Harbor Osmosis International 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 World Ex. US (ND) Index

Investment Philosophy:

The Harbor Osmosis International Resource Efficient ETF (EFFI) 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 International 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 International Resource Efficient ETF (NAV)	EFFI	41151J729	8.30%	4.72%	15.02%	N/A	N/A	N/A	21.04%	12/11/2024	0.55
Harbor Osmosis International Resource Efficient ETF (Market)	EFFI	41151J729	6.92%	4.93%	15.29%	N/A	N/A	N/A	21.19%	12/11/2024	0.55
MSCI World Ex. US (ND) Index			10.22%	9.19%	20.99%	N/A	N/A	N/A	23.69%	12/11/2024	

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

“Chinese equities drew support from the country's central role in the Artificial Intelligence (‘AI’) hardware supply chain, though the domestic economy continued to grapple with soft consumer demand and structural overcapacity.”
Osmosis Investment Management

Market in Review

The second quarter of 2026 was dominated by the fallout from conflict in the Middle East and its subsequent de-escalation. The disruption to the Strait of Hormuz following the Iran conflict drove crude oil sharply higher, with prices peaking above $110 a barrel in April before retreating toward the mid-$70s by quarter-end as a ceasefire took hold and shipping through the Strait resumed. The commodity-price spike fed directly into inflation, which re-accelerated over the quarter and prompted a notably more hawkish tone from the U.S. Federal Reserve. Despite this, global equities proved resilient and surged in both developed and emerging markets, supported by a robust labor market and continued record capital expenditure on Artificial Intelligence (“AI”), which remained the dominant driver of markets.

Market leadership was concentrated in the semiconductor and AI-infrastructure complex, though it broadened as the quarter progressed. Surging demand for chips, particularly high bandwidth memory for AI data centers, continued to outstrip supply. This contributed to exceptional performance among memory and logic names and benefited the Industrials and Materials sectors that provide the power generation, electrification equipment, and raw materials for data center expansion.

Regional outcomes diverged according to exposure to the energy shock, with net energy importers across Asia and Europe absorbing an inflationary hit while growth consequences fell unevenly. In the United States, equities were underpinned by earnings resilience even as the labor market cooled. Chinese equities drew support from the country's central role in the AI hardware supply chain, though the domestic economy continued to grapple with soft consumer demand and structural overcapacity. In the broader emerging markets space, Korea and Taiwan were among the strongest performers as the technology rally played through the semiconductor value chain.

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 International Resource Efficient ETF

MANAGER COMMENTARY

As of 06/30/2026

Portfolio Performance

During the second quarter of 2026, the Harbor Osmosis International Resource Efficient ETF ("ETF") returned 8.30% (NAV), underperforming the benchmark, the MSCI World ex USA Index, which returned 10.22%. Much of the underperformance stemmed from common factors.

At the sector level, Information Technology detracted from performance as Industrials and Financials were the top-performing sectors. Regionally, Asia-Pacific added to performance while EMEA and North America detracted an almost equal amount from performance, despite the weighting difference in the portfolio — Asia-Pacific 29.34%; North America 11.48%.

Contributors and Detractors

At the stock level, top detractors during the quarter included Lundin Gold, ASML, Tokyo Electron, Equinor, and Kioxia.

Top contributors to performance included Recruit Holdings, Keyence, UniCredit, Belimo, and the Singapore Exchange.

Buys and Sells

Notable buys during the quarter included Sekisui House and Porsche. Notable sales included Centrica, Volkswagen, and Shimadzu. Notable sales included Centrica, Volkswagen, and Shimadzu.

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 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 continues to diverge sharply. The European Union's Carbon Border Adjustment Mechanism entered its definitive phase on January 1, 2026, becoming the first fully operational border carbon tax and requiring importers of carbon-intensive goods, such as steel and aluminum, to purchase certificates linked to the EU carbon market. During the quarter, the EU advanced implementation and continued translating its binding 2040 target into law, drawing criticism from trade partners including the U.S., China, and India. This widening divide continues to complicate the outlook for energy-intensive industries and reinforces the competitive relevance of Resource Efficiency.

