Harbor Long-Short Equity ETF

Quarterly Commentary & Attribution

Subadvisor (since 12/04/2023):

Disciplined Alpha LLC

Portfolio Manager(s):

Kevin Shea

Benchmark 1 Name: HFRX Equity Hedge Index

Investment Philosophy:

The Harbor Long-Short Equity ETF seeks long-term growth of capital by investing at least 80% of its assets in U.S.-listed large-cap and mid-cap equity securities. It employs a long and short equity exposure strategy designed to offer growth potential while aiming to limit downside risk relative to its benchmark.

Harbor Long-Short Equity ETF

PERFORMANCE

As of 06/30/2026

Average Annual Returns

	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Gross Expense Ratio %
Harbor Long-Short Equity ETF (NAV)	LSEQ	41151J828	6.91%	28.97%	29.07%	14.25%	8.15%	6.99%	6.77%	01/01/2015	2.28
Harbor Long-Short Equity ETF (Market)	LSEQ	41151J828	6.80%	28.72%	29.00%	14.18%	8.10%	6.97%	6.75%	01/01/2015	2.28
HFRX Equity Hedge Index			10.31%	8.67%	14.65%	10.22%	6.77%	6.05%	4.66%	01/01/2015	

The Fund's returns achieved during certain periods shown were unusual and an investor should not expect such performance to be sustained.

MANAGER COMMENTARY

As of 06/30/2026

"Given the significant, rapid, and accelerating decline in the quality of earnings of the AI 10, the net income of the AI 10 and the broader Russell 1000® Index is not likely to be sustainable."

Disciplined Alpha LLC

Market in Review

Proponents of the equity market at these levels have often pointed to recent, strong earnings growth across the equity market in general, and to the companies focused on AI in particular. While this is technically correct in both respects, it is important to look below the surface, especially during the past few years.

Companies that have invested heavily in AI are commonly referred to as AI hyperscalers. There are 10 companies ("AI 10") that are either AI hyperscaler companies or AI-related semiconductor manufacturers. The AI hyperscaler companies include Alphabet, Amazon, Meta, Microsoft, and Oracle. The AI-related semiconductor manufacturers are Advanced Micro Devices, Broadcom, Intel, NVIDIA, and Micron. The net income for the AI 10 grew by a very impressive 194%, from $228 billion to $673 billion since the end of 2023. The net income for all the constituents of the Russell 1000® Index grew by an impressive 38%, from $1.816 trillion to $2.512 trillion since the end of 2023. It is worth noting that the net income from the AI 10 now represents 27% of the net income from the entire Russell 1000® Index, up from just 13% at the end of 2023. The net income from all the other constituents of the Russell 1000® Index grew at a much more modest 16%, from $1.588 trillion to $1.83 trillion.

Portfolio Performance

During the second quarter of 2026, the Harbor Long-Short Equity ETF returned 6.91% (NAV), underperforming its benchmark, the HRFX Equity Hedge Index, which returned 10.31%.

From a long/short perspective, longs contributed 10.13% to performance, and shorts detracted 3.05% from performance.

From a sector perspective, Information Technology, Health Care, and Communication Services were the top contributors to performance.

Consumer Discretionary and Energy detracted from performance.

All other sectors contributed to performance.

ETF performance prior to 12/4/23 is attributable to the Disciplined Alpha Onshore Fund LP (the "Predecessor Fund"). The historical NAV of the predecessor are used for both NAV and Market Offer Price performance from inception to ETF listing date. Performance periods since LSEQ listing date may contain NAV and MOP data of both the newly formed ETF and the predecessor fund performance. Please refer to the Fund prospectus for further details.

Shares are bought and sold at market price not net asset value (NAV). A fund's NAV is the sum of all its assets less any liabilities, divided by the number of shares outstanding. Market price returns are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times.

Performance data shown represents past performance and is no guarantee of future results. Past performance is net of management fees and expenses and reflects reinvested dividends and distributions. Investment returns and principal value will fluctuate and when redeemed may be worth more or less than their original cost. Returns for periods less than one year are not annualized. Current performance may be higher or lower and is available through the most recent month end at harborcapital.com or by calling 800-422-1050.

Harbor Long-Short Equity ETF

MANAGER COMMENTARY

As of 06/30/2026

Contributors & Detractors

The top five contributors to the ETF's performance during the second quarter were four long positions and one short position.

The top long positions included Iridium Communications (returned 98.38%), SandDisk (returned 257.88%),

Dell Technologies (returned 163.66%), and Flex (returned 147.59%).

The top short contributor was BitMine Immersion Technologies (returned 30.86%).

