

HAPI

Harbor Human Capital Factor US Large Cap ETF

Fund Description

HAPI tracks an index of large-cap US companies scored highly for their strong corporate culture contributions to financial performance. The portfolio is weighted by market-cap and then adjusted to meet sector neutrality.

FactSet Analyst Report

HAPI aims to provide exposure to stocks with strong corporate culture while maintaining sector neutrality. From a starting index universe of 500 large-cap US companies from 11 GICS sectors, the fund retains stocks from a list of top human capital firms. The selection process is based on a proprietary scoring methodology that quantitatively measures the contribution of a company's corporate culture to its financial performance based on factors such as employee engagement and motivation, trust and transparency, point-of-view diversity, and compensation fairness. The portfolio is market cap-weighted, capped at 5% or five times its weight in the index universe, whichever is lower. The fund then adjusts the portfolio to maintain the same sector weights as the index universe. Sectors not meeting the target weights are supplemented with predetermined large-cap sector ETFs. The underlying index is rebalanced annually on the 10th trading day of every February. Prior to September 5, 2023, the ETF's name was Harbor Corporate Culture ETF.

