Harbor AI Inflection Strategy ETF

Quarterly Commentary & Attribution

Subadvisor (since 12/17/2025):

EARNEST Partners LLC

Portfolio Manager(s):

Paul E. Viera

Benchmark 1 Name: Russell 3000® Index
Benchmark 2 Name: S&P 500 Index

Investment Philosophy:

The Harbor AI Inflection Strategy ETF seeks long-term total return by investing in potentially overlooked secondary beneficiaries of the artificial intelligence boom. EPAI focuses on companies that may benefit from world-changing AI innovations but that remain underappreciated within the broader market. These businesses support the infrastructure and services behind AI expansion and may present more balanced valuation profiles. By taking a value-focused and research-driven approach, EPAI seeks to provide diversified access to the long-term opportunities created by AI adoption.

Harbor

Harbor AI Inflection Strategy 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 AI Inflection Strategy ETF (NAV)	EPAI	41151J612	40.75%	59.19%	N/A	N/A	N/A	N/A	62.78%	12/17/2025	0.88
Harbor AI Inflection Strategy ETF (Market)	EPAI	41151J612	41.07%	59.26%	N/A	N/A	N/A	N/A	62.94%	12/17/2025	0.88
Russell 3000® Index			15.44%	10.88%	N/A	N/A	N/A	N/A	12.73%	12/17/2025	
S&P 500 Index			15.20%	10.21%	N/A	N/A	N/A	N/A	12.28%	12/17/2025	

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

“Software and services rebounded meaningfully from earlier weakness as investors were increasingly confident that Artificial Intelligence (‘AI’) adoption would support, rather than disrupt, long-term demand and profitability.”
Earnest Partners LLC

Market in Review

The U.S. equity market, as measured by the Russell 3000® Index, returned 15.4% during the quarter, supported by strong investor sentiment and broad participation, with nine of the 11 Global Industry Classification Standard sectors generating positive returns. Equity markets continued to be driven by resilient corporate earnings, expanding investment in AI, and improving confidence in the durability of economic growth, although leadership was concentrated in sectors with the greatest exposure to secular growth themes.

Information Technology was the best-performing sector, advancing 33% during the quarter. Semiconductor and hardware companies led the gains, as continued spending on AI infrastructure, accelerated computing, and data center capacity drove robust earnings expectations. Software and services rebounded meaningfully from earlier weakness as investors were increasingly confident that AI adoption would support, rather than disrupt, long-term demand and profitability. Industrials ranked as the second-best-performing sector, benefiting from continued investment in industrial automation, electrification, power generation, and the physical infrastructure required to support AI deployment. Health Care also generated strong returns, led by biotechnology and biopharmaceutical companies as renewed merger-and-acquisition activity, driven in part by large pharmaceutical companies seeking to address upcoming patent expirations, boosted investor sentiment.

Energy and Utilities were the only sectors to decline during the quarter. Energy was pressured by lower commodity prices following the reopening of the Strait of Hormuz, which eased concerns over global supply disruptions. Utilities lagged as investors rotated toward higher growth, more cyclical sectors, while higher long-term interest rates also weighed on the sector's defensive, income-oriented characteristics.

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 AI Inflection Strategy ETF

MANAGER COMMENTARY

As of 06/30/2026

Portfolio Performance

During the second quarter of 2026, the Harbor AI Inflection Strategy ETF (NAV) returned 40.75%, outperforming its benchmark, the Russell 3000® Index, which returned 15.44%.

Relative results were driven by robust performance within the Information Technology sector. Absolute returns were also strong, with both Industrials and Health Care advancing more than 20%, reflecting the broad participation of high-quality businesses across the strategy. While concerns surrounding software companies and the potential for AI-driven disruption remained a prominent market narrative, the ETF's software holdings outperformed those in the benchmark. We believe this underscores an important distinction within the industry: AI is unlikely to affect all companies equally. Rather than creating indiscriminate disruption, we expect the technology to widen the competitive gap between businesses with durable competitive advantages and those lacking differentiated products or customer relationships. The ETF remains focused on identifying companies positioned to benefit both from the significant capital investment required to build AI infrastructure and the adoption of AI to strengthen competitive positioning, expand market share, and improve operating efficiency. We continue to believe this opportunity set remains broad and attractive, supported by favorable long-term secular trends and company-specific fundamentals.

Contributors and Detractors

Key contributors included:

FormFactor, a leading supplier of probe cards, specialized testing equipment used to ensure semiconductor chips perform properly before they are packaged and shipped. Its products are used to test a wide range of advanced chips, including processors, graphics chips, and high-performance memory used in AI applications. Shares outperformed during the quarter after the company reported earnings well ahead of expectations. The company also saw robust demand for networking-chip testing, helping to expand its relationship with key customers, while profit margins improved through manufacturing efficiencies and cost-reduction initiatives. We continue to own FormFactor because demand for advanced semiconductor testing should grow alongside increasing semiconductor content across AI, data centers, automotive, and other technology markets.

