

Harbor Large Cap Value Fund

Quarterly Commentary & Attribution

Subadvisor (since 05/25/2012):

Aristotle Capital Management, LLC

Portfolio Manager(s):

Gregory D. Padilla
Howard Gleicher

Benchmark 1 Name: Russell 1000® Value Index

Investment Philosophy:

The Harbor Large Cap Value Fund invests primarily in equity securities, principally common and preferred stocks, of companies with market capitalizations that fall within the range of the Russell 1000® Value Index. Aristotle employs a fundamental, bottom-up research driven approach to identify companies it believes are undervalued by the market. The Fund typically maintains a concentrated portfolio of approximately 35 to 45 holdings.

Harbor Large Cap Value Fund



PERFORMANCE

As of 09/30/2026

Average Annual Returns

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HAVLX	411511603	0.21%	2.24%	3.53%	11.70%	5.96%	10.70%	10.02%	12/29/87	0.69	0.72
Investor	HILVX	411511744	0.12%	1.98%	3.16%	11.31%	5.59%	10.30%	9.17%	11/01/02	1.03	1.06
Retirement	HNLVX	411512478	0.24%	2.36%	3.62%	11.80%	6.05%	10.80%	10.05%	03/01/16	0.61	0.64
Russell 1000® Value Index			2.61%	19.27%	23.81%	20.07%	11.92%	11.43%	10.81%	12/29/87		

MANAGER COMMENTARY

As of 09/30/2026

“We believe the same conditions that have challenged recent relative performance have strengthened the Fund’s prospective return potential.”

Aristotle Capital Management, LLC

Market in Review

Breakdowns in geopolitical negotiations, changes in central bank policy, and renewed trade conflicts—we’ve seen it all before. Concentrated capital, driven by speculative enthusiasm and drawing attention away from fundamentally stable, predictable businesses—we’ve spoken about this at length.

More recently, significant changes in the composition of our primary benchmark, the Russell 1000® Value Index, have reshaped the Index. Seven of the Index’s 10 largest contributors to returns during the first half of the year were removed at the end of June, including Micron, Caterpillar, Applied Materials, AMD, SanDisk, Western Digital, and Marvell Technology. At the same time, Apple and Microsoft entered the Index, while Amazon’s weight increased significantly.

The sector composition of the Russell 1000® Value Index has also changed meaningfully since late last year, with Information Technology increasing from approximately 12% of the Index to 21%, while Communication Services declined from approximately 8% to 3%.

These changes have occurred during a period of unusually wide dispersion between high- and low-beta stocks. Over the six months ended September 30, the highest-beta quintile of the Index gained approximately 53%, while the lowest-beta quintile declined approximately 2%—a spread of more than 54 percentage points. For long-term investors, a value rally driven by higher beta can mask greater market risk, as higher returns may reflect greater market sensitivity rather than improving fundamentals.

Many of the Index’s recent detractors have continued to grow earnings even as their valuation multiples have compressed, resulting in an increasingly attractive disconnect between fundamentals and share prices.

Retirement Class shares commenced operations on March 1, 2016. The performance attributed to the Retirement Class shares prior to that date is that of the Institutional Class shares. Performance prior to March 1, 2016 has not been adjusted to reflect the lower expenses of Retirement Class shares. During this period, Retirement Class shares would have had returns similar to, but somewhat higher than, Institutional Class shares due to the fact that Retirement Class shares represent interests in the same portfolio as Institutional Class shares but are subject to lower expenses.

Expense ratio information is as of the Fund’s current prospectus, as supplemented. Gross expenses are the Fund’s total annual operating expenses. The net expense ratios for this fund are subject to a contractual expense limitation agreement, excluding interest expense (if any), through 02/28/2027.

Performance data shown represents past performance and is no guarantee of future results. Fund performance is net of management fees and expenses and reflects reinvested dividends and distributions. Past performance reflects the beneficial effect of any expense waivers or reimbursements, without which returns would have been lower. 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 or by calling 800-422-1050.

