

Harbor International Small Cap Strategy

STANDARD RFI

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HARBOR CAPITAL ADVISORS, INC.

BACKGROUND INFORMATION

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 Funds is a family of subadvised mutual funds that offers 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 individual mutual fund portfolios.

Our arrangements with subadvisers, 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.

SUBADVISER & INVESTMENT TEAM

BACKGROUND INFORMATION

Cedar Street Asset Management LLC ("CSAM") was founded in April 2016 by Jonathan Brodsky.

BACKGROUND INFORMATION

CSAM was founded in April 2016 by Jonathan Brodsky. CSAM's core focus is to generate superior risk adjusted returns, employ a consistent and repeatable value-oriented investment methodology, in an entrepreneurial, team oriented, and respectful work environment where the clients' interests are paramount to any other interest. CSAM's portfolio management team has a successful track record building both investment businesses and investment products focused in the non-U.S. equity markets. CSAM is 100% employee owned.

INVESTMENT TEAM

Investment Team Overview	Position	Industry Start Date	Experience with Firm	Experience on Product
Jonathan Brodsky	Founder, Principal & Portfolio Manager	2000	2016	2016
Waldemar Mozes	Director of Investments & Portfolio Manager	2000	2016	2016
Mason Zheng	Research Analyst and Associate Portfolio Manager	2012	2016	2016
Atsushi Saito	Research Analyst and Associate Portfolio Manager	2013	2017	2017
Ashish Godse	Research Analyst	2018	2022	2022

PORTFOLIO MANAGERS FOR THE HARBOR INTERNATIONAL SMALL CAP FUND

Jonathan Brodsky

Founder, Principal & Portfolio Manager

Prior to founding Cedar Street Asset Management LLC, Jonathan established the non-US investment practice at Advisory Research, Inc., ("ARI") a Chicago-based asset management firm, with the two founders of ARI. During Jonathan's tenure at ARI, the non-U.S. investment practice grew into a multi-strategy, multi-billion dollar AUM business across a range of investment vehicles. Jonathan also has experience in the field of Socially Responsible Investing ("SRI"). While at ARI, Jonathan served as a sub-advisor and a portfolio manager for Calvert Investment, Inc.'s International Opportunities Fund. Calvert Investment, Inc. is a leader in SRI investing. Prior to joining ARI, Jonathan worked for the U.S. Securities and Exchanges Commission's Office of International Affairs, focusing on cross-border regulatory, corporate governance, and enforcement matters. Prior to the SEC, Jonathan was an investment banker in corporate finance for JPMorgan Securities, Inc. Jonathan also worked for Ogilvy & Mather in Beijing, China. Jonathan received a J.D. and M.B.A (Kellogg) from Northwestern University and a B.A. in Political Science and an M.A. in International Affairs (Maxwell School) from Syracuse University. As an undergraduate, Jonathan studied at Fu Jen University in Taipei, Taiwan. Jonathan is a frequent guest on CNBC, CNBC Asia, Fox Business, CCTV, and contributor to a range of business related publications.

Waldemar Mozes

Director of Investments & Portfolio Manager

Prior to joining Cedar Street Asset Management LLC, Waldemar developed and implemented the international investment capability at TAMRO Capital Partners LLC, an Alexandria, VA-based investment advisor specializing in small cap strategies for institutional investors. TAMRO was founded after its MBO from ABN AMRO in 2007. Waldemar launched TAMRO's International Small Cap strategy in April 2013. He also served as sub-advisor for the Aston/TAMRO International Small Cap mutual fund. Prior to launching the international strategy, he was Director of Research and Equity Analyst for TAMRO's domestic strategies covering Industrials, Energy, Technology, and Materials. While in this role, AUM grew from \$700 million to \$2.6 billion. Waldemar studied Economics (BA) at Boston College and Finance and Entrepreneurship (MBA) at the UC Berkeley Haas School of Business and was awarded a Venture Capital Fellowship and a Certificate in Entrepreneurship from the Haas Lester Center for Entrepreneurship.

