Harbor Long-Short Equity ETF

STANDARD RFI

All responses are as of 05/31/2026.

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HARBOR CAPITAL ADVISORS, INC.

BACKGROUND INFORMATION

Harbor Capital Advisors, Inc. ("Harbor Capital") was founded in 1983 to manage the pension and retirement plan assets of our former parent company, Owens-Illinois. In 1986, we introduced Harbor Funds, a family of no-load mutual funds featuring our manager-of-managers business model. In June of 2001, Harbor Capital was acquired by Robeco Groep N.V. ("Robeco"), a financial holding company located in the Netherlands, a wholly-owned subsidiary of Rabobank Nederland ("Rabobank"). On July 1, 2013, ORIX Corporation acquired 90% plus one share of the outstanding shares of Robeco from Rabobank. On October 21, 2016, ORIX Corporation acquired the remaining interest that Rabobank held in Harbor Capital's parent company, Robeco (10% less one share). As a result, Robeco is wholly-owned by ORIX Corporation. Effective January 2018, Robeco's name changed to ORIX Corporation Europe N.V. ("ORIX Europe"). Harbor Capital remains an indirect, wholly-owned subsidiary of ORIX Corporation.

For over 35 years, Harbor has served as a gateway for clients to access talented asset managers through active, cost-aware investments. We aim to identify specialists in each asset class to manage portfolios and apply a comprehensive oversight program to monitor their performance in an effort to ensure their decisions are in the best interest of our clients. Harbor offers the benefit of an experienced portfolio manager, in addition to a professional adviser to maintain manager accountability.

Because Harbor partners with asset class experts for targeted strategies, we are not constrained by a single, overarching investment style. This flexibility allows us to examine any investment approach and access asset classes, without bias, and has led to a diverse array of investment solutions to help meet investor needs.

SUBADVISOR STRUCTURE & INVESTMENT TEAM

SUBADVISOR STRUCTURE

The subadvisor for the Harbor Long-Short Equity ETF is Disciplined Alpha LLC ("Disciplined Alpha"). Disciplined Alpha is a boutique manager specializing in systematic Long Short Equity and Macro strategies in the context of market Regimes.

HISTORY

The firm was launched in 2013 by Kevin Shea.

The firm's Founding Principles are Innovation, Disciplined and Risk Control. While some firms highlight that their investment process has not changed in many years, Disciplined Alpha does not believe that this is necessarily a positive attribute. The market is constantly evolving, and new research is constantly being published. Without Innovation, what was initially highly valued Alpha, could rapidly evolve into readily available, inexpensive Beta. Disciplined Alpha has hosted several Conferences called the Innovative Alpha Forum for its clients to showcase some of its more interesting research.

Disciplined is in the firm's name by design. An idea or thesis may sound interesting and reasonable on the surface. At Disciplined Alpha, ideas and theses are first rigorously tested, and if they appear additive, they are then implemented into the investment process in a very disciplined manner.

Risk Control is central to the investment process and not something added as an afterthought. Many firms strive to maximize the Sharpe Ratio, and minimize overall volatility as part of their investment process in general, and their Risk Control process in particular. Disciplined Alpha's research has shown that investors in alternative products often focus more on downside risk than overall volatility. This is believed to be better captured through the Sortino Ratio than the Sharpe Ratio. Consequently, when research is done on a part of the overall investment process, Disciplined Alpha's goal is to improve the overall Sortino Ratio.

The implementation of these Founding Principles has resulted in offering a robust investment strategy with reasonable return opportunities, limited downside potential and low correlation to equity markets.

Disciplined Alpha is pleased to partner with Harbor Capital in offering their Long Short Equity strategy in an ETF structure. It is one of few such products. According to data from etf.com, as of November 15th, 2025, while there are 4,740 U.S. ETFs, there are only 68 Alternative ETFs. Of these 68 Alternative ETFs, only 17 are Long Short Equity, and only 7 of these 17 have a 5-year track record.

The ETF strategy started as Hedge Fund in a Private Fund structure in January of 2015. It was converted to an ETF in December 2023. As far as Harbor is aware, this is the first Hedge Fund to ETF conversion in the industry.

