Harbor Small Cap Earners ETF

Ticker: EBIT | 2026

Strategy Highlights

Delivering simplicity. Harbor seeks to capitalize on the elevated levels of non-earners in U.S. small caps by creating a proprietary index that includes only companies with demonstrated ability to achieve repeatable, positive earnings.

Disciplined approach. Unlike other small cap strategies that aim to mimic exposures in the benchmark, Harbor Small Cap Earners ETF (EBIT) looks to position itself for attractive alpha generation by eliminating historical non-earners from its universe, increasing its odds of exposure to those stocks believed to be well positioned to achieve alpha.

Positive earnings are key. With EBIT, the emphasis on positive earnings is significant. As uncertainties are always present in the market, we believe investments with a quality bias are positioned to best withstand market volatility in 2024 and beyond.

Timely approach. We think this approach to small caps is timely and relevant in a world where interest rates are much higher than they have been for the last 20 years. Higher interest rates make it more challenging and less affordable to access capital markets for funding, which suggests that less profitable companies reliant on external funding will face more headwinds now than they have since 2008. We believe this makes profitable small cap companies even more attractive today as their profits can be used to invest in the business and support growth.

Ticker Symbol	EBIT
CUSIP	41151J786
Listed Exchange	NYSE Arca
Total Expense Ratio	0.29%
Lead Market Maker	Virtu
Inception Date	7/9/2024
Manager Name	Harbor Capital Advisors, Inc.
Benchmark	Harbor Small Cap Earners Index
Morningstar Category	Small Cap Value

Product Overview

The **Harbor Small Cap Earners ETF** employs an indexing investment approach designed to track the performance of the Harbor 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.

EBIT is a simple solution designed for investors who are interested in small caps but want to avoid companies with a history of unprofitability within the asset class. Designed to allocate to profitable small caps, Harbor believes EBIT is well positioned to deliver improved investor returns in the small cap space.

ETF Structure

- **Cost Effective:** EBIT is a cost-efficient way to gain access to a higher-quality focused small cap 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.

Harbor Small Cap Earners ETF

Ticker: EBIT | 2026

Investment Process

EBIT tracks the Harbor Small Cap Earners Index. In constructing the Index Harbor starts with the Russell 2000 Index and then looks back at profitability, excluding repeat, unprofitable offenders from the investment universe. The remaining names in the Index are then weighted by profitability, rewarding companies that are more profitable more often.

The team takes a differentiated approach to defining profitability, which has the distinct benefit of setting the Harbor Small Cap Earners Index apart from other indices. For a company to be included in the Index, it must meet both of the following profitability criteria:

1. Median trailing 12-month operating margin over the prior 12 quarters greater than or equal to 1%.
2. Aggregate operating margin over the prior 12 quarters greater than or equal to 1%.

Active Mindset to Deliver Index Solutions

Harbor uses a proprietary rules-based approach to create an index of historically profitable small cap companies while screening out unprofitable names.

- Different from passive market cap weighted indices in that profitability is the primary criteria for relative weighting.

Each Index constituent is weighted by profitability relative to other Index constituents over the trailing three-year period based on Harbor Capital's profitability weighting schema. This approach yields a diversified index with over 1,000 stocks on average.

The team believes there is fundamental intuition for why this approach works – companies with low profits tend to have less pricing power, as well as higher fixed and operating costs, which become a problem in downturns and generate less cash flow to either return to shareholders or reinvest in high return options.

This simple, small cap option carves out historically profitable companies and excludes the non-earners that many allocators rightfully worry about owning over the course of a full business cycle.

About the Manager

Harbor's Multi-Asset Solutions Team ("MAST") delivers actionable investment insights and builds multi-asset portfolios and client solutions. MAST's investment platform combines proprietary quantitative and qualitative signals with inputs from Harbor's Investment Research Team, subadvisory network, and other sources to guide investment decisions across asset allocation, portfolio management, and risk oversight. With a focus on insights including asset allocation viewpoints, long-term capital market assumptions, and an extensive investment and product network, MAST centers on long-term portfolio construction that aims to help clients evaluate and implement more comprehensive solutions.

LEARN MORE

To learn more about EBIT, please visit the product page or reach out to a Harbor representative.

CALL

1-800-427-2677

Important Information

Prior to 8/31/2026 The Harbor Small Cap Earners ETF was named The Harbor AlphaEdge Small Cap Earners ETF.

All investments involve risk including the possible loss of principal. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. The ETF is new and has limited operating history to judge.

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.

Diversification does not assure a profit or protect against loss in a declining market.

The **Harbor 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. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

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 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 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 Small Cap Earners Index.

The views expressed herein may not be reflective of current opinions, are subject to change without prior notice, and should not be considered investment advice or a recommendation to purchase a particular security.

Investors should carefully consider the investment objectives, risks, charges and expenses of a Harbor 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 Small Cap Earners ETF.