DECISION MAKING

The decision-making process is highly inclusive of the entire research team – from initial stock screening through portfolio construction decisions – it is conducted in a collaborative manner that encourages input from every investment team member. However, Portfolio Managers are responsible for all final buy/hold/sell decisions.

COMPENSATION & RETENTION OF INVESTMENT PROFESSIONALS

To the philosophical underpinning of CSAM's compensation system is the alignment of incentives between their investment professionals and their clients. Compensation is comprised of three components: salary, bonus and participation in the firm's equity, including dividends. The cash component of compensation (salary and bonus) is designed to be competitive with industry standards. Bonuses are objectively and subjectively determined based on a number of factors focused on individual performance, strategy performance and firm performance. Both asset growth and long-term performance metrics play a significant role in bonus determination. Short performance (one year or less) plays a very marginal role in bonus determination.

Equity participation is a critical component in CSAM's compensation plan. Equity is made available for purchase to employees that demonstrate significant contribution to the firm. As an individual's contributions grow, so too can equity participation. The value of the equity, including dividends of distributed profits, is intended to create an "owner" mentality with all team members to foster better investment and business decision-making.

As performance for clients generates asset growth, CSAM would anticipate a significant portion of incentive compensation to be reinvested in the firm's strategies, to further align their incentives with those of their clients.

SUCCESSION PLANNING

CSAM trains their junior members of the team to the point where they would be in a position to manage the firm at the appropriate time. CSAM's investment team has been designed for maximum redundancy while maintaining a reasonable cost structure. Their investment team is comprised of two portfolio managers, both equally fluent with all investments. CSAM's three analysts are all generalists and their investment research process includes standardized work product that any analyst can update based on another's analysts work.

CSAM is 100% employee owned. Equity owners retiring or departing the firm are required to sell their units back to the firm at established price levels. All back-office functions and processes are documented to enable maximum transparency and minimize transition issues.

INVESTMENT PHILOSOPHY

CSAM was founded in 2016 on the belief that a consistent and disciplined value-based investment framework, free of institutional conflicts, generates strong risk adjusted returns for investors. Their philosophy recognizes the inherent pricing inefficiencies that occur in foreign equity markets from a variety of fundamental, corporate governance, and macro-economic factors and that a well-defined, value-oriented process, applied consistently over time has the potential to yield strong results. Their process utilizes the best value investing practices that the firm's portfolio managers, Jonathan Brodsky and Waldemar Mozes, have been refining throughout their careers. The core foundational elements of this process have been in place since 2004 and every aspect of their firm's structure, from the clients they serve to the people they hire, are designed to optimize their focus on value investing in non-U.S. markets.

The CSAM research process, from their perspective, has achieved excellent results through multiple market cycles due to an unwavering focus on buying only when discounted valuations present themselves and maintaining a longer-term holding period than most market participants. As such, their process incorporates significant bottom-up fundamental analysis, strategic analysis, operational due diligence, and financial analysis to develop thorough valuation support. In addition, they engage management teams of potential portfolio holdings to gain a high degree of insight into corporate governance, behavioral finance, macro-economic influences and other external factors. They feel their ability to analyze corporate governance is a feature of their strategies that is not easily replicated by other passive or active strategies. Because of varied laws around corporate governance and knowledge of the local players in the markets and their views on minority investors, they feel that a detailed review of corporate governance practices is key to success in this space. Their focus and breadth distinguish CSAM's research process from other investment managers and passive strategies in this space.

The research team is comprised of individuals with diverse educational, language, cultural, and professional backgrounds but with a value mindset and demonstrated analytical capabilities for the specific markets and sectors in which they operate. All hiring and compensation decisions are geared towards optimizing their research due diligence and portfolio allocation processes.