TEAM BIOGRAPHIES

Kevin Shea, CFA
Chief Executive Officer and Portfolio Manager
Mr. Shea is CEO of Disciplined Alpha LLC and has 30 years of investment experience. Mr. Shea is the lead Portfolio Manager on the LSEQ product. Previously he was the Director of Quantitative Research at Cadence Capital, responsible for implementing a Regime-based approach across multiple products representing $5 bb. Mr. Shea has also held the positions of Portfolio Manager at Batterymarch where he managed $600 mm, and CIO and Founder of DA Capital where he grew the firm from $10 mm to $450 mm over four years. He has also been a Portfolio Manager at Invesco, responsible for $100 mm, and a Quantitative Analyst at John Hancock Funds. Mr. Shea holds a B.A. in Liberal Studies from the University of Notre Dame, an A.L.M. in Biology from Harvard University, and an M.B.A. in Finance and International Studies from Boston College. Mr. Shea has co-taught a Proseminar in Finance at MIT's Sloan School of Management. He is a member of the CFA Institute, and the Institute for Quantitative Finance, also known as the Q Group. He is also a member of the Financial Accounting Standard Board's (FASB's) Investor Advisor Committee (IAC), and the Boston Council on Foreign Relations. Mr. Shea has been quoted in numerous publications including aiCIO, Emerging Manager Monthly, Finance Research Letters, Hedge Fund Alert, HFM Week, Institutional Investor, and WatersTechnology. He has spoken at numerous conferences in the U.S. and internationally sponsored by Allianz, Argyle Executive Forum, Battle of the Quants, Capital IQ, FactSet, HFM Week, International Quality & Productivity Center, Northfield, Sentiment Analysis Symposium and Uncorrelated.

Dan Potter, PhD, CAIA
Research
Dr. Potter focuses on Quantitative Research at Disciplined Alpha. In addition to his responsibilities at Disciplined Alpha, he also teaches Scientific Computing and Data Science at Brown University, where he is an Adjunct Professor of Computer Science. His professional life has focused on the development of statistically based approaches to solving real world problems involving pattern recognition and data modeling for the financial, healthcare and technology sectors. Previous positions include Managing Partner, Quantitative Research at Gotham Research, an institutional brokerage and RIA, Chief Technology Officer for Advanced Image Enhancement, Chief Technology Officer for Third Level Data, Chief Executive Officer of Ars Analytica. Dr. Potter holds a B.S. in Mathematics & Computer Science as well as an M.S. and Ph.D. in Applied Mathematics from Brown University. Dr. Potter is also a former National Science Foundation Fellow.

Todd C. Smith

Research

Mr. Smith focuses on Fundamental Research, particularly on the TMT Sectors, at Disciplined Alpha. Mr. Smith began his career in the corporate finance division at Cowen & Company in the mid-1990s, working on IPOs and M&A transactions in the Information Technology sector, before transitioning to the equity research team. After moving to Morgan Stanley, Mr. Smith was part of a team that received multiple distinctions, including being part of the top-ranked equity research team awarded by Institutional Investor Magazine. Subsequent to his work on the sell-side, Mr. Smith joined Boston-based hedge fund, 033 Asset Management, where he was responsible for the technology sector. Most recently, he spent the last 8 years at Cadence Capital as a Senior Analyst covering the Technology, Alternative Energy and Telecom Services sectors. Mr. Smith graduated from Dartmouth College with a degree in Engineering Sciences.

Charles Zaffuto

Head of Operations

Mr. Zaffuto is the Head of Operations of Disciplined Alpha LLC and has 36 years of experience in financial services. Mr. Zaffuto is Co-Founder and Managing Member of The Alpha Cooperative. His previous roles have included Chief Operating Officer of Promethean Asset Management, a diversified credit fund, and Co-Founder of Double Alpha Group Inc. in 1994, a single manager quantitative strategy. Mr. Zaffuto grew Double Alpha into a multi-manager platform of quantitative strategies where he focused on managing individual portfolio exposures as well as combined end product risk monitoring. While managing Double Alpha, he was the Chairman and owner of ESP Technologies, a direct market access brokerage firm. In 2007, Mr. Zaffuto sold ESP to the private equity subsidiaries of Credit Suisse, Bear Stearns and Susquehanna. He began his career in the hedge fund industry in 1986. Mr. Zaffuto received a BBA in Accounting from Pace University – Lubin School of Business.

