Harbor Active Small Cap ETF

Quarterly Commentary & Attribution

Subadvisor (since 08/28/2024):

Byron Place Capital Management, LLC

Portfolio Manager(s):

Glenn Gawronski

Benchmark 1 Name: Russell 2000® Index

Investment Philosophy:

The Harbor Active Small Cap ETF provides small cap equity exposure with a narrowed focus on attractive risk-adjusted returns with downside mitigation. Managed by Byron Place Capital Management and led by portfolio manager Glenn Gawronski, the Fund offers a distinct opportunity to access the small cap blend space through an active ETF structure.

Harbor

Harbor Active Small Cap 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 Active Small Cap ETF (NAV)	SMLL	41151J752	12.45%	7.38%	3.01%	N/A	N/A	N/A	6.54%	08/28/2024	0.80
Harbor Active Small Cap ETF (Market)	SMLL	41151J752	12.58%	7.38%	2.87%	N/A	N/A	N/A	6.52%	08/28/2024	0.80
Russell 2000® Index			21.49%	22.57%	40.78%	N/A	N/A	N/A	20.79%	08/28/2024	

MANAGER COMMENTARY

As of 06/30/2026

“We will continue to take advantage of the negative sentiment surrounding business services and the potential recovery in industrials tied to residential housing turnover.”
Byron Place Capital Management

Market in Review

Small caps had a massive rally during the second quarter of 2026 and significantly outperformed large caps, with the Russell 2000® Index up 21.49%, while the S&P 500 Index was up 15.20%. The highest beta stocks in the Russell 2000® Index did particularly well. The top quintile of stocks with the highest beta was up 55% during the quarter (Jefferies Global Research & Strategy).

Portfolio Performance

During the second quarter, the Harbor Active Small Cap ETF (“ETF”) returned 12.45% (NAV), significantly underperforming the Russell 2000® Index, which returned 21.49%.

Information Technology was the big winner during the quarter with the Russell 2000® Index Information Technology sector up 55.85%. Technology, semiconductor stocks, and anything tied to the picks and shovels in the AI build-out were particularly strong. We have limited exposure to those sectors, and we are reducing the highest beta names and continuing to find value in high-quality industrials and business services.

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 Active Small Cap ETF

MANAGER COMMENTARY

As of 06/30/2026

Contributors and Detractors

WillScot Holdings was up 66.69% during the quarter, after being down 43% last year and down 70% from its February 2024 highs to its April 2026 lows. First quarter results and subsequent data checks indicate there are some green shoots emerging in its business—activations up 10%, year over year. The worst may be behind the company after a tough few years when smaller businesses were spending less on modular storage space after the post-COVID stimulus hangover. The stock has close to an 8% free cash flow yield, and we continue to hold the stock despite its recent rise.

Remitly Global was up 43.01%, as it continues to execute well and take share in the digital remittance space. We took some profits after we were aggressive buyers last year at significantly lower prices.

RLJ Lodging Trust rebounded 61.73% during the quarter, after being down over 25% last year. Revenue-per-available-room trends have started to improve recently, buoyed by the World Cup and the continued favorable constrained supply dynamics in the hotel industry.

Andersen Group continues to impress after its IPO late last year, with the stock up 39.68% in the second quarter. The company continues to exceed expectations on the top and bottom lines. We continue to like the company but have taken some profits, given its significant price appreciation since we first purchased the stock and the expansion of its earnings multiple.

Reliance Industries, a petroleum refining and marketing company, was up 23.35%, as it outperformed expectations for tons sold and average selling price during the quarter. We took some profits, as we think June may have been the peak for its pricing increases.

Range Resources was down 17.47%, as energy stocks sold off after the ceasefire was announced re: Iran.

Morningstar was down 7.44%, despite posting high-single-digit organic revenue growth and being aggressive buyers of its company stock. We have also been buyers of the stock, as we are delighted to take advantage of the opportunity to buy this quality, growing franchise at a single-digit free cash-flow yield.

Liberty Energy was down 8.80%, as it sold off with other energy stocks.

Boston Beer was down 23.16%, as it continues to face industry headwinds in alcohol consumption trends.

SS&C was down 7.81%, due to the broader negative market sentiment surrounding the software segment. However, results were fine during the quarter.

