Harbor Mid Cap Value Fund

Quarterly Commentary & Attribution

Subadvisor (since 09/01/2004):

LSV Asset Management

Portfolio Manager(s):

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Benchmark 1 Name: Russell Midcap® Value Index

Investment Philosophy:

The Harbor Mid Cap Value Fund invests primarily in common stocks of mid-cap companies that are believed to be undervalued in the marketplace at the time of purchase. The investment strategy uses a quantitative model to evaluate and recommend companies based on the following indicators: fundamental undervaluation, such as low price-to-cash flow ratio or low price-to-earnings ratio; past negative market sentiment; recent momentum, such as high recent stock price performance; and control of incremental risk relative to the benchmark index.

Harbor Mid 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	HAMVX	411511835	13.99%	19.42%	35.41%	19.31%	12.12%	10.95%	8.88%	03/01/02	0.85	0.90
Investor	HIMVX	411511736	13.89%	19.18%	34.89%	18.88%	11.72%	10.55%	9.62%	11/01/02	1.19	1.24
Retirement	HNMVX	411512460	14.00%	19.44%	35.46%	19.38%	12.20%	11.03%	8.91%	03/01/16	0.77	0.82
Russell Midcap® Value Index			13.40%	17.58%	26.62%	16.51%	9.48%	10.63%	10.10%	03/01/02		

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

“While Information Technology stocks led across all market-cap segments, a notable development in U.S. markets was the evolution in market leadership within the Information Technology sector.”

LSV Asset Management

Market in Review

Global equities rallied sharply in the second quarter of 2026, with risk appetite reasserting itself against an uneven macro backdrop. In the U.S., the S&P 500 returned 15.2%, its strongest quarter since the spring of 2020. The rebound reversed a first quarter drawdown and was driven, once again, by the Artificial Intelligence capital spending cycle, although with a notably different set of companies than in prior years, as hardware decisively displaced software as the engine of returns.

Beneath the headline strength, leadership shifted meaningfully as the quarter progressed, broadening toward semiconductors, smaller-cap stocks, and more cyclical areas of the market. That broadening was most visible across the capitalization spectrum: small caps outpaced large caps by a wide margin, with the Russell 2000® up 21.5% versus 15.1% for the Russell 1000®. The rotation was also stark within style, as the small-growth cohort swung from a roughly 2% loss in the first quarter to a gain of more than 24% in the second, as the AI trade extended beyond the largest names. Within large caps, growth led value for the quarter, with the Russell 1000 Growth® Index up 16.7% versus 13.9% for the Russell 1000 Value® Index. Mid-cap stocks rallied but slightly lagged large-cap stocks in the second quarter. Value stocks (as measured by the Russell indexes) lagged growth stocks across all market-cap ranges.

Sector results were unusually concentrated. Information Technology rose roughly 33%, contributing more than 10% to the S&P 500's quarterly return. The move was tied less to a generic growth rally than to the AI infrastructure buildout spanning semiconductors, memory, and data center hardware. Energy was the lone detractor, falling roughly 13% as crude oil retreated sharply following de-escalation of the Iran conflict, a near-complete reversal from the first quarter.

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 management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (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 Mid Cap Value Fund

MANAGER COMMENTARY

As of 06/30/2026

Portfolio Performance

During the second quarter, the Harbor Mid Cap Value Fund (Institutional Class, "Fund") returned 13.99%, outperforming its benchmark, the Russell Midcap® Value Index, which returned 13.40%.

Among mid-cap stocks, value lagged growth during the quarter, and stocks that were cheap on cash flow and earnings — the two most important indicators in our model — lagged significantly. While value stocks' underperformance was a headwind given our value discipline, we were still able to outperform the benchmark with strong stock selection.

From a sector perspective, the Fund's underweight to Information Technology had a negative impact on relative results. Stock selection added value in several sectors, particularly Consumer Discretionary, Real Estate, and Financials. This was somewhat offset by not holding expensive names in Information Technology.

