Harbor Disciplined Bond ETF

Quarterly Commentary & Attribution

Subadvisor (since 05/01/2024):

Income Research + Management

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Benchmark 1 Name: Bloomberg US Aggregate Bond Index

Investment Philosophy:

The Harbor Disciplined Bond ETF invests primarily in U.S. investment-grade fixed income securities. It employs a structured investment process grounded in detailed bottom-up research and emphasizes careful security selection through rigorous fundamental credit analysis of the issuer, a detailed review of the structural features of the security, and relative-value comparisons to other opportunities.

Harbor

Harbor Disciplined Bond 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 Disciplined Bond ETF (NAV)	AGGS	41151J794	0.99%	0.94%	4.27%	N/A	N/A	N/A	5.04%	5.04%	5.93%	05/01/2024	0.35
Harbor Disciplined Bond ETF (Market)	AGGS	41151J794	1.16%	0.94%	4.52%	N/A	N/A	N/A	5.04%	5.04%	6.03%	05/01/2024	0.35
Bloomberg US Aggregate Bond Index			0.67%	0.62%	3.79%	N/A	N/A	N/A			5.63%	05/01/2024	

MANAGER COMMENTARY

As of 06/30/2026

"Looking ahead, the resilience of the economy might be tested amid the continuation of a higher-for-longer monetary policy and as the AI investment cycle develops further."

Income Research + Management

Market in Review

During the second quarter of 2026, investors faced an economy that was resilient enough to keep recession fears contained, but inflationary enough to challenge the easing narrative from the start of the year. The U.S. economy continued to expand, supported by steady employment, resilient consumer spending, strong corporate earnings, and Artificial Intelligence ("AI") related investment. The labor market was no longer clearly deteriorating; hiring demand improved; job openings rebounded; and layoffs remained contained. Inflation, however, became an increasingly complicated dynamic. The ongoing U.S.-Iran conflict disrupted energy infrastructure and transportation, pushing oil and gasoline prices as high as $113/barrel and $4.56/gallon intra-quarter, respectively, raising the risk that inflation pressures could broaden. The U.S. Federal Reserve ("Fed") — with Kevin Warsh as the new chair — remained patient and kept the fed funds target range at 3.50%–3.75%, as solid growth reduced the urgency to cut rates, while uneven inflation progress made easing harder to justify. Markets adjusted by challenging the previous assumption of an imminent easing path. This mostly impacted the front end of the Treasury curve, with the 2-year Treasury rate rising by over 0.38%, quarter-over-quarter, to 4.17%, while the 30-year yield rose 0.04% to 4.95%.

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 Disciplined Bond ETF

MANAGER COMMENTARY

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Portfolio Performance

During the second quarter, the Harbor Disciplined Bond ETF (“ETF”) returned 0.99% (NAV), outperforming its benchmark, the Bloomberg US Aggregate Bond Index (“Index”), which returned 0.67%.

The ETF's outperformance relative to the Index was driven primarily by an underweight to Treasuries, overweights to credit, and security selection within credits, particularly in the Financials sector.

The investment-grade (IG) and high-yield (HY) corporate markets benefited from a risk-on tone, with every subsector outperforming Treasuries. Corporate fundamentals were supported by solid earnings, with companies within the S&P 500 Index reporting earnings growth of over 28%. The capital expenditures needed to meet AI demand continued to rise, with full-year 2026 estimates for hyperscalers surpassing $750 billion. Part of this need was financed via credit markets, which helped propel second quarter’s issuance to $541 billion and $99 billion for IG and HY, respectively. Healthy demand — evidenced by 12 consecutive weeks of mutual fund and ETF inflows — helped absorb the elevated supply. IG spreads began the quarter at 0.89% and tightened throughout, closing at 0.74%. HY spreads tightened from 3.17% to 2.70%.

Securitized sectors outperformed Treasuries but could not keep pace with corporates during the quarter. Within agency mortgage-backed securities (“MBS”), pools of higher-coupon mortgages outperformed those with lower coupons; the shorter-duration and higher carry of current coupon MBS pools benefited relative returns. The non-agency commercial mortgage-backed securities (“CMBS”) market continued to migrate from predominantly conduit securities to single-asset single-borrower (“SASB”) structures. SASB issuance totaled roughly $29 billion, compared to just $8 billion for conduit.

