

Harbor Capital Appreciation Fund

Jennison Associates LLC

Subadvisor Since 05/01/1990

Total Net Assets - All Classes \$21,153,120,826
Equity Assets: 98.83%
Cash & Other Assets Less Liabilities: 1.17%
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 09/30/2022

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	57	518	Information Technology	33.84	42.70
Wtd Avg Market Cap (\$Mil)	608,905.10	707,919.40	Consumer Discretionary	31.23	16.99
Med Cap - # Stocks (\$Mil)	100,212.00	13,430.00	Health Care	12.61	12.15
Price/Book Ratio	10.48	10.44	Communication Services	9.01	7.57
Adjusted Trailing P/E Ratio	28.80	24.10	Consumer Staples	4.04	5.67
% EPS Growth - Past 3 Yr	24.90	23.00	Financials	3.28	3.03
Return on Equity (%)	28.81	32.07	Industrials	2.20	7.20
Beta vs. Fund Benchmark	1.12		Real Estate	1.36	1.61
Forecasted P/E Ratio	26.90	22.90	Energy	1.26	1.56
Proj. Earnings Growth Rate (%)	24.50	17.30	Utilities	0.00	0.05
			Materials	0.00	1.35

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
Tesla Inc	9.58	3.98	Software	12.85	16.13
Apple Inc.	7.19	12.47	Automobiles	10.10	4.02
Amazon.com Inc.	7.14	5.93	Internet & Direct Market	8.58	6.09
Microsoft Corporation	5.89	10.28	It Services	8.46	6.69
Eli Lilly and Company	3.45	1.31	Tech Hardware Storage	7.19	12.68
Visa Inc. Class A	3.25	1.73	Interactive Media	6.83	6.36
Alphabet Inc. Class A	2.96	2.95	Semiconductors	5.34	6.47
Alphabet Inc. Class C	2.87	2.67	Textiles Apparel & Lux	4.68	0.83
NVIDIA Corporation	2.60	1.73	Pharmaceuticals	4.68	2.28
UnitedHealth Group Inco	2.55	2.54	Specialty Retail	3.99	2.89
Total	47.48	45.59	Total	72.70	64.44

Market Capitalization		
		Portfolio %
Large	Above 25.0B	98.82
	10.0B - 25.0B	1.18
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00



Trusted Partnerships > Trusted Solutions



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	HACAX	411511504	-1.80%	-36.78%	-33.62%	8.27%	9.81%	12.81%	11.35%	12/29/87	0.65	0.71
Administrative	HRCAX	411511827	-1.88%	-36.90%	-33.79%	8.00%	9.54%	12.53%	10.04%	11/01/02	0.90	0.96
Investor	HCAIX	411511819	-1.90%	-36.95%	-33.85%	7.88%	9.41%	12.40%	9.88%	11/01/02	1.01	1.07
Retirement	HNACX	411512528	-1.80%	-36.75%	-33.57%	8.36%	9.90%	12.86%	11.36%	03/01/16	0.57	0.63
Russell 1000® Growth Index			-3.60%	-30.66%	-22.59%	10.67%	12.17%	13.70%	10.52%	12/29/87		
S&P 500 Index			-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	10.36%	12/29/87		

MANAGER COMMENTARY

As of 09/30/2022

“Uncertainty about economic growth remains high, and the Fed is facing a delicate balancing act to tighten in a slowing economy and orchestrate a soft landing.”

Jennison Associates, LLC

Market in Review

Major stock indices erased their summer recoveries to close the third quarter of 2022 at fresh 2022 lows, with year-to-date declines of just over 25% in the S&P 500 Index and more than 30% in the Russell 1000® Growth Index. Interest rates continued to move higher, following the third, successive 0.75% increase in the Federal Reserve’s (“Fed”) funds rate in mid-September. The 10-year U.S. Treasury yield closed at 3.83%, an increase of nearly 1.0% for the quarter, which, combined with declining growth outlooks across the globe, drove further gains in the U.S. dollar against other major currencies.

Fed officials reiterated their commitment to fighting inflation and dashed the hopes of near-term policy moderation. This realization may accelerate the restoration of a degree of market equilibrium. That said, uncertainty about the near-term path of the economy remains elevated—and tightening into a slowdown complicates the Fed’s attempt to orchestrate a soft landing. However, Fed officials have stressed the need to maintain credibility, so an economic slowdown may be a price that policymakers are willing to pay.