Contributors & Detractors

The top contributors in the second quarter included three Information Technology holdings: TD Synnex, Arrow Electronics, and Hewlett Packard Enterprise, as well as Garrett Motion in the Consumer Discretionary sector and State Street in Financials.

Garrett Motion was up nearly 100% after a strong first quarter earnings report significantly exceeded analysts' expectations and provided improved guidance going forward. The company has continued to generate good cash flow and buys back stock aggressively.

State Street advanced due to a strong earnings report highlighting increases in fee-based revenues, expanding assets under management and assets under custody/administration. The company increased its dividend and continued to buy back shares, which pleased investors. We trimmed our exposure.

TD Synnex was up more than 50%, benefiting from surging demand for AI infrastructure and cloud computing. The company reported strong earnings and easily beat analysts' consensus. Management also came out with increased guidance for the coming quarters.

Arrow Electronics was also up nearly 50% in the quarter, benefiting from the buildout of AI infrastructure. Arrow reported first quarter earnings well in excess of expectations and announced a sizeable new share repurchase program totaling nearly 10% of outstanding shares.

Hewlett Packard Enterprise was up nearly 90% due to surging AI server demand and a successful integration of its Juniper Networks acquisition. The company reported record revenue with earnings per share significantly beating estimates.

The top detractors included three Information Technology names that we either did not hold or were underweight that rallied during the quarter — Western Digital, Corning, and Flex. All benefited from the demand for AI infrastructure and data centers. Western Digital was a Fund holding but was sold in the second quarter; Flex was sold in the first quarter. Other detractors were Kroger in the Consumer Staples sector and Matador Resources in the Energy sector. Kroger was down more than 20% as slowing same-store sales and inflation weighed on the stock. Competition from lower cost providers has forced Kroger to reduce prices to maintain market share. Matador Resources fell 20%. Analysts downgraded the stock during the quarter as natural gas prices fell and costs increased, squeezing margins.

Harbor Mid Cap Value Fund

MANAGER COMMENTARY

As of 06/30/2026

Buys & Sells

We initiated a position in Fortune Brands Innovations, a manufacturer of home and security products in the Industrials sector. The company ranks high on many cash flow measures, particularly on free cash flow indicators and pays a dividend of just over 2%, which is near median in the universe. Past performance has been relatively weak, which is a positive indicator in our model, and recent price momentum has been improving, particularly over the past three months. Several indicators of operating momentum are also attractive, particularly increases in gross margins. We have an underweight to Industrials, and with the stock ranking high, the company was an attractive addition to the Fund.

We added to our position in Regeneron Pharmaceuticals, a biotech company in the Health Care sector. The stock ranks high on multiple cash flow and forecasted earnings measures — two of our most important measures of valuation. While the company pays a below-average dividend, Regeneron has been buying back stock, which we view positively. Price momentum over the past 12 months has been strong. In addition, several indicators of operating momentum also are attractive with improving operating margins and growth in sales. Overall, the stock ranks in the top 10% in our stock-ranking universe, which led to the second quarter purchase.

We sold our position in Western Digital in the Information Technology sector. Western Digital has been one of the stock market darlings over the past year, as the company has benefited from the surging demand for hard disk drives to support the AI buildout. While positive momentum kept the stock in our hold range for some time, the earnings and cash flow did not keep pace with the stock price, and the stock became less attractive from a valuation perspective. The overall rank fell out of the hold range in the second quarter and the stock was sold.

We trimmed our position in Cummins in the Industrials sector. Cummins has done well in recent years and has been a top performer in the Industrials sector. While we continue to hold the stock, the ranking has deteriorated as earnings and cash flow have not kept pace with price increases. However, strong momentum scores have helped keep the stock in the hold range even though valuation scores have deteriorated. Given the stock’s run-up, we trimmed our position in the second quarter.

