Harbor AlphaEdge Large Cap Value ETF

Quarterly Commentary & Attribution

Subadvisor (since 09/04/2024):

Harbor Capital Advisors, Inc

Portfolio Manager(s):

Elizabeth Despain
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Benchmark 1 Name: Harbor AlphaEdge Large Cap Value Index
Benchmark 2 Name: Russell 1000® Value Index

Investment Philosophy:

The Harbor AlphaEdge Large Cap Value ETF employs an indexing investment approach designed to track the performance of the Harbor AlphaEdge Large Cap Value Index. The Index is designed to give exposure to a subset of the U.S. large cap value universe with both attractive fundamentals and value characteristics.

Harbor AlphaEdge Large Cap Value 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 AlphaEdge Large Cap Value ETF (NAV)	VLLU	41151J778	11.31%	12.06%	23.35%	N/A	N/A	N/A	17.22%	09/04/2024	0.25
Harbor AlphaEdge Large Cap Value ETF (Market)	VLLU	41151J778	11.44%	12.01%	23.40%	N/A	N/A	N/A	17.89%	09/04/2024	0.25
Harbor AlphaEdge Large Cap Value Index			11.11%	11.90%	23.29%	N/A	N/A	N/A	17.29%	09/04/2024	
Russell 1000® Value Index			13.87%	16.26%	27.12%	N/A	N/A	N/A	18.20%	09/04/2024	

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

“In our view, a balanced and flexible approach remains appropriate, as markets transition from geopolitical stress toward a more growth-resilient but inflation-sensitive environment.”

Harbor Capital Advisors, Inc.

Market in Review

The second quarter of 2026 was defined by a meaningful reversal in the market backdrop. It began with the Iran conflict and closure of the Strait of Hormuz driving an energy shock, higher inflation expectations, and renewed pressure on global rates. Oil prices threatened consumer purchasing power and corporate margins, while markets moved away from expectations for near-term U.S. Federal Reserve (“Fed”) easing. Nevertheless, the U.S. economy remained resilient, supported by improving manufacturing activity, firm spending, low jobless claims, and continued Artificial Intelligence (“AI”)-related capital investment.

As the quarter progressed, the most acute supply risks receded. Increased pipeline flows, demand destruction, and progress toward reopening the Strait helped oil prices fall sharply from their April peak. The reversal reduced the risk of a persistent inflation shock and improved the outlook for real incomes, even as the Fed maintained a more hawkish posture, and markets priced a greater probability of future rate increases.

Equities strengthened amid resilient growth and robust earnings revisions. The MSCI ACWI Index returned 15.06%; the S&P 500 returned 15.20%; and the Russell 2000® Index returned 21.57%. Leadership broadened beyond defensive and commodity-sensitive areas, with AI-related technology, emerging markets, and smaller-cap equities benefiting from improving risk appetite.

Fixed income remained challenged, as higher real yields and a less supportive policy outlook weighed on duration-sensitive assets. The Bloomberg US Aggregate Bond Index returned 0.67%, while the 10-year Treasury yield moved from 4.32% to 4.47%. By quarter-end, our outlook had become less concerned about an immediate growth shock but remained attentive to inflation and policy risk. The opportunity set improved as energy pressures eased, although selectivity remained important in a late-cycle backdrop.

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.

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.

Harbor AlphaEdge Large Cap Value ETF

MANAGER COMMENTARY

As of 06/30/2026

Portfolio Performance

During the second quarter, the Harbor AlphaEdge Large Cap Value ETF (“ETF”) returned 11.31% (NAV), outperforming the Harbor AlphaEdge Large Cap Value Index, which returned 11.11%, and underperforming its benchmark, the Russell 1000® Value Index (“Index”), which returned 13.87%.

The ETF underperformed the benchmark, with a below-benchmark weighting and choice of holdings in the Communication Services sector detracting from its relative returns. An overweight position and stock picks in the Health Care sector also proved disappointing. Conversely, an above-benchmark weighting in the Information Technology sector added value during the quarter, as did the ETF’s underweight position in Utilities.

Outlook

Harbor’s business cycle regime indicator remains in a late-cycle slowdown. Relative to the start of the year, our assessment of the macro backdrop has become more nuanced. The oil shock that dominated the first half has since faded, reducing the near-term risk of a severe inflation and growth shock. At the same time, the U.S. economy continues to show considerable resilience, supported by healthy consumer balance sheets, a recovering manufacturing cycle, improving labor market data, and continued AI-related capital spending. In our view, that combination remains consistent with slower, but still positive, growth rather than a broad-based contraction.

Inflation and monetary policy remain the principal macro risks. Lower energy prices, fading tariff effects, moderating housing inflation, and contained wage growth should allow inflation to slow, but AI-related demand for semiconductors, memory, power, and data center infrastructure is creating pockets of supply pressure. Our base case is that the Fed remains on hold, although the distribution of outcomes remains skewed toward hikes rather than cuts, if oil prices rise again, or services inflation proves persistent.

