be executed after the trades of all other client accounts.

Group Trust. Harbor Capital does not normally recommend that the Group Trust invest a portion of their assets in one or more Funds, ETFs or CITs. However, we may direct an investment by the Group Trust in a Fund or ETF as long as such investment is consistent with applicable law and internal policies. If we were to invest Group Trust assets in a Fund, ETF or CIT, we may be considered to have a financial interest in the Fund shares, ETF shares or CIT units that we recommend since we receive an advisory fee from each Fund, ETF and CIT based on a percentage of the net asset value of the Fund, ETF or CIT. In that circumstance, we would waive advisory fees charged to the Group Trust on any portion of their assets invested in a Fund, ETF or CIT in order to ensure that we are not charging fees on those assets twice. As of December 31, 2022, no Group Trust assets were invested in any Harbor product.

Potential Conflicts Amongst Clients

Harbor Capital may have various interests arising out of its side-by-side management of accounts that create incentives to favor one account over another. These include the following:

Affiliated Accounts. We manage accounts on our own behalf as well as on behalf of our clients. We could be considered to have an incentive to favor Harbor Capital accounts over those of our clients.

We may also purchase shares of Funds and other unaffiliated mutual funds for cash management purposes. We invest significantly in several Funds and ETFs. Our significant investments in these Funds and ETFs consist of investments of seed capital as discussed further below and in *[“Other Financial Industry Activities and Affiliations.”](#)*

Single-Manager and Multi-Manager Products. A perceived conflict may exist when an individual/group that is responsible for managing multi-manager products may have access, directly or indirectly, to material non-public information regarding one or more underlying managers as a result of such manager also serving as subadviser to a single-managed product. Such conflict may also arise when the same individual/group is responsible for managing both multi-manager ETFs and the creation basket process for such products and for managing the creation basket for single-managed ETFs. A perceived conflict may exist where Harbor Capital receives model portfolios of its subadvisers for use in multi-manager products allowing Harbor to potentially utilize such models to benefit its investment process more broadly.

Large Accounts/Higher Fee Strategies. Large accounts and clients typically generate more revenue than do smaller accounts or clients, and certain of Harbor Capital’s strategies have higher fees than others. As a result, a portfolio manager could be considered to have an incentive to favor accounts that pay a higher fee or generate more income.

Multiple Strategies. Harbor Capital and the different Investment Partners that are engaged to manage different Harbor products or different portions of the assets of Harbor products may not all make consistent investment decisions. Harbor Capital may not make consistent investment decisions on behalf of each of its clients and a



Investment Partner to multiple Harbor products or clients may not make consistent investment decisions on behalf of each product or client.

We or the Investment Partners may buy or sell or may direct or recommend that one client buy or sell securities of the same kind or class that are purchased or sold for another client, at prices that may be different. We may also, at any time, execute trades of securities of the same kind or class in one direction for an account and in the opposite direction for another account, due to differences in investment strategy or client direction. Different strategies effecting trading in the same securities or types of securities may appear as inconsistencies in our management of multiple accounts side-by-side.

For example, one Investment Partner may use its allocation of the Group Trust's assets to purchase a company's stock. At the same time, another Investment Partner may use its allocation of the Group Trust's assets to sell the same company's stock. This could result in higher transaction costs, which would be borne by the client. This could also result in less favorable transaction prices than would occur if the Group Trust's assets were all managed by one Investment Partner. Similarly, an Investment Partner to multiple Harbor products may purchase a company's stock for one product while selling the same company's stock for another product.

Securities of the Same Kind or Class. We or our Investment Partners sometimes buy or sell for one client securities of the same kind or class that are purchased or sold for another client at prices that may be different. We may also, at any time, execute trades of securities of the same kind or class in one direction for an account and in the opposite direction for another account due, for example to differences in investment strategy, client direction or portfolio composition. Different strategies trading in the same securities or types of securities may appear as inconsistencies in the management of multiple accounts side-by-side.

Investment at Different Levels of an Issuer's Capital Structure. The investment of assets of different clients in the same issuer may create conflicting interests among clients. For example, we may invest client assets (including affiliated clients) in the same issuer, but at different levels in the capital structure, and may exercise rights or remedies and/or take other actions that may benefit investors in one level of the capital structure over another.

