

HAPS

Harbor Human Capital Factor US Small Cap ETF

Fund Description

HAPS tracks a market cap-weighted index of small-cap US stocks believed to possess a strong corporate culture relating to financial performance. Holdings are reweighed to meet sector neutrality.

FactSet Analyst Report

HAPS is passively managed to invest in small-cap US stocks perceived to possess strong human capital factors across the 11 GICS sectors. From the Solactive GBS United States 2000 Index, HAPS targets the top scoring human capital firms. This is based on the premise that happy and motivated employees can generate better outcomes. The selection process begins with 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. Utilized quantifiable metrics include human capital, behavioral, and data sciences. The portfolio is market cap-weighted, with a 5% cap on each stock, then adjustments are made by supplementing predetermined small-cap sector ETFs. This is to maintain similar sector weights as the universe. The index reconstitutes annually. Prior to September 5, 2023, the ETF's name was Harbor Corporate Culture Small Cap ETF.

