

HARBOR CAPITAL APPRECIATION FUND

Jennison Associates LLC

Subadvisor Since 05/01/1990

Total Net Assets - All Classes \$29,047,542,871
Equity Assets: 99.60%
Cash & Other Assets Less Liabilities: 0.40%
Benchmark Name: Russell 1000® Growth Index

Portfolio Managers



Kathleen A.
McCarragher



Blair A. Boyer



Natasha Kuhlkin

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 12/31/2024

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	53	396	Information Technology	39.06	48.61
Wtd Avg Market Cap (\$Mil)	1,416,317.40	1,710,750.90	Consumer Discretionary	18.93	15.87
Median Market Cap (\$Mil)	160,105.00	20,387.00	Communication Services	17.98	13.27
Price/Book Ratio	16.05	16.05	Health Care	8.04	6.60
Adjusted Trailing P/E Ratio	47.00	41.20	Financials	6.82	6.46
% EPS Growth - Past 3 Yr	27.70	29.10	Industrials	5.40	4.26
Est 3-5 Yr EPS Growth Rate (%)	20.30	17.90	Consumer Staples	3.37	3.27
Return on Equity (%)	27.36	28.04	Materials	0.00	0.58
Beta vs. Fund Benchmark	1.12		Real Estate	0.00	0.46
Forecasted P/E Ratio	36.50	34.00	Energy	0.00	0.42
			Utilities	0.00	0.23

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
NVIDIA Corporation	9.97	10.69	Semiconductors	17.32	16.67
Amazon.com Inc.	8.96	7.00	Software	14.56	18.23
Microsoft Corporation	6.69	10.66	Interactive Media	10.68	11.35
Apple Inc.	6.40	12.19	Broadline Retail	9.78	7.10
Meta Platforms Inc Class A	5.87	4.36	Tech Hardware Storage	6.40	12.39
Broadcom Inc.	5.65	3.59	Entertainment	6.22	1.72
Netflix Inc.	4.01	1.30	Financial Services	4.62	3.78
Tesla Inc.	3.14	3.82	Pharmaceuticals	4.49	3.20
Mastercard Incorporated	2.61	1.46	Consumer Staples	3.37	1.48
Eli Lilly and Company	2.52	2.10	Distribution & Retail	3.14	3.82
Total	55.82	57.17	Total	80.58	79.74

Market Capitalization		
		Portfolio %
Large	Above 25.0B	99.53
	10.0B - 25.0B	0.00
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00

Harbor Capital Appreciation Fund



PERFORMANCE

As of 12/31/2024

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	6.22%	30.46%	30.46%	7.70%	17.40%	16.00%	12.68%	12/29/87	0.68	0.72
Investor	HCAIX	411511819	6.13%	29.99%	29.99%	7.31%	16.98%	15.58%	12.19%	11/01/02	1.04	1.08
Retirement	HNACX	411512528	6.24%	30.57%	30.57%	7.78%	17.50%	16.08%	12.70%	03/01/16	0.60	0.64
Russell 1000® Growth Index			7.07%	33.36%	33.36%	10.47%	18.96%	16.78%	11.84%	12/29/87		
S&P 500 Index			2.41%	25.02%	25.02%	8.94%	14.53%	13.10%	11.28%	12/29/87		

MANAGER COMMENTARY

As of 12/31/2024

“As in the previous two years, we continue to see revenue and profits gains for Fund holdings growing at faster rates than the averages against which we compare, while the Fund enjoys a greater degree of diversification and less concentration.”

Jennison Associates, LLC

Market in Review

U.S. equities closed out a strong fourth quarter to end the year near record levels. The quarter’s gains came as voters went to the polls in early November and chose to return Donald Trump to the White House. Markets then moved higher, reflecting enthusiasm over campaign promises from the president-elect to relax regulatory oversight targeted initially at the Financials and Energy sectors. At the same time, investors faced the prospects of increasing tariffs and greater trade friction because of the election. Yields on longer-term U.S. government bonds moved higher in response to proposals about memorializing the original Trump administration tax cuts and increased deductions for state and local taxes, as well as potentially further miscellaneous tax reductions, but without concrete plans to raise offsetting revenue. The U.S. 10-year yield closed out 2024 at ≈4.5% versus ≈3.9% at the start of the year. For the period, the U.S. dollar gained against other currencies on the presumption that the new president’s “America First” agenda likely comes at the expense of growth in other parts of the globe.

Moreover, the pace of U.S. economic activity continued its moderating trend. The U.S. Federal Reserve (“Fed”), in response, trimmed an additional 0.25% from its target fed funds rate to 4.25%–4.50%. The effective level of the funds rate closed the year at ≈4.3% versus 5.3% when the year began. Unemployment reached 4.2% at the end of November, up approximately 0.50% from the year-earlier level.