Harbor Osmosis International Resource Efficient ETF

TOP 10 HOLDINGS

As of 06/30/2026

Top 10 Holdings	Portfolio %	Benchmark 1 %
Recruit Holdings Co. Lt	3.94	0.38
Keyence Corporation	3.67	0.38
L'Oreal S.A.	3.44	0.43
Swedish Orphan Biovitrum AB	3.42	0.03
Sonova Holding AG	3.14	0.05
Glencore plc	2.99	0.26
Toyota Tsusho Corp.	2.97	0.10
Mercedes-Benz Group AG	2.89	0.15
Banco Santander S.A.	2.70	0.81
Medibank Private Ltd.	2.62	0.04
Total	**31.78**	**2.62**

QUARTERLY ATTRIBUTION

As of 06/30/2026

Best & Worst Performers

Best Performers	Average Weight %	Gross Return % (NAV)
RECRUIT HOLDINGS CO LTD	3.84	69.94
ASML HOLDING NV	1.21	52.90
KEYENCE CORP	2.97	44.64
BELIMO HOLDING AG-REG	1.44	35.29
TORONTO-DOMINION BANK	1.78	31.32

Worst Performers	Average Weight %	Gross Return % (NAV)
FUTU HOLDINGS LTD-ADR	0.77	-30.38
EQUINOR ASA	1.43	-26.03
LUNDIN GOLD INC	2.85	-25.29
NINTENDO CO LTD	1.52	-23.62
TOKYO GAS CO LTD	0.99	-19.11

Contributors & Detractors

Greatest Contributors	Gross Return % (NAV)	Contribution to Return %
RECRUIT HOLDINGS CO LTD	69.94	1.99
KEYENCE CORP	44.64	0.93
ROYAL BANK OF CANADA	29.12	0.65
UNICREDIT SPA	29.99	0.65
BANCO SANTANDER SA	27.58	0.59
Total		**4.81**

Greatest Detractors	Gross Return % (NAV)	Contribution to Return %
LUNDIN GOLD INC	-25.29	-0.85
MERCEDES-BENZ GROUP AG	-12.74	-0.40
EQUINOR ASA	-26.03	-0.40
NINTENDO CO LTD	-23.62	-0.36
WOODSIDE ENERGY GROUP LTD	-18.59	-0.26
Total		**-2.28**

Holdings are subject to change. Go to harborcapital.com/etf/effi for current holdings.

Performance data shown represents past performance and is no guarantee of future results.

Harbor Osmosis International Resource Efficient ETF

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor Osmosis International Resource Efficient ETF vs. MSCI World Ex. US (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	9.73	11.09	-1.35
Currency Contribution	-0.90	-0.86	-0.05
Total Return	**8.83**	**10.23**	**-1.40**

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
Industrials	19.65	18.22	1.43	17.40	8.78	8.62	3.19	1.64	-0.08	1.70	1.62
Financials	25.83	26.52	-0.70	21.09	15.67	5.42	5.06	4.00	-0.03	1.30	1.28
Health Care	10.36	9.14	1.21	7.61	2.60	5.01	0.82	0.27	-0.13	0.59	0.47
Consumer Staples	6.18	6.39	-0.21	11.75	5.18	6.58	0.71	0.36	0.06	0.37	0.43
Energy	4.93	5.60	-0.67	-11.92	-13.08	1.16	-0.62	-0.75	0.15	0.08	0.23
Real Estate	1.79	1.55	0.24	8.75	1.16	7.59	0.11	0.03	-0.02	0.13	0.11
Utilities	2.95	3.80	-0.84	-7.69	1.26	-8.95	-0.20	0.07	0.07	-0.31	-0.24
Communication Services	3.21	3.73	-0.52	-16.45	-1.66	-14.79	-0.53	-0.05	0.04	-0.56	-0.53
Materials	8.23	7.33	0.89	-7.83	0.69	-8.52	-0.71	0.08	-0.09	-0.81	-0.90
Consumer Discretionary	7.16	7.72	-0.56	-5.81	8.01	-13.82	-0.35	0.64	0.02	-1.08	-1.06
Information Technology	9.61	10.01	-0.40	14.62	48.67	-34.05	1.35	3.92	-0.03	-2.78	-2.80
Total	**100.00**	**100.00**	**0.00**	**8.83**	**10.23**	**-1.40**	**8.83**	**10.23**	**-0.05**	**-1.35**	**-1.40**

Trailing 1 Year Attribution:
Harbor Osmosis International Resource Efficient ETF vs. MSCI World Ex. US (ND) Index

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	21.38	25.75	-4.37
Currency Contribution	-4.95	-4.75	-0.19
Total Return	**16.43**	**21.00**	**-4.56**

