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 06/30/2026

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	4.33%	2.02%	7.64%	10.44%	5.83%	11.23%	10.09%	12/29/87	0.69	0.72
Investor	HILVX	411511744	4.27%	1.86%	7.29%	10.05%	5.45%	10.83%	9.26%	11/01/02	1.03	1.06
Retirement	HNLVX	411512478	4.35%	2.12%	7.74%	10.54%	5.91%	11.33%	10.11%	03/01/16	0.61	0.64
Russell 1000® Value Index			13.87%	16.26%	27.12%	17.79%	11.17%	11.52%	10.82%	12/29/87		
S&P 500 Index			15.20%	10.21%	22.32%	20.61%	13.41%	15.51%	11.58%	12/29/87		

MANAGER COMMENTARY

As of 06/30/2026

"In periods like this, discipline can feel uncomfortable, but history suggests that prices and fundamentals eventually reconnect."
Aristotle Capital Management, LLC

Market in Review

The U.S. equity market rebounded during the second quarter of 2026 and reached new all-time highs, with the S&P 500 Index rising 15.20%. Surging demand for AI processing power and expansive capital expenditure plans continued to support AI-related businesses, which drove a substantial portion of benchmark returns and contributed meaningfully to earnings growth. Fixed income markets also advanced, as the Bloomberg US Aggregate Bond Index increased 0.67%.

From a style perspective, the Russell 1000® Value Index underperformed its growth counterpart by 2.87%. On a sector basis, nine out of the 11 sectors within the Russell 1000® Value Index posted positive returns. The best-performing sectors were Information Technology, Industrials, and Real Estate, while Energy, Utilities, and Consumer Staples were the worst performing sectors.

Market leadership remained narrow and increasingly tied to the AI infrastructure build-out. Significant investment in semiconductors, memory, and data center infrastructure continued to benefit a concentrated group of companies. While these themes supported benchmark returns, they also contributed to significant dispersion beneath the surface, as many resilient, cash-generative businesses outside the AI infrastructure ecosystem did not participate to the same degree.

Geopolitics remained a key source of market uncertainty during the quarter. Peace negotiations between the U.S. and Iran proved volatile, with the reopening of the Strait of Hormuz, nuclear commitments, asset sanctions, and regional economic development as primary points of discussion. An interim understanding between the two countries helped establish a ceasefire framework and restore maritime shipping in the region.

Against this backdrop, oil prices were volatile and continued to put upward pressure on inflation. Despite elevated inflation, real GDP growth accelerated, the unemployment rate remained stable at 4.2%, and consumer confidence improved in June from May's record low. Given these conditions, the U.S. Federal Reserve ("Fed") maintained the target range for the federal funds rate.

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 06/30/2026

Portfolio Performance

For the second quarter, the Harbor Large Cap Value Fund (Institutional Class, “Fund”) returned 4.33%, underperforming its benchmark, the Russell 1000® Value Index (“Index”), which returned 13.87%, and the 15.20% return of the S&P 500 Index.

The Fund’s underperformance relative to the benchmark was primarily driven by security selection, while allocation effects modestly contributed. Security selection in Information Technology and Industrials, as well as an overweight in Materials, detracted the most from relative performance. Conversely, security selection in Communication Services, as well as an overweight in Information Technology and an underweight in Energy, contributed. (Relative weights are the result of bottom-up security selection.)

Contributors & Detractors

The top five contributors to the Fund’s performance were Qualcomm, Microchip Technology, Alphabet, PNC Financial Services, and Mitsubishi UFJ Financial Group.

Qualcomm contributed on strong results, record automotive revenue, Internet of Things growth, and improved confidence in edge AI.

Microchip contributed, as shares rebounded on improving demand, better guidance, inventory normalization, and operating leverage.

Alphabet contributed, as search, advertising, and cloud growth outweighed concerns about AI spending and CapEx.

PNC benefited from stronger bank sentiment, improving net interest income, loan growth, and FirstBank acquisition benefits.

Mitsubishi UFJ added value, as Japanese banks benefited from rate normalization, record earnings, and higher payouts.

The top five detractors from performance were TotalEnergies, Autodesk, Verizon Communications, Corteva, and Motorola Solutions.

TotalEnergies detracted, as energy sentiment weakened, and oil and LNG volatility offset diversified cash flow and capital discipline.