Sara Malak

Head of Compliance

Ms. Malak is the Head of Compliance of Disciplined Alpha LLC and has 24 years of experience in the Hedge Fund industry. She has extensive experience in Compliance, Governance, Administration and Investor Relations. She has been a member of a variety of committees during her career, including risk, valuation, operations and investment committees, and has acted as a director for multiple fund structures as well as Chief Compliance Officer for several management firms. Ms. Malak is Co-Founder and Managing Member of The Alpha Cooperative. Her previous roles have included Co-Founder and Managing Member of ClearVest Advisers, and Chief Administrative Officer of D5 Advisors, a Hedge Fund specializing in high dividend equity securities. She was also Executive Vice President of Double Alpha Group, a multi-manager statistical arbitrage fund. She began her Hedge Fund career in 1997 at The Palladin Group. Ms. Malak holds a B.A. in Sociology, Anthropology from Gustavus Adolphus College.

COMPENSASTION & RETENTION OF INVESTMENT PROFESSIONALS

Disciplined Alpha's investment personnel and key employees are paid a fixed salary and a discretionary bonus. Variable compensation is based on team performance and is aligned with the investment results of Disciplined Alpha's clients. The compensation approach is based on collaboration and is not tied to the investment results of any particular client. Disciplined Alpha believes this minimizes potential conflicts of interest and deters any individual from taking undue risks. Mr. Shea is the owner of the firm and a portfolio manager. Profits derived from the firm overall are components of the portfolio manager's compensation.

HARBOR LONG-SHORT EQUITY ETF (LSEQ)

OBJECTIVE

The **Harbor Long-Short Equity ETF (LSEQ)** seeks long-term growth of capital. The primary product is a Long Short Equity strategy. From a style perspective, it can have a Growth, Core, or Value tilt based on the Regime that the economy is in.

OVERVIEW

The **Harbor Long-Short Equity ETF** seeks to provide long-term growth of capital. The Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in long and short positions in equity securities. The Fund invests primarily in the common stocks of U.S.-listed large-cap and mid-cap companies. The Fund defines large-cap and mid-cap companies as those with market capitalizations that fall within the range of the Russell 1000® Index.

To seek to achieve the Fund's investment objective, Disciplined Alpha utilizes a disciplined quantitative process – maintaining long and short exposures to potentially limit drawdowns and neutralize downside tail risk (i.e., the probability that the asset performs far below its average past performance) as reflected by the Sortino ratio, which is a measure of an investment's risk that differentiates harmful volatility from total overall volatility.

BENCHMARK

The Harbor Long-Short Equity ETF uses HFRX Equity Hedge Index as its benchmark.

INVESTMENT PHILOSOPHY

Disciplined Alpha's investment philosophy is anchored to the concept that investors' willingness to take risk is not constant. In academic literature this is known as "time varying risk aversion." The Firm utilizes a macroeconomic Regime Model to capture these risk preferences over time.

For example, after the Nasdaq Index sold off dramatically from 2000 to 2002, it then rallied significantly in 2003. The market shifted from one Regime, where investors sought to avoid risk, to another Regime, in which investors sought low quality, low priced, securities.

Using proprietary research, Disciplined Alpha created a Regime Model, which aims to identify which market Regime is prevailing (Momentum, Neutral or Value). This Regime Model is also utilized to:

- Tilt the strategy towards the factors that have been shown to historically outperform in the prevailing Regime.
- Determine the gross and net exposures for the portfolio, which varies over time depending upon the market environment.

This equity philosophy is embedded in the first of four distinct features of the investment process. The other features include:

- a separate short model for the short side of the portfolio
- a model to determine the parts of the market with the most alpha opportunities
- unique industry group based factors

INVESTMENT UNIVERSE

The security universe consists primarily of those stocks in the industry groups in the Russell 1000® Index that have the most alpha opportunities. The universe includes 9 of the 11 GIC sectors, and 13 of the 24 GIC industry groups. While the precise number varies over time, the universe is approximately 600 stocks. Due to the diverse nature of the universe, the strategy can be thought of as a "core" Long Short holding, not a niche sector or industry group strategy.

