

Harbor Capital Appreciation Fund

Jennison Associates LLC

Subadviser Since 05/01/1990

Total Net Assets - All Classes \$33,046,958,440
Equity Assets: 99.57%
Cash & Other Assets Less Liabilities: 0.43%
Benchmark Name: Russell 1000® Growth Index

Portfolio Managers



Spiros "Sig" Segalas



Kathleen A.
McCarragher



Blair A. Boyer



Natasha Kuhlkin, CFA

Investment Philosophy

The Fund invests primarily in equity securities, specifically U.S. companies with market capitalizations of at least \$1 billion at the time of purchase. Through rigorous research, visits, and meetings with top management, the portfolio manager knows these businesses intimately, and only invests in those that the portfolio manager believes have: strong balance sheets and earnings performance, sales momentum and growth outlook, high profitability history or potential, unique market position and a capable and committed management team. The Fund stays fully invested in stocks and does not try to time the market, but instead works toward steady investment growth.

CHARACTERISTICS & ALLOCATION

As of 03/31/2022

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	58.00	499	Information Technology	38.95	46.16
Wtd Avg Market Cap (\$Mil)	814289.80	988,999.40	Consumer Discretionary	31.36	18.49
Med Cap - # Stocks (\$Mil)	103857.00	16,862.00	Communication Services	12.68	10.47
Price/Book Ratio	14.45	14.45	Health Care	7.67	8.88
Adjusted Trailing P/E Ratio	37.60	32.80	Consumer Staples	3.38	4.24
% EPS Growth - Past 3 Yr	26.40	25.50	Financials	2.81	2.47
Return on Equity (%)	28.81	32.07	Industrials	1.49	6.09
Beta vs. Fund Benchmark	1.14		Energy	0.89	0.47
Forecasted P/E Ratio	34.60	28.40	Real Estate	0.34	1.72
Proj. Earnings Growth Rate (%)	25.10	17.10	Utilities	0.00	0.03
			Materials	0.00	0.93

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Tesla Inc	9.09	4.17	Software	16.03	17.57
Amazon.com Inc.	7.22	6.58	Interactive Media	10.61	9.07
Apple Inc.	6.82	12.54	It Services	9.57	6.58
Microsoft Corporation	5.70	10.81	Automobiles	9.09	4.19
NVIDIA Corporation	4.46	3.04	Internet & Direct Market	8.49	6.91
Alphabet Inc. Class C	3.38	3.09	Tech Hardware Storage	6.82	12.73
Alphabet Inc. Class A	3.37	3.35	Semiconductors	6.53	8.53
Salesforce Inc.	2.78	0.18	Textiles Apparel & Lux	6.17	1.04
Adobe Incorporated	2.72	1.00	Hotels Rest & Leisure	3.39	2.29
Visa Inc. Class A	2.71	1.71	Specialty Retail	2.96	3.26
Total	48.25	46.47	Total	79.66	72.17

Market Capitalization		
		Portfolio %
Large	Above 25.0B	98.66
	10.0B - 25.0B	1.34
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00



Trusted Partnerships > Trusted Solutions



Performance

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	HACAX	411511504	-13.60%	-13.60%	3.41%	20.49%	20.23%	16.20%	12.54%	12/29/87	0.65	0.71
Administrative	HRCAX	411511827	-13.66%	-13.66%	3.14%	20.19%	19.93%	15.91%	12.11%	11/01/02	0.90	0.96
Investor	HCAIX	411511819	-13.68%	-13.68%	3.03%	20.05%	19.79%	15.77%	11.94%	11/01/02	1.01	1.07
Retirement	HNACX	411512528	-13.59%	-13.59%	3.49%	20.59%	20.32%	16.25%	12.56%	03/01/16	0.57	0.63
Russell 1000 [®] Growth Index			-9.04%	-9.04%	14.98%	23.60%	20.88%	17.04%	11.56%	12/29/87		
S&P 500 Index			-4.60%	-4.60%	15.65%	18.92%	15.99%	14.64%	11.25%	12/29/87		

MANAGER COMMENTARY

As of 03/31/2022

“The Fund companies have competitive advantages that, in our view, will generate durable growth over our investment time horizon. While these companies are not immune to the factors creating greater uncertainty, we believe their absolute and relative rates of profit growth should prove resilient in the current environment.”

Jennison Associates LLC

Market in Review

The investment environment at the start of 2022 was clouded by uncertainties related to COVID-19, inflation, and the prospect of slowing growth on the back of the Federal Reserve’s (Fed) plans for policy tightening. The military conflict in Ukraine added a dangerous new dimension of uncertainty in late February. The immediate reaction was a further ratcheting down of risk tolerance, as investors began to weigh the potential effects on European growth and the global ramifications of the most provocative conflict in Europe since WWII.

