HARBOR ALPHAEDGE SMALL CAP EARNERS ETF

Harbor Capital Advisors, Inc

Advisor Since 07/09/2024

Ticker:	EBIT
CUSIP:	41151J786
Net Expense Ratio:	0.29%
Gross Expense Ratio:	0.29%
Total Net Assets:	$8,937,246
Benchmark Name:	Harbor AlphaEdge Small Cap Earners Index

Portfolio Managers

Steve Cook

Jim Erceg

Investment Philosophy

The Harbor AlphaEdge Small Cap Earners ETF (EBIT) seeks to provide investment results that correspond, before fees and expenses, to the performance of the Harbor AlphaEdge Small Cap Earners Index. The Index is designed to deliver exposure to equity securities of U.S. companies that are “small cap earners” based on a profitability weighting schema produced by Harbor Capital Advisors, Inc.

CHARACTERISTICS & ALLOCATION

As of 03/31/2025

Portfolio Characteristics

	Portfolio	Benchmark
Number of Holdings	840	1,160
Wtd Avg Market Cap ($Mil)	2,923.10	2,892.80
Median Market Cap ($Mil)	1,395.00	1,124.00
Price/Book Ratio	1.42	1.42
Adjusted Trailing P/E Ratio	13.50	13.30
% EPS Growth - Past 3 Yr	4.70	4.70
Est 3-5 Yr EPS Growth Rate (%)	11.30	11.10
Return on Equity (%)	10.12	10.20
Forecasted P/E Ratio	11.90	11.90

Economic Sectors

	Portfolio %	Benchmark %
Financials	29.06	29.24
Industrials	15.18	14.84
Consumer Discretionary	13.53	13.50
Energy	11.10	11.23
Real Estate	6.43	6.51
Materials	4.87	4.90
Information Technology	4.60	4.54
Health Care	4.25	4.26
Communication Services	4.17	4.41
Consumer Staples	3.21	3.29
Utilities	3.12	3.20

Top 10 Holdings

	Portfolio %	Benchmark %
Jackson Financial Inc. Class A	1.54	1.50
Navient Corp	1.50	1.61
John Wiley & Sons Inc.	0.91	0.97
Sinclair Inc. Class A	0.88	0.89
Mr. Cooper Group Inc.	0.84	0.85
PBF Energy Inc. Class A	0.74	0.74
Enstar Group Limited	0.71	0.72
Diebold Nixdorf Inc	0.70	0.71
CNX Resources Corporation	0.68	0.70
Murphy Oil Corporation	0.61	0.63
Total	**9.11**	**9.32**

Top 10 Industries

	Portfolio %	Benchmark %
Banks	13.08	13.24
Oil Gas & Consumables	9.35	9.44
Financial Services	6.79	6.80
Household Durables	3.80	3.91
Specialty Retail	3.59	3.44
Consumer Finance	3.50	3.51
Media	3.37	3.50
Machinery	3.30	3.11
Insurance	2.94	2.93
Trading Companies	2.79	2.76
Total	**52.51**	**52.64**

Market Capitalization

		Portfolio %
Large	Above 25.0B	0.00
	10.0B - 25.0B	0.52
Mid	5.0B - 10.0B	14.90
	1.0B - 5.0B	66.68
Small	0.0 - 1.0B	17.52

Harbor

Harbor AlphaEdge Small Cap Earners ETF

PERFORMANCE

As of 03/31/2025

Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor AlphaEdge Small Cap Earners ETF (NAV)	-6.99%	-6.99%	N/A	N/A	N/A	N/A	2.21%	07/09/2024
Harbor AlphaEdge Small Cap Earners ETF (Market)	-6.87%	-6.87%	N/A	N/A	N/A	N/A	2.38%	07/09/2024
Harbor AlphaEdge Small Cap Earners Index	-6.92%	-6.92%	N/A	N/A	N/A	N/A	1.86%	07/09/2024
Russell 2000® Index	-9.48%	-9.48%	N/A	N/A	N/A	N/A	0.11%	07/09/2024

MANAGER COMMENTARY

As of 03/31/2025

"As our base case, we expect risk assets to experience continued positive returns in the coming quarters, with economic growth remaining resilient."

Harbor Multi-Assets Solutions Team

Market in Review

The first quarter of 2025 saw a return of volatility to financial markets, which resulted in mixed investment results across risk assets. Following the S&P 500 Index's new all-time high midway through the quarter, those gains reversed, and the index posted its worst quarterly performance relative to the MSCI World ex-US Index in 16 years. U.S. equities experienced a sharp correction, as valuations that had become extended were coupled with investors' new focus on the administration's policy agenda and the resulting negative, near-term impact on economic growth and inflation.

