Harbor Multi-Asset Explorer ETF

Ticker: MAPP | September 2023

Strategy Highlights

Dynamic Asset Allocation. Portfolio construction is based on a proprietary Growth, Liquidity and Inflation (GLI) framework that defines the current Business Cycle Regime by analyzing 70 macro market variables. Each regime will translate to a distinct asset allocation amongst Funds that are aligned to equities, fixed income, commodities and currencies.

Upside Participation with Risk Mitigation. The fund aims to grow capital while reducing volatility relative to a traditional 60/40 portfolio. This will be achieved through dynamic asset allocation – largely including passive ETFs, with limited exposure to active ETFs as well.

In-House Expertise. Harbor's Multi-Asset Solutions Team uses proprietary models to forecast asset expected returns and optimize a portfolio custom built for each phase of the Business Cycle. The team further refines the portfolio based on fundamental analysis including but not limited to earnings momentum, valuation and sentiment.

Completely Benchmark Agnostic. Rather than anchoring to an arbitrary and sub-optimal equity/bond combination, or a static volatility profile, the team anchors the portfolio to the prevailing Business Cycle Regime.

Ticker Symbol	MAPP
Cusip	41151J836
Total Expense Ratio	0.87%
Inception Date	09/13/2023
Listing Date	09/14/2023
Manager Name	Harbor Multi-Asset Solutions Team
Initial Offering Price	$20.00
Listed Exchange	NYSE
Active/Passive	Active
Benchmark	ICE BofA 3- Month U.S. Treasury Bill Index
Lead Market Maker	GTS
Morningstar Category	U.S. Tactical Allocation

Overview

The **Harbor Multi-Asset Explorer ETF** seeks to provide long-term total return while limiting downside risk. The Fund invests primarily in underlying ETFs that provide exposure to one or more broad asset classes, such as equities, fixed income securities of any credit quality (including below-investment grade bonds, also known as high-yield bonds or "junk" bonds), real estate investment trusts, commodities, and cash and cash equivalents.

The Advisor's broad-based approach to managing the Fund combines both systematic and discretionary research and analysis. In managing the Fund, the Advisor seeks to understand the economic and business cycle, and the risks and opportunities the current cycle presents using its proprietary multi-factor model that includes growth, liquidity, and inflation factors.

ETF Structure

- **Cost Effective:** MAPP is a cost-efficient way to gain access to a diversified, multi-asset U.S. tactical allocation 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.

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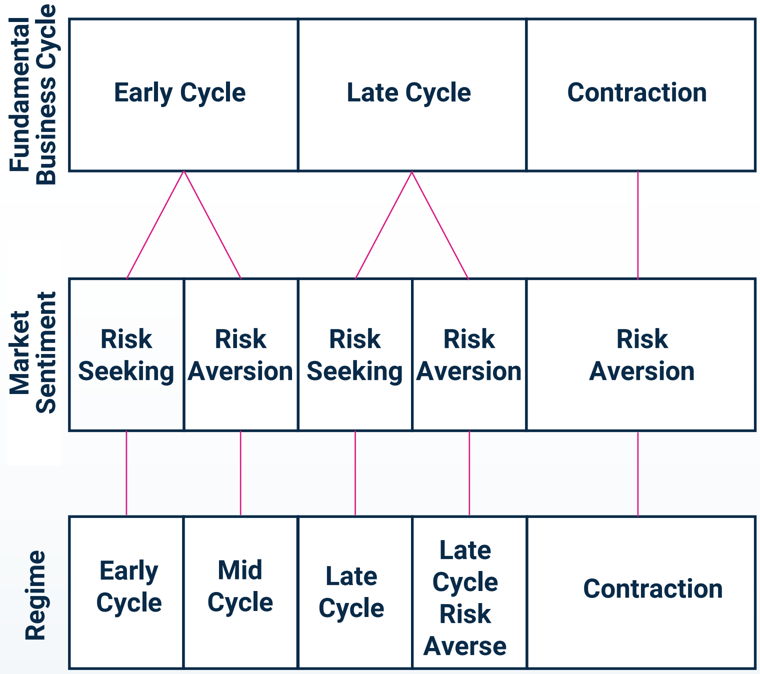
Investment Philosophy

The investment philosophy as it relates to asset allocation is simple – we believe the interrelated dynamics of growth conditions (real economic activity), liquidity conditions (credit cycle and cost of money), and inflation (trend growth in prices), what we refer to as GLI, drive the business cycle. We also believe the business cycle is the primary driver of asset class returns.

