

# HARBOR INTERNATIONAL COMPOUNDERS ETF

C WorldWide Asset Management

Subadvisor Since 09/07/2022

**Ticker:** OSEA  
**CUSIP:** 41151J885  
**Net Expense Ratio:** 0.55%  
**Gross Expense Ratio:** 0.55%  
**Total Net Assets:** \$29,428,501  
**Benchmark Name:** MSCI All Country World Ex. US (ND) Index

## Portfolio Managers



Bo Almar Knudsen



Bengt Seger



Peter O'Reilly



Mattias Kolm

## Investment Philosophy

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.

The Fund 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.

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. Sustainability and specifically environmental, social, and governance (ESG) factors are also an integral part of the investment process and are implemented in the ongoing research of the companies the team invests in. The Fund 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.

## CHARACTERISTICS & ALLOCATION

As of 12/31/2023

### Portfolio Characteristics

	Portfolio	Benchmark
Number of Holdings	28	2,312
Wtd Avg Market Cap (\$Mil)	184,834.00	92,435.90
Median Market Cap (\$Mil)	103,598.00	8,788.00
Price/Book Ratio	5.20	2.36
Adjusted Trailing P/E Ratio	26.50	17.20
% EPS Growth - Past 3 Yr	16.20	23.40
Est 3-5 Yr EPS Growth Rate (%)	9.70	10.90
Return on Equity (%)	19.08	13.98
Forecasted P/E Ratio	23.20	16.80

### Economic Sectors

	Portfolio %	Benchmark %
Industrials	25.14	13.46
Information Technology	18.94	12.45
Health Care	14.51	9.28
Financials	14.47	21.21
Consumer Staples	9.80	8.02
Consumer Discretionary	7.31	11.47
Utilities	4.77	3.23
Materials	4.56	7.98
Energy	0.00	5.58
Real Estate	0.00	2.08
Communication Services	0.00	5.23

### Top 10 Holdings

	Portfolio %	Benchmark %
Novo Nordisk A/S Class	6.87	1.34
HDFC Bank Limited Spons	5.91	0.00
ASML Holding NV	5.89	1.21
Ferguson Plc	5.55	0.00
Linde plc	4.56	0.00
Siemens Aktiengesellsch	4.51	0.57
HOYA CORPORATION	3.95	0.18
Nestle S.A.	3.86	1.23
LVMH Moet Hennessy Loui	3.72	0.89
AstraZeneca PLC	3.69	0.83
<b>Total</b>	<b>48.89</b>	<b>6.24</b>

### Top 10 Countries

	Portfolio %	Benchmark %
United Kingdom	15.62	9.47
Japan	13.62	14.43
Germany	11.17	5.52
France	9.89	7.74
Sweden	8.36	2.06
Denmark	6.87	2.15
India	5.91	4.70
Netherlands	5.89	2.98
United States	4.56	0.02
Switzerland	3.86	6.41
<b>Total</b>	<b>85.75</b>	<b>55.47</b>
<b>Emerging Markets</b>	<b>15.05</b>	<b>27.68</b>

### Top 10 Industries

	Portfolio %	Benchmark %
Pharmaceuticals	10.56	6.18
Semiconductors	9.19	5.29
Banks	8.82	12.88
Building Products	6.06	0.67
Trading Companies	5.55	1.28
Machinery	5.24	2.11
Electric Utilities	4.77	1.69
Chemicals	4.56	2.93
Industrial Conglomerates	4.51	1.43
Health Care Equip	3.95	1.39
<b>Total</b>	<b>63.21</b>	<b>35.85</b>

### Market Capitalization

		Portfolio %
Large	Above 25.0B	97.34
	10.0B - 25.0B	2.14
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00

# Harbor International Compounders ETF



## PERFORMANCE

As of 12/31/2023

### Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
<b>Harbor International Compounders ETF (NAV)</b>	14.94%	21.07%	21.07%	N/A	N/A	N/A	23.83%	09/07/2022
<b>Harbor International Compounders ETF (Market)</b>	14.98%	20.89%	20.89%	N/A	N/A	N/A	23.86%	09/07/2022
MSCI All Country World Ex. US (ND) Index	9.75%	15.62%	15.62%	N/A	N/A	N/A	16.85%	09/07/2022

## MANAGER COMMENTARY

As of 12/31/2023

**"We believe 2024 will be another year of divergence within the equity market. Two drivers of change will be a reversal of the direction of monetary policy and a more difficult economic environment."**

C WorldWide Asset Management

### Market in Review

The fourth quarter of 2023 saw very strong international equity markets, as interest rates peaked in mid-October and fell toward the end of the year. Inflation was the main driver of interest rate expectations, as U.S. inflation rose 3.1% in the year to November, compared with the peak of 9.1% in the 12 months to June 2022. Eurozone inflation dropped to 2.4%, the slowest annual pace since July 2021, while China remained in deflationary territory. Positive news on inflation was reinforced by dovish comments from the Federal Reserve, European Central Bank, and Bank of England.