The top five detractors from performance were five short positions.

The top short detractors included AST SpaceMobile (returned 60.60%), Super Micro Computer (returned 81.38%), American Airlines (returned 29.53%), SentinelOne (returned 22.59%), and Eli Lilly (returned 32.60%).

Buys & Sells

Sales/Trims:

While the AI hyperscalers are likely overspending on data centers, several stocks in the ETF were beneficiaries of these capital expenditures. We trimmed back the positions in some of these companies; however, they still constituted large sales in the ETF due to their outperformance and consequent position size.

SanDisk was reduced. The company provides data storage for data centers. While the stock still scores well, the original position returned more than 1,000% since it was purchased in October 2025. The position was substantially reduced for risk management purposes and constituted one of our largest sales in the quarter.

Western Digital was reduced. The company provides data storage for data centers. While the stock still scores well, the original position returned more than 800% since it was purchased in June 2025. The position was substantially reduced for risk management purposes and constituted one of our largest sales in the quarter.

Dell was reduced. While the stock still scores well, the original position returned 163% during the second quarter. The position was substantially reduced for risk management purposes and constituted one of our largest sales during the quarter.

Purchases:

SpaceX was sold short. The stock was priced at approximately 94 times trailing sales. This was four times more expensive than Meta when it went public, and 11 times more expensive than Google when it went public. The projected AI-related sales figures are very unrealistic. The quality of earnings is very low. We have never seen such inferior corporate governance in a public company. A large short position was established at $210 per share.

Dropbox was bought due to its superior industry group relative valuation and quality of earnings.

Pinterest was bought due to its superior industry group relative valuation.

Harbor Long-Short Equity ETF

MANAGER COMMENTARY

As of 06/30/2026

Overweights & Underweights

Entering the year, the ETF was overweight in Health Care and Materials. It was underweight in Consumer Discretionary and Utilities.

The sector overweights and underweights entering the year reflected the regime model being in neutral regime, which involves a balance between growth stocks and value stocks.

During the second quarter, due to the significant outperformance and consequent extended valuation of the Communication Services and Information Technology sectors, these sectors were reduced in weight. They also continue to be the sectors that are most underweight relative to the Russell 1000® Index. Health Care and Materials continue to be the largest weights.

Country Allocation

The Harbor Long-Short Equity ETF is focused on U.S. securities.

Outlook

In November 2022, OpenAI introduced ChatGPT. Hyperscalers subsequently reported $237 billion in AI-related CapEx in 2024 and $394 billion in 2025. Estimates are currently at $765 billion for 2026. While the net income of the AI 10 has shown impressive growth, the quality of earnings is another matter. One way to track quality of earnings is to compare free cash flow to net income.

The ratio of free cash flow to net income of the overall Russell 1000® Index declined from 101% to 81%, since the end of 2023. The ratio of free cash flow to net income of the AI 10 has declined significantly from 99% to 48%. The ratio of free cash flow to net income from all the other constituents of the Russell 1000® Index has declined from 101% to 93%.

It is worth highlighting some key points. First, the market is at peak multiples. Second, proponents of the equity market at these levels have often pointed to recent, strong earnings growth. Third, the net income of the AI 10 now represents a full 27% of the net income of the Russell 1000® Index. Fourth, the ratio of free cash flow to net income of the AI 10 has declined from 99% to 48%. Fifth, given the significant, rapid, and accelerating decline in the quality of earnings of the AI 10, the net income of the AI 10 and the broader Russell 1000® Index is not likely to be sustainable.

The conclusion from these five key points is that the multiples, as well as the price level of the Russell 1000® Index, is likely to decline.

Harbor Long-Short Equity ETF

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings Long %	Long %
Warner Bros. Discovery Inc. Series A	3.44
ADT Inc.	2.62
Sotera Health Company	2.43
Chewy Inc. Class A	2.42
Huntsman Corporation	2.22
Freeport-McMoRan Inc.	2.20
Newmont Corporation	1.88
Anglogold Ashanti PLC	1.84
10x Genomics Inc Class A	1.65
Johnson & Johnson	1.61
Total	**22.31**

Top 10 Holdings Short %	Short %
NIQ Global Intelligence PLC	-3.01
CCC Intelligent Solutions Holdings Inc	-2.86
Comcast Corporation Class A	-2.63
Norwegian Cruise Line Holdings Ltd.	-2.47
Mosaic Company	-2.40
Space Exploration Technologies Corp. Class A	-2.28
Figma Inc. Class A	-2.10
DoorDash Inc. Class A	-1.97
Antero Resources Corporation	-1.89
BitMine Immersion Technologies Inc	-1.88
Total	**-23.49**

Holdings are subject to change. Go to harborcapital.com/etf/lseq for current holdings.