Harbor Large Cap Value Fund

MANAGER COMMENTARY

As of 09/30/2026



Portfolio Performance

For the third quarter of 2026, the Harbor Large Cap Value Fund (Institutional Class, "Fund") returned 0.21%, underperforming its benchmark, the Russell 1000® Value Index ("Index"), which returned 2.61%, and the 2.30% return of the S&P 500 Index.

The Fund's underperformance relative to the benchmark can be attributed to both security selection and allocation effects. Security selection in Information Technology, Materials, and Communication Services detracted the most from relative performance. Conversely, security selection in Financials, an underweight in Consumer Discretionary, and an overweight in Communication Services contributed. (Relative weights are the result of bottom-up security selection.)

Contributors & Detractors

The top five contributors to the Fund's performance were Mitsubishi Financial, Amgen, Sony, Chevron, and TotalEnergies.

Mitsubishi contributed following record fiscal first quarter earnings, supported by higher Japanese interest rates, loan growth, and stronger fee income.

Amgen contributed as strong growth in Repatha, Evenity, and newer medicines supported higher revenue and cash flow.

Sony contributed on stronger profitability in gaming and image sensors, continued growth in music, and an increased full-year earnings outlook.

Chevron benefited from higher oil prices. After years of large investments and the completion of several projects, the company is shifting to focus on cash flow generation.

TotalEnergies benefited from higher oil prices. The company's strategy continues to balance short-term cash flow generation from hydrocarbons with long-term disciplined growth in integrated power.

The top five detractors from performance were Martin Marietta Materials, Microchip Technology, Corteva, Carrier Global, and Microsoft.

Martin Marietta Materials detracted from the Fund's performance. Investors remained cautious about the outlook for construction activity and the timing of a recovery in interest-rate-sensitive end markets.

Microchip Technology detracted. Investors worry about whether external foundries can deliver enough wafers amid intense Artificial Intelligence ("AI") competition. The company continues to benefit from demand recovery after a lengthy industry slump.

Corteva detracted amid competitive crop protection pricing and softer quarterly volumes, despite improving seed profitability and a higher full-year earnings outlook.

We purchased Carrier Global during the quarter. However, the stock declined amid margin pressure from higher input costs, despite strong commercial HVAC and data center orders and a raised full-year outlook.

The Fund's underweight to Microsoft detracted from relative performance, while the shares rallied on accelerating Azure growth and strong demand for cloud and AI services.

Buys & Sells

During the quarter, we sold our position in Oshkosh and purchased Carrier Global.

We first invested in Oshkosh, a leading manufacturer of specialty vehicles and access equipment serving construction, defense, fire & emergency, and refuse markets, in the third quarter of 2021. During our holding period, we believe the company executed well on many of the catalysts we had identified, including margin improvement initiatives, continued product innovation, and the successful ramp-up of the USPS Next Generation Delivery Vehicle program. While we continue to recognize Oshkosh as a high-quality business with attractive long-term characteristics, we believe many of these catalysts have now been realized. As a result, we sold the position to fund our investment in Carrier Global.

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As of 09/30/2026



Headquartered in Florida, Carrier Global is a leading global provider of heating, ventilation, and air conditioning (HVAC) solutions for residential, commercial, and transport refrigeration markets. Since its 2020 spin-off from United Technologies, Carrier has substantially reshaped its portfolio by divesting its Fire & Security and Commercial Refrigeration businesses and acquiring Viessmann Climate Solutions and its former joint venture with Toshiba. These transactions have transformed Carrier into a more focused HVAC company with leading brands, strong distribution networks, and a broad portfolio. We believe Carrier is well positioned to benefit from increasing global demand for air conditioning, driven by rising temperatures and standards of living, the electrification of building heating, and more stringent energy-efficiency requirements. Additional opportunities include a recovery in residential HVAC demand in North America and Europe, market share gains in large commercial applications—including data centers—and continued expansion of the company's higher-margin aftermarket parts and service business. Combined with the benefits of the Viessmann acquisition and meaningful free cash flow generation supporting a growing dividend and share repurchases, we believe Carrier is well positioned to create shareholder value.

Sector Overweights & Underweights

Entering the third quarter, the Fund's largest overweight exposures were in Communication Services and Materials, with the largest underweights in Consumer Discretionary and Real Estate. These relative weights reflect our bottom-up investment process and the availability of what we believe to be the most attractive individual opportunities, rather than any top-down sector views. Positions are typically initiated at a high-conviction equal weight of approximately 2.0%, and index weights do not influence position-sizing.