Flex, a global manufacturing partner that helps companies design, build, and manage complex electronic products across industries including data centers, health care, industrial equipment, automotive, and communications. Shares outperformed during the quarter after the company reported earnings that grew by double digits year over year and exceeded expectations. Broad strength across its health care, industrial, and communications businesses supported fiscal 2027 revenue guidance of approximately 18% growth, while expected operating margins also came in ahead of market expectations.

We continue to own Flex because we believe the company is well positioned to benefit from long-term growth in outsourced electronics manufacturing and rising electronic content across industrial, automotive, and health care markets. Its expanding presence in AI infrastructure, combined with management’s focus on higher-value products, may drive faster revenue growth and potentially improve profitability.

Applied Materials, a leading supplier of semiconductor manufacturing equipment, software, and services. The company's technology enables virtually every stage of semiconductor fabrication, making it a critical supplier to leading foundries and memory manufacturers that power applications ranging from smartphones to AI data centers. Shares gained 112% during the quarter and revenue increased 11% year over year, surpassing consensus by approximately 3%, while earnings grew 20% and exceeded analyst estimates. Results were supported by record sales in leading-edge foundry and logic, 18% year-over-year growth in dynamic random-access memory sales, and continued strength in advanced packaging, prompting management to raise guidance for revenue, gross margin, and earnings. We believe Applied Materials remains well positioned to benefit from the continued buildout of AI infrastructure and the increasing semiconductor content across automotive, industrial, and other end markets. Combined with attractive valuation and improving growth prospects, these dynamics support the potential for continued long-term earnings growth.

Monolithic Power Systems, a leading provider of semiconductor-based power management solutions used across cloud computing, AI, communications, automotive, industrial, and consumer electronics markets. Shares gained 26% during the quarter following another strong earnings report and significantly improved forward guidance. Revenue increased 26% year over year and exceeded consensus by approximately 3%, while earnings per share beat analyst estimates by roughly 4%. We believe the company remains well positioned to potentially benefit from the rapid expansion of AI infrastructure and increasing semiconductor complexity. Combined with a diversified customer base and expanding manufacturing capacity, the company is potential positioned for sustained revenue growth, margin expansion, and long-term earnings growth.

Key detractors included:

Synopsys, the leading provider of software and intellectual property used to design advanced semiconductor chips. Its tools enable engineers to create and test the processors that power AI, data centers, automobiles, smartphones, and other modern electronics, making it an essential partner to the semiconductor industry. Shares gained more than 12% but lagged the broader index during the quarter after the company reported results below expectations and lowered its full-year outlook. The weakness reflected temporary factors, including U.S. export restrictions affecting China, delays at a major manufacturing customer, and softer demand in its higher-margin Design IP business. Despite these headwinds, the core design software business continued to deliver solid growth. We continue to own Synopsys because we believe these challenges are temporary and do not diminish opportunities for long-term competitive advantages. Rising AI chip complexity is increasing demand for the company's design software, while the Ansys acquisition expands its capabilities and creates new growth opportunities. As the Design IP business recovers and acquisition synergies improve profitability, we believe Synopsys has the potential for sustained earnings growth that is not fully reflected in its current valuation.

Flowserve designs and manufactures pumps, valves, seals, and other flow-control equipment used across energy, power generation, water, chemical, and industrial markets. In addition to selling equipment, the company generates recurring revenue through maintenance, repair, and replacement services that support critical infrastructure around the world. Shares lagged the index during the quarter as weaker-than-expected revenue overshadowed otherwise solid operating execution. Despite lower sales, underlying profit margins remained resilient, demonstrating continued operational improvement and disciplined cost management. We continue to own Flowserve because we believe the market is overlooking the company's improving fundamentals and long-term growth opportunities.

CBRE is the world's largest commercial real estate services company, providing property leasing, investment sales, property management, facilities management, project management, and real estate investment services. Its broad platform serves property owners, investors, and businesses around the world with a growing share of revenue generated from long-term service contracts. Shares declined approximately 0.5% during the quarter despite reporting results well ahead of expectations. Earnings were driven by strength across its leasing, property sales, facilities management, and project management businesses, while management raised full-year earnings guidance on improving business momentum. The company also continued to benefit from strong demand related to data center development and operations, though these positive results were overshadowed by broader market weakness and ongoing concerns about commercial real estate. We continue to own CBRE because we believe the market underestimates the resilience of its business model and long-term growth opportunities. A growing mix of recurring service revenue, increasing demand for outsourced facilities management, and expanding exposure to data centers potentially position the company for durable earnings growth.

Overweights and Underweights

The portfolio is overweight Information Technology and Industrials. The portfolio has no exposure to Financials, Communication Services, or Consumer Discretionary. Sector weightings are an outgrowth of where we are finding AI-related opportunities as part of our fundamental bottom-up investment process.

Outlook

We do not manage based on a forecast but rather seek to identify the best relative values. We believe that over meaningful periods of time, stocks produce the best returns. By consistently owning the better-performing stocks, we believe our clients can achieve superior long-term results. As such, we do not maintain a forward market outlook.