The Fed raised the federal funds rate for the first time since 2018 and indicated a commitment to tighten policy until inflation returns to the target range. The yield on the 10-year U.S. Treasury note finished the quarter at 2.3%—up approximately 80 basis points from year-end 2021—and a flattening yield curve suggested rising concerns about a potential recession. U.S. equities recovered strongly to end March in positive territory, though still meaningfully down meaningfully for the quarter. Higher-growth and higher-valuation companies were relatively poor performers throughout the period.

The S&P 500 Index and our benchmark, the Russell 1000[®] Growth Index, posted negative quarterly returns for the first time since the initial pandemic sell-off two years ago. The nearly 10% quarterly decline in the growth index occurred largely in January, reflecting a continuation of the market’s fourth-quarter adjustment to the Fed’s new policy-tightening roadmap. The result was further multiple compression for long-duration growth stocks in the Information Technology and Communication Services sectors, where the Harbor Capital Appreciation Fund (Institutional Class, “Fund”) had significant exposure.

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.

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. 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.



Portfolio Performance

During the first quarter of 2022, the Harbor Capital Appreciation Fund (Institutional Class) returned -13.60%, underperforming the Russell 1000® Growth Index, which returned -9.04%, and the S&P 500 Index, which returned -4.60%. All sectors in the index were negative for the period, except Energy, which surged as oil prices rose dramatically on the back of escalating events in Ukraine.

The Fund's stock selection in the Information Technology and Communication Services sectors detracted the most from relative return, but stock selection in the Consumer Discretionary sector benefited relative results.

Contributors & Detractors

CrowdStrike contributed to Fund returns during the quarter, benefiting from positive sentiment around the cybersecurity group as the frequency and severity of cyberattacks increased, and M&A started to pick up in the space.

Tesla delivered a positive return during the quarter, outperforming the benchmark significantly on the back of the long-awaited opening of its Berlin assembly plant, as well as rumors of another stock split.

Shopify declined during the quarter as investors reacted to the company confirming that its cash flow would be channeled into investments in growing the business, for the foreseeable future.

Netflix's stock price was challenged after it offered guidance for new subscribers during the first quarter that disappointed investors.

Buys & Sells

We added Broadcom to the Fund on weakness during the quarter. It rebounded strongly, following an earnings beat and expectations of continued strength in demand.

We also initiated a position in Schlumberger, one of the world's largest oil services companies, because the favorable supply-demand dynamics in the Energy sector and recent geopolitical developments are likely to lead to strong demand for Schlumberger's services, particularly from the Middle East.

We exited Block on the back of concerns around the company's growth trajectory and a deceleration in key growth areas of the business.

We sold our position in PayPal, reflecting concerns about the company's growth strategy and profitability outlook.

Outlook

The economic and geopolitical backdrop is creating significant uncertainty for policymakers and investors. The Fed's plans to raise short-term interest rates meaningfully this year and the ongoing crisis in Ukraine are contributing to elevated risk aversion and dampening expectations for global growth, since with a recession in Europe this year is now considered a real possibility. Meanwhile, the Omicron variant is forcing another round of lockdowns across China, with no clear path to near-term containment.

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. 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.



The Fund holds no Russian-listed securities. Revenues from Europe, however, are important to the global companies in the Fund, and we are monitoring trends there on a company-by-company basis.

The U.S. economy remains healthy and should continue to generate stronger growth than other developed regions. However, with interest rates moving higher to combat persistent inflationary pressures, the pace of U.S. growth is set to moderate. Our forecast for 2022 suggests a meaningful moderation in U.S. profit growth following last year's dynamic rebound from the worst effects of the pandemic. We also anticipate a passing of the baton from outsized demand for goods to services, particularly travel and leisure spending.

The Fund companies have competitive advantages that, in our view, will generate durable growth over our investment time horizon. While the companies are not immune to the factors creating greater uncertainty, we believe their absolute and relative rates of profit growth should prove resilient in the current environment. Fundamentally, we are seeing little impact from higher interest rates and the conflict in Ukraine beyond what has been factored into our expectations, and we have consequently made few adjustments to positions. We acknowledge that elevated uncertainty, while weighing on valuations in the short term, can also have real effects on growth prospects over the longer term, and we will continue to adjust as needed, based on our fundamental analysis.

