



# Harbor International Compounders ETF (OSEA)

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## STANDARD RFI

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### BACKGROUND INFORMATION

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Harbor Capital Advisors, Inc. (“Harbor Capital”) was founded in 1983 to manage the pension and retirement plan assets of our former parent company, Owens-Illinois. In 1986, we introduced Harbor Funds, a family of no-load mutual funds featuring our manager-of-managers business model. In June of 2001, Harbor Capital was acquired by Robeco Groep N.V. (“Robeco”), a financial holding company located in the Netherlands, a wholly-owned subsidiary of Rabobank Nederland (“Rabobank”). On July 1, 2013, ORIX Corporation acquired 90% plus one share of the outstanding shares of Robeco from Rabobank. On October 21, 2016, ORIX Corporation acquired the remaining interest that Rabobank held in Harbor Capital's parent company, Robeco (10% less one share). As a result, Robeco is wholly-owned by ORIX Corporation. Effective January 2018, Robeco’s name changed to ORIX Corporation Europe N.V. (“ORIX Europe”). Harbor Capital remains an indirect, wholly-owned subsidiary of ORIX Corporation.

Harbor offers investors access to a lineup of respected institutional investment firms sourced worldwide. Recognizing that no single firm can excel in managing all types of asset classes, Harbor utilizes a “manager-of-managers” approach where we seek to identify experienced portfolio managers with proven track records, who specialize in a particular asset class. These managers are responsible for making the day-to-day investment decisions and effecting the purchase and sale of the securities held by the underlying Harbor strategies.

Our arrangements with subadvisors, combined with our internal philosophy of closely managing costs, allow us to offer a family of funds that we believe delivers long-term value to our shareholders.

## SUBADVISOR & INVESTMENT TEAM

### SUBADVISOR STRUCTURE

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The subadvisor for the Harbor International Compounders ETF is C WorldWide Asset Management (“C WorldWide”).

C WorldWide Asset Management (“C WorldWide”) is a focused and independent asset manager that has been investing in global equity markets since 1986. Their objective is to deliver consistent, long term asset growth for clients through active investments in listed equities on global stock exchanges. They refer to their investment approach as trend-based stock picking. It is a trend/theme influenced top-down framework combined with a bottom-up stock picking approach. The approach drives the stock selection process by focusing on and identifying specific companies that align with and thus benefit from exposure to selected global themes within the portfolio.

Sustainability and specifically environmental, social, and governance (ESG) factors are an integral part of the C WorldWide investment process and are implemented in the ongoing research of the companies they invest in. This process does not begin or end with the investment but is an ongoing engagement process that is supported by dialogue and monitoring of the company in question.

## PORTFOLIO MANAGERS

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The Fund's portfolio managers are jointly and primarily responsible for the day-to-day investment decision making for the Fund.

### **Bo Almar Knudsen**

*Chief Executive Officer & Portfolio Manager*

Mr. Knudsen has worked with global equities portfolio management since 1989, including five years at Danske Bank. Mr. Knudsen was a member of AIMR (CFA)'s global IPC committee from 1998-2002 and served as the chair of the Danish Society of Financial Analysts and CFA Denmark from 2002-2008. He holds an MSc (Econ) in Finance from Aarhus School of Business supplemented with MBA courses from San Francisco State University. He has been employed by C WorldWide since 1994 with the exception of a period between 1998-2001 where he worked as Head of Equities at Nordea Investment Management.

### **Bengt Seger**

*Portfolio Manager*

Mr. Seger has previously worked as an Analyst and Portfolio Manager at Sparbanken Skåne, and as a Senior Analyst in international equities at Carnegie Investment Bank. He holds a Masters in Law and has studied Business Administration and Economics at the University of Lund. He has been employed by C WorldWide since 1988.

### **Peter O'Reilly**

*Portfolio Manager*

Mr. O'Reilly has previously worked as Head of Global Equities at Investors Group where he was responsible for managing the firm's global equity portfolios. He has also held investment roles at Royal and Sun Alliance Asset London, Global Asset Management and AIB Investment Managers. He holds a BA and MA in Economics from University College Dublin and is a member of the UK Society of Investment Professionals (CFA). He has been employed by C WorldWide since 2018.

### **Mattias Kolm**

*Portfolio Manager*

Mr. Kolm previously worked in Svedala Industri's finance department where he primarily dealt with cash flow hedging, and at Skandinaviska Enskilda Banken as a Portfolio Manager. He holds an MSc BA from the University of Lund and has supplemented his degree with studies in finance at Stockholm School of Economics. He has been employed by C WorldWide since 2003.

## HARBOR INTERNATIONAL COMPOUNDERS ETF (OSEA)

### OJECTIVE

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The **Harbor International Compounders ETF (OSEA)** seeks long-term growth of capital by investing in large capitalization companies, primarily outside the U.S., that C WorldWide Asset Management believes have compelling prospects for long-term growth.