Sector Underweights & Overweights

The Fund’s largest overweights relative to the value benchmark continue to be in the Consumer Discretionary and Financials sectors. Within the Consumer Discretionary sector, the Fund is overweight homebuilders, automotive parts, automotive retail, and broadline retail. Among Financials, the Fund is overweight consumer finance; commercial and residential mortgage finance; asset management and custody banks; regional banks; and property and casualty insurance. The most significant underweights relative to the value benchmark are to Materials, Industrials, Utilities, and Real Estate.

Outlook

U.S. equity markets rallied in the second quarter with a broadening of performance to mid- and small-cap stocks. While Information Technology stocks led across all market-cap segments, a notable development in U.S. markets was the evolution in market leadership within the Information Technology sector. For much of the past several years, equity returns in the U.S. were primarily driven by a relatively small group of mega-cap technology companies. Rather than concentrating on the largest AI-platform companies, investors increasingly rewarded businesses benefiting from the broader AI investment cycle, including semiconductor manufacturers, memory producers, networking companies, industrial suppliers, and power-related businesses.

While mid- and smaller-cap stocks have done well thus far in 2026, we still find the largest U.S. companies expensive while small- and mid-cap stocks remain relatively attractive. The Fund has produced strong absolute and relative performance in the recent past and remains attractively priced relative to the benchmark, trading at 10.6x forward earnings compared to more than 16x earnings for the value benchmark. The Fund’s holdings are quality, profitable companies that generate cash, pay dividends, and repurchase shares. The Fund has a stronger quality profile than traditional value indices and is comparable to core indices. Although uncertainty surrounding economic growth, monetary and fiscal policy, and geopolitical tension remains, our investment philosophy is unchanged, and we remain committed to our disciplined value investment approach.

Harbor Mid Cap Value Fund

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %	Benchmark 1 %
State Street Corporatio	1.92	0.45
Jazz Pharmaceuticals	1.59	0.14
Sandisk Corporation	1.37	0.00
Citizens Financial Group	1.31	0.29
Toll Brothers Inc.	1.27	0.15
PulteGroup Inc.	1.26	0.25
Textron Inc.	1.26	0.16
TD SYNNEX Corporation	1.16	0.20
Incyte Corporation	1.13	0.18
Arrow Electronics Inc.	1.11	0.11
Total	**13.38**	**1.93**

QUARTERLY ATTRIBUTION

As of 06/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return %
SANDISK CORP	1.67	257.88
ORGANON & CO	0.26	126.38
GARRETT MOTION INC	0.67	99.91
CENTENE CORP	0.31	96.06
AMKOR TECHNOLOGY INC	0.40	91.71

Worst Performers	Average Weight %	Gross Return %
DEL MONTE CORP	0.31	-30.03
HUNTINGTON INGALLS INDUSTRIE	0.51	-26.00
GENPACT LTD	0.27	-25.74
KROGER CO	1.22	-22.85
APA CORP	0.81	-22.75

Contributors & Detractors

Greatest Contributors	Gross Return %	Contribution to Return %
SANDISK CORP	257.88	2.30
STATE STREET CORP	34.89	0.59
HEWLETT PACKARD ENTERPRISE	90.02	0.56
TD SYNNEX CORP	58.83	0.50
GARRETT MOTION INC	99.91	0.46
Total		**4.41**

Greatest Detractors	Gross Return %	Contribution to Return %
KROGER CO	-22.85	-0.32
APA CORP	-22.75	-0.22
MATADOR RESOURCES CO	-20.68	-0.20
HUNTINGTON INGALLS INDUSTRIE	-26.00	-0.15
CF INDUSTRIES HOLDINGS INC	-16.29	-0.15
Total		**-1.03**

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 Mid Cap Value Fund

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor Mid Cap Value Fund vs Russell Midcap® Value Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	14.55	13.41	1.14
Currency Contribution	0.00	0.00	0.00
Total Return	**14.55**	**13.41**	**1.14**