Consistent with our long-term investment horizon, portfolio turnover remained low during the quarter; however, positioning changed. At the end of the third quarter, the Fund's largest overweight exposures were in Materials and Communication Services, with the largest underweights in Consumer Discretionary and Health Care.

Country Allocation

The Fund's country allocations relative to the benchmark did not change materially during the quarter. The Fund currently has 9.54% invested in non-U.S. companies, and that level has remained relatively consistent over time.

Outlook

Periods of relative underperformance can test conviction, particularly when market leadership is narrow and rapidly changing. However, we believe the appropriate response is not to chase what has recently worked, but to remain focused on the long-term drivers of value creation. This discipline has guided our investment process across multiple market cycles and continues to shape how we position the Fund today.

Importantly, recent performance has not been accompanied by a deterioration in the businesses we own. In many cases, earnings have continued to grow even as valuation multiples have compressed, creating what we believe is an increasingly attractive disconnect between share prices and normalized earnings power. While periods like this are challenging, they can also create opportunity for long-term investors. We believe the same conditions that have challenged recent relative performance have strengthened the Fund's prospective return potential.

Harbor Large Cap Value Fund

TOP 10 HOLDINGS

As of 09/30/2026



Top 10 Holdings		
	Portfolio %	Benchmark 1 %
Parker-Hannifin Corporation	4.84	0.33
Alphabet Inc. Class C	4.29	0.00
Microsoft Corporation	4.06	5.25
Capital One Financial Corp.	3.23	0.32
Mitsubishi UFJ Financial Group	3.19	0.00
Amgen Inc.	3.10	0.18
QUALCOMM Incorporated	2.73	0.54
Ameriprise Financial Inc.	2.68	0.11
U.S. Bancorp	2.67	0.25
Motorola Solutions Inc.	2.60	0.13
Total	33.38	7.11

QUARTERLY ATTRIBUTION

As of 09/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return %
MICROSOFT CORP	3.55	37.76
CHEVRON CORP	2.07	24.26
SONY GROUP CORP - SP ADR	2.34	17.30
AMGEN INC	2.74	17.07
ADOBE INC	1.27	17.03

Worst Performers	Average Weight %	Gross Return %
CARRIER GLOBAL CORP	1.27	-19.91
MARTIN MARIETTA MATERIALS	2.42	-16.66
LOWE'S COS INC	1.60	-15.91
MICROCHIP TECHNOLOGY INC	2.06	-14.20
XCEL ENERGY INC	2.06	-11.51

Contributors & Detractors

Greatest Contributors	Gross Return %	Contribution to Return %
MICROSOFT CORP	37.76	1.10
CHEVRON CORP	24.26	0.42
AMGEN INC	17.07	0.42
MITSUBISHI UFJ FINL-SPON ADR	15.99	0.41
SONY GROUP CORP - SP ADR	17.30	0.35
Total		2.69

Greatest Detractors	Gross Return %	Contribution to Return %
MARTIN MARIETTA MATERIALS	-16.66	-0.42
MICROCHIP TECHNOLOGY INC	-14.20	-0.33
CORTEVA INC	-8.13	-0.32
CARRIER GLOBAL CORP	-19.91	-0.31
LOWE'S COS INC	-15.91	-0.27
Total		-1.65

Holdings are subject to change. Current holdings can be found at harborcapital.com.
Performance data shown represents past performance and is no guarantee of future results.