Financial Interests of Investment Professionals. Investment professionals may invest or have other direct or indirect interests in investment vehicles that we manage, including mutual funds. As a result, they may have incentives to favor these accounts over others. If a greater proportion of a portfolio manager's compensation could be derived from the revenue derived from a specific account or group of accounts than other accounts under the portfolio manager's management, there could be an incentive for the portfolio manager to favor the accounts that could have a greater impact on the portfolio manager's compensation.

Personal Trading

Harbor Capital has adopted a policy which requires the officers of Harbor Capital to maintain certain minimum levels of ownership in shares of one or more Harbor products. We believe this will serve to further align their interests with those of our clients. While not required, we normally see most of our employees who are not officers also invest in one or more Harbor products. In the aggregate, these holdings generally represent a minority interest in each such product. We also sponsor 401(k) and non-qualified retirement plans for our employees. These plans include, among other funds, each Harbor Fund as an investment option, and the employees direct their own investments.

We monitor the personal trading activity of all employees in Harbor products, whether held directly or indirectly through the retirement plans that we offer or in accounts maintained by other financial institutions, to seek to ensure that no employee engages in market timing or excessive trading activities in Harbor products.

BROKERAGE PRACTICES

Harbor Capital may engage in trading and brokerage activities for clients directly or may delegate these activities to Investment Partners. When assets are delegated to discretionary Investment Partners, each Investment Partner is



responsible for making the day-to-day investment decisions for the client assets allocated to it. Each Investment Partner in turn determines, for the client assets allocated to it, the securities to be purchased or sold, as well as the timing and manner in which to effect those securities transactions.

Harbor Capital utilizes Cowen Prime Services Trading LLC, Jefferies LLC, GTS, LLC and BTIG, LLC for trade execution services. Harbor Capital maintains an approved broker list that we may utilize to execute trades.

As part of our ongoing due diligence responsibilities, we review each Investment Partner's brokerage policies, procedures and practices, including its use of commissions to pay for research and brokerage services under Section 28(e) of the Securities Exchange Act of 1934, affiliated brokerage and various electronic trading venues.

We have adopted policies governing the trading and brokerage activities of Harbor Capital and of each Investment Partner that we engage. These policies are summarized below. In the case of the CITs, we are responsible, subject to Harbor Trust Company's discretion and control, for ensuring that Investment Partners to the CITs comply with applicable rules and regulations pertaining to trading and brokerage activities.

Soft Dollars

When selecting a broker to execute client security transactions, Harbor Capital often considers the broker's ability to provide research and brokerage services to Harbor Capital and its clients ("soft dollar benefits"). Soft dollar benefits include a variety of research, investment information, brokerage services, and resources provided by the broker directly or through third parties that are expected to enhance Harbor Capital's general portfolio management capabilities.

These services benefit clients as well as Harbor Capital and, in some cases, are not obtainable without the payment of commissions to the providing broker. Harbor Capital will seek to pay for all research expenses out of its own resources, either directly or by reimbursements to clients.

Regardless of the manner in which they are generated and received, Harbor Capital's soft dollar benefits are intended to meet the safe harbor requirements under Section 28(e) of the Securities Exchange Act of 1934, as amended (including relevant guidance and interpretive releases. Section 28(e) permits Harbor Capital to pay more than the lowest available commission rate (or "pay up") for soft dollar benefits if Harbor Capital determines, in good faith, that the brokerage rates charged by the broker are reasonable in light of the services provided. Soft dollar benefits must constitute "eligible research and brokerage services" under Section 28(e), and they must be obtained in connection with eligible agency trades or riskless principal trades involving appropriately disclosed charges.

Brokers provide Harbor Capital a variety of products and services through soft dollar benefits arrangements that include, but are not limited to: (i) furnishing advice as to the value of securities and the advisability of investing, purchasing, or selling securities; (ii) furnishing analysis and reports concerning issuers, securities, and performance of accounts; (iii) providing access to third-party research (including, without limitation, discussions with third-party analysts or corporate management teams) for advice regarding existing or potential investments; or (iv) facilitating securities transactions and performing functions incidental to such transactions, such as clearance, settlement, and custody. Research services received also include seminars, written reports, telephone contacts, and meetings with sell-side security analysts, economists, and senior representatives of issuers. Research services received are supplemental to our own research efforts and, when used, are subject to internal analysis before incorporation into our investment process.