Rather than betting on changes in multiples or forecasting short-term earnings aberrations to trade around, we focus on identifying the right long-term businesses and let the companies do the work in generating returns thus benefiting from lower trading costs and higher long-term returns for our investment partners.

Our research focuses on finding companies that we believe can continue to compound well beyond most investor (short-term) horizons, meaning that the company's long-term growth potential is mispriced and something on which we capitalize and embrace.

**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](http://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 International Compounders ETF



## MANAGER COMMENTARY

As of 12/31/2023

### Portfolio Performance

During the quarter, the Harbor International Compounders ETF (“ETF”) returned 14.94% (NAV), outperforming its benchmark, the MSCI All Country World Ex. US (ND) Index, which returned 9.75%. Our stock selection mainly explains the outperformance, with some value added from sector and regional allocation.

From a sector attribution perspective, the ETF’s exposure to individual stocks in Industrials, Health Care, and Information Technology (IT) had a positive impact on performance, as opposed to individual stocks in Materials, which negatively impacted the relative performance. From a regional perspective, our exposures to Europe and Asia were the main contributors to the outperformance, whereas the cash exposure and underweight allocation to the Pacific dragged the overall performance.

### Contributors & Detractors

The top three contributors were ASML Holding, Siemens, and Novo Nordisk. After a reset of expectations in October and guidance of only flat growth in 2024, shares of ASML have been very strong as investors now anticipate earnings growth of around 40% in 2025. A strong fourth quarter report helped Siemens shake off October’s negative news flow related to Siemens Energy, and Siemens’ Digital Industry division is witnessing strong demand in the U.S. driven by the Inflation Reduction Act. Management also sees signs of stabilization in China thanks to an improvement in consumer confidence and certain stimulus measures.

The top three detractors were AstraZeneca, Diageo, and Nestlé. Johnson & Johnson (J&J) provided data for a new treatment against lung cancer, where AstraZeneca is a current leader. While some aspects of the J&J data look promising, there is also a high toxicity burden resulting in nail infections and rashes, lowering patient quality of life. We view this new treatment as unlikely to challenge AstraZeneca’s lead in this area.

### Buys & Sells

During the quarter, we trimmed our position in Novo Nordisk by 1.3% and used the proceeds to initiate a position in RELX. AI will undoubtedly create many winners and losers, however, at this point in the AI journey, we think it makes more sense to focus on the AI value enablers. We place these in three buckets: 1) those benefiting from the demand for AI chips and infrastructure, 2) those with critical data, and 3) those which use critical data to enable value adding applications. Some companies operate in more than one group, for example, owning both the data and the application, putting them in a strong position to compound earnings for a meaningful period. RELX owns both the critical data and the ability to monetize it through productive software applications. RELX is also a major B2B / information services company comprising four divisions: Science, Technical and Medical (Elsevier journals, books & software), Legal (LexisNexis), Risk & Business Analytics (Risk) and Exhibitions. The company has a leading position in all divisions.

### Domestic and International Funds

The largest sector overweight allocations entering 2023 were Industrials, Information Technology, and Health Care, while the largest sector underweights were Energy, Financials, and Communication Services. We employ an unconstrained approach regarding sectors and countries, gravitating toward the best long-term opportunities. Country and sector weights are therefore a residual of stock selection. Our analysis is fundamental and bottom-up oriented – company research is where we spend the vast majority of our time.

Our approach is predominantly qualitative, focusing on maximizing the probability that our insights are correct and effectively diversifying client holdings with differing sources of long-term return. In that regard, diversification of themes trumps sector/regional diversification.

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# Harbor International Compounders ETF



## MANAGER COMMENTARY

As of 12/31/2023

### Country Allocation

There were no significant changes in the ETF's sector and regional allocation compared to the benchmark during the quarter.

### Outlook

We believe 2024 will be another year of divergence within the equity market. Two drivers of change will be a reversal of the direction of monetary policy and a more difficult economic environment. Long-duration assets like stable growth companies should have tailwinds rather than headwinds, as lower rates will provide valuation support and as cyclical economic growth will be more challenged, structural growth will become more valuable. Given the impressive landmarks of AI, we believe the move to a more digital society will continue in 2024, keeping in mind that size is an immediate advantage, thereby benefiting the dominant IT companies. Lower rates could also provide valuation support.