Share price declines, year to date, reflect a combination of an increase in risk aversion and lower price/earnings ratios in the face of higher interest rates. Slowing growth and a possible recession are now challenging revenue estimates and profit margin assumptions. Our continued focus on the fundamental growth prospects for the Harbor Capital Appreciation Fund (Institutional Class, “Fund”) holdings requires an understanding of the difficulties and uncertainty created by the macroeconomic environment. We have reduced earnings forecasts for a number of our holdings in the past few months, reflecting slower growth and due to U.S. dollar strength.

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 02/28/2023.

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 third quarter, the Harbor Capital Appreciation Fund (Institutional Class) returned -1.80%, outperforming its benchmarks, the Russell 1000[®] Growth Index, which returned -3.60%, and the S&P 500 Index, which returned -4.88%.

Among the benchmark's largest sectors, Consumer Discretionary posted a solid gain during the period, while Communication Services, Information Technology, and Health Care underperformed the overall benchmark.

Stock selection in the Consumer Discretionary, Health Care, and Industrials sectors—along with an overweight allocation to Consumer Discretionary—contributed the most to relative results. Stock selection in the Information Technology sector detracted from relative results.

Contributors & Detractors

Tesla's strong third-quarter performance was driven by strong demand and a solid second-quarter earnings report, along with record production in August and September, following the lifting of the COVID-19 shutdown at its Shanghai plant.

Uber's strong quarterly performance was driven by the return to offices, resilient price increases, continued revenue expansion for Uber Eats, and increased advertising on its platform app.

Salesforce underperformed during the quarter, in part due to investor skepticism that its recently stated margin and revenue goals for fiscal year 2026 will be attainable in the current economic environment.

Estée Lauder shares were under pressure during the quarter over concerns about its exposure to China and following slightly disappointing guidance released in September.

Buys & Sells

During the quarter, we added Netflix to the Fund as the company developed plans to offer a lower-priced monthly subscription option, which will include more advertising, and monetize nearly 100 million nonpaying subscribers who have been using shared passwords.

We sold Snap as the company faced revenue pressures from Apple's privacy changes and the slowing economy, which led to disappointing earnings reports and lower guidance.

Outlook

The Fed continues to tighten policy to combat inflation. Uncertainty about economic growth remains high, and the Fed is facing a delicate balancing act to tighten in a slowing economy and orchestrate a soft landing. The Fed's inflation fight has been joined by central banks around the world. Tighter domestic liquidity in many economies and the pain caused by the U.S. dollar's surge further cloud the global outlook.

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Growth is set to decelerate across Europe, heading into a winter that will likely feature industrial shutdowns, fuel rationing, and lowered thermostats to offset the loss of Russian gas. Russia's move to formally annex Eastern Ukrainian territory leaves seemingly little room for a near-term resolution of the conflict and continues to depress sentiment. China is still coming to terms with the impacts of its "zero-COVID-19" policy, and more lockdowns cannot be ruled out. Policymakers have taken initial steps to alleviate the effects of a mortgage crisis that has embroiled the domestic real estate market, including interest rate reductions, to alleviate interest burdens and resuscitate activity.

Most economic slowdowns and recessions in the modern era occurred under different circumstances than those confronting investors today. But their aftermaths have generally seen large-cap growth companies generating fundamental outperformance for reasons of innovation, leadership in large and growing addressable markets, and financial stability. We see much to be optimistic about from this perspective and in the context of our multiyear investment horizon. Greater clarity on some of the macroeconomic and geopolitical challenges investors face may be necessary before superior fundamentals reassert themselves and share price leadership is reestablished.