QUARTERLY ATTRIBUTION

As of 03/31/2022

Best & Worst Performers

Best Performers	Average Weight %	Return %
CrowdStrike Holdings Inc. Class A	1.30	10.91
Broadcom Inc.	0.71	6.96
Marriott International Inc. Class A	0.96	6.36
Eli Lilly and Company	1.88	4.11
Airbnb Inc. Class A	1.37	3.17

Worst Performers	Average Weight %	Return %
Roblox Corp. Class A	0.56	-55.18
Shopify Inc. Class A	2.49	-50.92
Netflix Inc.	2.22	-37.82
Twilio Inc. Class A	0.58	-37.42
PayPal Holdings Inc.	0.38	-34.09

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
CrowdStrike Holdings Inc. Class A	10.91	0.24
Tesla Inc	1.97	0.16
Broadcom Inc.	6.96	0.12
Eli Lilly and Company	4.11	0.11
Costco Wholesale Corporation	1.59	0.08
Total		0.71

Greatest Detractors	Return %	Contribution to Return %
Shopify Inc. Class A	-50.92	-2.09
Netflix Inc.	-37.82	-1.25
Meta Platforms Inc. Class A	-33.89	-0.74
Adobe Incorporated	-19.65	-0.60
Estee Lauder Companies Inc. Class A	-26.29	-0.58
Total		-5.26

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Quarterly Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-13.34	-9.04	-4.30
Currency Contribution	-0.10	0.00	-0.10
Total Return	-13.44	-9.04	-4.40

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	30.12	18.30	11.82	-6.52	-8.86	2.34	-1.88	-1.69	0.02	0.68	0.69
Materials	0.00	0.98	-0.98	0.00	-16.99	16.99	0.00	-0.19	0.08	0.00	0.08
Real Estate	0.01	1.71	-1.70	4.37	-10.95	15.32	0.01	-0.19	0.04	0.00	0.04
Health Care	6.25	8.72	-2.47	-7.36	-7.52	0.16	-0.09	-0.57	-0.05	0.06	0.00
Utilities	0.00	0.03	-0.03	0.00	-4.17	4.17	0.00	0.00	0.00	0.00	0.00
Energy	0.20	0.41	-0.21	-2.94	37.33	-40.27	-0.03	0.12	-0.15	-0.05	-0.20
Financials	2.67	2.47	0.20	-15.47	-4.97	-10.50	-0.40	-0.11	-0.01	-0.27	-0.28
Industrials	1.59	6.11	-4.52	-14.91	-3.33	-11.58	-0.30	-0.19	-0.22	-0.21	-0.43
Consumer Staples	3.45	4.23	-0.78	-14.52	-2.49	-12.03	-0.50	-0.11	-0.04	-0.41	-0.45
Communication Services	13.93	11.00	2.93	-20.41	-17.29	-3.12	-3.36	-2.14	-0.24	-0.56	-0.81
Information Technology	41.23	46.02	-4.79	-16.06	-8.88	-7.18	-6.90	-3.97	-0.01	-3.04	-3.06
Total	100.00	100.00	0.00	-13.44	-9.04	-4.40	-13.44	-9.04	-0.59	-3.81	-4.40

Trailing 1 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	4.56	14.98	-10.42
Currency Contribution	-0.30	0.00	-0.30
Total Return	4.26	14.98	-10.72

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	27.73	17.86	9.87	14.38	8.96	5.42	2.91	1.44	-0.66	1.53	0.87
Health Care	5.06	9.99	-4.93	23.23	12.71	10.52	1.06	1.73	0.12	0.55	0.67
Materials	0.00	0.95	-0.95	0.00	-1.39	1.39	0.00	-0.03	0.15	0.00	0.15
Consumer Staples	3.28	4.05	-0.77	20.14	17.68	2.46	0.47	0.61	0.04	0.05	0.09
Real Estate	0.00	1.76	-1.76	4.37	12.65	-8.28	0.01	0.24	0.06	0.00	0.06
Utilities	0.00	0.02	-0.02	0.00	7.35	-7.35	0.00	0.00	0.00	0.00	0.00
Energy	0.05	0.28	-0.23	-2.94	76.72	-79.66	-0.03	0.16	-0.17	-0.06	-0.22
Financials	1.77	2.32	-0.55	8.08	20.24	-12.16	-0.12	0.41	-0.06	-0.31	-0.37
Industrials	2.35	5.70	-3.35	-28.67	8.40	-37.07	-0.69	0.41	0.18	-1.29	-1.11
Communication Services	16.19	12.00	4.19	-9.64	0.77	-10.41	-1.06	0.49	-0.45	-2.00	-2.45
Information Technology	43.25	45.06	-1.81	2.78	22.36	-19.58	1.69	9.50	-0.11	-8.22	-8.34
Total	100.00	100.00	0.00	4.26	14.98	-10.72	4.26	14.98	-0.97	-9.75	-10.72



Trailing 3 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	79.18	88.83	-9.65
Currency Contribution	-0.34	0.00	-0.34
Total Return	78.84	88.83	-9.99