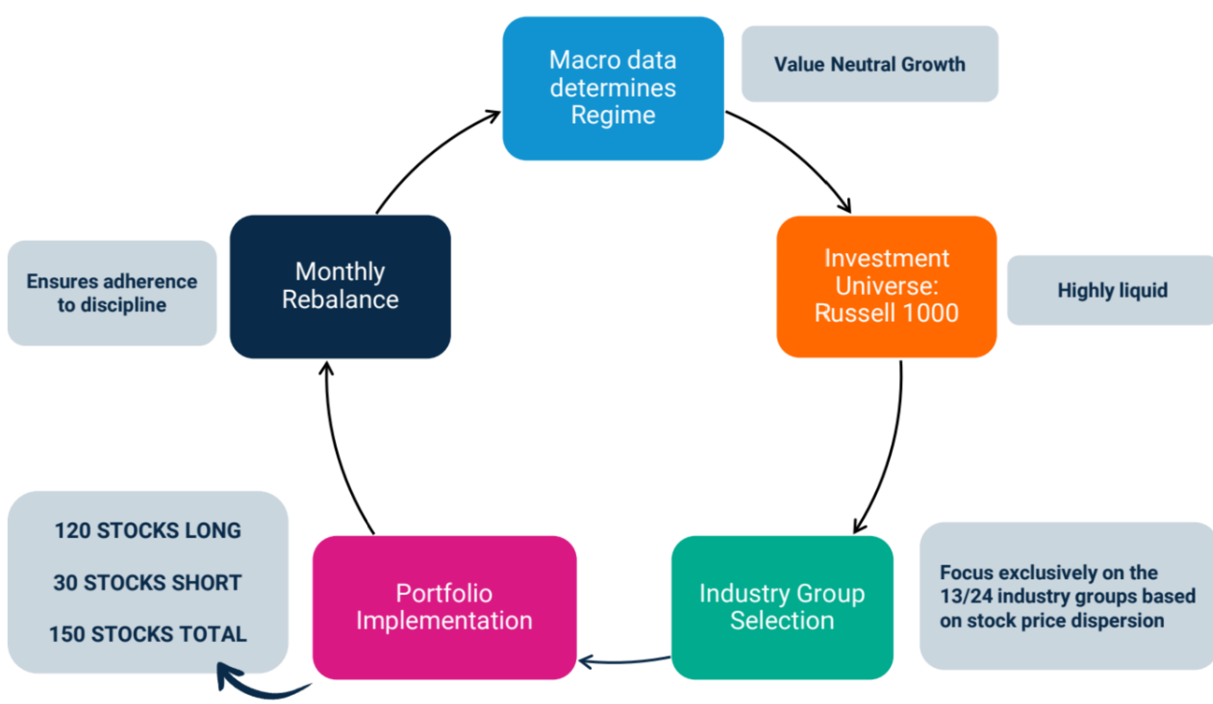
INVESTMENT PROCESS

Each month the data in the Regime Model is updated to confirm the Regime that the economy is in. This is referenced in the top of the circle below. The Investment Universe is referenced to the middle and lower right. The separate Long and Short models are referenced in the lower left. The Long model represents the best Quintile, or 120, of the stocks in the 600 stock Universe. The Short model represents, the best Vingtile, or approximately 30, of the stocks in the 600 stock Universe.

After the market is closed on a given trading day, the Long and Short models are run. This leads to each of the existing Long and Short holdings getting ranked. If a Long or Short holding no longer scores well, it is sold. This also leads to new proposed Long and Short positions. Before a new position is established, the stocks are evaluated to determine if when the stock scores well, on either the Long or Short model, that it also outperforms or underperforms its respective industry group accordingly. Those that score well, and where there is a strong relationship between rank and subsequent return are added to the portfolio in a basket trade the next trading day.

This process is repeated each month. Over 95% of the trades occur during this formal monthly rebalance. Occasionally, trades are also placed in response to developing information independent of the formal monthly rebalance process. Many of these non-rebalance trades occur during Earnings Season each quarter.

The Regime Model is medium term to longer term oriented. Periodically options are utilized to either hedge market, style, sector, or factor exposures over the shorter term, or because they are more efficient at hedging these exposures than stocks are over the medium term.



MACROECONOMIC REGIME MODEL

Disciplined Alpha's proprietary macroeconomic Regime Model designates three Regimes - Momentum, Neutral, and Value - based on their analysis of macroeconomic data that is consistent, in their view, with market participants' willingness to accept more, average, or less risk in their portfolios. The type of macroeconomic data evaluated to determine Regimes includes but is not limited to data on banks, employment, housing, industrial production, securities markets, and relative valuation. Disciplined Alpha uses this macroeconomic data to determine the weights of various stock selection factors and gross and net exposures for the Fund. In periods when its analysis of macroeconomic data suggests to the Subadvisor that market participants may be willing to accept more risk, they will position the portfolio for Momentum Regime, whereas in periods when the data suggests market participants may be willing to accept less risk, they will position the portfolio for Value Regime.

