Harbor Osmosis Emerging Markets Resource Efficient ETF

Quarterly Commentary & Attribution

Subadvisor (since 12/11/24):

Osmosis Investment Management US LLC

Portfolio Manager(s):

Alex Stephen
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Benchmark 1 Name: MSCI Emerging Markets (ND) Index

Investment Philosophy:

The Harbor Osmosis Emerging Markets Resource ETF (EFFE) focuses on creating compelling, alpha seeking portfolios by leveraging proprietary environmental data on carbon, water, and waste efficiency. This approach aims to deliver consistent, quality returns while aiming to meaningfully lower the portfolio's carbon, water, and waste footprint, making it a compelling choice for long-term investors.

Harbor

Harbor Osmosis Emerging Markets Resource Efficient ETF

PERFORMANCE

As of 06/30/2026

Average Annual Returns

	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Gross Expense Ratio %
Harbor Osmosis Emerging Markets Resource Efficient ETF (NAV)	EFFE	41151J737	22.66%	17.35%	25.73%	N/A	N/A	N/A	25.69%	12/18/2024	0.69
Harbor Osmosis Emerging Markets Resource Efficient ETF (Market)	EFFE	41151J737	20.49%	19.24%	27.06%	N/A	N/A	N/A	26.88%	12/18/2024	0.69
MSCI Emerging Markets (ND) Index			24.05%	23.85%	43.51%	N/A	N/A	N/A	37.24%	12/18/2024	

The Fund’s returns achieved during certain periods shown were unusual and an investor should not expect such performance to be sustained.

MANAGER COMMENTARY

As of 06/30/2026

“As the quarter progressed, strength broadened to companies in the Industrials and Materials sectors supporting data center expansion through power generation, electrification equipment, and raw materials.”

Osmosis Investment Management

Market in Review

The second quarter of 2026 was shaped by conflict in the Middle East, the temporary disruption to the Strait of Hormuz, and the subsequent de-escalation. Crude oil prices rose sharply in April before retreating by quarter-end, as a ceasefire took hold and shipping through the Strait partially resumed. The energy price shock added to inflationary pressure and prompted a more hawkish tone from central banks.

Despite this backdrop, emerging markets equities were resilient and outperformed developed markets. Leadership remained concentrated in the semiconductor and AI-infrastructure complex, particularly in Korea and Taiwan, where demand for high-bandwidth memory and AI-related hardware continued to exceed supply. As the quarter progressed, strength broadened to companies in the Industrials and Materials sectors supporting data center expansion through power generation, electrification equipment, and raw materials.

Portfolio Performance

During the second quarter of 2026, the Harbor Osmosis Emerging Markets Resource Efficient ETF (“ETF”) returned 22.66% (NAV), underperforming the benchmark, the MSCI Emerging Markets (ND) Index, which returned 24.05%.

While stock-specific factors added to performance, common factors detracted significantly.

In terms of sector performance, the Information Technology sector was the worst performing, while Consumer Discretionary added significantly. Geographically, Asia-Pacific detracted from performance while Europe, the Middle East, and Africa added to it.

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 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 Osmosis Emerging Markets Resource Efficient ETF

MANAGER COMMENTARY

As of 06/30/2026

Contributors and Detractors

At the stock level, main detractors during the quarter included a lack of exposure to Information Technology names Samsung Electronics, TSMC, SK Hynix, and MediaTek, and an overweight to Xiaomi. Main contributors to performance included relative overweights to Lenovo Group, LG Electronics, Alchip Technologies, Accton Technology, and Wiwynn.

Buys and Sells

During the second quarter, we purchased Zhongji Innolight, Foxconn Industrial Internet, and People's Insurance Group of China. Top sales included SK Biopharmaceuticals, Xiaomi, and SK Hynix.

Sector Underweights and Overweights

The Fund has a +/- 1% active weight to GICS sectors, thereby remaining relatively neutral to the sectors in the benchmark, aiming to achieve active return through the Resource Efficiency (RE) factor, not through active exposure to common factors.

Country Allocations

The Fund has a +/- 1% active weight to countries, thereby remaining relatively neutral to the countries in the benchmark, aiming to achieve active return through the Resource Efficiency factor, not through active exposure to common factors.