The use of soft dollar benefits creates a conflict of interest because a client's brokerage commissions pay for products and services that do not exclusively benefit such client but benefit Harbor Capital or other clients of Harbor Capital. Certain soft dollar benefits practices benefit some clients more than others. In addition, the availability of these non-monetary benefits has the ability to influence Harbor Capital's selection of a particular broker over another to perform services for clients. Where a broker does not provide a dollar value of any research products and services or brokerage services obtained with clients' commissions, Harbor Capital will make a good faith determination that



the amount of commission paid is reasonable in relation to the value of the brokerage and research products and services provided.

Harbor Capital, through its own resources, bears the cost of all soft dollar benefits received in connection with managing client accounts. In doing so, Harbor Capital's preference is to pay directly for such benefits out of its own resources. In instances where Harbor Capital is not able to do so, Harbor Capital makes a good faith determination of the cost of such benefits and reimburses such costs to relevant clients as soon as reasonably practicable (often depending on how frequently a given client has chosen to be invoiced). In addition, when Harbor Capital reimburses these amounts to clients over time, it will initially cause certain clients to pay more than the lowest available commission rate (or "pay up") for research and brokerage services, but only if Harbor Capital determines, in good faith, that the brokerage rates charged by the broker are reasonable in light of the services provided. Any products or services obtained in this manner will fall within Section 28(e).

Best Execution

Harbor Capital seeks to obtain best execution (price) for client accounts, taking into account the following factors: (i) the quality of execution; (ii) reputation; (iii) willingness to execute difficult transactions; (iv) willingness and ability to commit capital; (v) access to underwritten offerings and secondary markets; (vi) ongoing reliability; (vii) overall costs of trade; (viii) nature of the security traded and available market makers; (ix) desired timing of the transaction and size of the trade; (x) confidentiality of trading activity; and (xi) market intelligence regarding trading activity. Allocations to brokers and the commissions paid may not necessarily represent the lowest commission rates available, but rather will reflect Harbor Capital's evaluation of the balance of applicable factors.

Discretionary Investment Partners are required to seek to obtain best execution for all client transactions.

Harbor Capital and the discretionary Investment Partners may obtain brokerage or research products or services from broker-dealers in connection with placing securities transactions on behalf of clients provided the arrangements comply with Section 28(e) of the Securities Exchange Act of 1934.

Harbor Capital's Best Execution Committee is responsible for evaluating brokerage services and the overall quality of execution for those client transactions that it executes directly.

Trade Aggregation and Allocation

Harbor Capital and each discretionary Investment Partner generally aggregate trades for different client accounts if such aggregation is in the best interest of each participating client (and is permitted by the client) and the allocation of completed trades is made between participating accounts in a fair and equitable manner. Our policy requires that we document the intended allocation to each client on a pre-trade basis. Pre-trade allocation may be determined based on factors including contractual liquidity constraints, subscription and redemption liquidity needs, order sizing, fill ratios and risk limits, among other factors. In the event that an aggregated order is partially filled, the shares and associated costs will generally be allocated to each participating client on a pro-rata basis, with any deviations from pro-rata distributions clearly documented and reviewed by Harbor Capital's Chief Compliance Officer.

Agency Transactions

Harbor Capital and the discretionary Investment Partners are permitted to engage in internal cross and agency cross transactions involving clients if permitted by law and the client. For the Funds and the ETFs, any internal cross transactions and agency cross transactions must comply with procedures established by the Funds and the ETFs to comply with Rule 17a-7 and Rule 17e-1 under the Investment Company Act of 1940, which includes a quarterly review of such transactions by the Funds' and the ETFs' Chief Compliance Officer and reporting to each entity's Board of Trustees.



Principal Transactions

Our policy prohibits Harbor Capital and all discretionary Investment Partners from engaging in principal transactions involving any Harbor Capital client.

Directing Portfolio Transactions

Harbor Capital does not consider, in selecting or recommending broker-dealers, whether we or a related person receives client referrals from a broker-dealer or third party. We do not permit clients to direct us to execute transactions through a specified broker-dealer.

Our policy prohibits discretionary Investment Partners from directing portfolio securities transactions to a particular broker-dealer to compensate that broker-dealer for promoting or selling Harbor products.