The process of determining where we are in the business cycle is complex and inherently quantitative/systematic. We have tested our models back to the late 1980's for robustness across many different types of business cycles.

We start by identifying distinct variables that give us insight into U.S. growth, liquidity and inflation conditions. We classify what our growth, liquidity and inflation factors are telling us about the cycle, and then we classify our market factors as either risk seeking or risk averse. We can then use this information to classify the business cycle regime.

The starting point: Harbor Multi-Asset Solutions Team Business Cycle Framework



Unveiling Opportunities: The Potential Benefits of Tracking the Business Cycle Regime

Potentially Attractive Risk-Adjusted Returns: This approach focuses on achieving higher consistent returns while taking into account different stages of the economic cycle. By actively tailoring portfolio allocations according to proprietary, forward-looking factors, the strategy aims to optimize returns while minimizing risk through capturing returns that align with prevailing economic conditions. This flexibility may help preserve capital during periods of heightened market volatility, thereby reducing overall portfolio risk.

Diversification Benefits: Business cycle-based asset allocation may provide an additional layer of diversification beyond traditional asset class diversification. By incorporating dynamic allocation adjustments, the portfolio aims to become more resilient to unexpected market fluctuations, thereby potentially dampening volatility through the presence of low correlations between asset classes.

Long-Term Perspective: While short-term market movements can be volatile and unpredictable, the business cycle provides a broader context for understanding economic trends. By aligning asset allocations with business cycle regimes proactively, investors can potentially benefit from a more informed long-term, active investment strategy.

Portfolio Anchor: Harbor's Multi-Asset Solutions Team utilizes a sophisticated and proprietary approach that has produced attractive returns over a full cycle during retrospective evaluations. The portfolio has been strategically created to take advantage of the positive aspects of both absolute return strategies and diversified portfolios. Absolute return strategies have proven to perform well during periods of market decline as they heavily invest in cash, while diversified portfolios tend to generate returns during market upswings. This distinctive approach offers what we believe to be a well-rounded and diversified foundation for clients' portfolios, acting as an anchor that seeks to deliver attractive benefits.

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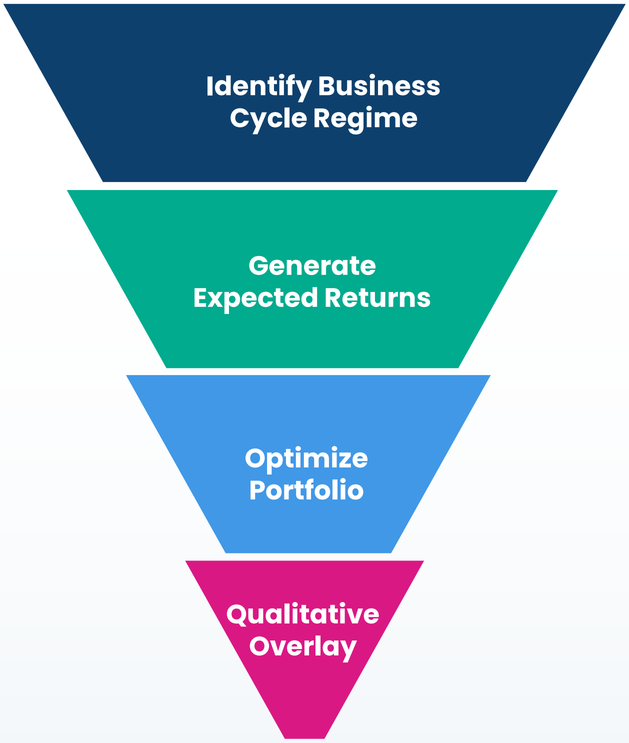
Investment Process