INVESTMENT PROCESS

CSAM's investment process utilizes a range of screening and idea sourcing methodologies to shrink the universe of securities to a manageable level. They then apply a range of bottom-up research techniques, financial analyses, and top-down considerations to select securities and compile what they believe is an optimal portfolio from a risk/reward standpoint. The stocks that they believe provide the best opportunities are often off-the-radar of many investment firms and are overlooked or misunderstood by the sell-side.

Step 1: *Establish Investment Universe for the CSAM International Small Cap Value strategy.* They primarily target smaller capitalization companies that are either traded on non-US developed market exchanges or conduct the majority of their business outside the United States, but are U.S. listed, or stocks listed on emerging market exchanges that conduct the majority of their business in developed markets.

Step 2: *Inject Macro Economic Overlay.* They exclude markets where political, social or fiscal concerns significantly outweigh company-specific fundamentals, or where there exists a lack of regard for the rule of law (including securities law) or minority shareholder rights.

Step 3: *Use Databases and Outside Sources to Screen for New Ideas.* A broad-based screening

methodology is used to shrink the investible universe to stocks that: 1) demonstrate traditional value metrics primarily on a price to book, price to earnings and/or dividend yield basis; 2) have well-capitalized and transparent balance sheets and funding sources; and 3) easily understood businesses. In general, they are looking for stocks that screen in the bottom 30% of their respective market on value metrics. On a case-by-case basis, they will also initiate research on companies trading at historically low levels that have unique and misunderstood business models with sources of value not readily understood by the market but do not necessarily demonstrate traditional value metrics.

New idea generation is also derived from unstructured sources such as industry specific reports, industry trade publications, magazines, newspapers, sell-side research, and travel. The customers, competitors, suppliers, and industry peers of existing holdings are also often good sources of new ideas.

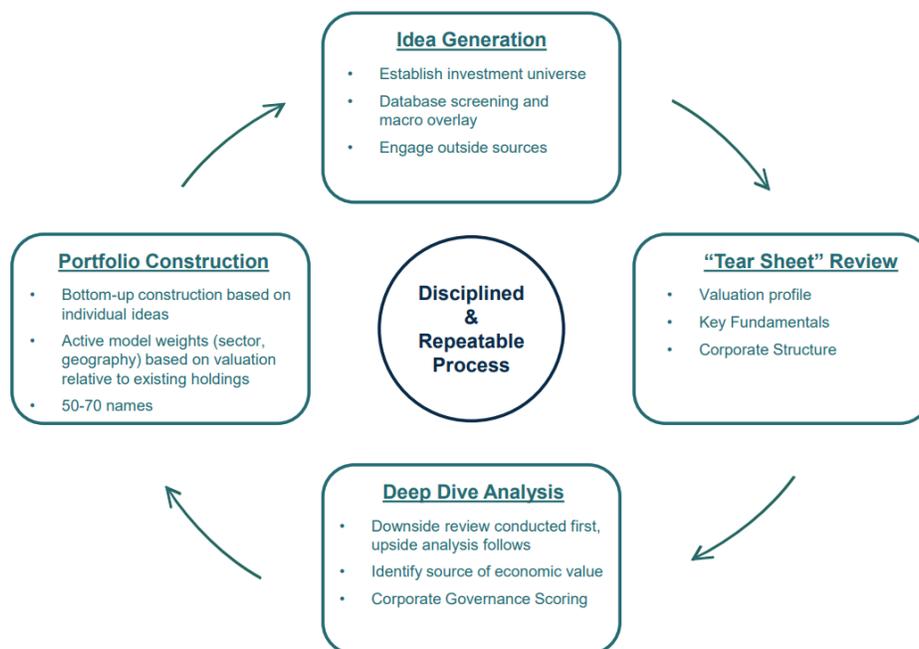
Step 4: Preliminary "Tear Sheet" Review. A preliminary review of a potential new investment is conducted via a "Tear Sheet" analysis, which focuses on: 1) a brief company and industry review, historical valuation metrics, and relevant comparable analysis; 2) a review of ownership, board structure and management effectiveness; and 3) a description on why the stock is trading with a value profile. This exercise is reviewed by the Portfolio Managers and a decision to proceed or discontinue research is made.