Against this backdrop, we remain neutral on equities and selective in how we express risk. We continue to favor U.S. large-cap growth and the broader tech ecosystem, where earnings revisions and AI-related demand remain strong. Japan and emerging markets also remain attractive, particularly where exposure is linked to the AI supply chain, while banks, communication services, and select European equities may benefit from broader market participation. Fixed income remains underweight, while commodities and Gold have moved back toward neutral as the energy shock has eased. In our view, a balanced and flexible approach remains appropriate, as markets transition from geopolitical stress toward a more growth-resilient but inflation-sensitive environment.

Harbor AlphaEdge Large Cap Value ETF

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %	Benchmark 1 %
Alphabet Inc. Class A	6.88	6.57
Micron Technology Inc.	4.60	4.54
Johnson & Johnson	4.59	4.52
Citigroup Inc.	3.19	3.17
Bank of New York Mellon	3.10	3.09
Apple Inc.	3.05	3.08
Visa Inc. Class A	3.03	2.99
Bank of America Corp	3.03	3.03
SEI Investments Company	3.02	3.05
Synchrony Financial	2.97	2.98
Total	**37.47**	**37.02**

QUARTERLY ATTRIBUTION

As of 06/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return % (NAV)
MICRON TECHNOLOGY INC	3.97	241.67
DELL TECHNOLOGIES -C	1.40	163.66
FLEX LTD	0.92	147.59
QUALCOMM INC	2.02	94.92
NETAPP INC	0.59	51.91

Worst Performers	Average Weight %	Gross Return % (NAV)
COGNIZANT TECH SOLUTIONS-A	1.57	-36.47
ZOETIS INC	0.29	-33.99
AT&T INC	1.27	-27.85
KROGER CO	0.53	-22.85
HCA HEALTHCARE INC	0.35	-20.01

Contributors & Detractors

Greatest Contributors	Gross Return % (NAV)	Contribution to Return %
MICRON TECHNOLOGY INC	241.67	5.23
DELL TECHNOLOGIES -C	163.66	2.57
QUALCOMM INC	94.92	2.39
FLEX LTD	147.59	0.81
CITIGROUP INC	24.00	0.71
Total		**11.70**

Greatest Detractors	Gross Return % (NAV)	Contribution to Return %
EXXONMOBIL HOLDINGS CORP	-18.89	-0.56
ADOBE INC	-15.66	-0.44
CHEVRON CORP	-19.16	-0.40
COMCAST CORP-CLASS A	-12.36	-0.40
COGNIZANT TECH SOLUTIONS-A	-36.47	-0.38
Total		**-2.19**

Holdings are subject to change. Go to harborcapital.com/etf/vllu for current holdings.
Performance data shown represents past performance and is no guarantee of future results.

Harbor AlphaEdge Large Cap Value ETF

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor AlphaEdge Large Cap Value ETF vs Russell 1000® Value Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	12.98	13.87	-0.89
Currency Contribution	0.00	0.00	0.00
Total Return	**12.98**	**13.87**	**-0.89**

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Information Technology	25.10	15.75	9.35	53.66	80.63	-26.97	11.75	9.27	5.32	-4.13	1.18
Utilities	0.18	4.24	-4.06	3.14	-0.62	3.76	0.02	-0.03	0.67	0.00	0.67
Consumer Staples	4.53	7.06	-2.53	3.66	0.64	3.02	0.21	0.05	0.45	0.15	0.60
Financials	25.45	19.37	6.08	12.72	9.14	3.58	3.05	1.82	-0.49	0.86	0.37
Real Estate	0.00	3.91	-3.91	0.00	9.34	-9.34	0.00	3.92	0.17	0.00	0.17
Consumer Discretionary	4.94	6.98	-2.04	5.73	6.84	-1.11	0.30	0.57	0.09	-0.07	0.02
Industrials	8.40	13.12	-4.72	10.03	12.03	-2.00	0.78	1.58	0.15	-0.24	-0.09
Materials	3.19	4.13	-0.94	-10.24	1.06	-11.30	-0.33	0.07	0.12	-0.40	-0.28
Energy	7.79	6.60	1.19	-15.63	-13.77	-1.86	-1.33	-1.03	-0.37	-0.19	-0.60
Health Care	14.11	10.95	3.16	-0.29	7.73	-8.02	-0.13	0.81	-0.16	-1.27	-1.42
Communication Services	6.69	7.90	-1.21	-17.94	1.61	-19.55	-1.33	0.37	-0.05	-1.51	-1.56
Total	**100.00**	**100.00**	**0.00**	**12.98**	**13.87**	**-0.89**	**12.98**	**13.87**	**5.91**	**-6.80**	**-0.89**