Outlook

Global climate policy continued to diverge. The European Union's Carbon Border Adjustment Mechanism entered its definitive phase on January 1, 2026, requiring importers of carbon-intensive goods such as steel and aluminum to purchase certificates linked to the EU carbon market. While implementation drew criticism from trading partners, it also reinforced the growing importance of Resource Efficiency as regulation, carbon costs, and supply chain resilience increasingly affect the competitiveness of energy-intensive industries.

Harbor Osmosis Emerging Markets Resource Efficient ETF

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %	Benchmark 1 %
Lenovo Group Limited	4.31	0.18
SK hynix Inc.	4.08	7.65
Quanta Computer Inc.	3.72	0.25
Taiwan Semiconductor	3.68	15.08
Wistron Corporation	3.66	0.12
Zhongji Innolight Co.	3.50	0.00
Accton Technology Corp.	3.34	0.32
Alchip Technologies Ltd	3.26	0.08
SAMSUNG C&T CORP	3.24	0.20
Wiwynn Corporation	3.21	0.12
Total	**36.01**	**24.00**

QUARTERLY ATTRIBUTION

As of 06/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return % (NAV)
SK HYNIX INC	3.65	224.68
LENOVO GROUP LTD	4.05	151.53
KING SLIDE WORKS CO LTD	1.33	132.64
LG ELECTRONICS INC	3.87	90.05
SAMSUNG C&T CORP	2.55	82.71

Worst Performers	Average Weight %	Gross Return % (NAV)
DIAN SWASTATIKA SENTOSA TBK	0.28	-82.94
XIAOMI CORP-CLASS B	3.01	-31.88
MIRAE ASSET SECURITIES CO LT	0.46	-31.84
HYUNDAI ENGINEERING & CONST	1.63	-20.55
OIL & NATURAL GAS CORP LTD	1.61	-19.55

Contributors & Detractors

Greatest Contributors	Gross Return % (NAV)	Contribution to Return %
SK HYNIX INC	224.68	4.46
LENOVO GROUP LTD	151.53	4.32
LG ELECTRONICS INC	90.05	3.83
ACCTON TECHNOLOGY CORP	65.82	1.91
ALCHIP TECHNOLOGIES LTD	68.81	1.86
Total		**16.37**

Greatest Detractors	Gross Return % (NAV)	Contribution to Return %
XIAOMI CORP-CLASS B	-31.88	-1.00
DIAN SWASTATIKA SENTOSA TBK	-82.94	-0.62
MIRAE ASSET SECURITIES CO LT	-31.84	-0.53
TIM SA	-19.15	-0.45
HYUNDAI ENGINEERING & CONST	-20.55	-0.40
Total		**-3.00**

Holdings are subject to change. Go to harborcapital.com/etf/effe for current holdings.
Performance data shown represents past performance and is no guarantee of future results.

Harbor Osmosis Emerging Markets Resource Efficient ETF

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor Osmosis Emerging Markets Resource Efficient ETF vs. MSCI Emerging Markets (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	24.28	24.12	0.15
Currency Contribution	-0.01	-0.07	0.07
Total Return	**24.27**	**24.05**	**0.22**

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
Consumer Discretionary	10.32	8.92	1.40	25.16	-10.05	35.21	3.58	-0.56	-0.41	5.15	4.74
Materials	6.22	6.29	-0.07	11.18	-5.52	16.70	0.89	-0.09	0.00	1.29	1.29
Consumer Staples	2.10	2.99	-0.89	5.14	-1.99	7.13	0.15	0.01	0.26	0.17	0.43
Real Estate	1.16	1.06	0.10	4.02	7.60	-3.58	0.09	0.11	0.01	-0.01	0.00
Industrials	6.85	7.12	-0.27	17.57	18.23	-0.66	1.33	1.48	0.05	-0.06	-0.01
Communication Services	7.25	6.67	0.58	-3.40	-3.85	0.45	-0.10	-0.16	-0.14	0.03	-0.11
Utilities	2.43	2.07	0.36	-7.59	-0.82	-6.77	-0.01	0.04	-0.22	-0.10	-0.32
Health Care	2.43	2.55	-0.13	-12.82	1.07	-13.89	-0.11	0.09	-0.13	-0.29	-0.42
Energy	4.15	3.60	0.55	-21.74	-9.85	-11.89	-1.01	-0.29	-0.20	-0.71	-0.91
Financials	18.62	19.13	-0.51	0.77	6.66	-5.89	0.80	1.66	-0.18	-1.16	-1.35
Information Technology	38.12	39.56	-1.44	64.82	73.27	-8.45	18.68	21.75	-0.60	-2.39	-2.99
Total	**100.00**	**100.00**	**0.00**	**24.27**	**24.05**	**0.22**	**24.27**	**24.05**	**-1.70**	**1.92**	**0.22**