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
Industrials	18.52	18.24	0.28	33.40	16.97	16.43	5.73	3.10	-0.03	3.03	3.00
Health Care	10.81	9.70	1.12	18.66	9.99	8.67	1.94	1.12	-0.22	1.02	0.81
Consumer Staples	6.25	6.94	-0.69	9.83	5.48	4.35	0.55	0.41	0.18	0.24	0.42
Real Estate	0.96	1.65	-0.69	19.88	3.62	16.27	0.17	0.07	0.06	0.20	0.26
Energy	4.52	5.06	-0.55	20.14	31.12	-10.98	1.12	1.49	0.07	-0.37	-0.30
Utilities	2.70	3.58	-0.88	6.14	24.91	-18.77	0.28	0.87	0.03	-0.41	-0.38
Materials	7.62	6.91	0.71	25.00	30.99	-5.99	1.74	2.03	0.01	-0.40	-0.39
Financials	25.23	26.14	-0.91	26.88	30.94	-4.06	6.53	7.95	-0.14	-0.91	-1.05
Communication Services	4.76	4.06	0.70	-30.84	-10.62	-20.22	-1.33	-0.48	-0.15	-0.95	-1.10
Consumer Discretionary	9.13	8.69	0.45	-11.59	0.56	-12.15	-0.85	0.20	-0.11	-1.14	-1.25
Information Technology	9.49	9.03	0.46	7.62	53.37	-45.75	0.62	4.24	-0.13	-4.00	-4.12
Total	**100.00**	**100.00**	**0.00**	**16.43**	**21.00**	**-4.56**	**16.43**	**21.00**	**-0.88**	**-3.68**	**-4.56**

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

Harbor Osmosis International Resource Efficient ETF

ATTRIBUTION

As of 06/30/2026

Quarterly Attribution:
Harbor Osmosis International Resource Efficient ETF vs. MSCI World Ex. US (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
France	8.14	8.80	-0.65	13.29	8.66	4.63	1.05	0.79	0.01	0.37	0.39
Italy	3.61	2.92	0.69	24.89	14.53	10.36	0.82	0.41	0.02	0.35	0.38
Sweden	4.19	3.12	1.07	15.19	6.69	8.51	0.61	0.22	-0.04	0.34	0.31
Singapore	2.50	1.46	1.05	22.63	9.98	12.65	0.53	0.14	0.00	0.30	0.30
Spain	3.14	3.39	-0.25	25.70	15.13	10.57	0.73	0.50	-0.01	0.31	0.30
United Kingdom	12.11	12.89	-0.78	5.02	4.11	0.91	0.64	0.60	0.05	0.12	0.17
Belgium	1.87	0.99	0.88	21.14	17.30	3.85	0.37	0.17	0.06	0.06	0.12
Portugal	0.48	0.19	0.29	14.18	1.19	12.99	0.07	0.00	-0.03	0.06	0.04
Hong Kong	0.77	1.71	-0.93	-30.38	-6.16	-24.22	-0.16	-0.09	0.18	-0.17	0.01
Canada	11.33	12.28	-0.95	5.69	6.03	-0.34	0.65	0.76	0.05	-0.04	0.01
New Zealand	0.00	0.16	-0.16	0.00	9.26	-9.26	0.00	0.01	0.00	0.00	0.00
United States	0.00	0.01	-0.01	0.00	-4.66	4.66	0.00	0.00	0.00	0.00	0.00
Ireland	0.00	0.37	-0.37	0.00	13.05	-13.05	0.00	0.05	-0.01	0.00	-0.01
Austria	0.00	0.30	-0.30	0.00	22.42	-22.42	0.00	0.06	-0.04	0.00	-0.04
Japan	19.58	20.45	-0.87	13.63	14.22	-0.59	2.62	2.76	-0.01	-0.08	-0.09
Switzerland	7.57	8.15	-0.59	10.44	12.17	-1.73	0.80	0.98	-0.03	-0.07	-0.11
Finland	2.04	1.10	0.94	1.67	13.05	-11.38	0.04	0.14	0.03	-0.24	-0.21
Israel	1.58	1.01	0.57	-7.99	4.56	-12.55	-0.14	0.04	-0.02	-0.24	-0.25
Australia	4.91	5.84	-0.93	-2.37	5.06	-7.43	-0.05	0.32	0.06	-0.40	-0.34
Denmark	2.45	1.46	0.99	-3.43	14.85	-18.28	-0.07	0.21	0.06	-0.46	-0.40
Norway	1.43	0.59	0.84	-26.03	-14.14	-11.89	-0.40	-0.08	-0.22	-0.20	-0.42
Netherlands	5.47	4.96	0.51	21.82	35.95	-14.13	1.10	1.57	0.14	-0.69	-0.55
Germany	6.72	7.88	-1.15	-6.28	8.07	-14.35	-0.37	0.66	0.02	-1.03	-1.01
Cash	0.11	0.00	0.11	1.28	0.00	1.28	0.00	0.00	-0.01	0.00	-0.01
Total	**100.00**	**100.00**	**0.00**	**8.83**	**10.23**	**-1.40**	**8.83**	**10.23**	**0.08**	**-1.48**	**-1.40**