Harbor Large Cap Value Fund

ATTRIBUTION

As of 09/30/2026

Quarterly Attribution:

Harbor Large Cap Value Fund vs Russell 1000® Value

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	0.41	2.61	-2.21
Currency Contribution	0.00	0.00	0.00
Total Return	0.41	2.61	-2.21

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
Financials	21.44	19.27	2.17	0.41	-1.33	1.74	0.13	-0.17	-0.12	0.40	0.28
Consumer Discretionary	5.63	10.45	-4.82	-1.45	-1.73	0.28	-0.08	-0.13	0.25	-0.02	0.23
Consumer Staples	5.63	7.31	-1.68	0.64	-1.59	2.23	0.03	-0.11	0.08	0.13	0.20
Utilities	3.90	3.64	0.27	-6.70	-11.80	5.10	-0.26	-0.43	-0.04	0.22	0.18
Real Estate	1.35	3.56	-2.20	-8.67	-5.95	-2.72	-0.12	-0.20	0.19	-0.04	0.15
Industrials	10.52	10.95	-0.43	-6.52	-6.39	-0.13	-0.62	-0.67	0.06	-0.01	0.05
Energy	4.39	6.00	-1.61	17.23	16.41	0.82	0.64	0.86	-0.22	0.04	-0.18
Health Care	9.73	12.85	-3.12	7.77	8.47	-0.70	0.66	1.01	-0.18	-0.07	-0.25
Communication Services	6.25	3.30	2.95	0.82	10.42	-9.60	0.06	0.31	0.24	-0.59	-0.36
Materials	12.15	3.67	8.49	-8.30	-2.73	-5.57	-1.04	-0.10	-0.48	-0.72	-1.20
Information Technology	18.17	19.01	-0.85	5.73	12.73	-7.00	1.00	2.24	-0.12	-1.18	-1.30
Total	100.00	100.00	0.00	0.41	2.61	-2.21	0.41	2.61	-0.36	-1.85	-2.21

Trailing 1 Year Attribution:

Harbor Large Cap Value Fund vs Russell 1000® Value

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	4.17	23.82	-19.65
Currency Contribution	0.00	0.00	0.00
Total Return	4.17	23.82	-19.65

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
Financials	20.78	20.36	0.42	5.65	1.52	4.13	1.41	0.44	-0.06	1.04	0.97
Communication Services	6.09	6.77	-0.67	28.88	16.94	11.95	1.55	1.15	0.24	0.72	0.96
Real Estate	1.35	3.87	-2.53	-0.52	2.35	-2.87	-0.01	0.16	0.52	-0.04	0.48
Health Care	9.41	11.96	-2.54	23.27	23.65	-0.39	2.02	2.74	0.00	0.02	0.02
Consumer Staples	5.37	7.32	-1.95	-0.16	5.93	-6.08	-0.04	0.50	0.37	-0.41	-0.04
Energy	4.16	6.23	-2.07	47.07	40.34	6.73	1.56	2.29	-0.32	0.24	-0.08
Utilities	5.63	4.21	1.41	-4.62	-5.14	0.52	-0.28	-0.08	-0.34	-0.22	-0.56
Industrials	10.91	12.76	-1.85	3.71	14.20	-10.49	0.59	2.27	0.09	-1.22	-1.13
Consumer Discretionary	6.42	8.03	-1.61	-25.20	0.23	-25.43	-1.95	0.10	0.33	-2.36	-2.03
Materials	12.38	3.96	8.42	-2.86	11.06	-13.92	-0.31	0.54	-0.94	-2.00	-2.95
Information Technology	16.37	14.54	1.83	-1.46	134.17	-135.63	-0.42	13.70	1.76	-16.84	-15.08
Total	100.00	100.00	0.00	4.17	23.82	-19.65	4.17	23.82	1.43	-21.08	-19.65

Performance data shown represents past performance and is no guarantee of future results. Portfolio returns and attribution are shown gross of fees.



Harbor Large Cap Value Fund



ATTRIBUTION

As of 09/30/2026

Trailing 3 Year Attribution:
Harbor Large Cap Value Fund vs Russell 1000® Value

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	42.12	73.10	-30.98
Currency Contribution	0.00	0.00	0.00
Total Return	42.12	73.10	-30.98