Our portfolio philosophy has a constraint of a 30-investment maximum, and we have kept to this limit since the launch of the firm back in 1986. It is about competition for capital. We have a constant pipeline of investment candidates that we compare and contrast with existing holdings. This constant competition for capital is done within a five-, seven-, or 10-year perspective. We always think beyond a potential recession and look through the cycle to find the best risk/return profile. Investing is more of a marathon than a sprint. A marathon runner knows it will be a long, tough journey and is prepared. This contrasts with the investment world, which is a never-ending marathon populated with many investors/sprinters who seek instant gratification. Marathons require discipline and endurance, which are also helpful attributes when it comes to successfully navigating the discipline of long-term investing.

# Harbor International Compounders ETF



## QUARTERLY ATTRIBUTION

As of 12/31/2023

### Best & Worst Performers

Best Performers	Average Weight %	Return % (NAV)
ASSA ABLOY AB-B	2.84	32.28
SIEMENS AG-REG	4.01	30.68
ATLAS COPCO AB-A SHS	2.87	27.77
ASML HOLDING NV	5.59	27.49
HOYA CORP	3.67	21.73

Worst Performers	Average Weight %	Return % (NAV)
DIAGEO PLC	2.49	-1.68
ASTRAZENECA PLC	3.84	-0.28
NESTLE SA-REG	4.07	2.16
DAIKIN INDUSTRIES LTD	3.05	3.64

### Contributors & Detractors

Greatest Contributors	Return % (NAV)	Contribution to Return %
ASML HOLDING NV	27.49	1.51
SIEMENS AG-REG	30.68	1.19
NOVO NORDISK A/S-B	13.15	0.97
ASSA ABLOY AB-B	32.28	0.87
FERGUSON PLC	17.18	0.87
<b>Total</b>		<b>5.41</b>

Greatest Detractors	Return % (NAV)	Contribution to Return %
ASTRAZENECA PLC	-0.28	-0.07
DIAGEO PLC	-1.68	-0.05
<b>Total</b>		<b>-0.12</b>

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# Harbor International Compounders ETF



## ATTRIBUTION

As of 12/31/2023

**Quarterly Attribution:**  
Harbor International Compounders ETF vs. MSCI All Country World Ex-United States

### Performance

	Portfolio	Benchmark	Active
Return Ex Currency	10.51	5.39	5.12
Currency Contribution	4.37	4.37	0.01
<b>Total Return</b>	<b>14.88</b>	<b>9.76</b>	<b>5.12</b>

Sector Attribution	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
	Industrials	23.60	13.14	10.46	18.36	12.65	5.71	4.39	1.65	0.36	1.38
Information Technology	18.45	11.92	6.54	21.45	19.95	1.49	3.99	2.33	0.67	0.20	0.87
Health Care	15.04	9.46	5.58	11.97	5.16	6.81	1.67	0.46	-0.28	1.09	0.81
Consumer Discretionary	7.44	11.74	-4.31	11.53	5.71	5.82	0.87	0.67	0.18	0.45	0.63
Energy	0.00	5.86	-5.86	0.00	2.34	-2.34	0.00	0.12	0.46	0.00	0.46
Utilities	4.67	3.20	1.47	18.95	13.55	5.40	0.90	0.45	0.06	0.24	0.30
Communication Services	0.00	5.43	-5.43	0.00	4.68	-4.68	0.00	0.26	0.29	0.00	0.29
Financials	14.51	21.14	-6.63	12.05	10.11	1.95	1.75	2.13	-0.02	0.29	0.26
Consumer Staples	10.17	8.29	1.88	7.04	5.64	1.40	0.74	0.48	-0.07	0.16	0.09
Real Estate	0.00	2.03	-2.03	0.00	11.10	-11.10	0.00	0.23	-0.03	0.00	-0.03
Materials	4.76	7.79	-3.03	10.55	12.81	-2.26	0.56	0.98	-0.10	-0.11	-0.21
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>14.88</b>	<b>9.76</b>	<b>5.12</b>	<b>14.88</b>	<b>9.76</b>	<b>1.43</b>	<b>3.69</b>	<b>5.12</b>

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# Harbor International Compounders ETF