Harbor Disciplined Bond ETF

MANAGER COMMENTARY

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Contributors and Detractors

The top contributors to performance during the quarter included the following:

SBL Holdings Inc. SECBEN 5 31: After widening in the first quarter, the spread on this bond rebounded in the second quarter, tightening by 1.29%. BBB-rated life insurers came under pressure in the first quarter, amid rising concerns about private credit exposure. As those concerns eased, the same firms posted a solid second quarter.

Ford Motor Credit Co. F 6.125 34: After spreads spiked in March, partially due to geopolitical tensions, spreads on this bond steadily tightened during the second quarter. This bond’s spread tightened by 0.44%.

Latam Airlines LTMCI 7.625 31: Latam Airlines posted very strong first quarter earnings with a double-digit growth in capacity and yield that led to records for revenue and earnings before interest, taxes, depreciation, and amortization. The company also reported net leverage of only 1.3x with over $4 billion in liquidity and strong free cash flow. The bond’s spread tightened by 1.28%.

Lloyds Banking LLOYDS 6.068 36: After widening in the first quarter due to broader geopolitical tensions, spreads on this bond rebounded, tightening by 0.35%. Lloyds continues to demonstrate strong asset quality and capital generation, which will aid the bank in navigating near-term macro pressures in the U.K.

Global Atlantic GBLATL 7.95 33: After widening in the first quarter due to concerns around exposure to private credit, this bond's spread rebounded and tightened by 0.81% as these concerns eased.

The top detractors included the following:

Charter Communications CHTR 6.384 35: This bond's spread widened by 0.11%, as the cable sector has come under increased pressure, and residential broadband revenue has declined.

Depository Trust & Clearing Corp DEPTCC 3.375 PERP: This perpetual bond was called in June.

Beignet Investor LLC RPLDCI 6.581 49: This bond delivered relatively low excess return compared to its Industrials sector peers, as the sector had a strong quarter.

Macquire Bank MQGAU 5.819 37: This was a new issuance, purchased in June. There was some spread widening in the first few weeks since issuance.

Freddie Mac Pool FR SD7548: The spread widened by 0.03% for this agency fixed-rate pass-through.

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MANAGER COMMENTARY

As of 06/30/2026

Positioning

We strive to remain duration neutral and curve neutral to the benchmark.

Positive contributors to relative performance included security selection within credit sectors, particularly within Financials. Relative performance was also helped by our overweight to Financials and underweight to Treasuries. Detractors from relative performance included an underweight to non-corporates, as well as security selection within agency RMBS.

The ETF's security selection within the AAA and BAA credit buckets, overweights to the BAA and BA credit buckets, and an underweight to the AA credit bucket aided relative performance. On the other hand, security selection within the BA credit bucket and an underweight to the A credit bucket detracted from relative performance.

The ETF's out-of-benchmark allocation to RMBS aided relative performance.

We invest exclusively in U.S. dollar-denominated, fixed-income securities.

Buys and Sells

During the quarter, we purchased OCP 2020-18AR A1R3 in the primary market at a spread of 1.22% versus the Treasury curve. The purchase screened attractive relative to peers.

We purchased FN FA1943 in the secondary market at a spread of 0.23% versus the Treasury curve. The purchase screened attractive relative to peers.

We also purchased FR SB1246 in the secondary market at a spread of 0.24% versus the Treasury curve. The purchase screened attractive relative to peers.

We sold BACR 6.49 29 as an opportunistic sale due to relative value and to fund the ETF extension.

We sold DGELN 5.625 35 as an opportunistic sale due to relative value.

We also sold SON 4.6 29 as an opportunistic sale due to relative value and to fund the ETF extension.

Sector Overweights and Underweights

At the beginning of 2026 and at the start of the second quarter, the Harbor Disciplined Bond ETF was underweight Treasuries and overweight securitized and credit. During the quarter, we deepened our underweight to Treasuries by 1.23%, increasing the underweight to 28.59%. We increased the securitized overweight to 26.21%, an increase of 2.72%. This increase was driven by increasing our overweight to agency fixed-rate pass-throughs by 2.05% and increasing our overweight to non-agency collateralized mortgage obligations by 0.96%. These increases were partially offset by trimming within non-agency CMBS. We decreased our credit overweight to 1.57%, a decrease in relative exposure of 1.59%. This decrease in exposure was driven through trimming within Industrials, specifically the consumer non-cyclical subsector. There was also trimming within Financials, primarily in the brokerage subsector.