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 02/28/2025.

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.

Harbor Capital Appreciation Fund

MANAGER COMMENTARY

As of 12/31/2024



Portfolio Performance

During the fourth quarter of 2024, the Harbor Capital Appreciation Fund (Institutional Class, "Fund") returned 6.22%, underperforming its benchmark, the Russell 1000® Growth Index, which returned 7.07%, and outperforming the S&P 500 Index, which returned 2.41%.

Among the benchmark's largest sectors, Consumer Discretionary and Communication Services outperformed the broad index. Meanwhile, Information Technology also advanced but underperformed the benchmark. Health Care lost ground during the period.

Stock selection within the Consumer Discretionary, Health Care, and Financials sectors detracted the most from relative performance during the period. Security selection within the Consumer Staples, Information Technology, and Communication Services sectors benefited relative results. Sector allocation effects are residual to our bottom-up process; however, they were a benefit to relative return for the quarter. Our overweights to Consumer Discretionary and Communication Services helped, while our overweight to Health Care detracted.

Contributors & Detractors

Shares in Amazon increased due to optimism about growth in the company's cloud business and advancements in its artificial intelligence ("AI")-driven innovations.

Broadcom reported strong revenue and earnings led by AI-networking demand. Shares also benefited from positive expectations of what the company will deliver in the year ahead.

Shares of Eli Lilly lost value due to continued challenges in forecasting shorter-term revenue and profits for its weight loss/obesity and diabetes franchises, as well as supply issues.

Shares of Novo Nordisk lost value due to disappointing clinical trial results for CagriSema, the company's latest weight-loss drug.

Buys & Sells

Edwards Lifesciences is the leader in the global transcatheter valve market. The company offers premium growth in the medical device sector. In the markets where Edwards competes, it has the No. 1 or No. 2 share. The company's structural heart/valves business continues to grow, and the firm offers innovation within this market. At the same time, non-transcatheter aortic valve replacement technologies are growing fast and becoming a greater contributor to the whole company. Meanwhile, the firm is focusing on expanding its footprint in Asia and Latin America, where cardiovascular diseases are prevalent, potentially capturing new market segments and driving revenue growth.

We eliminated MongoDB from the Fund due to the company's decelerating revenue trajectory and contracting margins.

Overweights & Underweights

Sector weights are driven by our fundamental research-based stock selection. As of December 31, 2024, the Fund's largest sector weights were Information Technology, Consumer Discretionary, and Communication Services. The largest sector overweights relative to the Russell 1000® Growth Index were in Communication Services and Consumer Discretionary. The biggest underweight relative to the Russell 1000® Growth Index was in Information Technology (due to the very large benchmark weights in Apple, Microsoft, and Nvidia).

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Harbor Capital Appreciation Fund

MANAGER COMMENTARY

As of 12/31/2024



Outlook

We exited 2024 on the back of several strong years of share price recovery, particularly for growth stocks, following the sharp declines in late 2021 through 2022. The strength of corporate profits overall has been an important contributor amid sustained growth of the U.S. economy. Employment has remained at healthy levels throughout the period, although with signs of weakening in the past six months. While the rate of inflation has continued to decline, trends have also flattened out in recent months. The path to lower short-term interest rates rests on the dynamics between these factors, and we have less clarity in direction at the end of 2024 than at the beginning of the year.

Against this backdrop, the Fund continues to be anchored on profits growth and longer-term opportunity. All told, we are pleased by the operating results of most of our holdings in 2024. We are also encouraged by the tremendous progress that has been made in the foundational layer of generative AI since the launch of ChatGPT approximately two years ago. Many of the Fund's best-performing names have benefited from these capital investments, though we are cognizant of the valuation levels reached during the period. Cutbacks of semiconductor holdings over the past year were undertaken with this in mind. However, we remain optimistic about the sector in general and the emerging opportunities to monetize generative AI through software and across industries in the years ahead. As in the previous two years, we continue to see revenue and profits gains for Fund holdings growing at faster rates than the averages against which we compare, while the Fund enjoys a greater degree of diversification and less concentration.