Trailing 1 Year Attribution:
Harbor Osmosis Emerging Markets Resource Efficient ETF vs. MSCI Emerging Markets (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	34.01	50.19	-16.18
Currency Contribution	-5.89	-6.69	0.80
Total Return	**28.12**	**43.51**	**-15.38**

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
Consumer Discretionary	12.01	11.33	0.68	20.66	-14.26	34.92	3.94	-0.38	-0.64	5.82	5.17
Industrials	7.75	7.01	0.75	103.22	32.56	70.67	6.62	2.41	-0.06	4.95	4.90
Financials	21.51	21.61	-0.10	11.67	9.48	2.19	3.99	2.77	-0.21	1.20	0.99
Real Estate	1.38	1.32	0.05	-12.70	-5.37	-7.32	-0.15	-0.04	-0.01	-0.09	-0.10
Consumer Staples	3.08	3.67	-0.58	-17.37	-6.87	-10.50	-0.72	-0.14	0.37	-0.68	-0.31
Utilities	2.03	2.28	-0.25	-11.26	7.79	-19.05	-0.36	0.28	0.01	-0.56	-0.55
Communication Services	9.45	8.77	0.68	-7.85	-9.10	1.26	-0.34	0.02	-0.41	-0.28	-0.69
Health Care	3.57	3.08	0.49	-24.07	-0.13	-23.94	-0.36	0.17	-0.40	-0.55	-0.95
Energy	3.56	3.85	-0.29	-14.32	6.78	-21.11	-0.74	0.46	-0.32	-1.05	-1.38
Materials	5.90	6.52	-0.62	2.88	32.76	-29.87	0.10	2.86	-0.26	-2.10	-2.36
Information Technology	29.32	30.55	-1.23	56.44	162.58	-106.14	16.19	35.08	-1.09	-18.85	-19.94
Total	**100.00**	**100.00**	**0.00**	**28.12**	**43.51**	**-15.38**	**28.12**	**43.51**	**-3.18**	**-12.20**	**-15.38**

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

Harbor Osmosis Emerging Markets Resource Efficient ETF

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor Osmosis Emerging Markets Resource Efficient ETF vs. MSCI Emerging Markets (ND) Index