The S&P 500 Index returned −4.3% during the quarter — its worst quarterly performance since the third quarter of 2023 — and the Russell 1000® Index returned −4.5%. Small caps continued to lag their larger peers with the Russell 2000® Index returning −9.5%. Investors' concerns about a potential economic slowdown, in addition to uncertainty around the new administration's economic policies, dampened consumer confidence and investor sentiment and weighed on investment returns. The quarter was marked by a reversal in market leadership within global equities, as international equities outperformed domestic equities, while U.S. Information Technology stocks, particularly the Magnificent 7, underperformed the broader equity market. Questions surrounding "American exceptionalism" and concerns about the impact of DeepSeek's cost-efficient artificial intelligence ("AI") model led investors to question the profitability driving the significant investment spending behind AI. A rotation away from U.S.-centric technology leadership took place during the quarter, with growth opportunities broadening internationally. Sentiment toward non-U.S. equities reached a low point, highlighted by the extreme valuation discount versus domestic equities.

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 Small Cap Earners ETF

MANAGER COMMENTARY

As of 03/31/2025

Portfolio Performance

During the first quarter, the Harbor AlphaEdge Small Cap Earners ETF ("ETF") returned –6.99% (NAV), slightly underperforming the Harbor AlphaEdge Small Cap Earners Index, which returned –6.92%, and outperforming its benchmark, the Russell 2000® Index, which returned –9.48%.

The ETF outperformed the benchmark as investor preference for higher-quality shares — more specifically, companies reporting positive earnings — were favored during the quarter. The ETF had positive relative performance versus the benchmark within the Information Technology and Financials sectors, as stock selection within each of the sectors was strong within the strategy. The ETF's overweight to Financials contributed to relative performance with small-cap Financials outpacing the broader index. The ETF's underweight to Information Technology shares also contributed to relative performance versus the benchmark as Information Technology shares lagged the broader Russell 2000® Index.

Outlook

Harbor's Business Cycle Regime indicator continues to signal late-cycle conditions with market sentiment remaining in risk-seeking mode at the end of the first quarter. The presidential election catalyzed an increase in consumer and business sentiment, with hopes of imminent tax cuts and deregulation driving expectations for forward growth higher. Despite the new administration's stimulative policies, there were other factors, such as slowing immigration, unclear trade policies, and a focus on reducing government spending from elevated levels, which are acting as headwinds to economic growth. Outside the U.S., pro-growth policy changes have come out of Europe, particularly Germany, where policymakers have relaxed their self-imposed "debt brake" to allow themselves the leeway to make needed investments in areas such as defense. Following 100 basis points of interest rate cuts in 2024, the U.S. Federal Reserve ("Fed") meeting in December acknowledged that interest rate cuts would not be a given at upcoming meetings, reflecting the uncertainty around both the effects of the policies of the new administration and the terminal rate in this cycle. Fiscal policy and tariff decisions will be key determinants on whether the Fed will deliver on the two rate cuts that have been priced into the market. Inflationary pressures within the economy have continued to decelerate, with Services (Ex-Shelter) the only subsector that is meaningfully above its pre-COVID trend. Higher tariffs pose an upside risk to inflation, and we remain focused on changes in tariff policy and their effects on growth and inflation. As our base case, we expect risk assets to experience continued positive returns in the coming quarters, with economic growth remaining resilient.

Harbor AlphaEdge Small Cap Earners ETF

QUARTERLY ATTRIBUTION

As of 03/31/2025

Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
H&E EQUIPMENT SERVICES INC	0.14	94.14
CORCEPT THERAPEUTICS INC	0.04	70.68
ACM RESEARCH INC CLASS A	0.06	54.57
HF FOODS GROUP INC	0.02	52.65
OPTION CARE HEALTH INC	0.20	50.65

Worst Performers	Average Weight %	Return % (NAV)
LESLIE'S INC	0.04	-67.02
CHEGG INC	0.01	-60.30
MARAVAI LIFESCIENCES HOLDINGS INC	0.13	-59.45
SLEEP NUMBER CORPORATION	0.04	-58.40
VICTORIA'S SECRET & CO	0.26	-55.14

Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
MR COOPER GROUP INC	24.57	0.17
FLAGSTAR FINANCIAL INC	24.65	0.12
H&E EQUIPMENT SERVICES INC	94.14	0.10
STONECO LTD-A	31.49	0.09
GRAY MEDIA INC	39.67	0.09
Total		**0.57**

Greatest Detractors	Return % (NAV)	Contribution to Return %
PBF ENERGY INC-CLASS A	-27.18	-0.25
PEABODY ENERGY CORP	-34.97	-0.20
ALPHA METALLURGICAL RESOURCE	-37.41	-0.17
VICTORIA'S SECRET & CO	-55.14	-0.14
SM ENERGY CO	-22.34	-0.12
Total		**-0.88**

Past performance is not a guarantee of future results.