Buys and Sells

We finally purchased Costar Group, as it tumbled over 71% from its highs last summer. We have long admired the company as the dominant data provider in real estate but stayed away due to valuation. With the software/business software sell-off taking the stock down, the entry point became attractive for us to step up and buy.

Arxis had its IPO in April, and we took a small position. It would be much bigger if the price were lower. It manufactures highly engineered, proprietary components for the defense and space sector, commercial aerospace, and other industrial technologies. It had a great track record as a private entity and has a similar business model to TransDigm Group and Loar Group but serves broader industries beyond just commercial aerospace.

We purchased LCI Industries after it was announced it was being purchased by Patrick Industries. We think the two non-unionized companies, based out of Elkhart, Indiana, and serving the RV and manufactured housing space, are a perfect fit together. LCI has a stable aftermarket business and is cheap at only 8x enterprise value/earnings before interest, taxes, depreciation, and amortization.

We sold all of Commercial Metals, as we became concerned about its debt load. We believe that metal pricing may have peaked.

Andersen Group continues to impress after its IPO late last year, with the stock up 39.68% during the quarter. The company continues to exceed expectations on the top and bottom lines. We continue to like the company but have taken some profits, given its significant price appreciation since we first purchased the stock and the expansion of its earnings multiple.

Remitly Global was up 43.01%, as it continues to execute well and take share in the digital remittance space. We took some profits after we were aggressive buyers last year at significantly lower prices.

Overweights and Underweights

We continue to underweight the picks and shovels of the Artificial Intelligence infrastructure build-out and have significant exposure to software/business services and industrials tied to residential housing turnover. We believe the hyperscalers could continue to spend heavily on CapEx, but the rate of growth in their spend could start to slow down in the second half of this year. This slowdown in CapEx growth may be the undoing of the huge momentum trade in the AI CapEx beneficiaries and fuel a broadening in the stock market. We shall see how this plays out. During the quarter, we increased exposure to these themes with the purchases of LCI, Costar Group, Morningstar, and Pool.

Outlook

Looking ahead, we will continue to take advantage of the negative sentiment surrounding business services and the potential recovery in industrials tied to residential housing turnover.

Harbor Active Small Cap ETF

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %	Benchmark 1 %
Pool Corporation	5.80	0.00
WillScot Holdings Corp.	4.89	0.00
Douglas Dynamics Inc.	4.37	0.04
Reliance Inc.	4.31	0.00
Wintrust Financial Corp	4.02	0.00
Morningstar Inc.	3.61	0.00
Freshworks Inc. Class A	3.13	0.07
United Bankshares Inc.	3.11	0.20
Janus International Group	2.98	0.02
RLJ Lodging Trust	2.91	0.05
Total	**39.12**	**0.38**

QUARTERLY ATTRIBUTION

As of 06/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return % (NAV)
WILLSCOT HOLDINGS CORP	4.29	66.69
RLJ LODGING TRUST	2.41	61.73
REMITLY GLOBAL INC	3.53	43.01
FORTUNE BRANDS INNOVATIONS I	0.78	41.85
LOAR HOLDINGS INC	0.86	40.71

Worst Performers	Average Weight %	Gross Return % (NAV)
BOSTON BEER COMPANY INC-A	1.01	-23.16
RANGE RESOURCES CORP	1.77	-17.47
ACCELERANT HOLDINGS-CL A	0.62	-12.28
DOXIMITY INC-CLASS A	1.42	-10.99
FIGURE TECHNOLOGY SOLUT-CL A	0.55	-9.54

Contributors & Detractors

Greatest Contributors	Gross Return % (NAV)	Contribution to Return %
WILLSCOT HOLDINGS CORP	66.69	2.16
RLJ LODGING TRUST	61.73	1.25
REMITLY GLOBAL INC	43.01	1.23
ANDERSEN GROUP INC - A	38.68	1.16
RELIANCE INC	23.35	1.12
Total		**6.92**

Greatest Detractors	Gross Return % (NAV)	Contribution to Return %
RANGE RESOURCES CORP	-17.47	-0.38
LIBERTY ENERGY INC	-8.80	-0.33
MORNINGSTAR INC	-7.44	-0.32
BOSTON BEER COMPANY INC-A	-23.16	-0.26
SS&C TECHNOLOGIES HOLDINGS	-7.81	-0.21
Total		**-1.49**

