

EBIT

Harbor AlphaEdge Small Cap Earners ETF

Fund Description

EBIT tracks an index comprised of small cap companies in the US selected and weighted according to their profitability.

FactSet Analyst Report

EBIT provides exposure to the small-cap space of the US equity universe while ignoring unprofitable companies. It tracks an index comprised of the most profitable Russell 2000 constituents, also dubbed as small-cap earners. The index first calculates profitability using operating margin by dividing the earnings by the revenues. The companies that meet the set profitability criteria and are deemed to have an operating margin of greater than or equal to 1% are then included in the index. The fund employs a modified profitability weighting methodology wherein final constituents allocations are determined by profitability relative to the other index securities over the trailing three-year period. The fund will utilize a representative sampling strategy, where it may or may not hold all the securities that comprise the index and instead invest in securities with similar investment profiles to the index constituents. The index is reconstituted and rebalanced semi-annually.