## ATTRIBUTION

As of 12/31/2023

### Quarterly Attribution:

Harbor International Compounders ETF vs. MSCI All Country World Ex-United States

### Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
China	0.00	7.77	-7.77	0.00	-5.84	5.84	0.00	-0.53	1.33	0.00	1.33
Germany	10.61	5.44	5.17	23.30	13.04	10.26	2.46	0.72	0.18	1.04	1.22
Japan	13.37	14.61	-1.24	14.99	8.19	6.80	1.96	1.20	0.01	0.92	0.93
Sweden	7.85	2.02	5.83	22.70	21.22	1.48	1.71	0.41	0.67	0.10	0.78
Netherlands	5.59	2.89	2.70	27.49	19.87	7.62	1.51	0.58	0.26	0.39	0.65
France	9.92	7.77	2.15	13.30	10.31	3.00	1.40	0.83	0.02	0.30	0.32
Denmark	7.53	2.16	5.37	13.15	12.25	0.90	0.97	0.26	0.14	0.14	0.28
United Kingdom	15.27	9.68	5.59	9.57	6.86	2.71	1.52	0.65	-0.18	0.45	0.27
India	5.78	4.53	1.25	13.73	11.90	1.83	0.78	0.53	0.02	0.12	0.14
Spain	1.90	1.72	0.18	16.89	12.39	4.51	0.32	0.22	0.01	0.09	0.09
United Arab Emirates	0.00	0.37	-0.37	0.00	-3.11	3.11	0.00	-0.02	0.05	0.00	0.05
Singapore	0.00	0.91	-0.91	0.00	4.48	-4.48	0.00	0.04	0.05	0.00	0.05
Turkey	0.00	0.20	-0.20	0.00	-12.17	12.17	0.00	-0.03	0.05	0.00	0.05
South Korea	2.85	3.50	-0.65	18.55	15.26	3.29	0.52	0.50	-0.02	0.07	0.05
United States	4.76	0.02	4.75	10.55	-10.42	20.97	0.56	0.00	-1.00	1.05	0.04
Thailand	0.00	0.51	-0.51	0.00	3.87	-3.87	0.00	0.02	0.03	0.00	0.03
Norway	0.00	0.44	-0.44	0.00	3.23	-3.23	0.00	0.01	0.03	0.00	0.03
Kuwait	0.00	0.22	-0.22	0.00	-0.28	0.28	0.00	0.00	0.02	0.00	0.02
Belgium	0.00	0.63	-0.63	0.00	6.39	-6.39	0.00	0.04	0.02	0.00	0.02
Malaysia	0.00	0.39	-0.39	0.00	4.56	-4.56	0.00	0.02	0.02	0.00	0.02
Hong Kong	2.92	1.45	1.46	6.90	3.25	3.64	0.23	0.05	-0.12	0.13	0.01
Qatar	0.00	0.25	-0.25	0.00	4.72	-4.72	0.00	0.01	0.01	0.00	0.01
Saudi Arabia	0.00	1.16	-1.16	0.00	8.82	-8.82	0.00	0.10	0.01	0.00	0.01
Philippines	0.00	0.18	-0.18	0.00	6.40	-6.40	0.00	0.01	0.01	0.00	0.01
Finland	0.00	0.59	-0.59	0.00	9.21	-9.21	0.00	0.06	0.01	0.00	0.01
Chile	0.00	0.14	-0.14	0.00	6.60	-6.60	0.00	0.01	0.00	0.00	0.00
Czech Republic	0.00	0.05	-0.05	0.00	4.57	-4.57	0.00	0.00	0.00	0.00	0.00
Israel	0.00	0.42	-0.42	0.00	9.28	-9.28	0.00	0.04	0.00	0.00	0.00
Austria	0.00	0.12	-0.12	0.00	9.59	-9.59	0.00	0.01	0.00	0.00	0.00
Colombia	0.00	0.03	-0.03	0.00	16.09	-16.09	0.00	0.00	0.00	0.00	0.00
Egypt	0.00	0.03	-0.03	0.00	22.57	-22.57	0.00	0.01	0.00	0.00	0.00
Greece	0.00	0.13	-0.13	0.00	13.11	-13.11	0.00	0.02	0.00	0.00	0.00
Taiwan	3.25	4.36	-1.11	20.12	17.40	2.71	0.67	0.73	-0.07	0.07	0.00
Hungary	0.00	0.07	-0.07	0.00	16.96	-16.96	0.00	0.01	-0.01	0.00	-0.01
New Zealand	0.00	0.13	-0.13	0.00	14.68	-14.68	0.00	0.02	-0.01	0.00	-0.01
Portugal	0.00	0.14	-0.14	0.00	14.95	-14.95	0.00	0.02	-0.01	0.00	-0.01
Peru	0.00	0.07	-0.07	0.00	23.45	-23.45	0.00	0.02	-0.01	0.00	-0.01
South Africa	0.00	0.86	-0.86	0.00	12.60	-12.60	0.00	0.11	-0.03	0.00	-0.03
Indonesia	2.98	0.54	2.44	7.32	1.97	5.36	0.20	0.01	-0.20	0.18	-0.03
Italy	0.00	1.71	-1.71	0.00	12.74	-12.74	0.00	0.23	-0.05	0.00	-0.05
Poland	0.00	0.26	-0.26	0.00	38.03	-38.03	0.00	0.09	-0.06	0.00	-0.06
Mexico	0.00	0.72	-0.72	0.00	18.60	-18.60	0.00	0.14	-0.07	0.00	-0.07
Ireland	0.00	0.70	-0.70	0.00	26.13	-26.13	0.00	0.18	-0.11	0.00	-0.11
Canada	0.00	7.56	-7.56	0.00	11.23	-11.23	0.00	0.85	-0.12	0.00	-0.12
Brazil	0.00	1.58	-1.58	0.00	17.85	-17.85	0.00	0.28	-0.13	0.00	-0.13