QUARTERLY ATTRIBUTION

As of 09/30/2022

Best & Worst Performers

Best Performers	Average Weight %	Return %
Trade Desk Inc. Class A	0.85	42.64
MercadoLibre Inc.	1.17	29.98
Uber Technologies Inc.	1.54	29.52
ZoomInfo Technologies Inc	0.47	25.33
Snowflake Inc. Class A	1.14	22.22

Worst Performers	Average Weight %	Return %
Adobe Incorporated	1.71	-24.82
NVIDIA Corporation	2.90	-19.90
NIKE Inc. Class B	1.23	-18.43
American Tower Corporation	1.45	-16.00
Meta Platforms Inc. Class A	0.69	-15.86

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Tesla Inc	18.17	1.09
Amazon.com Inc.	6.39	0.34
Uber Technologies Inc.	29.52	0.23
Trade Desk Inc. Class A	42.64	0.22
MercadoLibre Inc.	29.98	0.21
Total		2.09

Greatest Detractors	Return %	Contribution to Return %
Microsoft Corporation	-9.12	-0.48
NVIDIA Corporation	-19.90	-0.48
Alphabet Inc. Class A	-12.22	-0.33
Adobe Incorporated	-24.82	-0.32
Alphabet Inc. Class C	-12.09	-0.31
Total		-1.92

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.

Quarterly Attribution:
Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-1.18	-3.60	2.42
Currency Contribution	-0.25	0.00	-0.25
Total Return	-1.43	-3.60	2.17

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	29.86	16.67	13.19	9.17	6.12	3.05	2.04	0.69	1.21	0.83	2.04
Communication Services	8.70	7.87	0.83	-5.59	-10.63	5.04	-0.50	-0.74	-0.05	0.45	0.40
Health Care	11.80	11.63	0.17	-1.83	-4.86	3.03	-0.15	-0.49	-0.01	0.37	0.36
Industrials	1.56	7.06	-5.50	30.20	-1.57	31.77	0.22	-0.18	-0.11	0.35	0.24
Materials	0.00	1.36	-1.36	0.00	-4.30	4.30	0.00	-0.06	0.01	0.00	0.01
Utilities	0.00	0.05	-0.05	0.00	-2.72	2.72	0.00	0.00	0.00	0.00	0.00
Consumer Staples	4.28	5.59	-1.31	-8.39	-6.83	-1.56	-0.34	-0.37	0.05	-0.08	-0.03
Real Estate	1.45	1.69	-0.24	-16.00	-11.47	-4.53	-0.23	-0.19	0.02	-0.07	-0.06
Energy	1.31	1.45	-0.14	0.86	4.31	-3.45	-0.02	0.02	-0.05	-0.05	-0.10
Financials	3.43	2.93	0.50	-5.50	-0.84	-4.66	-0.17	-0.05	-0.01	-0.16	-0.15
Information Technology	36.02	43.71	-7.69	-7.32	-5.38	-1.94	-2.29	-2.23	0.15	-0.73	-0.58
Total	100.00	100.00	0.00	-1.43	-3.60	2.17	-1.43	-3.60	1.24	0.92	2.17

Trailing 1 Year Attribution:
Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	-32.66	-22.59	-10.07
Currency Contribution	-0.49	0.00	-0.49
Total Return	-33.15	-22.59	-10.56

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	8.37	9.63	-1.26	-6.81	-17.55	10.74	-0.51	-1.48	0.12	0.74	0.85
Consumer Discretionary	29.32	17.80	11.52	-21.96	-23.41	1.45	-7.38	-4.30	-0.11	0.43	0.32
Utilities	0.00	0.03	-0.03	0.00	-8.17	8.17	0.00	0.00	0.00	0.00	0.00
Materials	0.00	1.10	-1.10	0.00	-20.89	20.89	0.00	-0.27	-0.02	0.00	-0.02
Real Estate	0.64	1.75	-1.11	-9.76	-18.86	9.10	-0.20	-0.33	-0.08	0.05	-0.03
Financials	2.79	2.60	0.19	-27.91	-19.96	-7.95	-0.83	-0.51	0.02	-0.21	-0.19
Energy	0.73	0.70	0.03	-14.93	45.45	-60.38	-0.34	0.10	-0.12	-0.18	-0.30
Consumer Staples	3.64	4.61	-0.97	-13.55	0.50	-14.05	-0.64	-0.27	-0.15	-0.41	-0.56
Industrials	1.49	6.36	-4.87	-40.54	-13.99	-26.55	-0.67	-1.00	-0.33	-0.42	-0.75
Communication Services	12.87	10.32	2.55	-51.97	-43.87	-8.10	-7.49	-4.62	-0.73	-1.82	-2.54
Information Technology	39.05	45.10	-6.05	-39.76	-21.85	-17.91	-15.12	-9.90	0.09	-7.65	-7.55
Total	100.00	100.00	0.00	-33.15	-22.59	-10.56	-33.15	-22.59	-1.09	-9.46	-10.56