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
Real Estate	5.25	8.21	-2.95	23.75	9.29	14.46	1.19	0.79	0.15	0.75	0.90
Financials	20.22	14.97	5.25	15.30	11.13	4.17	3.17	1.68	-0.03	0.87	0.84
Consumer Discretionary	12.35	7.64	4.70	16.61	9.65	6.95	2.02	0.76	-0.16	0.86	0.70
Utilities	3.04	6.89	-3.85	-3.08	0.75	-3.83	-0.10	0.04	0.56	-0.14	0.42
Materials	4.38	6.48	-2.10	3.97	0.82	3.15	0.16	0.08	0.29	0.11	0.41
Health Care	9.39	7.51	1.88	18.83	17.84	0.98	1.70	1.28	0.13	0.07	0.19
Industrials	13.67	17.31	-3.64	15.18	13.97	1.22	2.07	2.39	-0.02	0.17	0.15
Energy	7.88	7.59	0.29	-6.80	-8.11	1.31	-0.54	-0.66	-0.06	0.15	0.09
Communication Services	2.84	3.00	-0.16	3.46	1.72	1.75	0.11	0.06	0.02	0.05	0.07
Consumer Staples	7.19	5.04	2.15	-7.47	0.01	-7.49	-0.58	-0.01	-0.29	-0.64	-0.93
Information Technology	12.41	15.36	-2.95	49.02	58.69	-9.67	5.34	7.00	-0.53	-0.95	-1.48
Total	**100.00**	**100.00**	**0.00**	**14.55**	**13.41**	**1.14**	**14.55**	**13.41**	**-0.16**	**1.30**	**1.14**

Trailing 1 Year Attribution:
Harbor Mid Cap Value Fund vs Russell Midcap® Value Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	37.02	26.63	10.39
Currency Contribution	0.00	0.00	0.00
Total Return	**37.02**	**26.63**	**10.39**

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	20.59	16.28	4.31	26.15	8.63	17.52	5.77	1.55	-0.71	4.06	3.36
Real Estate	5.49	8.73	-3.24	25.58	5.05	20.53	1.30	0.40	0.84	1.29	2.13
Health Care	8.96	7.79	1.17	45.51	26.25	19.25	3.99	2.03	0.18	1.66	1.84
Consumer Discretionary	13.26	8.27	4.98	29.16	13.79	15.37	4.25	1.32	-0.63	2.21	1.58
Energy	6.71	7.02	-0.31	53.04	32.66	20.38	3.41	2.28	0.03	1.20	1.23
Industrials	14.28	17.60	-3.32	34.14	26.52	7.61	4.91	4.66	0.02	1.08	1.09
Information Technology	11.65	11.75	-0.11	144.45	126.14	18.31	12.34	11.30	-0.34	1.06	0.72
Communication Services	3.85	3.22	0.63	8.70	9.83	-1.13	0.67	0.37	0.09	-0.03	0.06
Utilities	2.84	7.10	-4.26	8.07	18.85	-10.78	0.26	1.38	0.41	-0.37	0.04
Materials	3.66	6.54	-2.88	13.18	19.86	-6.68	0.58	1.39	0.19	-0.20	0.00
Consumer Staples	7.45	5.70	1.76	-7.47	-0.48	-6.99	-0.53	-0.05	-0.60	-0.68	-1.29
Total	**100.00**	**100.00**	**0.00**	**37.02**	**26.63**	**10.39**	**37.02**	**26.63**	**-0.88**	**11.27**	**10.39**

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

Harbor Mid Cap Value Fund

ATTRIBUTION

As of 06/30/2026

Trailing 3 Year Attribution:
Harbor Mid Cap Value Fund vs Russell Midcap® Value Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	75.15	58.08	17.07
Currency Contribution	0.00	0.00	0.00
Total Return	**75.15**	**58.08**	**17.07**

