Harbor Structured Income ETFs

YLDS · YLDH · YLDP | 2026

STRUCTURED INCOME ETF SUITE

Why autocallable ETFs?

The case for the wrapper is straightforward: it removes the implementation burden while maintaining exposure to the **autocallable** income framework.

Laddered for diversification

Exposure to 52 staggered synthetic note positions, with initial slots established weekly and with notes automatically replaced when called or matured. This results in entry points, observation dates, and maturities that are spread across the calendar.

Implementation simplicity

No note minimums, no offering documents per trade, no note maturity monitoring. Daily liquidity and standard ETF reporting, ready for models.

Systematic reinvestment

When notes are called or mature, the framework replaces them by rule. No re-sourcing or reinvestment diligence needed.

Three profiles, one framework

The same ~~design at~~ three calibrations. The choice is which risk / income profile fits the client, not which note to buy.

Premium income, re-engineered

Autocallable notes are becoming **one of the most in-demand sources of premium income through equity-linked coupons that don't depend on credit spreads or duration**. Accessing them has traditionally meant high minimums, manual reinvestment, and note-by-note operational work.

Harbor's Structured Income ETFs deliver the same income framework in three systematic and laddered ETFs.

YLDS	YLDH	YLDP
Harbor Arena Structured Income ETF	Harbor Structured High Income ETF	Harbor Structured Premium Income ETF

A DIFFERENT WAY TO PURSUE INCOME

Autocallables as a source of income

Income conversations usually start with "where can I find more yield?"
The better question is "what risk is producing the income?"

INCOME SOURCE	WHERE THE INCOME COMES FROM	THE TRADE-OFF
Investment-grade bonds	Interest and credit spreads	Duration, inflation, and credit risk
High-yield bonds	Higher credit spreads	Greater default and drawdown risk
Dividend equities	Corporate dividends	Full equity downside; dividends can change
Covered calls	Option premium	Capped upside with equity exposure
Autocallables	Contingent equity-linked coupons	Barrier breaches, index dispersion, and equity-tail risk

Autocallables are not a fixed income substitute — they are a distinct income architecture: rules-based, equity-linked coupons in exchange for path-dependent, index downside. For advisors who already understand that trade-off, the question is how to implement it effectively. **The ETF changes how the exposure is accessed and managed; it does not remove the underlying payoff risks.**

IN ONE SENTENCE

Harbor's Structured Income ETFs seek monthly distributions by obtaining swap-based exposure to rules-based indexes representing laddered portfolios of **synthetic autocallable notes — income tied to equity market behavior rather than credit or duration, in an exchange-traded wrapper.**

HOW AN AUTOCALLABLE WORKS

The rules matter as much as the coupon

An **autocallable** note references a specific index, or group of indices. Scheduled observation dates determine whether a coupon is paid, whether the note is called, and how the note settles at maturity.

1 Monthly coupon test

A coupon is paid when the reference asset is at or above the coupon barrier. If not, it is deferred — not necessarily lost.

2 Quarterly call test

After a 3-month non-call period, the note is called when the reference asset is at or above 100% of initial levels on any quarterly observation date.

3 Maturity test

If never called, the note settles at its 3-year maturity. Above the barrier, ~~initial investment is fully protected;~~ below it, settlement reflects the reference index's full decline.

Certain strategies, including two of Harbor's, offer ~~a One Star feature. It allows investors to protect their full principal at maturity if predefined conditions are met, even when a principal loss event would have occurred at note maturity.~~

+ Memory coupon

A missed coupon can be recovered on a later observation if certain earlier conditions are met at a later monthly observation. Recovery is conditional — deferred coupons unpaid by maturity are lost. All three of Harbor's Structured Income ETFs offer this feature.

THE KEY TAKEAWAY

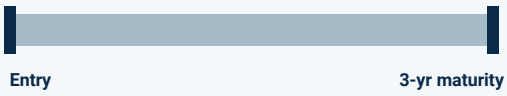
Outcomes are path dependent — the same note may pay coupons, get called, recover deferred coupons, or lose principal depending on the index level at each observation. The right client question isn't "what's the income portential?" but **"what has to happen for that income to arrive?"**

FROM ONE NOTE TO A SYSTEMATIC LADDER

Concentrated exposure to a diversified 52-note ladder

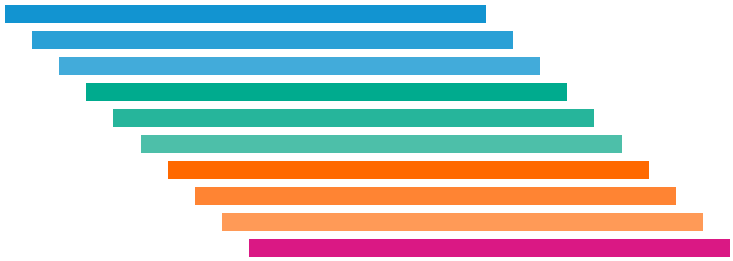
A single note concentrates outcomes on a handful of dates: one entry point, one set of terms, one maturity. The ETF replaces that with a **52-note laddered portfolio** of synthetic notes laddered weekly, each with its own initial levels, observation schedule, and 3-year maturity. Called or matured notes are replaced by rule, so the exposure is continuous and reduces reliance on any single price level or observation schedule.

