

Harbor Ares Systematic High Yield ETF

Quarterly Commentary & Attribution

Subadvisor (since 09/14/21):

Ares Systematic Credit Limited

Portfolio Manager(s):

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Benchmark 1 Name: ICE BofA US High Yield Index (H0A0)

Investment Philosophy:

The Harbor Ares Systematic High Yield ETF is an actively managed fixed income strategy that seeks total return through employing a structured investment process that utilizes a proprietary model-based framework in the security selection of below investment-grade (high yield) bonds. The Fund seeks total return by mainly investing in below investment-grade (high yield) corporate bonds.

Harbor Ares Systematic High Yield ETF



PERFORMANCE

As of 06/30/2026

Average Annual Returns

	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Current 30-Day Yield %	Current 30-Day Un-Sub Yield %	Since Inception	Inception Date	Gross Expense Ratio %
Harbor Ares Systematic High Yield ETF (NAV)	SIHY	41151J109	3.11%	2.41%	6.86%	9.39%	N/A	N/A	6.41%	6.41%	4.95%	09/14/2021	0.48
Harbor Ares Systematic High Yield ETF (Market)	SIHY	41151J109	3.25%	2.26%	6.23%	9.36%	N/A	N/A	6.41%	6.41%	4.83%	09/14/2021	0.48
ICE BofA US High Yield Index (H0A0)			2.45%	1.89%	5.74%	8.79%	N/A	N/A			4.02%	09/14/2021	

MANAGER COMMENTARY

As of 06/30/2026

“The current economic picture is stable: low recessionary risk, a cautious U.S. Federal Reserve regaining credibility, and expectations for a decreasing global high-yield default rate.”

Ares Systematic Credit Limited

Market in Review

Risk markets posted solid gains during the second quarter of 2026, with U.S. equities up 15.2% and U.S. high yield up 2.5%. Risk markets started the quarter on strong footing as geopolitical risk in the Middle East stabilized and corporate earnings season showed resilience, with U.S. corporates enjoying buoyant operating margins. Toward quarter-end, weaker sentiment in technology names and record equity issuance events in the sector muted risky asset returns as volatility increased.

Portfolio Performance

During the second quarter, the Harbor Ares Systematic High Yield ETF (“ETF”) returned 3.11% (NAV), outperforming its benchmark, the ICE BofA US High Yield Index, which returned 2.45%.

Performance was driven by security selection in Consumer Cyclical, Technology, and Communications names, alongside gains from sector positioning driven by a modest underweight to Communications and overweight to Consumer Cyclical. The performance of Ares Systematic Credit’s proprietary Sentiment and Valuation research insights drove the security selection gains.

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 Ares Systematic High Yield ETF

MANAGER COMMENTARY

As of 06/30/2026



Overweights and Underweights

The ETF seeks to be broadly neutral in duration and yield curve versus its benchmark. During the quarter, the largest sector positions were an overweight, in risk terms, to Consumer Cyclical and an underweight to Communications.

The ETF was underweight lower-quality high yield with a varying allocation to higher-quality high yield reflecting the current opportunity set.

We seek to invest only in index-eligible securities and U.S. dollar securities, and we do not emphasize country selection versus the benchmark.

Outlook

The current economic picture is stable: low recessionary risk, a cautious U.S. Federal Reserve regaining credibility, and expectations for a decreasing global high-yield default rate. Nonetheless, any changes to this relatively benign environment may contribute to increased market volatility that we think would benefit the ETF's opportunity set over the medium term.

Harbor Ares Systematic High Yield 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. Fixed income securities fluctuate in price in response to various factors, including changes in interest rates, changes in market conditions and issuer-specific events, and the value of your investment in the Fund may go down. There is a greater risk that the Fund will lose money because they invest in below-investment grade fixed income securities and unrated securities of similar credit quality (commonly referred to as “high-yield securities” or “junk bonds”). These securities are considered speculative because they have a higher risk of issuer default, are subject to greater price volatility and may be illiquid. Because the Fund may invest in securities of foreign issuers, an investment in the Fund is subject to special risks in addition to those of U.S. securities. These risks include heightened political and economic risks, greater volatility, currency fluctuations, higher transaction costs, delayed settlement, possible foreign controls on investment, possible sanctions by government bodies of other countries and less stringent investor protection and disclosure standards of foreign markets.

Benchmarks

The ICE BofA US High Yield Index (H0A0) Index is an unmanaged index that tracks the performance of below investment grade U.S. Dollar-denominated corporate bonds publicly issued in the U.S. domestic market. All bonds are U.S. dollar denominated and rated Split BBB and below. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Disclosures

Effective February 3, 2026, the name of the fund’s subadvisor changed from BlueCove Limited to Ares Systematic Credit Limited. Effective March 1, 2026, the name of Harbor Scientific Alpha High-Yield ETF changed to Harbor Ares Systematic High Yield ETF. These changes do not affect the fund’s investment objective, strategies, risks, fees, or portfolio management. Please see the Fund’s Prospectus for additional information.

Current 30-Day Yields represent the average annualized income dividend over the last 30 days excluding gains and losses as defined by the SEC. Current 30-Day Yield is the Current 30-Day Subsidized SEC Yield and reflects reimbursements or waivers of fees currently in effect. Current 30-Day Yield-Unsub is the Current 30-Day Unsubsidized SEC Yield and does not reflect reimbursements or waivers of fees currently in effect.

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.

Definitions

Duration is a commonly used measure of the sensitivity of the price of a debt security, or aggregate market value of a portfolio of debt securities, to change in interest rates. Modified Duration measures the change in the value of a security in response to the change in interest rates. Securities with a longer duration are more sensitive to changes in interest rates and generally have more volatile prices than securities of comparable quality with a shorter duration.

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.

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