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MANAGER COMMENTARY

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Country Allocation

The ETF's country allocation relative to the benchmark did not change during the quarter. IR+M invests exclusively in U.S. dollar-denominated, fixed-income securities. With that said, consistent with our bottom-up approach, we will opportunistically purchase Yankee issues when we believe they are attractive on a relative value basis.

Over the quarter, the ETF's absolute weight of Yankees decreased to 10.23%.

Outlook

Looking ahead, the resilience of the economy might be tested amid the continuation of a higher-for-longer monetary policy, and as the AI investment cycle develops further. The Fed has also begun a new era of less transparency and little forward guidance. These dynamics could lead to heightened volatility, given greater policy uncertainty and already present pockets of stress in the economy. At the same time, demand for fixed income shows no signs of waning any time soon, given the appetite for current yield levels. With valuations at historic tights, incremental risk-taking will likely only provide modest benefits. Markets rarely move in a straight line, and the second half of 2026 is unlikely to be an exception. We think maintaining ample liquidity preserves the ability to act when conditions shift.

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %
US TREASURY N/B	5.78
US TREASURY N/B	4.70
US TREASURY N/B	3.64
US TREASURY N/B	1.20
G2 MA7589	1.04
FR SD7565	0.96
FR SD7563	0.82
US TREASURY N/B	0.82
FR SD7548	0.75
FR SD7544	0.73
Total	**21.40**

Holdings are subject to change. Go to harborcapital.com/etf/aggs for current holdings.

Harbor Disciplined Bond ETF

ATTRIBUTION

As of 06/30/2026

Harbor Disciplined Bond ETF - Quarterly Attribution

	Portfolio Return (Gross of Fee)	Bloomberg Aggregate Index Return	Return Difference	Market Term Structure	Asset Allocation	Security Selection	Price and Intraday	Total
2Q 2026	1.09%	0.67%	0.42%	0.09%	0.14%	0.19%	0.01%	0.42%

Market Term Structure		Asset Allocation		Security Selection		Price and Intraday	
Duration	0.03%	Finance	0.05%	Finance	0.08%	Pricing	0.01%
Shape	0.08%	Industrial	0.00%	Industrial	0.06%	Intraday	-0.01%
Other	-0.01%	Utility	0.01%	Utility	0.02%		
		ABS	0.00%	ABS	0.03%		
		CMBS	0.01%	CMBS	0.00%		
		MBS	-0.02%	MBS	0.00%		
		Agency	0.00%	Agency	0.00%		
		Municipal	0.00%	Municipal	0.00%		
		Non-corporate	-0.01%	Non-corporate	0.00%		
		Treasury	0.11%	Treasury	0.00%		
		Other	0.00%	Other	0.00%		

What Worked

- The Harbor Disciplined Bond ETF outperformed the Bloomberg Aggregate Index in the 2nd quarter.
- Security selection within credits aided relative returns, particularly within the Insurance, Electric, and Consumer Cyclical sub sectors. Selection within Non-agency CMOs and ABS was also additive.
- The portfolio's overweight to Financials, Utilities and CMBS also contributed to returns versus the index.
- Top performers to Security Selection: Ford Motor Credit Co, SBL Holdings Inc, Latam Airlines Group SA

What Didn't Work

- Security selection within Agency RMBS, particularly Agency Fixed Rate Pass-Throughs, was a drag on relative outperformance.
- The portfolio's underweight to Sovereign non-corporates also detracted from returns.
- Bottom performers to Security Selection: Charter Communications Operating LLC, Beignet Investors LLC, Macquarie Bank LTD

Source: Income Research + Management
Due to rounding totals may not sum to 100.
Performance data shown represents past performance and is no guarantee of future results.