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
Energy	4.10	6.88	-2.77	58.00	48.96	9.04	1.96	2.40	1.25	0.58	1.83
Health Care	10.10	13.48	-3.38	25.61	31.29	-5.68	2.49	3.89	1.95	-0.52	1.43
Communication Services	3.23	5.43	-2.20	67.84	86.17	-18.33	2.74	4.50	-0.04	1.25	1.21
Real Estate	1.78	4.39	-2.61	-2.23	34.74	-36.97	0.18	2.11	0.96	-1.04	-0.08
Utilities	5.86	4.57	1.29	42.31	47.30	-4.98	2.65	2.96	-0.04	-0.41	-0.46
Industrials	11.49	13.83	-2.34	73.81	79.34	-5.52	7.79	12.02	-0.59	-0.50	-1.08
Consumer Staples	5.85	7.76	-1.91	1.22	32.87	-31.64	0.51	3.11	0.82	-2.35	-1.53
Financials	19.34	21.72	-2.38	79.73	78.54	1.19	12.66	19.03	-1.80	0.21	-1.59
Consumer Discretionary	7.90	6.57	1.34	6.35	30.37	-24.02	1.49	2.40	-0.05	-2.22	-2.27
Materials	11.77	4.18	7.59	36.96	34.05	2.91	4.24	1.83	-2.84	0.08	-2.77
Information Technology	17.29	11.21	6.08	20.90	234.88	-213.98	5.22	18.84	2.59	-27.16	-24.58
Total	100.00	100.00	0.00	42.12	73.10	-30.98	42.12	73.10	1.11	-32.08	-30.98

Trailing 5 Year Attribution:
Harbor Large Cap Value Fund vs Russell 1000® Value

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	38.00	75.59	-37.59
Currency Contribution	0.00	0.00	0.00
Total Return	38.00	75.59	-37.59

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
Communication Services	2.14	6.04	-3.90	36.35	63.87	-27.52	2.21	3.31	0.92	0.79	1.71
Utilities	5.15	4.92	0.23	36.92	44.68	-7.75	2.26	2.51	-0.07	-0.03	-0.10
Real Estate	2.70	4.56	-1.86	-33.78	12.23	-46.01	-2.02	0.56	1.27	-2.20	-0.93
Materials	11.21	4.10	7.12	55.57	43.25	12.31	5.85	2.17	-2.21	1.13	-1.08
Industrials	11.43	12.78	-1.35	82.24	89.94	-7.70	8.52	13.08	-0.54	-0.87	-1.40
Health Care	10.81	14.84	-4.03	14.54	33.26	-18.72	1.16	4.94	1.52	-2.95	-1.44
Consumer Staples	6.94	7.78	-0.85	3.96	42.73	-38.77	0.45	3.79	0.96	-2.88	-1.93
Consumer Discretionary	7.71	6.08	1.63	0.17	15.48	-15.31	1.04	1.77	-0.80	-1.46	-2.26
Energy	4.14	7.12	-2.98	158.07	183.55	-25.49	4.32	9.51	-1.86	-0.54	-2.40
Financials	18.53	21.57	-3.04	47.48	64.05	-16.57	7.83	16.08	-1.21	-3.14	-4.35
Information Technology	17.51	10.21	7.30	18.40	211.30	-192.89	5.99	17.87	1.85	-24.32	-22.48
Total	100.00	100.00	0.00	38.00	75.59	-37.59	38.00	75.59	-1.12	-36.47	-37.59

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Harbor Large Cap Value Fund

IMPORTANT INFORMATION



Fund Risks

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. Since the Fund typically invests in a limited number of companies, an adverse event affecting a particular company may hurt the Fund's performance more than if it had invested in a larger number of companies. Since the Fund may hold foreign securities, it may be subject to greater risks than funds invested only in the U.S. These risks are more severe for securities of issuers in emerging market regions.

Benchmarks

The Russell 1000® Value Index is an unmanaged index generally representative of the U.S. market for larger capitalization value stocks. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Russell 1000® Value Index and Russell® are trademarks of Frank Russell Company.

The S&P 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

The Bloomberg US Aggregate Bond Index is an unmanaged index of investment-grade fixed-rate debt issues with maturities of at least one year. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Disclosures

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, expenses and other statistics may change at any time and may differ from those shown.

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 or call 800-422-1050. Read it carefully before investing.

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Harbor Large Cap Value Fund

IMPORTANT INFORMATION



Attribution Disclosures

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

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

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.

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

Beta is a measure of systematic risk, or the sensitivity of a fund to movements in the benchmark. A beta of 1 implies that the expected movement of a fund's return would match that of the benchmark used to measure beta.