Trailing 1 Year Attribution:
Harbor AlphaEdge Large Cap Value ETF vs Russell 1000® Value Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	25.41	27.12	-1.72
Currency Contribution	0.00	0.00	0.00
Total Return	**25.41**	**27.12**	**-1.72**

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Financials	28.47	21.22	7.25	19.37	7.81	11.56	5.29	1.89	-1.69	3.51	1.82
Consumer Discretionary	6.63	7.42	-0.79	16.44	8.81	7.63	1.45	0.87	0.23	0.73	0.95
Real Estate	0.00	4.04	-4.04	0.00	13.41	-13.41	0.00	0.57	0.57	0.00	0.57
Utilities	1.42	4.42	-3.00	13.39	16.53	-3.14	0.42	0.80	0.56	-0.13	0.43
Materials	3.17	4.14	-0.97	24.43	21.39	3.04	0.99	0.95	0.23	0.11	0.34
Energy	7.73	6.21	1.52	28.90	28.17	0.73	2.52	1.83	0.21	0.08	0.29
Consumer Staples	7.81	7.47	0.34	9.17	5.53	3.64	0.31	0.43	-0.15	0.12	-0.03
Health Care	13.33	11.64	1.69	16.67	20.29	-3.62	2.29	2.47	-0.52	-0.14	-0.66
Industrials	5.90	13.24	-7.34	21.80	28.57	-6.77	0.83	3.68	-0.22	-0.74	-0.96
Communication Services	9.75	7.99	1.76	-9.82	18.24	-28.06	0.29	1.90	0.67	-2.80	-2.13
Information Technology	15.82	12.21	3.61	50.34	119.91	-69.57	11.01	11.86	6.03	-8.24	-2.20
Total	**100.00**	**100.00**	**0.00**	**25.41**	**27.12**	**-1.72**	**25.41**	**27.12**	**5.78**	**-7.49**	**-1.72**

Performance data shown represents past performance and is no guarantee of future results. Portfolio returns and attribution are shown gross of fees.

Harbor AlphaEdge Large Cap Value 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.

All investments involve risk including the possible loss of principal. 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. Stocks perceived as undervalued might not appreciate or realize their full potential, and value-oriented investments may underperform other equity styles at times. The Fund may not perfectly track its Index due to differences in securities held, transaction costs, or uninvested cash. Legal or regulatory constraints can also affect tracking accuracy, particularly during volatile markets. The Fund aims to track the Index without defensive strategies, which could lead to underperformance compared to funds that actively adjust their portfolios. Errors or flaws in the Index's methodology or data may have adverse impact the Fund's performance.

Benchmarks

The Harbor AlphaEdge Large Cap Value Index is comprised of a subset of securities within the US equity market that are determined to be attractively valued while exhibiting strong fundamental characteristics. The index is constructed using a proprietary rules-based stock selection model developed by the Index Sponsor and weighted using an optimization approach.

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

The Russell 2000® Index measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000® and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index and Russell® are trademarks of Frank Russell Company. Indices listed are unmanaged and do not reflect fees and expenses and are not available for direct investment.

The MSCI ACWI captures large and mid cap representation across Developed Markets (DM) and Emerging Markets (EM) countries. The index covers approximately 85% of the global investable equity opportunity set. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

The Bloomberg US Aggregate Bond Index is an unmanaged index of investment-grade fixed-rate debt issues with maturities of at least one year. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Disclosures

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.

Harbor AlphaEdge Large Cap Value ETF

IMPORTANT INFORMATION

Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

Active Currency Contribution is the Currency Contribution of the portfolio minus the Currency Contribution of the benchmark.

Allocation Effect is the portion of portfolio excess return that is attributable to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the average percent capitalization of the portfolio's group minus the average percent cap of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark.

Average Weight is the dollar value (price times the shares held) of the security or group, divided by the total dollar value of the entire portfolio displayed as a percentage. It is calculated as the simple arithmetic average of daily values.

Contribution to Return is the contribution of a security or group to the overall portfolio return. It is calculated as the security weight multiplied by the daily security return linked daily across the reporting period.

Currency Contribution is Total Return in USD subtracting out the Local Returns.

Local Returns are the Total Return of the portfolio or benchmark using the local currency.

Selection Effect is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's security selection effect equals the average weight of the benchmark's group times the total return of the portfolio's group minus the total return of the benchmark's group.

Total Effect is the sum of Allocation Effect and Selection Effect. The total effect represents the opportunity cost of what was done in a group relative to the overall portfolio. It is not just the difference between percent contribution in the portfolio and benchmark. At the overall portfolio level, the two numbers are equal. At the group level, they can be different.

Total Return is the price change of a security or group including dividends accrued over the report period (or the in-portfolio return) which includes only the time period that each security was in the portfolio.

Definitions

Alpha is the risk-adjusted excess return of an investment relative to the return of a benchmark index.