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	21.11	17.16	3.95	113.61	78.83	34.78	22.86	13.97	0.69	6.30	6.99
Utilities	3.40	7.23	-3.83	342.59	60.88	281.72	8.45	4.33	0.17	6.30	6.48
Health Care	8.83	7.66	1.17	66.00	7.90	58.11	5.94	0.32	-0.52	6.37	5.85
Real Estate	5.47	9.61	-4.14	48.31	23.77	24.55	3.31	2.70	1.46	1.95	3.41
Materials	4.35	6.90	-2.56	3.33	18.03	-14.70	0.13	1.39	1.21	-0.59	0.62
Communication Services	2.77	3.20	-0.43	47.56	28.82	18.73	1.42	1.03	0.29	0.29	0.57
Consumer Discretionary	13.57	8.90	4.67	40.41	32.25	8.16	6.58	3.27	-1.30	1.41	0.10
Information Technology	10.40	10.17	0.24	171.81	177.40	-5.59	14.30	13.96	-0.29	-0.14	-0.43
Energy	5.54	6.09	-0.55	56.29	81.89	-25.60	3.61	4.62	-0.12	-0.97	-1.09
Consumer Staples	7.57	5.12	2.45	-4.98	-4.88	-0.10	-0.48	-0.35	-2.01	-0.17	-2.18
Industrials	15.89	17.97	-2.07	56.46	70.61	-14.15	8.83	12.86	-0.18	-2.52	-2.70
Total	**100.00**	**100.00**	**0.00**	**75.15**	**58.08**	**17.07**	**75.15**	**58.08**	**-1.16**	**18.23**	**17.07**

Trailing 5 Year Attribution:
Harbor Mid Cap Value Fund vs Russell Midcap® Value Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	86.05	57.24	28.81
Currency Contribution	0.00	0.00	0.00
Total Return	**86.05**	**57.24**	**28.81**

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	21.28	17.41	3.87	112.97	61.35	51.62	23.11	11.24	0.35	10.18	10.53
Health Care	8.14	7.59	0.56	85.11	-0.66	85.77	7.95	-0.26	-0.53	9.03	8.50
Utilities	3.58	7.60	-4.03	370.26	78.61	291.65	8.71	5.19	-0.47	6.32	5.85
Consumer Discretionary	14.10	9.28	4.83	44.22	18.67	25.55	7.33	2.03	-2.37	4.79	2.42
Real Estate	6.07	10.28	-4.21	12.48	13.75	-1.28	-0.33	1.04	2.22	-0.08	2.13
Information Technology	10.34	9.68	0.66	192.81	157.74	35.06	16.10	13.18	-0.25	2.31	2.06
Communication Services	2.73	3.33	-0.61	0.30	-15.78	16.08	-0.57	-1.40	0.92	0.44	1.36
Materials	5.88	7.12	-1.23	7.28	25.99	-18.71	0.46	1.97	1.48	-0.89	0.58
Consumer Staples	7.76	4.92	2.84	16.41	5.53	10.88	2.48	0.26	-1.58	1.07	-0.50
Industrials	14.34	16.90	-2.56	94.47	89.61	4.86	14.24	16.21	-0.60	-0.74	-1.34
Energy	4.80	5.90	-1.10	175.77	180.70	-4.93	6.30	7.77	-2.57	-0.45	-3.02
Total	**100.00**	**100.00**	**0.00**	**86.05**	**57.24**	**28.81**	**86.05**	**57.24**	**-3.15**	**31.96**	**28.81**

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

Harbor Mid Cap Value Fund

IMPORTANT INFORMATION

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. The value of securities selected using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as a whole or securities selected using only fundamental analysis. The factors used in quantitative analysis and the weight placed on those factors may not be predictive of a security's value. In addition, any model may contain flaws or the model may not perform as anticipated. Stocks of mid cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

Benchmarks

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

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 Mid Cap Value Fund

IMPORTANT INFORMATION

Attribution Disclosures

Attribution results are calculated by Harbor Capital based on fund holdings data obtained from State Street Bank and Trust Company and return data sourced from MSCI Inc. Where MSCI return data is unavailable, FactSet data is used as a substitute. Benchmark holdings are sourced from the respective index provider. Attribution results are based on end-of-day portfolio positions and calculated gross of any fees and expenses.

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.