1. **Regime Identification:** The Multi-Asset Solutions Team utilizes the output of the systematic model to determine the prevailing business cycle regime. The identification of the prevailing business cycle regime determines the risk parameters and general asset allocation for the Fund.
2. **Return Estimation:** The model systematically generates return estimates for a population of assets reflecting global equities, credit, core bonds, currencies, and commodities.
3. **Portfolio Construction:** The Multi-Asset Solutions Team optimizes a portfolio using estimates for risk, correlation and returns, targeting the portfolio risk parameters identified in step 1 and using the returns identified in step 2.
4. **Qualitative Review of the Fund's Portfolio:** The Advisor adjusts portfolio positions to reflect discretionary analysis, including, but not limited to, valuation, sentiment, and sector fundamentals.

Investment Team

The Multi-Asset Solutions Team delivers actionable investment insights and builds multi-asset portfolios and client solutions. The team'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. Learn more about Harbor's Multi-Asset Solutions Team:

Harbor
MULTI-ASSET SOLUTIONS TEAM

- ✓ **Experienced Asset Allocation Managers.** The Multi-Asset Solutions Team consists of industry experts who build and manage asset allocation strategies across the risk spectrum – with roughly 63 years of collective quantitative research experience and 115 years of combined investment management experience.
- ✓ **Thought Leaders.** The team offers diverse tactical asset allocation & market perspectives informed by proprietary research, subadvisory partnerships, and third-party information.
- ✓ **Complementary Experience.** The Multi Asset Solutions team has expertise in both quantitative and fundamental investing by leveraging investors with vast experience including Quantitative Research, Equity Portfolio Management and U.S. Department of Treasury operations.

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Important Information

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. The Fund is a fund of funds and is subject to the expenses and risks of the underlying funds, including but not limited to risks associated with: commodities; derivatives; fixed income securities, including "high-yield" or "junk" bonds; foreign issuers/foreign markets, U.S. government securities; mortgage- and asset-backed securities; REITs; and small companies. The Fund's investment performance depends upon the successful allocation by the Advisor of the Fund's assets among asset classes, geographical regions, sectors and specific investments. The Advisor's judgment about the attractiveness, value and growth potential of a particular asset class, region, sector or investment may be incorrect and the Advisor's selection of the underlying funds to implement its asset allocation decisions may not produce the desired results. The Fund utilizes a quantitative model and there are limitations in every quantitative model. There can be no assurances that the strategies pursued or the techniques implemented in the quantitative model will be profitable, and various market conditions may be materially less favorable to certain strategies than others.

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

ETFs are subject to capital gains tax and taxation of dividend income. However, ETFs are structured in such a manner that taxes are generally minimized for the holder of the ETF. An ETF manager accommodates investment inflows and outflows by creating or redeeming "creation units," which are baskets of assets. As a result, the investor usually is not exposed to capital gains on any individual security in the underlying portfolio. However, capital gains tax may be incurred by the investor after the ETF is sold.

Shares are bought and sold at market price not net asset value (NAV). 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.

The ICE BofA 3-Month U.S. Treasury Index measures the performance of a single issue of outstanding treasury bill which matures closest to, but not beyond, three months from the rebalancing date. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

A 60/40 portfolio is generally one that has a 60% allocation to stocks and a 40% allocation to bonds.

Earnings momentum is when a company's earnings are increasing. Increasing earnings can be accelerating or decelerating. Some traders attempt to profit from the rising prices associated with earnings acceleration, and view earnings deceleration as a sign to potentially get out.

Valuation is a quantitative process of determining the fair value of an asset, investment, or firm.

Market sentiment refers to the overall attitude of investors toward a particular security or financial market. It is the feeling or tone of a market, or its crowd psychology, as revealed through the activity and price movement of the securities traded in that market.

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 Multi-Asset Explorer ETF.

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