INDUSTRY GROUP FOCUS

It is the Disciplined Alpha's view, that the opportunity for positive returns for active management is not equal among industry groups. For this reason, they will focus on those industry groups that, in its view, have the greatest potential to add value through the stock selection process over time.

The stock selection process itself also utilizes industry group based factors. Disciplined Alpha has met with over 1,000 company managements and fundamental analysts over the years. During these meetings, the focus is not primarily on what news has occurred in the last two or three weeks, like many focus on. Instead, the focus is on what the five or six key metrics the senior management team uses to run the company. There is also a discussion of how the senior management is compensated. These metrics are then tested very rigorously yielding unique industry group based valuation models.

LONG MODEL

In investing in long positions in equity securities of companies, Disciplined Alpha utilizes a multifactor model in an effort to identify the stocks that are likely to deliver the best upside returns. These factors fall into the broad groups of valuation, quality, profitability, and momentum, and are determined based on their experience and conversations with company management and third-party fundamental analysts and are specific to each industry group. They will vary the weights to the factor groups depending on the Regime in place at the time, as determined by Discipline Alpha (for example, the value factor weights having greater emphasis in Value Regimes).

SHORT MODEL

Discipline Alpha aims to identify equity securities of companies that they believe will underperform using a separate short model that they believe will be more effective for this purpose. They will sell these stocks short on behalf of the Fund. When the Fund shorts securities of a company, it borrows shares of that company which it then sells. The Fund closes out a short sale by purchasing the security that it has sold short and returning that security to the entity that lent the security. Short sales are considered speculative transactions and a form of leverage.

FUND HIGHLIGHTS

Regime Framework. Investors have different risk tolerances in different economic Regimes, which has implications for the performance of equities and different equity styles. The Fund's macro Regime-based model aims to determine the appropriate net equity position and factor weights and exposures for various market environments.

Low-Correlation Diversifier. The strategy seeks low correlation to broad-based equity markets, resulting in potential diversification benefits.

Experienced Management. Portfolio Manager Kevin Shea has amassed over three decades of experience in investment management, bringing his knowledge to launch Disciplined Alpha, a Registered Investment Advisor firm in 2013.

Clarity of Process and Purpose. We believe Disciplined Alpha's transparent process for idea generation, stock selection, portfolio construction, and risk management stands out within the alternatives category, which is often perceived as opaque.

ETF STRUCTURE

Cost Effective: LSEQ is a cost-efficient way to gain access to an active, long-short equity allocation strategy.

Liquid: The ETF vehicle can be traded throughout the day, which provides intra-day liquidity for shareholders.

Tax-efficient: Due to the in-kind exchange of shares, the ETF vehicle may allow for greater tax efficiency and reduced costs.

Transparent: The availability of daily holdings may allow investors to make more informed investment decisions

SELL DISCIPLINE

Disciplined Alpha may sell a security if it no longer scores well in either the Long or Short models, a change in the company's fundamentals negatively impacts their investment thesis, or if they identify what they believe to be a more attractive investment opportunity.

INVESTMENT GUIDELINES

Under normal market circumstances, the Harbor Long-Short Equity ETF invests at least 80% of its net assets, plus borrowings for investment purposes, in long and short positions in equity securities. Under normal circumstances, the Fund will generally have net exposure ranging from 40% to 60% long but the Fund's net exposure at times may be up to 150% long. The Fund's net exposure at any time is the total of the Fund's percentage long holdings (including leverage) less the percentage of its short holdings.

The Fund invests primarily in the common stocks of U.S.-listed large cap and mid cap companies. The Fund defines large cap and mid cap companies as those with market capitalizations that fall within the range of the Russell 1000® Index, which is expected to change frequently. The Fund may also invest in U.S. Treasury bills and derivatives, including listed and over-the-counter options. The Fund may invest up to 15% of its total assets in the securities of U.S. listed foreign issuers of large cap and mid cap companies. The Fund may utilize leverage for investment purposes, including through the use of reverse repurchase agreements and borrowings from a line of credit.