Step 5: Downside Review. If the tear sheet review yields an attractive investment candidate, a thorough "downside" review is conducted. This is generally a more quantitatively oriented exercise, which includes: 1) full financial statement review; 2) footnote analysis with focus on off-balance sheet assets/liabilities; 3) margin analysis; 4) review of cyclical or structural reasons behind low valuation; 4) absolute and peer value analysis; 5) background checks on company and management; 6) corporate governance score; culminating in 7) an estimated downside price relative to the current stocks price.

Step 6: Upside Analysis. If the downside review yields a stock trading near or below the CSAM downside estimate, they will conduct an "upside" analysis, which will result in their upside case for the stock. This is generally a more qualitatively oriented exercise and includes: 1) interviews with management to discuss capital allocation strategy, current valuation and ways to unlock value; 2) Porter Five Forces analysis; 3) internal and external catalyst review; 4) board and ownership structure; 5) management incentive structure; 6) improvements in corporate governance or disclosure regime; 7) historical transaction comparable and role of activism in the local market; culminating in 8) an estimated upside price relative to the current stock price.

Step 7: Final Decision. Upon completion of the research steps mentioned above, upside/downside price targets are compared, and a decision to buy or "put on watch" is put into motion. The decision-making process is highly inclusive of the entire research team. However, Portfolio Managers are responsible for all final buy/hold/sell decisions.

INVESTMENT PROCESS OVERVIEW



For illustrative purposes only.

SELL DISCIPLINE

Upon completion of the research steps mentioned above, upside/downside price targets are compared, and a decision to buy or “put on watch” is put into motion. The decision-making process is highly inclusive of the entire research team. However, Portfolio Managers are responsible for all final buy/hold/sell decisions.

CSAM employs a disciplined, repeatable and fundamentally driven sell process based on the following factors:



1. The valuation of a holding exceeds the upside case as established during the research process, after factoring in any relevant changes to market conditions or stock specific developments after purchase

2. The investment thesis of a holding is negatively impacted by macro considerations and/or industry considerations that developed during CSAM's holding period

3. Changes to governance and management policies negatively impacts a holding's corporate governance score

4. Corporate actions, such as debt funded M&A and unnecessary capital raising, negatively impact the quality of a holding's balance sheet

5. Over time, CSAM realizes that management is not able to or willing to execute on a plan to unlock shareholder value

BENCHMARK

The MSCI EAFE Small Cap (ND) Index is the most appropriate benchmark against which to measure the strategy.

INVESTMENT GUIDELINES

The Fund invests primarily in equity securities, principally common and preferred stocks, of small cap foreign companies. Under normal market conditions, the Fund invests at least 80% of its net assets, plus borrowings for investment purposes, in the securities of small cap companies. The Fund defines small cap companies as those with market capitalizations that fall within the range of the MSCI EAFE (Europe, Australasia and Far East) Small Cap (ND) Index at the time of purchase. As of December 31, 2021, the range of the Index was \$213 million to \$21.2 billion, but it is expected to change frequently.

RISK MANAGEMENT

CSAM not only manages risk at the security level but also manages risk at the portfolio level. They define risk as the permanent loss of capital. This risk can be broken down into a number of factors. The key factors in their opinion are: 1) Valuation risk; 2) Risk of financial distress; 3) Business or competitive risk; 4) Corporate Governance Risk; and 5) Macro risk.

Valuation Risk: One of their primary objectives from a stock research perspective is to minimize the potential downside loss in any of their investments. As value investors, at the time of purchase, they believe valuation risk is limited because they are purchasing names that usually have "bad news" or lack of investor confidence built in. They may also buy companies that they feel have limited valuation risk because they trade cheaply on a range of multiples due, often times, to the market's lack of familiarity with their business strategy and prospects. By buying stocks with compressed valuations, they believe their investment process limits valuation risk.