Harbor AlphaEdge Small Cap Earners ETF

ATTRIBUTION

As of 03/31/2025

Quarterly Attribution:
Harbor AlphaEdge Small Cap Earners ETF vs Harbor AlphaEdge Small Cap Earners Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-6.80	-6.92	0.12
Currency Contribution	0.00	0.00	0.00
Total Return	**-6.80**	**-6.92**	**0.12**

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	29.69	29.68	0.01	-1.96	-2.19	0.23	-0.54	-0.60	0.02	0.07	0.09
Industrials	15.70	15.48	0.22	-8.64	-9.23	0.60	-1.30	-1.34	-0.02	0.10	0.08
Real Estate	5.93	5.99	-0.06	-5.64	-6.68	1.04	-0.38	-0.45	-0.01	0.06	0.05
Information Technology	4.69	4.66	0.03	-10.45	-11.28	0.83	-0.52	-0.55	0.00	0.04	0.04
Materials	4.89	5.01	-0.11	-9.74	-9.90	0.16	-0.48	-0.49	0.01	0.01	0.01
Utilities	2.82	2.83	-0.01	7.51	7.12	0.39	0.19	0.19	-0.01	0.01	0.00
Health Care	4.15	4.16	-0.01	-4.27	-4.01	-0.25	-0.20	-0.19	0.00	-0.01	-0.01
Communication Services	4.00	4.08	-0.08	-4.27	-4.72	0.45	-0.14	-0.16	-0.03	0.02	-0.01
Consumer Staples	2.93	3.00	-0.07	0.84	1.04	-0.20	0.02	0.02	-0.01	-0.01	-0.01
Energy	10.68	10.79	-0.11	-12.62	-12.18	-0.44	-1.30	-1.32	0.03	-0.05	-0.02
Consumer Discretionary	14.32	14.32	-0.01	-14.40	-13.76	-0.64	-2.15	-2.03	-0.01	-0.10	-0.11
Total	**100.00**	**100.00**	**0.00**	**-6.80**	**-6.92**	**0.12**	**-6.80**	**-6.92**	**-0.02**	**0.14**	**0.12**

Past performance is not a guarantee of future results.

Harbor AlphaEdge Small Cap Earners 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. Harbor ETFs are new and have limited operating history to judge.

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 of small cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies. The Fund may not exactly track the performance of the Index with perfect accuracy at all times. Tracking error may occur because of pricing differences, timing and costs incurred by the Fund or during times of heightened market volatility. Harbor Capital Advisors, Inc. (the "Index Provider") selects companies for the Index based on a proprietary methodology and there is no guarantee that the construction methodology will accurately provide the intended exposure. The Fund's assets may be concentrated in a particular sector or industries to the extent the Index is concentrated, which would subject the Fund to the risk that economic, political, or other market conditions that have a negative effect on that sector or industry will negatively impact the value of the Fund. There can be no assurance that the Fund will grow to or maintain an economically viable size, in which case the Board of Trustees may determine to liquidate the Fund.

Benchmarks

The Harbor AlphaEdge Small Cap Earners Index evaluates the performance of a specific subset within the small cap US Equity market. This subset comprises companies listed in the Russell 2000 Index that have met profitability criteria over the past twelve quarters. The index employs a modified profitability weighting methodology.

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.

The constituents of the Russell 2000® Index were used by Harbor Capital Advisors, Inc. or its affiliate as the starting universe for selection of the companies included in the Harbor AlphaEdge Small Cap Earners Index. Frank Russell Company ("FTSE Russell") does not in any way create, calculate, maintain, review, sponsor, support, promote or endorse the Harbor AlphaEdge Small Cap Earners Index. In no event shall any FTSE Russell party have any liability for any direct, indirect, special, incidental, punitive, consequential (including without limitation lost profits) or any other damages in connection with the constituents of the Harbor AlphaEdge Small Cap Earners Index.

The S&P 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. 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, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

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 Small Cap Earners 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 a measure of risk (beta) adjusted return.

Beta is a measure of systematic risk, or the sensitivity of a fund to movements in the benchmark. A beta of 1 implies that the expected movement of a fund's return would match that of the benchmark used to measure beta.

Median Market Cap: The median size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Weighted Average Market Capitalization: The average size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

% EPS Growth - Past 3 Year: Earnings per share refers to the bottom-line measure of a company’s profitability defined as net income divided by the number of outstanding shares.

The Adjusted Trailing P/E (price-to-earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS.

Forecasted P/E Ratio: a measure of the P/E (price-to-earnings) ratio using forecasted earnings for the P/E calculation.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

The Price/Book (price-to-book) Ratio evaluates a firm's market value relative to its book value.

All P/E, ROE and P/B statistics are calculated as weighted medians.