Autodesk detracted following near-term softness in billings and investor concerns about macro-driven demand for design software.

Verizon detracted over concerns about subscriber momentum, leverage, and the integration of Frontier Communications, despite attractive long-term fiber scale.

Corteva’s share price lagged, despite strong fundamentals and strength in both seed and crop protection.

Motorola lagged, as investors weighed whether growth in public safety software and video security could continue to support the company’s premium valuation.

Buys & Sells

During the quarter, we sold the positions in Atmos Energy and Danaher and purchased Autodesk and Edwards Lifesciences.

We first invested in Atmos Energy in the first quarter of 2022. We were attracted to the company’s strong balance sheet, constructive regulatory environment across its service territories, and significant opportunity to invest in infrastructure modernization projects. While we continue to view Atmos as a high-quality business, we believe many of the catalysts identified at purchase have either been realized or are well underway. As a result, we elected to sell the position and redeploy the proceeds into Autodesk, which we believe offers a more compelling investment opportunity.

We first invested in Danaher in the second quarter of 2016, attracted by its disciplined capital allocation, differentiated operating culture, and consistent free-cash-flow generation. While we continue to view Danaher as a high-quality business, we believe much of our original investment thesis has now been realized, with fewer company-specific catalysts ahead. Accordingly, we elected to sell the position and redeploy the proceeds into what we view as a more attractive opportunity in Edwards Lifesciences.

Autodesk produces software that allows companies to design and model their products and/or projects. We believe shares of Autodesk are attractively valued given our estimates of normalized earnings. In our view, the market underappreciates Autodesk's ability to sustain double-digit revenue growth while maintaining high levels of profitability, with operating margins of approximately 40%.

Edwards Lifesciences is a global leader in structural heart disease therapies, developing and commercializing medical devices used to treat advanced cardiovascular conditions. While the transcatheter aortic valve replacement market is more developed, we believe the continued expansion of this franchise and the scaling contribution from newer mitral and tricuspid therapies are not fully reflected in the current stock price.

Sector Overweights & Underweights

At the beginning of 2026, the Fund's largest overweight exposures were in Information Technology and Materials, with the largest underweights in Health Care 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%. Index weights do not influence position sizing. Consistent with our long-term investment horizon, Fund turnover remained low during the quarter and positioning remained unchanged.

Country Allocation

The Fund's country allocations relative to the benchmark did not change materially during the quarter. The Fund currently has 8.37% invested in non-U.S. companies, and that level has remained relatively consistent over time.

Outlook

We believe our recent underperformance reflects a market rewarding a narrow set of AI infrastructure beneficiaries whose earnings, while real in the moment, are, in our view, being valued as more durable than they may ultimately prove to be. At the same time, many resilient businesses tied to the broader economy have been overlooked as investors crowd into scarcity-driven themes.

We are not dismissing AI, nor are we waiting passively for the market to change. We are using this dislocation to upgrade the Fund toward what we believe are durable quality businesses, purchased at valuations that may better reflect normalized fundamentals. In periods like this, discipline can feel uncomfortable, but history suggests that prices and fundamentals eventually reconnect. Our objective is to ensure that when they do, our clients own businesses with the durability, pricing power, and compounding potential to create value well beyond the current cycle.

Harbor Large Cap Value Fund

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %	Benchmark 1 %
Parker-Hannifin Corp.	5.01	0.35
Alphabet Inc. Class C	4.34	0.00
Corteva Inc	3.80	0.16
Capital One Financial Corp.	3.30	0.35
Microsoft Corporation	3.02	3.89
QUALCOMM Incorporated	2.68	0.55
U.S. Bancorp	2.67	0.26
Amgen Inc.	2.66	0.16
Mitsubishi UFJ Financial	2.65	0.00
Martin Marietta Materials	2.62	0.10
Total	**32.74**	**5.81**

QUARTERLY ATTRIBUTION

As of 06/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return %
QUALCOMM INC	2.76	44.04
MICROCHIP TECHNOLOGY INC	2.39	41.84
ALPHABET INC-CL C	4.35	23.25
PNC FINANCIAL SERVICES GROUP	2.22	19.23
MITSUBISHI UFJ FINL-SPON ADR	2.54	17.21