Harbor Disciplined Bond ETF

ATTRIBUTION

As of 06/30/2026

Harbor Disciplined Bond ETF – One Year Attribution

	Portfolio Return (Gross of Fee)	Bloomberg Aggregate Index Return	Return Difference	Market Term Structure	Asset Allocation	Security Selection	Price and Intraday	Total
1 Year	4.61%	**3.79%**	**0.82%**	**0.06%**	**0.27%**	**0.53%**	**-0.04%**	**0.82%**

Market Term Structure		Asset Allocation		Security Selection		Price and Intraday	
Duration	0.01	Finance	0.05%	Finance	0.09%	Pricing	0.03%
Shape	0.05	Industrial	0.00%	Industrial	0.21%	Intraday	-0.08%
Other	0.00	Utility	0.00%	Utility	0.03%		
		ABS	0.01%	ABS	0.04%		
		CMBS	0.06%	CMBS	0.00%		
		MBS	-0.05%	MBS	0.13%		
		Agency	-0.01%	Agency	0.03%		
		Municipal	-0.01%	Municipal	0.00%		
		Non-corporate	-0.02%	Non-corporate	0.00%		
		Treasury	0.25%	Treasury	0.00%		
		Other	-0.01%	Other	0.00%		

What Worked

- The Harbor Disciplined Bond ETF outperformed the Bloomberg Aggregate Index during the last 1-year period.
- Security selection within credit sectors, particularly within the Consumer Cyclical, Brokerage, and Electric sub-sectors, as well as within Agency RMBS and ABS significantly aided returns.
- The portfolio's overweight to CMBS and Financials also contributed to relative performance.
- The portfolio's out of index allocation to Small Business Administration pools.
- Top performers to Security Selection: a Fannie Mae Mortgage Pool, Aptiv Swiss Holdings LTD, and Ford Motor Credit Co LLC

What Didn't Work

- The portfolio's underweight to sovereign non-corporate bonds detracted from relative returns.
- Bottom performers to Security Selection: Oracle Corp, Charter Communications Operating LLC, a Freddie Mac Mortgage Pool

Source: Income Research + Management
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Harbor Disciplined Bond 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. Fixed income investments are affected by interest rate changes and the creditworthiness of the issues held by the Fund. As interest rates rise, the values of fixed income securities held by the Fund are likely to decrease and reduce the value of the Fund's portfolio. There may be a greater risk that the Fund could lose money due to prepayment and extension risks because the Fund invests, at times, in mortgage-related and/or asset backed securities. 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. High-yield investing poses additional credit risk related to lower-rated bonds.

Benchmarks

The Bloomberg US Aggregate Bond Index is an unmanaged index of investment-grade fixed-rate debt issues with maturities of at least one year. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Disclosures

All data except for top holdings and performance is provided by the subadvisor.

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.

Sector allocations are determined using the ICE BofA Fixed Income Index classifications.

Harbor Disciplined Bond ETF

IMPORTANT INFORMATION

Attribution Disclosures

All data for this attribution analysis is provided by Income Research + Management.

Market Term Structure Components (%)

Duration - the contribution to relative return due to the difference between the portfolio's and the index's overall duration, assuming a parallel change in interest rates. The basic formula is the (difference in duration between the portfolio and the index) multiplied by the total return of the reference Treasury.

Shape - the contribution to relative return due to the difference between the portfolio's and the index's duration profiles. The basic formula is the [(difference of each key rate duration between the portfolio and the index) multiplied by the total return of the respective key rate Treasury] minus the Duration and Other effects.

Other - the contribution to relative return due to the cumulative differences in carry, rolldown, and convexity.

Asset Allocation - the contribution to relative return due to portfolio's sector overweight or underweight compared to the index. The basic formula is the (difference between the portfolio and index sector weights) multiplied by the (difference between the index sector excess return and the index total excess return).

Security Selection - the contribution to relative return due to the portfolio's security selection compared to the index. The basic formula is (the difference in sector excess return between the portfolio and the index) multiplied by the portfolio sector weight.

Price & Intraday Components (%)

Pricing - the contribution to relative return due to changes in the relative prices for securities held in common with the index. IR+M uses ICE as a pricing source for the majority of its portfolios, while indices typically use their own internally calculated prices.

Intraday - the contribution to relative return due to the implementation impact from executing trades. It is generally the performance cost from the differences between execution price of traded positions and the end-of-day prices used for daily valuation.

Performance attribution returns are percentages (%). The IR+M attribution model is a proprietary model that uses data from multiple analytical sources to estimate portfolio attribution and does not claim that outputs are exact measurements. IR+M used the Brinson-Fachler methodology in their attribution calculations.

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.