Risk of Financial Distress: As equity investors that fall behind debt investors in the case of insolvency, they are very cautious about the financial leverage of their holdings. They carefully analyze the balance sheets of their holdings to understand their liquidity position and potential needs. They generally avoid

companies that use significant leverage to generate returns. They also generally avoid companies that need access to the public markets frequently to fund their growth.

Business and Competitive Risk: They avoid companies that have business models that they do not understand, are in highly competitive industries, are at the risk of obsolescence, and are prone to binary outcomes. Companies prone to binary outcomes can be best described, for example, as biotechnology companies with one unproven drug in FDA phase trials or energy companies with their prospects dictated by the success of their next successful well. Success means sharp appreciation of the company's stock price and failure means the stock generally moves to close to zero.

Corporate Governance Risk: In many markets, corporate governance risk can be substantial and lead to permanent loss of capital. They manage this risk through their Corporate Governance scoring methodology as described above. Their goal is to populate their portfolios with companies that demonstrate good corporate governance or companies that they feel have improving corporate governance or situations where the market participants may be in a position to compel improvements, thereby unlocking value.

Macro Risk: From a top-down perspective, they are careful to manage risk with full macro-economic and policy review of the countries in which they invest. Because shifts in political risk, currency risk, legal risk and social instability can dramatically change the value of their holdings, they attempt to eliminate markets in their investible universe that can lead to distressed selling and permanent loss of capital.

One additional factor they manage is maintaining very high active share in their strategies. Their bottom-up stock selection, rather than orientation around the benchmark, drives their sector and country weightings. As a result, the weightings of either portfolio can differ significantly from their respective benchmarks. That being said, any time a portfolio is more than 5% overweight or underweight a sector or country, they will review as a team to ensure they are not making any unintended bets.

TRADING PROCESS

CSAM's strategies have long-term investment horizons and are designed to specifically avoid high levels of turnover. As such, the trading function is primarily geared towards execution and reconciliation with limited expected value-add from the trading function. Their goal is efficiency in process and best execution with limited impact on their holdings.

Trades are authorized to be placed by a Portfolio Manager and then executed by their head trader. No trade can be placed without express written or oral instructions from a Portfolio Manager. Typically, CSAM will enter a new position to a desired portfolio weight gradually over time as to not disrupt typical market activity with large increases in volume. CSAM uses a general strategy of placing orders at or below 10% of the day's trading volume in a security.

CSAM defines best execution as the executing broker's reasonable diligence in order routing with regards to fill price, equity liquidity, and commission considerations. All fills are reviewed after the close of business to ensure the executing broker provides reasonable fill prices and accurate commissions. CSAM evaluates brokers on both a quantitative and qualitative basis to ensure best execution at competitive commission prices. Brokers are tasked with filling orders given CSAM's directions, and reporting fills through the proper clearing channels.

Approximately 65% of CSAM's commissions are soft dollar. These dollars fund research, primarily Bloomberg.

Andrew Pokorney is Head of Trading at CSAM. Please see his biography below.

Andrew Pokorney*Head of Trading and Technology*

Andrew Pokorney serves as the head of trading and technology at CSAM. Andrew has over 13 years of institutional experience in various trading and operations functions. Prior to joining CSAM, Andrew worked at Spot Trading LLC where he focused on front office operations and trading execution. Andrew was responsible for the clearing lifecycle and related account processes for equity/index stock and options. He also managed trading execution for a futures strategy while assisting in trading parameter management and process automation. Prior to joining Spot, Andrew was an Index Futures/Options Trader at Equitec Group LLC. At Equitec, he made markets on the CME and CBOE exchanges. He was also responsible for settling and balancing trading accounts post-trade. Andrew has also worked at several option trading firms in trading, operations, and technology capacities. Andrew has studied Finance at Missouri Southern State University and Computer Information Systems at Northwestern University, and graduated in 2019. He also holds a Series 57 registration.