Worst Performers	Average Weight %	Gross Return %
CHEVRON CORP	2.06	-19.16
AUTODESK INC	0.82	-17.84
ADOBE INC	1.32	-15.66
VERIZON COMMUNICATIONS INC	2.22	-14.36
TOTALENERGIES SE	2.43	-13.46

Contributors & Detractors

Greatest Contributors	Gross Return %	Contribution to Return %
QUALCOMM INC	44.04	0.85
ALPHABET INC-CL C	23.25	0.83
MICROCHIP TECHNOLOGY INC	41.84	0.74
PARKER HANNIFIN CORP	9.51	0.46
MITSUBISHI UFJ FINL-SPON ADR	17.21	0.42
Total		**3.30**

Greatest Detractors	Gross Return %	Contribution to Return %
AUTODESK INC	-17.84	-0.46
CHEVRON CORP	-19.16	-0.44
VERIZON COMMUNICATIONS INC	-14.36	-0.34
TOTALENERGIES SE	-13.46	-0.32
ADOBE INC	-15.66	-0.22
Total		**-1.77**

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 06/30/2026

Quarterly Attribution:
Harbor Large Cap Value Fund vs Russell 1000® Value

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	4.41	13.87	-9.47
Currency Contribution	0.00	0.00	0.00
Total Return	**4.41**	**13.87**	**-9.47**

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	4.49	6.59	-2.09	-16.14	-13.77	-2.37	-0.76	-1.02	0.68	-0.11	0.58
Communication Services	6.57	7.90	-1.33	8.17	1.61	6.56	0.49	0.37	0.00	0.44	0.45
Consumer Staples	5.47	7.05	-1.58	4.01	0.64	3.37	0.22	0.05	0.24	0.19	0.43
Financials	20.11	19.36	0.75	10.17	9.14	1.04	2.01	1.82	0.01	0.21	0.22
Real Estate	1.36	3.91	-2.55	4.12	9.34	-5.21	0.06	0.39	0.11	-0.08	0.03
Utilities	5.40	4.23	1.18	-0.88	-0.62	-0.26	-0.13	-0.03	-0.29	-0.05	-0.33
Health Care	9.11	10.94	-1.83	1.77	7.73	-5.97	0.21	0.81	0.20	-0.58	-0.37
Consumer Discretionary	5.91	6.99	-1.07	-1.52	6.84	-8.36	-0.08	0.57	0.02	-0.56	-0.53
Industrials	10.50	13.12	-2.62	5.92	12.11	-6.19	0.64	1.59	0.09	-0.67	-0.59
Materials	12.52	4.16	8.36	2.98	0.98	2.00	0.39	0.07	-1.08	0.20	-0.88
Information Technology	17.63	15.78	1.85	10.48	80.63	-70.16	1.35	9.27	1.43	-9.77	-8.34
Total	**100.00**	**100.00**	**0.00**	**4.41**	**13.87**	**-9.47**	**4.41**	**13.87**	**1.28**	**-10.75**	**-9.47**

Trailing 1 Year Attribution:
Harbor Large Cap Value Fund vs Russell 1000® Value

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	8.26	27.13	-18.87
Currency Contribution	0.00	0.00	0.00
Total Return	**8.26**	**27.13**	**-18.87**

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	5.73	7.99	-2.26	55.06	18.24	36.82	2.45	1.90	-0.21	1.87	1.65
Real Estate	1.34	4.04	-2.69	8.13	13.41	-5.28	0.10	0.57	0.37	-0.08	0.28
Financials	20.72	21.21	-0.49	8.57	7.81	0.76	1.95	1.89	0.07	0.21	0.28
Consumer Staples	5.20	7.48	-2.28	-7.59	5.53	-13.12	-0.40	0.43	0.57	-0.87	-0.30
Health Care	9.21	11.64	-2.43	14.30	20.29	-5.99	1.37	2.47	0.19	-0.53	-0.33
Energy	3.96	6.21	-2.25	20.78	28.17	-7.38	0.76	1.83	-0.12	-0.26	-0.38
Utilities	6.36	4.42	1.94	12.77	16.53	-3.76	0.70	0.80	-0.23	-0.29	-0.52
Industrials	11.04	13.24	-2.20	22.44	28.66	-6.22	2.34	3.69	0.03	-0.57	-0.54
Consumer Discretionary	6.91	7.43	-0.52	-13.40	8.81	-22.21	-0.80	0.87	0.06	-1.70	-1.65
Materials	12.63	4.14	8.48	7.84	21.30	-13.46	0.99	0.95	-0.32	-2.00	-2.32
Information Technology	15.71	12.20	3.51	-5.88	119.91	-125.79	-1.24	11.76	1.99	-16.76	-14.77
Total	**100.00**	**100.00**	**0.00**	**8.26**	**27.13**	**-18.87**	**8.26**	**27.13**	**2.11**	**-20.97**	**-18.87**