Trade Errors

Though Harbor Capital takes the utmost care in making and implementing investment decisions on behalf of client accounts, trade errors may occur from time to time. Trade errors include mistakes discovered pre- or post-settlement that have had a financial impact on a client's account. If Harbor Capital is responsible for a trade error, we will seek to remedy the error in a manner that is fair and equitable to the affected client accounts. It is Harbor's policy that a client account be restored to its original position. Trades are adjusted as needed in order to put the client in such a position, as soon as reasonably practicable, as if the error had never occurred. Trade errors will be corrected at no cost to the client. Harbor is prohibited from using one client's account to correct a trade error in another client's account, and Harbor will not use future trade commissions to compensate a broker either directly or indirectly for absorbing the cost of correcting a trade error in an earlier transaction.

Arrangement with Cowen Execution Services LLC

Harbor Capital has an arrangement with Cowen Execution Services LLC ("Cowen") to rebate a portion of their commission to the Harbor Capital client using their brokerage services. Cowen is not affiliated with Harbor Capital, our subsidiaries, or our clients. Cowen is an affiliate of Cowen Prime Services Trading LLC, which Harbor Capital has engaged to provide trade execution services.

Any discretionary Investment Partner using Cowen is responsible for determining if the use of Cowen for a particular securities transaction is consistent with its obligation to seek to obtain best execution for our client. Transactions effected through Cowen do not generate commissions that can be used by any party to pay for research and brokerage services under Section 28(e) of the Securities Exchange Act of 1934. Neither Harbor Capital nor any Investment Partner receives any portion of the rebated commission.

REVIEW OF ACCOUNTS

Review of Client Accounts

On at least a monthly basis, we review the performance of each Harbor product. In the case of a product for which one or more Investment Partners has been engaged to provide portfolio management services, each Investment Partner is reviewed at least monthly. We analyze each Investment Partner's and/or Harbor product's performance against a benchmark, appropriate indices, peer groups, prior periods and client guidelines. We also analyze each individual portfolio, focusing on how exposures to particular securities, industries, sectors and/or geographic regions may be evolving or changing in light of current market dynamics and in light of our expectations regarding our or the applicable Investment Partner's investment philosophy and approach.



Investment Committee

Our Investment Committee is responsible for determining the investment strategies and outsourced solutions offered by Harbor Capital and, when applicable, for the selection of individual Investment Partners for those specific investment strategies. On an on-going basis, the Investment Committee is responsible for overseeing the evaluation and monitoring of those investment strategies and outsourced solutions, selecting, retaining and replacing Investment Partners, overseeing the investment performance of products offered by Harbor Capital, and identifying, overseeing and monitoring investment-related risk.

In the case of strategies offered through a Fund or ETF, the Investment Committee is responsible for making hiring, replacement, modification, and/or liquidation recommendations to the Fund's or ETF's Board of Trustees, as applicable. These evaluations and reviews are based on information prepared by our Investments Team and other information the Investment Committee believes is relevant. The Investment Committee does not provide investment advice regarding security purchase and sale decisions.

The Investment Committee is comprised of Harbor Capital's Chief Investment Officer and President (committee chair), Head of Product, Chief Executive Officer and Head of Legal and Compliance. The Investment Committee typically meets monthly but may meet more or less frequently as circumstances warrant. Other Harbor Capital employees may also participate in Investment Committee meetings, as necessary.

Investment Partner Reports

We require each Investment Partner to a Fund, ETF, CIT or a portion of the assets of the Group Trust to submit periodic compliance reports so that we may determine whether each is being managed in accordance with applicable investment policies and restrictions. We analyze these reports and perform other due diligence to determine the level of compliance of each Fund, ETF, CIT and the Group Trust with its policies and restrictions.

Our Reports to Clients

We report quarterly to Harbor Funds' and Harbor ETF Trust's Board of Trustees in writing and during meetings on the performance of each Fund and ETF based upon our monthly reviews. We also report quarterly to the applicable Board of Trustees as to each Fund's and ETF's compliance with applicable laws and regulations, including the Funds' and ETFs' codes of ethics.

We report quarterly to Harbor Trust Company's Board of Directors in writing and during meetings on the performance of each CIT based on our monthly reviews. Harbor Trust Company maintains exclusive management of the CITs, and the Investment Committee of Harbor Trust Company will also monitor and oversee each CIT's investment process on an ongoing basis.

We report quarterly in writing to and meet at least annually with the plan fiduciaries or investment committees of the pension plans that invest in the Group Trust.

CLIENT REFERRALS & OTHER COMPENSATION

Harbor Capital has no arrangement with any person or entity to solicit advisory clients for Harbor Capital and does not compensate any person for client referrals.