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	24.27	16.12	8.15	158.93	95.04	63.89	28.25	15.08	0.06	13.30	13.36
Consumer Staples	3.63	4.55	-0.92	87.23	52.42	34.81	2.52	2.42	0.53	1.24	1.78
Real Estate	0.54	2.04	-1.50	27.28	40.31	-13.03	0.36	0.84	0.67	0.03	0.70
Materials	0.00	1.12	-1.12	0.00	39.43	-39.43	0.00	0.51	0.56	0.00	0.56
Utilities	0.00	0.01	-0.01	0.00	31.69	-31.69	0.00	0.01	0.00	0.00	0.00
Energy	0.02	0.25	-0.23	-2.94	64.07	-67.01	-0.03	-0.03	0.07	-0.10	-0.02
Financials	1.94	2.67	-0.73	50.06	63.21	-13.15	1.11	1.85	-0.19	-0.29	-0.49
Health Care	7.72	12.66	-4.94	32.43	54.71	-22.28	3.08	8.65	1.11	-2.25	-1.14
Industrials	3.89	6.98	-3.09	-26.12	31.39	-57.51	-3.17	0.90	2.51	-4.77	-2.26
Communication Services	15.38	11.75	3.63	40.25	72.74	-32.49	7.54	9.44	-0.34	-7.08	-7.42
Information Technology	42.13	41.85	0.28	93.08	132.93	-39.85	39.14	49.15	0.42	-15.17	-14.75
Total	100.00	100.00	0.00	78.84	88.83	-9.99	78.84	88.83	5.10	-15.09	-9.99

Trailing 5 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	159.90	158.14	1.76
Currency Contribution	-0.09	0.00	-0.09
Total Return	159.81	158.14	1.67

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	22.95	15.61	7.34	270.78	182.05	88.73	45.15	26.80	0.58	19.19	19.77
Consumer Staples	3.68	5.35	-1.67	194.64	74.89	119.75	5.75	4.07	2.36	4.65	7.01
Real Estate	0.61	2.19	-1.58	71.86	86.21	-14.35	1.23	2.33	1.18	0.39	1.56
Materials	0.36	1.83	-1.47	-21.88	59.10	-80.98	-0.43	1.80	1.85	-0.92	0.93
Utilities	0.00	0.01	-0.01	0.00	140.71	-140.71	0.00	0.02	0.00	0.00	0.00
Industrials	4.75	8.98	-4.23	17.07	72.35	-55.28	2.10	8.19	3.71	-4.27	-0.56
Energy	0.47	0.47	0.00	-21.99	35.18	-57.17	-0.87	-0.28	-0.92	0.00	-0.92
Financials	2.66	3.12	-0.46	61.90	116.71	-54.81	1.29	4.02	-0.30	-2.85	-3.15
Communication Services	16.31	12.39	3.92	101.02	106.48	-5.46	23.76	16.04	-2.26	-0.94	-3.20
Health Care	9.07	13.05	-3.98	47.98	100.26	-52.28	3.95	16.95	0.99	-8.03	-7.04
Information Technology	38.55	37.00	1.55	238.90	269.19	-30.29	77.80	78.19	1.69	-13.06	-11.37
Total	100.00	100.00	0.00	159.81	158.14	1.67	159.81	158.14	7.51	-5.84	1.67

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. At times, a growth investing style may be out of favor with investors which could cause growth securities to underperform value or other equity securities. 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.

Disclosures

The Russell 1000[®] Growth Index is an unmanaged index generally representative of the U.S. market for larger capitalization growth stocks. The Standard & Poor's 500 Index is an unmanaged index generally representative of the U.S. market for large capitalization equities. These unmanaged indices do not reflect fees and expenses and are not available for direct investment. The Russell 1000[®] Growth Index and Russell[®] are trademarks of Frank Russell Company.

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 management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2023.

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.

Beta is a rolling three year, unless the Fund has a track record of less than three years, in which case it is a rolling one year.

The mean/median long term growth rate for Projected Earnings Growth Rate is the expected growth over the next 3-5 years calculated by FactSet from data provided by brokers. The Adjusted Trailing P/E (Price/Earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS. The Forecast P/E Ratio is the closing stock price divided by the sum of the next 4 quarters estimated EPS. All P/E, ROE and P/B statistics are calculated as weighted medians.

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 subadviser 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.

The views expressed herein may not be reflective of current opinions, are subject to change without prior notice, and should not be considered investment advice.

This information should not be considered as a recommendation to purchase or sell a particular security. The weightings, holdings, industries, sectors, countries, and returns mentioned may change at any time and may not represent current or future investments.

As a result of changing market conditions, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

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

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

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

Jennison Associates LLC is an independent subadviser to the Harbor Capital Appreciation Fund and CIT.

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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.