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 06/30/2026

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	37.36	63.39	-26.04
Currency Contribution	0.00	0.00	0.00
Total Return	**37.36**	**63.39**	**-26.04**

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
Health Care	10.27	13.69	-3.43	16.33	14.68	1.64	1.77	1.42	2.23	0.61	2.83
Communication Services	2.70	5.66	-2.96	66.48	58.40	8.08	2.66	3.72	-0.12	1.96	1.84
Energy	4.11	7.08	-2.98	56.47	43.66	12.81	2.19	3.06	0.49	0.72	1.20
Real Estate	1.95	4.50	-2.55	-4.56	31.33	-35.90	-0.25	1.58	0.77	-1.08	-0.31
Utilities	5.92	4.69	1.23	40.65	51.70	-11.05	2.39	2.51	0.06	-0.58	-0.52
Industrials	11.57	13.87	-2.30	77.90	82.20	-4.30	7.69	11.13	-0.55	-0.32	-0.87
Materials	11.65	4.38	7.27	38.68	31.89	6.79	4.14	1.58	-2.10	0.49	-1.61
Consumer Staples	6.10	7.85	-1.75	-3.83	28.11	-31.94	-0.07	2.40	0.67	-2.29	-1.62
Financials	18.82	21.83	-3.01	78.49	79.91	-1.42	12.42	18.47	-1.77	-0.26	-2.03
Consumer Discretionary	8.05	6.17	1.88	1.35	20.70	-19.35	0.93	1.73	-0.59	-1.68	-2.27
Information Technology	17.46	10.27	7.19	9.86	193.50	-183.64	3.25	15.79	3.07	-25.00	-21.93
Total	**100.00**	**100.00**	**0.00**	**37.36**	**63.39**	**-26.04**	**37.36**	**63.39**	**1.40**	**-27.44**	**-26.04**

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	37.13	69.83	-32.70
Currency Contribution	0.00	0.00	0.00
Total Return	**37.13**	**69.83**	**-32.70**

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	1.95	6.42	-4.47	18.70	43.08	-24.39	1.70	2.57	0.88	1.08	1.96
Materials	11.03	4.23	6.80	59.71	40.04	19.67	6.14	1.97	-1.80	1.88	0.07
Utilities	4.95	4.99	-0.04	46.76	66.24	-19.48	2.51	2.98	-0.18	-0.33	-0.51
Health Care	11.07	15.08	-4.01	7.99	23.36	-15.38	0.82	3.94	1.66	-2.47	-0.81
Industrials	11.51	12.65	-1.13	92.35	96.24	-3.89	8.92	12.60	-0.61	-0.35	-0.97
Real Estate	2.88	4.62	-1.74	-29.46	21.93	-51.39	-2.05	0.90	1.00	-2.48	-1.48
Energy	4.06	7.05	-2.99	131.30	140.20	-8.90	3.83	8.30	-1.49	-0.25	-1.74
Consumer Staples	6.99	7.81	-0.83	4.23	42.75	-38.52	0.50	3.59	0.85	-2.70	-1.85
Consumer Discretionary	7.84	5.85	2.00	3.54	14.49	-10.95	1.33	1.66	-1.18	-0.76	-1.94
Financials	18.46	21.72	-3.26	50.12	69.25	-19.13	8.24	16.49	-1.17	-3.43	-4.60
Information Technology	17.46	9.59	7.88	11.12	172.91	-161.79	4.82	14.83	2.03	-21.99	-19.96
Total	**100.00**	**100.00**	**0.00**	**37.13**	**69.83**	**-32.70**	**37.13**	**69.83**	**-0.88**	**-31.81**	**-32.70**

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

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.