CUSTODY

We do not act as custodian for any client account. We do not have or seek to have physical possession of any client's cash or assets held in any client's account.



INVESTMENT DISCRETION

We have discretionary authority to manage the assets of each of our clients. This authority is established in the investment advisory agreements with our clients. We may utilize Investment Partners as described above at “*Advisory Business*” and “*Methods of Analysis, Investment Strategies and Risk of Loss*.”

VOTING CLIENT SECURITIES

In certain instances, Harbor Capital retains proxy voting authority over client securities and in others, delegates proxy voting responsibilities to Investment Partners. Harbor Capital has adopted Proxy Voting Policies designed to ensure the proxy voting process is conducted in the best interests of our clients in all instances where Harbor Capital retains or delegates proxy voting authority.

When granted full discretion to vote proxies on behalf of a client for assets that Harbor Capital has allocated to an Investment Partner, Harbor Capital generally delegates proxy voting responsibility to such Investment Partner with respect to the assets allocated by Harbor Capital to that Investment Partner. It is Harbor Capital’s policy to only delegate proxy voting authority to an Investment Partner that Harbor Capital reasonably believes will be able to exercise that proxy voting authority in the best interests of Harbor Capital’s clients. Harbor Capital has adopted Proxy Voting Policies designed to ensure the proxy voting process is conducted in the best interests of our clients when delegated proxy voting authority.

Before we delegate proxy voting responsibility to an Investment Partner, our Legal and Compliance Team reviews the Investment Partner’s proxy voting policies (including their specific proxy voting guidelines) to determine if they are reasonably designed to ensure that Investment Partner can administer the proxy voting process and vote proxies in the best interests of our clients. We review material amendments to the proxy voting policies of each Investment Partner to confirm that those policies continue to meet that standard.

In each instance where Harbor Capital has retained proxy voting authority, Harbor Capital is obligated to vote proxies in a manner consistent with its fiduciary duty to act in the best interests of shareholders. Harbor Capital will normally vote or administer the voting of ballots in accordance with Harbor Capital’s proxy voting guidelines. In order to facilitate the proxy voting process with respect to assets for which Harbor Capital retains proxy voting responsibilities, Harbor Capital has engaged a proxy advisory firm to provide research, analysis and voting recommendations consistent with Harbor Capital’s proxy voting guidelines. We do not permit clients to direct Harbor Capital’s votes.

Conflicts

Where Harbor Capital delegates proxy voting responsibility to its Investment Partners, each Investment Partner votes proxies and assesses and resolves conflicts of interest in accordance with its own proxy voting policies. Harbor Capital reviews each such Investment Partner’s proxy voting policies and procedures, including provisions relating to the manner in which the Investment Partner addresses conflicts.

Investment Partners may come to different voting decisions on the same or similar proposals. As long as each Investment Partner is acting in the best interests of our clients when making their proxy voting decisions, we believe that our clients will benefit from each Investment Partner applying their own analysis to the proxy voting decision.

Where Harbor Capital retains proxy voting responsibilities, we have the obligation to assess the extent, if any, to which there may be a material conflict between the interests of an account on the one hand and Harbor Capital and its affiliates, directors, officers, employees (and other similar persons) on the other hand. If we determine that a conflict may exist, we will resolve the conflict in accordance with our proxy voting procedures and promptly report the matter and its resolution to Harbor Capital’s Chief Compliance Officer. Harbor Capital is authorized to resolve any such conflict in a manner that is in the best interests of its clients.



Fund of Funds Arrangements

Certain client assets are or may be invested in other Funds or ETFs. Proxy voting for these assets is performed at the underlying fund level. If an underlying Fund or ETF submits a matter to a vote of its shareholders, votes for and against such matters on behalf of the client will be cast in the same proportion as the votes of the other shareholders in the underlying Funds or ETFs. This is known as "echo voting" and is designed to avoid any potential conflict of interest.

Cayman Subsidiaries

Proxy voting for the assets held by each Cayman Subsidiary is performed at the respective ETF level.

Our Clients May Request Information

Our clients may request a copy of our Proxy Voting Policy or information regarding specific votes cast on their behalf by contacting Legal & Compliance at Harbor Capital Advisors, Inc., 111 South Wacker Drive, 34th Floor, Chicago, IL 60606.

FINANCIAL INFORMATION

Not applicable.