Trailing 3 Year Attribution:
Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	30.46	35.55	-5.09
Currency Contribution	-0.71	0.00	-0.71
Total Return	29.75	35.55	-5.80

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	26.10	16.49	9.61	95.03	40.79	54.24	12.93	6.01	-0.03	11.16	11.13
Real Estate	0.49	1.92	-1.43	-1.52	0.64	-2.16	-0.18	-0.10	0.41	0.11	0.52
Materials	0.00	1.05	-1.05	0.00	-1.90	1.90	0.00	-0.18	0.51	0.00	0.51
Health Care	7.64	12.07	-4.43	26.30	33.69	-7.39	2.28	5.59	0.68	-0.29	0.39
Consumer Staples	3.50	4.53	-1.03	28.84	22.48	6.36	0.11	0.48	0.17	0.05	0.22
Utilities	0.00	0.02	-0.02	0.00	21.26	-21.26	0.00	0.00	0.00	0.00	0.00
Financials	2.11	2.47	-0.36	2.63	17.94	-15.31	-0.23	0.24	0.02	-0.42	-0.39
Energy	0.24	0.34	-0.10	-14.93	82.83	-97.76	-0.34	0.04	-0.08	-0.35	-0.43
Industrials	3.02	6.34	-3.32	-46.45	0.89	-47.34	-3.04	-1.45	1.41	-3.50	-2.08
Communication Services	14.91	11.34	3.57	-3.62	10.35	-13.97	3.12	3.48	-0.43	-3.73	-4.16
Information Technology	41.31	43.45	-2.14	27.55	57.23	-29.68	15.07	21.43	0.37	-12.14	-11.77
Total	100.00	100.00	0.00	29.75	35.55	-5.80	29.75	35.55	3.30	-9.10	-5.80

Trailing 5 Year Attribution:
Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	66.89	77.54	-10.65
Currency Contribution	-1.46	0.00	-1.46
Total Return	65.43	77.54	-12.11

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	23.62	15.85	7.77	147.11	101.27	45.84	20.13	14.30	0.90	9.83	10.73
Consumer Staples	3.80	5.07	-1.27	110.05	57.11	52.94	2.90	2.52	0.34	1.81	2.15
Real Estate	0.64	2.09	-1.45	37.89	39.99	-2.10	0.59	1.09	0.46	0.37	0.83
Materials	0.26	1.58	-1.32	-39.78	16.29	-56.07	-0.85	0.47	1.10	-0.98	0.12
Utilities	0.00	0.01	-0.01	0.00	47.49	-47.49	0.00	0.01	-0.01	0.00	-0.01
Energy	0.46	0.51	-0.05	-31.07	38.67	-69.74	-0.71	-0.26	-0.12	-0.41	-0.54
Health Care	8.60	12.46	-3.86	28.03	48.10	-20.07	1.57	7.61	1.31	-2.15	-0.84
Financials	2.70	3.14	-0.44	22.07	49.98	-27.91	0.11	1.74	-0.09	-1.45	-1.54
Industrials	4.87	8.55	-3.68	-35.15	22.42	-57.57	-1.19	2.15	2.11	-4.63	-2.52
Communication Services	15.66	11.88	3.78	6.18	25.57	-19.39	6.41	6.56	-1.69	-5.36	-7.05
Information Technology	38.74	38.85	-0.11	98.04	138.61	-40.57	36.39	41.35	1.14	-14.54	-13.40
Total	100.00	100.00	0.00	65.43	77.54	-12.11	65.43	77.54	5.39	-17.50	-12.11

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.

Benchmarks

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.

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.

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.

Return on Equity (ROE) is the measure of a company's net income divided by its shareholders' equity.

Price-to-Book (P/B) Ratio compares a company's market value to its book value. The market value of a company is its share price multiplied by the number of outstanding shares. The book value is the net assets of a company.

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.

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 subadvisor 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.