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

Harbor Osmosis International Resource Efficient ETF

ATTRIBUTION

As of 06/30/2026

Trailing 1 Year Attribution:
Harbor Osmosis International Resource Efficient ETF vs. MSCI World Ex. US (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
Sweden	4.27	3.20	1.07	48.96	13.01	35.95	1.85	0.44	-0.08	1.44	1.36
France	8.52	9.30	-0.78	18.89	9.61	9.28	1.68	0.99	0.07	0.91	0.98
Singapore	2.55	1.52	1.04	50.12	19.78	30.34	1.07	0.31	-0.01	0.67	0.66
United Kingdom	12.18	12.98	-0.80	24.71	20.26	4.46	3.00	2.76	0.02	0.57	0.59
Canada	11.59	11.97	-0.38	29.32	26.91	2.41	3.43	3.21	0.08	0.37	0.46
Denmark	1.46	1.64	-0.18	12.05	-10.05	22.09	-0.05	-0.24	-0.10	0.31	0.21
Belgium	1.47	0.97	0.50	40.17	34.40	5.78	0.55	0.32	0.11	0.07	0.18
Portugal	0.67	0.18	0.49	39.99	20.72	19.27	0.25	0.04	0.00	0.12	0.12
Italy	3.74	2.85	0.88	28.13	27.29	0.84	0.99	0.78	0.02	0.06	0.08
Spain	2.56	3.28	-0.72	49.80	42.09	7.71	1.10	1.31	-0.16	0.21	0.05
Ireland	0.00	0.42	-0.42	0.00	11.35	-11.35	0.00	0.05	0.04	0.00	0.04
New Zealand	0.00	0.16	-0.16	0.00	7.64	-7.64	0.00	0.01	0.02	0.00	0.02
United States	0.00	0.04	-0.04	0.00	1.95	-1.95	0.00	0.00	0.00	0.00	0.00
Austria	0.00	0.24	-0.24	0.00	52.09	-52.09	0.00	0.12	-0.07	0.00	-0.07
Norway	0.48	0.55	-0.07	39.84	14.94	24.90	0.01	0.09	-0.16	0.07	-0.08
Australia	5.80	5.85	-0.05	6.99	11.55	-4.57	0.41	0.65	-0.04	-0.12	-0.15
Hong Kong	1.01	1.78	-0.77	-27.41	10.46	-37.86	-0.04	0.24	0.16	-0.33	-0.17
Finland	1.86	1.01	0.84	0.13	38.75	-38.62	-0.01	0.37	0.15	-0.75	-0.59
Netherlands	5.27	4.51	0.76	33.85	58.53	-24.68	1.61	2.32	0.26	-1.18	-0.92
Israel	1.61	0.94	0.67	-29.59	18.33	-47.92	-0.62	0.17	0.11	-1.18	-1.08
Germany	7.78	8.41	-0.62	-20.16	0.33	-20.49	-1.64	0.08	0.14	-1.89	-1.75
Switzerland	7.56	8.29	-0.73	-2.23	19.69	-21.93	-0.13	1.63	-0.04	-1.72	-1.75
Japan	19.63	19.94	-0.31	16.90	29.11	-12.21	3.06	5.37	0.03	-2.31	-2.27
Cash	0.00	0.00	0.00	2.38	0.00	2.38	-0.07	0.00	-0.47	0.00	-0.47
Total	**100.00**	**100.00**	**0.00**	**16.43**	**21.00**	**-4.56**	**16.43**	**21.00**	**-0.36**	**-4.21**	**-4.56**

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

Harbor Osmosis International 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. 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. 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 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 does not guarantee its accuracy or completeness. 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 World ex-USA (ND) Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries - excluding the United States. With 807 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Benchmark returns are adjusted for withholding taxes. Indices listed are unmanaged and do not reflect fees and expenses and are not available for direct investment.

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 International 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.