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	23.01	21.43	1.58	17.75	-6.14	23.89	4.13	-0.82	-0.46	6.42	5.96
South Africa	3.18	3.21	-0.03	7.81	-1.89	9.69	0.35	0.05	0.04	0.33	0.37
Ireland	0.00	0.52	-0.52	0.00	-25.35	25.35	0.00	-0.14	0.34	0.00	0.34
Poland	0.73	1.07	-0.34	17.77	9.05	8.72	0.21	0.13	0.01	0.06	0.07
Taiwan	25.34	25.27	0.07	50.17	48.86	1.31	10.58	10.37	0.06	-0.01	0.05
Philippines	0.26	0.30	-0.04	21.38	4.53	16.86	0.05	0.01	0.00	0.04	0.04
Hungary	0.35	0.34	0.01	43.62	33.37	10.25	0.15	0.11	0.00	0.03	0.03
Turkey	0.39	0.42	-0.03	6.23	3.28	2.95	0.03	0.03	0.02	0.02	0.03
United Arab Emirates	1.37	1.16	0.21	6.50	8.62	-2.12	0.12	0.13	0.07	-0.05	0.02
Colombia	0.10	0.14	-0.05	7.70	5.59	2.11	0.01	0.01	0.01	0.00	0.01
Czech Republic	0.07	0.12	-0.04	-3.84	3.27	-7.11	0.00	0.01	0.01	0.00	0.00
Kuwait	0.62	0.56	0.05	3.54	1.21	2.33	0.04	0.02	-0.02	0.02	0.00
Qatar	0.56	0.52	0.04	1.23	-0.12	1.35	0.02	0.01	-0.01	0.01	0.00
Egypt	0.12	0.07	0.04	22.38	25.14	-2.76	0.03	0.02	0.00	0.00	0.00
Mexico	1.72	1.82	-0.10	2.63	2.95	-0.32	0.10	0.10	0.01	-0.01	0.00
United States	0.00	0.02	-0.02	0.00	59.65	-59.65	0.00	0.01	-0.01	0.00	-0.01
Greece	0.41	0.49	-0.08	15.83	20.47	-4.64	0.08	0.11	0.00	-0.02	-0.02
Peru	0.23	0.38	-0.15	5.22	9.07	-3.85	0.02	0.04	-0.01	-0.01	-0.02
Saudi Arabia	2.67	2.57	0.10	-4.00	-3.92	-0.08	-0.10	-0.10	-0.03	0.00	-0.03
Chile	0.41	0.47	-0.06	-9.55	2.49	-12.05	-0.03	0.03	0.01	-0.06	-0.06
Malaysia	1.07	1.04	0.03	-5.77	-1.72	-4.05	-0.06	0.00	-0.01	-0.06	-0.07
Brazil	4.17	4.29	-0.12	-10.04	-8.23	-1.81	-0.36	-0.24	0.06	-0.17	-0.11
Thailand	1.33	1.01	0.32	3.13	8.44	-5.31	-0.01	0.11	-0.01	-0.15	-0.16
India	11.66	11.52	0.14	7.32	10.07	-2.76	1.14	1.43	0.02	-0.38	-0.36
Indonesia	0.50	0.64	-0.14	-71.24	-26.23	-45.01	-0.66	-0.18	0.08	-0.65	-0.58
South Korea	19.40	20.65	-1.25	51.17	87.58	-36.41	8.49	12.82	-0.26	-4.92	-5.18
Cash	0.35	0.00	0.35	7.23	0.00	7.23	-0.02	0.00	-0.14	0.00	-0.14
Total	**100.00**	**100.00**	**0.00**	**24.27**	**24.05**	**0.22**	**24.27**	**24.05**	**0.34**	**-0.12**	**0.22**

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Harbor Osmosis Emerging Markets Resource Efficient ETF

ATTRIBUTION

As of 06/30/2026

Trailing 1 Year Attribution:
Harbor Osmosis Emerging Markets Resource Efficient ETF vs. MSCI Emerging Markets (ND) Index