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# Harbor International Compounders ETF



## ATTRIBUTION

As of 12/31/2023

Quarterly Attribution:  
Harbor International Compounders ETF vs. MSCI All Country World Ex-United States

### Country Attribution

Australia	0.00	4.63	-4.63	0.00	14.89	-14.89	0.00	0.67	-0.25	0.00	-0.25
Switzerland	4.07	6.37	-2.30	2.16	10.13	-7.96	0.06	0.64	-0.01	-0.34	-0.35
Cash	1.37	0.00	1.37	3.11	0.00	3.11	0.02	0.00	-0.08	0.00	-0.08
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>14.88</b>	<b>9.76</b>	<b>5.12</b>	<b>14.88</b>	<b>9.76</b>	<b>0.36</b>	<b>4.76</b>	<b>5.12</b>



# Harbor International Compounders 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. Harbor ETFs are new and have limited operating history to judge.

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.

### Benchmarks

The MSCI All Country World Ex. US (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.

### Disclosures

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expense.

All holdings-related data is provided by FactSet. Because FactSet relies on external sources for its data, that data may differ slightly from actual values maintained by Harbor Funds.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

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, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

**Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit [harborcapital.com](http://harborcapital.com) or call 800-422-1050. Read it carefully before investing.**

**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 ETFs.**

# Harbor International Compounders ETF



## IMPORTANT INFORMATION

### Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

Allocation Effect is the portion of portfolio excess return that is attributable to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the average percent capitalization of the portfolio's group minus the average percent cap of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark.

Active Currency Contribution is the Currency Contribution of the portfolio minus the Currency Contribution of the benchmark.

Average Weight is the dollar value (price times the shares held) of the security or group, divided by the total dollar value of the entire portfolio displayed as a percentage. It is calculated as the simple arithmetic average of daily values.

Contribution to Return is the contribution of a security or group to the overall portfolio return. It is calculated as the security weight multiplied by the daily security return linked daily across the reporting period.

Currency Contribution is Total Return in USD subtracting out the Local Returns.

Local Returns are the Total Return of the portfolio or benchmark using the local currency.

Selection Effect is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's security selection effect equals the average weight of the benchmark's group times the total return of the portfolio's group minus the total return of the benchmark's group.

Total Effect is the sum of Allocation Effect and Selection Effect. The total effect represents the opportunity cost of what was done in a group relative to the overall portfolio. It is not just the difference between percent contribution in the portfolio and benchmark. At the overall portfolio level, the two numbers are equal. At the group level, they can be different.

Total Return is the price change of a security or group including dividends accrued over the report period (or the in-portfolio return) which includes only the time period that each security was in the portfolio.

### Definitions

Median Market Cap: The median size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Weighted Average Market Capitalization: The average size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

The Est 3-5 Yr EPS Growth (%) is the estimated growth of earnings per share over the next 3-5 years, using pre-calculated mean long-term EPS growth rate estimates, which are calculated using each individual broker's methodology, from FactSet, First Call, I/B/E/S Consensus, and Reuters. Forward looking estimates may not come to pass.

% EPS Growth - Past 3 Year: Earnings per share refers to the bottom-line measure of a company's profitability defined as net income divided by the number of outstanding shares.

The Adjusted Trailing P/E (price-to-earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS.

Forecasted P/E Ratio: a measure of the P/E (price-to-earnings) ratio using forecasted earnings for the P/E calculation.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

The Price/Book (price-to-book) Ratio evaluates a firm's market value relative to its book value.

All P/E, ROE and P/B statistics are calculated as weighted medians.