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

Harbor Active Small Cap ETF

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor Active Small Cap ETF vs Russell 2000® Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	12.74	21.49	-8.75
Currency Contribution	0.00	0.00	0.00
Total Return	**12.74**	**21.49**	**-8.75**

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
Real Estate	4.29	5.21	-0.92	34.73	18.40	16.33	1.32	0.97	0.11	0.56	0.67
Materials	7.81	4.67	3.13	15.73	2.58	13.15	1.23	0.18	-0.58	1.06	0.48
Utilities	0.62	2.82	-2.20	-0.62	0.13	-0.75	-0.02	0.03	0.48	-0.05	0.43
Communication Services	0.00	2.57	-2.57	0.00	14.75	-14.75	0.00	0.41	0.17	0.00	0.17
Consumer Discretionary	6.15	7.94	-1.80	15.56	16.46	-0.90	1.01	1.32	0.14	0.01	0.15
Energy	6.17	5.94	0.23	-8.76	-10.06	1.31	-0.62	-0.61	-0.04	0.09	0.05
Consumer Staples	2.29	1.68	0.61	1.65	10.16	-8.51	0.08	0.18	-0.06	-0.20	-0.26
Industrials	36.42	18.87	17.55	20.02	24.02	-4.00	7.04	4.43	0.48	-1.46	-0.98
Health Care	3.14	16.72	-13.58	-9.25	24.54	-33.79	-0.33	3.99	-0.31	-1.14	-1.45
Financials	25.62	16.54	9.08	8.30	16.75	-8.45	2.27	2.86	-0.43	-2.04	-2.47
Information Technology	3.64	17.04	-13.40	20.26	55.85	-35.59	0.72	7.74	-3.49	-1.13	-4.62
Total	**100.00**	**100.00**	**0.00**	**12.74**	**21.49**	**-8.75**	**12.74**	**21.49**	**-4.45**	**-4.30**	**-8.75**

Trailing 1 Year Attribution:
Harbor Active Small Cap ETF vs Russell 2000® Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	3.95	40.78	-36.83
Currency Contribution	0.00	0.00	0.00
Total Return	**3.95**	**40.78**	**-36.83**

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
Energy	5.41	5.32	0.09	88.19	45.90	42.30	3.60	2.42	0.03	1.87	1.90
Utilities	0.20	3.10	-2.89	0.42	13.47	-13.06	-0.01	0.55	0.51	-0.01	0.50
Real Estate	5.17	5.61	-0.43	48.11	28.69	19.42	1.75	1.64	0.04	0.35	0.38
Communication Services	0.00	2.64	-2.64	0.00	38.90	-38.90	0.00	1.03	0.01	0.00	0.01
Consumer Staples	2.17	1.93	0.24	2.06	8.50	-6.44	0.17	0.16	-0.03	-0.13	-0.16
Consumer Discretionary	7.43	9.03	-1.60	-8.05	17.53	-25.58	-0.83	1.86	0.30	-2.38	-2.09
Materials	6.41	4.40	2.01	4.39	42.70	-38.31	0.59	1.93	-0.15	-2.18	-2.33
Information Technology	3.69	15.52	-11.83	-36.66	64.14	-100.80	-1.65	8.90	-2.21	-4.12	-6.33
Health Care	5.80	16.79	-11.00	-48.01	60.87	-108.88	-3.23	9.44	-1.38	-6.81	-8.18
Financials	23.70	17.53	6.18	-9.62	22.34	-31.95	-1.81	4.26	-0.62	-8.16	-8.78
Industrials	36.55	18.14	18.41	14.66	49.77	-35.11	5.21	8.59	1.86	-12.37	-10.51
Total	**100.00**	**100.00**	**0.00**	**3.95**	**40.78**	**-36.83**	**3.95**	**40.78**	**-2.89**	**-33.94**	**-36.83**

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

Harbor Active Small Cap 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. Stocks of small cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies. A non-diversified Fund may invest a greater percentage of its assets in securities of a single issuer, and/or invest in a relatively small number of issuers, and it is more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio.

Benchmarks

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 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, 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 Active Small Cap 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

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.

Free cash flow represents the cash a company can generate after accounting for capital expenditures needed to maintain or maximize its asset base.

EV/EBITDA ratio (or Enterprise Multiple), is a valuation metric that compares a company's total value to its core operational earnings.