ONE NOTE



100% of exposure tied to one note; one single entry price, one barrier level, and one coupon observation schedule.

52 NOTES IN A LADDER



Initially established across weekly slots; thereafter replaced when called or matured. 52 entry prices, barrier levels, and observation schedules.

What laddering is designed to do

- ✓ Spread initial levels and observation schedules across 52 vintages
- ✓ Reduce dependence on one transaction date or set of market terms
- ✓ Replace called and matured notes automatically
- ✓ Maintain continuous exposure to the payoff framework

What laddering does not do

- ✗ Eliminate broad-market or worst-of risk
- ✗ Prevent multiple vintages from missing coupons or losing value at once
- ✗ Guarantee replacement coupons as attractive as terminated ones
- ✗ Create a shareholder-level maturity promise

ONE DISTINCTION WORTH KEEPING STRAIGHT

Note coupons are not the ETF distribution. Coupons are note-level events, observed monthly per vintage against each note's barrier. The ETF's monthly distribution is a fund-level cash payment, reflecting total return from the index and supporting collateral, subject to each ETF's distribution policy. Shareholders own ETF shares not the synthetic notes themselves.

THE HARBOR SUITE

One framework, three risk/return tiers

All three ETFs use the same core design: a worst-of basket of three volatility- and correlation-targeted underlying equity indexes (S&P 500, NASDAQ 100, and Russell 2000 exposures). Each portfolio is laddered weekly, with three-year tenors, monthly coupon observation dates and the memory coupon feature. What differs is how much risk each profile takes to pursue income, and how it settles at maturity.

FEATURE	YLDS	YLDH	YLDP
Income Profile	Lower target	Intermediate target	Highest target
Reference Assets*	S&P 500, NASDAQ 100, Russell 2000 exposures (worst-of)		
Volatility Targeted	25%	30%	35%
Annual Decrement	3% / 3% / 2%	5% / 5% / 5%	6% / 6% / 6%
Correlation Controlled	~~85% target across all three funds~~		
Coupon Barrier	70%	65%	65%
Maturity Barrier	70%	65%	65%
One-Star at Maturity	No	Yes	Yes
Observations	Monthly ~~coupons~~ with memory; quarterly calls at 100% after 3-mon non-call		
Portfolio	Weekly laddered portfolio of diversified 3-year synthetic notes		

Target-volatility levels apply to each underlying index within each fund's reference basket. The decrement is a fixed annual deduction from each index's price path. It is separate from fund expenses and is one input in note pricing; it may support higher coupon terms but does not guarantee them. Design features are levers, not guarantees of improved outcomes.

*Reference assets are not direct exposure to the raw S&P / NASDAQ / R2000 indices, but a volatility-targeted and correlation-controlled variation of each underlying index.

IMPLEMENTATION

Comparing private structures vs. Harbor's ETFs

Traditional structured note program	Harbor Structured Income ETFs
Note-by-note sourcing and minimums	**Any investment amount, one ticker**
Limited interim liquidity	**Daily ETF trading**
One or a few entry dates concentrate timing risk	**Risk spread across 52 weekly vintages**
Manual reinvestment when notes are called	**Rules-based replacement, continuous exposure**
Per-note monitoring and maturity management	**Centralized, systematic portfolio oversight**

What the ETF wrapper does not do

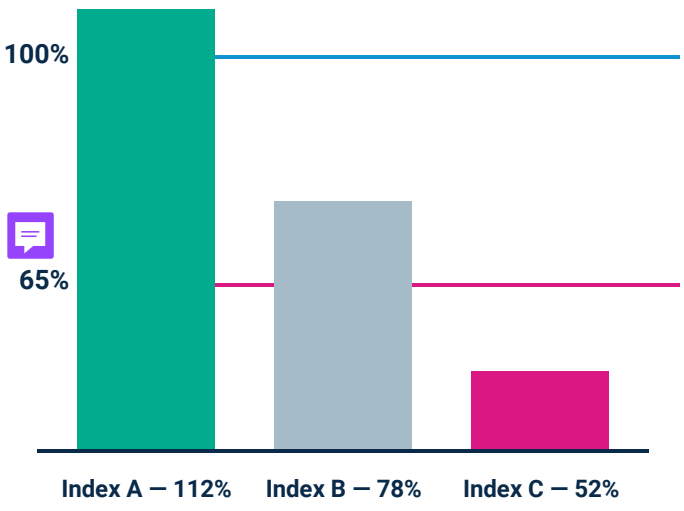
The ETF simplifies access and implementation, not investment risk. These funds are not principal protection, guaranteed income, or a bond substitute. Coupons are conditional, upside is limited, and the weakest referenced index can drive outcomes. Risks are covered candidly at the end of this document.