Historical Investment Guidelines	
# of Holdings	Typically, 150 stocks. Long positions typically range between 100-130 stocks, and short positions typically range between 25-35 stocks.
Sector and Industry Allocation	Maximum of 30% Net Long to an Industry Group
Security Allocation	Equally weighted, avoiding the multiple Regime problem inherent in most risk models. Position weights are not modified if within 0.2% of the target weight.
Cash Allocation	The gross exposure ranges from 110% to 190%. The net exposure ranges from 40% to 150%, though approximately 90% of the time, the net exposure range is 40% to 60%.
Typical Holding Period	Depends on the Regime, but typically 3 to 6 months.

VEHICLE INFORMATION

The Harbor Long-Short Equity ETF incepted in January 2015 and is currently available as an active ETF (Ticker: LSEQ).

Ticker Symbol	LSEQ
Cusip	41151J828
Total Expense Ratio	2.28%
Inception Date	01/01/2015
Listing Date	12/04/2023
Manager Name	Disciplined Alpha, LLC
Listed Exchange	NYSE
Active/Passive	Active
Benchmark	HFRX Equity Hedge Index
Lead Market Maker	GTS
Morningstar Category	Long-Short Equity

For complete details on Harbor Long-Short Equity ETF (LSEQ), including fees and expenses, please contact your Harbor representative and/or refer to the Fund's prospectus available at harborcapital.com.

DISCLOSURES

Investing involves risk, principal loss is possible. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value.

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. Short selling securities could potentially have unlimited loss due to the price of securities sold short increasing beyond the cost of replacement and the limitless increase on the value of a security. The Fund utilizes a quantitative model and there are limitations in every quantitative model. There can be no assurances that the strategies pursued or the techniques implemented in the quantitative model will be profitable, and various market conditions may be materially less favorable to certain strategies than others.

ETFs are subject to capital gains tax and taxation of dividend income. However, ETFs are structured in such a manner that taxes are generally minimized for the holder of the ETF. An ETF manager accommodates investment inflows and outflows by creating or redeeming “creation units,” which are baskets of assets. As a result, the investor usually is not exposed to capital gains on any individual security in the underlying portfolio. However, capital gains tax may be incurred by the investor after the ETF is sold.

Shares are bought and sold at market price not net asset value (NAV). 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.

The Harbor Long-Short Equity ETF (the “Fund”) acquired the assets and assumed the then existing known liabilities of the Disciplined Alpha Onshore Fund LP (the “Predecessor Fund”), a Delaware limited partnership, on 12/4/23, and the Fund is the performance successor of the reorganization. This means that the Predecessor Fund’s performance and financial history will be used by the Fund going forward from the date of reorganization. Performance information prior to 12/4/23 reflects all fees and expenses, including a performance fee, incurred by the Predecessor Fund. Disciplined Alpha LLC (“Disciplined Alpha”) served as the general partner and investment manager to the Predecessor Fund, which commenced operations on 1/1/15 and, since that time, implemented its investment strategy indirectly through its investment in a master fund, which had the same general partner, investment manager, investment policies, objectives, guidelines and restrictions as the Predecessor Fund. Regardless of whether the Predecessor Fund operated as a stand-alone fund or invested indirectly through a master fund, Disciplined Alpha managed the Predecessor Fund assets using investment policies, objectives, guidelines and restrictions that were in all material respects equivalent to those of the Fund. However, the Predecessor Fund was not a registered fund and so it was not subject to the same investment and tax restrictions as the Fund. If it had been, the Predecessor Fund’s performance may have been lower.

This information should not be considered as a recommendation to purchase or sell a particular security. The sectors or countries mentioned may change at any time and may not represent current or future investments.

Disciplined Alpha, LLC is an independent subadvisor to the Harbor Long-Short Equity ETF.

The HFRX Equity Hedge Index measures the performance of the hedge fund market. Equity hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Index listed is unmanaged and does not reflect fees and expenses and is not available for direct investment.

Investors should carefully consider the investment objectives, risks, charges and expenses of a Harbor fund before investing. A summary prospectus or prospectus for this and other information is available at harborcapital.com or by calling 800-422-1050. Read it carefully before investing.

For Institutional Use Only. Not for Distribution to the Public.

Foreside Fund Services, LLC is the Distributor of the Harbor Long-Short Equity ETF.

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