Harbor AI Inflection Strategy ETF

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %	Benchmark 1 %
Applied Materials Inc.	5.65	0.79
Teradyne Inc.	5.06	0.10
Lam Research Corporation	4.64	0.75
Corning Inc	4.22	0.28
Vertiv Holdings Co. Class A	4.10	0.18
Flex Ltd	4.01	0.08
FormFactor Inc.	3.95	0.02
ASML Holding NV Sponsored	3.76	0.00
Entegris Inc.	3.72	0.04
Taiwan Semiconductor	3.67	0.00
Total	**42.79**	**2.24**

QUARTERLY ATTRIBUTION

As of 06/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return % (NAV)
FLEX LTD	3.39	147.59
APPLIED MATERIALS INC	4.09	111.80
LAM RESEARCH CORP	3.70	102.95
SANMINA CORP	2.39	95.22
AMKOR TECHNOLOGY INC	3.21	91.71

Worst Performers	Average Weight %	Gross Return % (NAV)
COSTAR GROUP INC	0.95	-29.80
CACI INTERNATIONAL INC -CL A	1.88	-14.82
ATMOS ENERGY CORP	1.97	-6.22
CBRE GROUP INC - A	1.66	-0.57
DIGITAL REALTY TRUST INC	2.33	0.31

Contributors & Detractors

Greatest Contributors	Gross Return % (NAV)	Contribution to Return %
APPLIED MATERIALS INC	111.80	3.81
LAM RESEARCH CORP	102.95	3.16
FLEX LTD	147.59	3.15
TERADYNE INC	63.27	2.70
CORNING INC	88.15	2.57
Total		**15.39**

Greatest Detractors	Gross Return % (NAV)	Contribution to Return %
COSTAR GROUP INC	-29.80	-0.37
CACI INTERNATIONAL INC -CL A	-14.82	-0.30
ATMOS ENERGY CORP	-6.22	-0.12
ANTERO MIDSTREAM CORP	0.81	-0.05
CBRE GROUP INC – A	-0.57	0.03
Total		**-0.81**

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

Harbor AI Inflection Strategy ETF

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor AI Inflection Strategy ETF vs Russell 3000® Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	41.09	15.35	25.74
Currency Contribution	0.00	0.00	0.00
Total Return	**41.09**	**15.35**	**25.74**

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	54.41	33.71	20.70	67.70	32.92	34.79	33.07	9.78	3.60	16.70	20.30
Industrials	31.01	10.07	20.94	21.21	16.06	5.15	7.40	1.63	0.07	1.78	1.84
Energy	2.29	3.57	-1.28	0.81	-13.07	13.88	-0.05	-0.55	0.44	0.42	0.85
Financials	0.00	12.39	-12.39	0.00	9.21	-9.21	0.00	1.20	0.81	0.00	0.81
Consumer Staples	0.00	4.59	-4.59	0.00	0.44	-0.44	0.00	0.04	0.78	0.00	0.78
Health Care	4.84	9.18	-4.34	20.81	10.23	10.57	1.02	0.94	0.17	0.59	0.76
Communication Services	0.00	9.86	-9.86	0.00	8.43	-8.43	0.00	1.00	0.76	0.00	0.76
Consumer Discretionary	0.00	9.75	-9.75	0.00	9.49	-9.49	0.00	1.03	0.64	0.00	0.64
Materials	0.00	2.33	-2.33	0.00	1.45	-1.45	0.00	0.05	0.38	0.00	0.38
Utilities	1.97	2.26	-0.28	-6.22	-0.60	-5.61	-0.12	-0.01	0.03	-0.14	-0.10
Real Estate	4.93	2.29	2.64	-6.71	9.52	-16.24	-0.25	0.24	-0.18	-1.00	-1.17
Total	**100.00**	**100.00**	**0.00**	**41.09**	**15.35**	**25.74**	**41.09**	**15.35**	**7.38**	**18.36**	**25.74**

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

Harbor AI Inflection Strategy 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.

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. For purposes of the Fund, "AI Companies" are companies for which the enablement and/or adoption of artificial intelligence (AI) may play a material role in driving performance. Investing in AI Companies may involve higher risks because they typically face steep costs, fast-changing technology, strong competition, and potential regulatory challenges that may impact their growth and profitability. The Fund's investments in foreign securities, particularly emerging markets, expose it to higher risks than funds investing only in the U.S., including currency risk, which may negatively impact its value if foreign currencies fluctuate against the U.S. dollar. Depositary receipts carry risks like political instability, currency fluctuations, higher costs, and weaker investor protections. 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, it is more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio.

Benchmarks

The Russell 3000® Index is an unmanaged index that measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 3000® Index and Russell® are trademarks of Frank Russell Company.

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 AI Inflection Strategy 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

The Magnificent Seven stocks are a group of major influential tech companies in the U.S. stock market: Alphabet, Amazon, Apple, Tesla, Meta Platforms, Microsoft, and Nvidia.