THE ONE-STAR FEATURE

Potential principal recovery in a loss event at maturity

The High and Premium funds add an additional protection at a note's maturity: if the **worst performing** index is below the maturity barrier but **any one** index is at or above 100% of its initial level, the note returns full principal at par, potentially avoiding a principal loss event at maturity. One qualifying index can satisfy the One Star test.

ILLUSTRATION — AT NOTE MATURITY (INDEX LEVELS VS. INITIAL)



Without One-Star

The weakest index (52%) is below the 65% barrier — **the note settles at 52% of notional**

With One-Star

Index A finished at or above 100%, **so the note returns full principal at par.**

YLDS relies on its 70% maturity barrier alone; YLDH and YLDP test One-Star first, then the 65% barrier. If neither condition is met, settlement follows the weakest index's final performance.

Hypothetical illustration; not a guaranteed outcome. The One-Star feature does not apply to YLDS.

WHERE THEY COULD FIT IN A PORTFOLIO

Four ways to implement the suite

Income-diversification sleeve

Complement bond, credit, dividend, or option-income allocations with income driven by equity volatility rather than credit or duration.

Replacement for a note program

Replace transaction-by-transaction note sourcing with a systematic ladder of staggered vintages and centralized monitoring.

Covered-call complement

A[illegible]ncome with different option mechanics — b[illegible]rs and observation dates instead of a conventional overwrite program.

Equity-income or model allocation

A structured-income sleeve within an equity-income, alternative-income, or model portfolio.

May be relevant for investors who

- ✓ Prioritize current cash flow over full equity participation
- ✓ Understand contingent coupons and distributions
- ✓ Can tolerate interim NAV volatility and equity-linked losses
- ✓ Prefer systematic implementation over individual notes

Likely not appropriate for investors seeking

- ✗ Principal preservation or guaranteed monthly income
- ✗ Full equity-market participation
- ✗ A conventional bond substitute
- ✗ A fixed maturity date or par-redemption promise

CANDID DISCLOSURE

The risks, plainly

The potential income is compensation for meaningful risks. Before recommending, clients should understand:

Contingent income

Coupons depend on reference asset performance. Fund distributions are targets, not guarantees.

Barrier & loss amplification

Below the barrier at maturity, a note reflects the weakest index's full decline, not just the excess return of the barrier.

Worst-of risk

One weak index can determine the outcome even when the other two perform well.

Call & reinvestment risk

Favorable notes can be called early; replacement terms may be less attractive.

Limited upside

No uncapped participation in equity appreciation.

Methodology & ETF risk

Shares fluctuate; target volatility, correlation control, decrement, and index rules may not operate as expected.

A target distribution rate is not expected total return, barriers are not principal protection, and the ETF makes no shareholder-level maturity promise. If a client needs any of those three, this is the wrong tool, and saying so early is part of the value of the framework.

REFERENCE

Glossary

Autocall. Automatic early redemption when the call condition is met.

Decrement. A fixed annual deduction from an index's price path, recycled into higher stated coupons.

One-Star. A best-of maturity test in YLDH and YLDP: if any one index finishes at or above 100% of initial, the note returns par.

Barrier. A stated index level used for coupon or maturity tests.

Memory coupon. A deferred coupon that may be recovered later if barrier conditions are met.

Worst-of. The weakest referenced index, which generally drives coupon, call, and maturity outcomes.

IMPORTANT INFORMATION

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.

Swap agreements involve counterparty, liquidity, leverage, and correlation risks. Derivatives may be volatile, difficult to value, and may result in losses greater than the amount invested. The autocallable structure may limit upside and result in losses, including loss of principal. Coupon payments are not guaranteed. The laddered approach may not prevent losses and may result in reinvestment at less favorable terms. Correlation- and volatility-control mechanisms may limit gains, magnify losses, and cause underperformance. Barrier breaches may eliminate distributions and cause significant losses. The Fund is also subject to index-methodology, early-redemption, and ETF-related risks. A non-diversified Fund may be more susceptible to single-issuer events.

Target distribution rates are targets, not guarantees. All examples are hypothetical. Before investing, carefully consider the Fund's objectives, risks, charges, and expenses; see the prospectus. 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.

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