### OVERVIEW

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The **Harbor International Compounders ETF (OSEA)** is an actively managed Fund that offers exposure to C WorldWide's International equity strategy. The Fund employs a bottom-up, research driven process to constructing a portfolio of foreign large capitalization companies.

## INVESTMENT PHILOSOPHY

The ETF invests primarily in equity securities of at least \$5B in market cap of non-U.S. companies that the team believes will deliver sustainable long-term growth. The investment philosophy centers on the belief that business with durable moats, strong governance, and a clear long-term strategy have the potential to sustain consistent growth levels well into the future.

The firm’s investment culture embraces a set of shared beliefs about how markets work, specific strengths and skill sets, effective methods of decision-making, and how to implement insights. The team will also:

- Embrace a long-term time horizon.
- Focus on identifying sustainable business models.
- Own only the highest conviction ideas.
- Dig deep in company research using qualitative and fundamental analysis.
- Integrate the identification of long-term themes into stock selection criteria.
- Believe that risk management should focus on qualitative factors – understand what they own and effective diversification.
- Embrace the notion that good governance correlates to favorable operating results.

## INVESTMENT PROCESS

The process starts and ends with a portfolio of their highest conviction ideas – maximum 30 holdings. C Worldwide’s one in, one out approach is a result of competition for capital.



\*The core members of the Global Research Meeting are the four PM’s in global decision team Bo Knudsen, Bengt Seger, Mattias Kolmand and Peter O’Reilly. Supplemented with global PMs Jakob Greisen and Leemon Wu, Senior Advisor Lars Wincentsen, Head of Research David Rindegren, Analyst Marcus Bellander and ESG Specialist Mette Bergenstoff Sletbjerg.

## FUND HIGHLIGHTS

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**Long-Term Growth Investing.** Active manager with over three decades of experience seeking to identify companies with competitive advantages, strong governance and clear long-term strategies that it believes can sustain consistent growth levels well into the future. The team attempts to exploit market inefficiencies by investing in companies with underappreciated multi-year, structural growth opportunities.

**Research-Centric Expertise.** C WorldWide's investment edge is driven by in-depth fundamental research conducted by a team with decades of experience. The team will select companies based on a complete understanding of their long-term strategy and culture, integrated with C WorldWide investment team's vision about how their competitive strengths and related market demand themes might evolve.

**Global Thematic Overlay.** Identifying themes and integrating them into the process is a meaningful part of the team's selection criteria. Themes represent secular societal changes expected to occur that may impact the economics of industries and individual companies over a medium-term time horizon.

**Focused Portfolio.** Portfolio only contains the team's highest conviction ideas with a maximum of 30 holdings, which makes the portfolio construction process an active competition for capital.

## ETF STRUCTURE

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- **Concentrated:** The ETF will hold a maximum of 30 equity securities. The process starts and ends with a portfolio of the investment team's highest conviction ideas.
- **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.

## VEHICLE INFORMATION

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The Harbor International Compounders ETF (Ticker: OSEA) inception in September 2022 and is available for trading on the NYSE.

<b>Ticker Symbol</b>	<b>OSEA</b>
Cusip	41151J885
Listed Exchange	NYSE
Gross Expense Ratio	0.55 %
Lead Market Maker	Virtu
Inception Date	09/07/2022
Manager Name	C WorldWide Asset Management
Benchmark	MSCI All Country World Ex. U.S. (ND) Index
Morningstar Category	Foreign Large Growth

For complete details on the Harbor International Compounders ETF, please contact your Harbor representative and/or refer to the Fund's prospectus available at [www.harborcapital.com](http://www.harborcapital.com)

## DISCLOSURE

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Responses regarding the Harbor organization have been provided by Harbor Funds Distributors, Inc. Responses relating to the investment team of the Harbor International Compounders ETF (OSEA) including the process for making portfolio decisions and effecting the purchase and sale of securities held by the ETF, or any specific operational aspects of the subadvisor are provided by the subadvisor to the ETF and, to the best of our knowledge, are accurate.

This information should not be considered as a recommendation to purchase or sell a particular security. The sectors or countries mentioned may change at any time and may not represent current or future investments.

Investing involves risk, principal loss is possible. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value.

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. 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.

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. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions. 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.

The subadvisor considers certain ESG factors in evaluating company quality which may result in the selection or exclusion of securities for reasons other than performance and the Fund may underperform relative to other funds that do not consider ESG factors.

**Investors should carefully consider the investment objectives, risks, charges and expenses of a Harbor fund before investing. A summary prospectus or prospectus for this and other information is available at [harborcapital.com](http://harborcapital.com) or by calling 800-422-1050. Read it carefully before investing.**

The MSCI All Country World Ex. U.S. (ND) Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

C WorldWide Asset Management is a third-party subadvisor to the Harbor International Compounders ETF.

**Foreside Fund Services, LLC is the Distributor of the Harbor International Compounders ETF.**

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