Harbor Long-Short Equity ETF

QUARTERLY CONTRIBUTION - LONG

As of 06/30/2026

Best Performers	Average Weight %	Gross Return % (NAV)
SANDISK CORPORATION	1.03	257.88
DELL TECHNOLOGIES, INC.	1.26	163.66
FLEX LTD.	0.97	147.59
WESTERN DIGITAL CORPORATION	0.92	136.20
IRIDIUM COMMUNICATIONS INC.	2.25	98.38

Worst Performers	Average Weight %	Gross Return % (NAV)
ALBEMARLE CORPORTATION	0.75	-24.61
GAP, INC.	1.17	-24.03
APA CORPORATION	1.15	-22.75
FIVE BELOW, INC.	0.74	-21.31
ALCOA CORPORATION	1.55	-21.17

Greatest Contributors	Gross Return % (NAV)	Contribution to Return %
IRIDIUM COMMUNCATION INC.	98.38	1.71
SANDISK CORPORATION	257.88	1.34
DELL TECHNOLOGIES, INC.	163.66	1.27
FLEX LTD.	147.59	1.02
WESTERN DIGITAL CORPORATION	136.20	0.83
Total		**6.18**

Greatest Detractors	Gross Return % (NAV)	Contribution to Return %
PROSHARES ULTRAPRO QQQ PUT JUN26 40.00	-99.79	-1.30
GAP, INC.	-24.03	-0.48
ANGLOGOLD ASHANTI PLC	-15.92	-0.36
DXC TECHNOLOGY COMPANY	-21.16	-0.36
AMERICAS GOLD AND SILVER CORPORATION	-20.54	-0.34
Total		**-2.83**

QUARTERLY CONTRIBUTION - SHORT

As of 06/30/2026

Best Performers	Average Weight %	Gross Return % (NAV)
PLANET FITNESS, INC.	-0.57	-38.32
INSMED INCORPORATED	-0.66	-38.02
CHARTER COMMUNICATIONS, INC.	-1.53	-34.13
BITMINE IMMERSION TECHNOLOGY	-0.78	-30.93
FIGMA, INC.	-0.81	-29.06

Worst Performers	Average Weight %	Gross Return % (NAV)
SUPER MICRO COMPUTER, INC.	-1.17	102.42
GITLAB, INC.	-1.05	43.48
AST SPACEMOBILE, INC.	-1.26	36.85
ATLASSIAN CORPORATION	-0.50	36.50
ACADIA HEALTHCARE COMPANY, INC.	-0.91	27.28

Greatest Contributors	Gross Return % (NAV)	Contribution to Return %
FIGMA, INC.	-29.06	0.90
BITMINE IMMERSION TECHNOLOGIES, INC.	-30.93	0.87
INSMED INCORPORATED	-38.02	0.80
PLANET FITNESS, INC.	-38.32	0.77
CHARTER COMMUNICATIONS, INC.	-34.13	0.63
Total		**3.97**

Greatest Detractors	Gross Return % (NAV)	Contribution to Return %
SUPER MICRO COMPUTER, INC.	102.42	-1.67
AST SPACEMOBILE, INC.	36.85	-0.96
AMERICAN AIRLINES GROUP INC.	25.02	-0.84
ATLASSIAN CORPORATION	36.50	-0.72
GITLAB INC.	43.48	-0.71
Total		**-4.90**

Performance data shown represents past performance and is no guarantee of future results.

Harbor Long-Short Equity ETF

IMPORTANT INFORMATION

Risks

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

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.

Benchmarks

The Russell 1000® Growth Index is an unmanaged index generally representative of the U.S. market for larger capitalization growth stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 1000® Growth Index and Russell® are trademarks of Frank Russell Company.

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. Indices listed are unmanaged and do not reflect fees and expenses and are not available for direct investment.

The Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe and includes approximately 1000 of the largest securities based on their market capitalization. The Russell 1000® Index and Russell® are trademarks of Frank Russell Company.

Disclosures

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.

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expense.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

Views expressed herein are drawn from commentary provided to Harbor by the subadvisor and may not be reflective of their current opinions or future actions, are subject to change without prior notice, and should not be considered investment advice.

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

As a result of changing market conditions, expenses and other statistics may change at any time and may differ from those shown.

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit harborcapital.com or call 800-422-1050. Read it carefully before investing.

Foreside Fund Services, LLC is the Distributor of the Harbor ETFs.