ENVIRONMENTS OF OUT/UNDER-PERFORMANCE

CSAM's philosophy is designed to capture 100% of upside participation and, because of valuation and balance sheet factors, 80% of downside participation. CSAM would expect the strategy to outperform during periods of average market volatility (based on long-term averages), where rising equity risk premiums and individual company fundamentals drive equity performance.

The philosophy has historically hedged capital effectively in bear markets and they would expect their strategies to generate excess returns during these periods. CSAM's focus on downside mitigation, including limiting purchases of companies that run the risk of financial distress, has historically generated strong relative results when fear enters the market and speculative excess vanishes.

While CSAM's goal is to achieve 100% upside participation versus their respective benchmarks in consistently rising markets, given their focus on value stocks with under-levered balance sheets, the portfolios are most likely to lag in highly speculative market conditions driven by higher than average risk taking. In markets that exhibit low volatility, high correlations, and equity returns based on a narrowing set of non-fundamental factors (i.e., momentum, cyclical vs. defensive sectors, etc.), equity risk premiums, valuations, and balance sheet quality become less important, likely causing their portfolios to underperform.

CAPACITY

CSAM anticipates strategy capacity to be up to \$2bn at this time.

Harbor Capital is extremely conscious of value-added management and will close the strategy if value-added were to be constrained due to the size of assets. At this time there are no plans to close the strategy and there is no set asset target.

COMPETITIVE ADVANTAGES

CSAM believes their main differentiation is their unique combination of independent firm structure and collaborative investment team culture which allows them to maintain an exclusive focus on value investing in non-US cap equities. Through decades of investment industry experience they have learned that the application of a disciplined, value-oriented approach to their investment universe is both extremely difficult to execute and extremely rewarding from an investment returns perspective. Within CSAM's non-US small cap universe, there are relatively few firms that focus on their niche (value investing) because achieving operational scale as an independent firm can be very difficult while external sources of capital typically lack the staying power required to allow a firm to maintain a pure

value focus. In contrast, CSAM's ownership structure allows them to bring in research, marketing and operational personnel, who can become owner/operators of the business. Therefore, CSAM believes they have the ability to attract world-class talent despite their relatively short operating history. As a result, they have assembled a team with a complete and unconflicted focus on non-US small cap value investing.

CSAM's collaborative investment culture also plays a significant role in their competitive advantage. As a team they have been able to capture a broader array of market inefficiencies thanks to their collective experience from the same diverse cultures, languages, and educational institutions that make up their target markets. In addition, their broad professional experiences in industrials, legal, technology, and regulatory environments are consistent with the business models and valuation frameworks that make up the vast majority of their value investments. In the case of the portfolio management team, they have extensive experience operating in the non-U.S. small cap space through a number of different cycles, without deviating from their core philosophy. Combining this breadth of professional expertise with a direct ownership link produces a highly-motivated team, which they believe is unique.

VEHICLE & SHARE CLASS INFORMATION

The Harbor International Small Cap Fund is currently offered as a no-load mutual fund and is available in the following share classes:

Share Class	Ticker
Retirement	HNISX
Institutional	H AISX
Administrative	HRISX
Investor	HIISX

For complete details on fees and expenses, please contact your Harbor representative and/or refer to the Fund's prospectus available at harborcapital.com

DISCLOSURE

Responses regarding the Harbor organization have been provided by Harbor Funds Distributors, Inc. Responses relating to the investment team of the Harbor International Small Cap Fund, including the process for making portfolio decisions and effecting the purchase and sale of securities held by the Fund, or any specific operational aspects of the subadviser are provided by the subadviser to the Fund 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.

There is no guarantee that the investment objective of the Fund will be achieved. Stock markets are volatile and equity value can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions.

Cedar Street Asset Management LLC is an independent subadviser to the Harbor International Small Cap Fund.

The MSCI EAFE Small Cap (ND) Index is an equity index which captures small cap representation across developed markets countries around the world, excluding the U.S. and Canada. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

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 markets regions. Stocks of small cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

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 or by calling 800-422-1050. Read it carefully before investing.

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