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	25.81	-25.81	0.00	-4.30	4.30	0.00	1.65	-0.79	4.86	4.07
China	26.89	25.81	1.09	14.75	-4.30	19.05	4.71	1.65	-0.79	4.86	4.07
Ireland	0.00	0.75	-0.75	0.00	-27.12	27.12	0.00	-0.09	0.53	0.00	0.53
Saudi Arabia	3.08	2.95	0.13	10.64	3.18	7.47	0.38	0.15	-0.16	0.31	0.15
Philippines	0.33	0.37	-0.04	34.15	-3.56	37.71	0.08	-0.02	0.01	0.13	0.14
China	0.00	0.16	-0.16	0.00	-12.53	12.53	0.00	-0.02	0.10	0.00	0.10
China	26.89	0.16	26.74	14.75	-12.53	27.28	4.71	-0.02	0.10	0.00	0.10
Poland	0.99	1.08	-0.08	36.75	26.30	10.45	0.47	0.35	0.00	0.09	0.09
Greece	0.54	0.57	-0.03	40.25	28.65	11.59	0.25	0.21	0.00	0.08	0.08
Malaysia	1.22	1.16	0.06	21.77	15.94	5.83	0.34	0.26	-0.03	0.10	0.07
Qatar	0.68	0.64	0.04	3.27	-0.44	3.71	0.08	0.03	-0.01	0.05	0.05
Colombia	0.12	0.14	-0.02	107.36	80.97	26.39	0.12	0.11	0.04	0.00	0.04
Hungary	0.31	0.31	0.00	90.70	75.01	15.69	0.25	0.23	0.00	0.04	0.04
Czech Republic	0.13	0.14	-0.01	7.84	6.02	1.82	0.04	0.02	0.02	0.02	0.03
Kuwait	0.72	0.66	0.06	3.92	-1.86	5.78	0.05	0.01	-0.03	0.04	0.02
Egypt	0.09	0.08	0.01	39.99	69.14	-29.15	0.05	0.05	-0.01	0.01	0.00
United Arab Emirates	1.48	1.40	0.08	2.73	5.97	-3.24	0.10	0.14	0.06	-0.07	-0.01
Chile	0.46	0.50	-0.04	26.29	32.14	-5.86	0.18	0.21	-0.01	-0.02	-0.03
Peru	0.27	0.36	-0.10	59.66	82.72	-23.05	0.19	0.28	-0.03	-0.02	-0.05
Turkey	0.41	0.45	-0.04	-2.91	22.46	-25.38	0.01	0.13	0.03	-0.12	-0.08
India	14.44	14.31	0.13	-15.19	-12.76	-2.43	-2.54	-2.52	0.02	-0.13	-0.11
Brazil	4.31	4.36	-0.05	21.53	26.64	-5.11	1.32	1.56	0.11	-0.29	-0.18
Mexico	1.85	1.92	-0.07	17.13	32.27	-15.15	0.41	0.76	0.02	-0.32	-0.30
Thailand	1.13	1.03	0.10	25.49	54.26	-28.77	0.24	0.58	-0.02	-0.37	-0.38
South Africa	3.41	3.46	-0.05	21.08	30.16	-9.08	0.84	1.45	0.07	-0.49	-0.42
Indonesia	0.90	0.99	-0.09	-74.33	-40.68	-33.65	-0.85	-0.42	0.13	-0.62	-0.50
Taiwan	21.48	21.58	-0.11	52.60	104.97	-52.37	10.48	18.24	0.03	-8.23	-8.20
South Korea	14.33	14.83	-0.50	89.33	213.78	-124.45	10.98	20.17	-0.48	-9.87	-10.35
Cash	0.44	0.00	0.44	10.28	0.00	10.28	-0.05	0.00	-0.16	0.00	-0.16
Total	**100.00**	**100.00**	**0.00**	**28.12**	**43.51**	**-15.38**	**28.12**	**43.51**	**0.58**	**-15.97**	**-15.38**

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

Harbor Osmosis Emerging Markets Resource Efficient 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.

Investments involve risk including the possible loss of principal. Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions. Large cap stocks may underperform compared to small or mid cap stocks, which may lead the Fund to lag behind funds focused on smaller caps, while mid cap stocks carry added risks like illiquidity and higher volatility than those of large companies. The Fund's investments in foreign securities, particularly emerging markets, expose it to higher risks than funds investing only in the U.S., including currency risk, which may negatively impact its value if foreign currencies fluctuate against the U.S. dollar. There is no guarantee that the Subadvisor's resource efficiency strategy will accurately provide exposure to resource efficient companies and the Fund may outperform or underperform other funds that invest in similar asset classes but employ different investment styles. The Subadvisor relies on company data for Resource Efficiency Scores but can't guarantee its accuracy or completeness, especially in emerging markets. The Fund utilizes a quantitative model and there are limitations in every quantitative model. There can be no assurances that the strategies pursued or the techniques implemented in the quantitative model will be profitable, and various market conditions may be materially less favorable to certain strategies than others.

Benchmarks

The MSCI Emerging Markets (ND) Index is a market capitalization weighted index of equity securities in more than 20 emerging market economies. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Benchmark returns are adjusted for withholding taxes.

Disclosures

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

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.

Foreside Fund Services, LLC is the Distributor of the Harbor ETFs.

Harbor Osmosis Emerging Markets Resource Efficient 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

Alpha is the risk-adjusted excess return of an investment relative to the return of a benchmark index.