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Harbor Capital Appreciation Fund



QUARTERLY ATTRIBUTION

As of 12/31/2024

Best & Worst Performers

Best Performers	Average Weight %	Return %
TESLA INC	2.60	54.36
BROADCOM INC	4.84	34.74
SNOWFLAKE INC-CLASS A	0.57	34.43
NETFLIX INC	3.77	25.67
DATADOG INC - CLASS A	0.76	24.19

Worst Performers	Average Weight %	Return %
NOVO-NORDISK A/S-SPONS ADR	1.63	-27.76
ADVANCED MICRO DEVICES	1.56	-26.38
UBER TECHNOLOGIES INC	1.34	-19.75
MERCADOLIBRE INC	1.51	-17.13
ASTRAZENECA PLC-SPONS ADR	0.78	-15.90

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
AMAZON.COM INC	17.74	1.43
BROADCOM INC	34.74	1.33
NVIDIA CORP	10.59	1.12
TESLA INC	54.36	1.00
NETFLIX INC	25.67	0.88
Total		5.75

Greatest Detractors	Return %	Contribution to Return %
ELI LILLY & CO	-12.71	-0.51
NOVO-NORDISK A/S-SPONS ADR	-27.76	-0.50
ADVANCED MICRO DEVICES	-26.38	-0.46
UBER TECHNOLOGIES INC	-19.75	-0.30
MERCADOLIBRE INC	-17.13	-0.26
Total		-2.04

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Harbor Capital Appreciation Fund



ATTRIBUTION

As of 12/31/2024

Quarterly Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	6.39	7.07	-0.68
Currency Contribution	-0.08	0.00	-0.08
Total Return	6.31	7.07	-0.76

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 Staples	3.45	3.45	0.00	6.61	-3.60	10.20	0.25	-0.12	0.00	0.38	0.38
Communication Services	17.00	12.92	4.08	11.45	10.96	0.49	1.83	1.34	0.16	0.07	0.23
Information Technology	38.78	48.70	-9.91	7.34	6.86	0.47	2.82	3.35	0.03	0.19	0.21
Real Estate	0.00	0.52	-0.52	0.00	-15.33	15.33	0.00	-0.09	0.13	0.00	0.13
Materials	0.00	0.63	-0.63	0.00	-10.54	10.54	0.00	-0.06	0.12	0.00	0.12
Utilities	0.00	0.24	-0.24	0.00	7.95	-7.95	0.00	0.02	0.00	0.00	0.00
Energy	0.00	0.44	-0.44	0.00	13.40	-13.40	0.00	0.06	-0.03	0.00	-0.03
Financials	7.01	6.55	0.47	7.37	10.09	-2.72	0.54	0.68	0.04	-0.21	-0.16
Industrials	5.32	4.55	0.77	-3.66	-2.53	-1.13	-0.18	-0.06	-0.09	-0.08	-0.17
Consumer Discretionary	18.70	14.87	3.83	12.48	19.15	-6.67	2.26	2.63	0.48	-1.18	-0.70
Health Care	9.48	7.14	2.34	-12.30	-9.00	-3.30	-1.21	-0.68	-0.44	-0.30	-0.74
Total	100.00	100.00	0.00	6.31	7.07	-0.76	6.31	7.07	0.38	-1.14	-0.76

Trailing 1 Year Attribution:

Harbor Capital Appreciation Fund vs Russell 1000® Growth

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	31.37	33.36	-1.98
Currency Contribution	-0.14	0.00	-0.14
Total Return	31.23	33.36	-2.12

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 Staples	3.18	3.80	-0.62	28.29	11.55	16.74	0.95	0.60	0.09	0.62	0.71
Communication Services	14.61	12.54	2.07	51.74	48.18	3.56	6.56	5.61	0.15	0.43	0.59
Health Care	10.70	9.06	1.64	12.23	5.62	6.61	2.12	1.27	-0.64	1.05	0.41
Materials	0.00	0.66	-0.66	0.00	9.42	-9.42	0.00	0.08	0.17	0.00	0.17
Information Technology	40.50	46.76	-6.26	41.17	40.73	0.44	16.36	18.27	-0.08	0.19	0.11
Energy	0.00	0.45	-0.45	0.00	29.14	-29.14	0.00	0.12	0.03	0.00	0.03
Real Estate	0.32	0.68	-0.37	-13.53	-2.33	-11.20	-0.22	-0.03	0.05	-0.10	-0.05
Utilities	0.00	0.13	-0.13	0.00	98.87	-98.87	0.00	0.11	-0.08	0.00	-0.08
Industrials	3.84	5.06	-1.22	-3.44	12.43	-15.86	-0.12	0.74	0.32	-0.75	-0.43
Financials	7.05	6.33	0.72	22.81	29.29	-6.49	1.68	1.90	-0.06	-0.47	-0.53
Consumer Discretionary	19.54	14.54	5.00	22.55	36.02	-13.47	3.89	4.69	-0.26	-2.68	-2.94
Total	100.00	100.00	0.00	31.23	33.36	-2.12	31.23	33.36	-0.42	-1.70	-2.12

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

Harbor Capital Appreciation Fund



ATTRIBUTION

As of 12/31/2024

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	27.62	34.83	-7.21
Currency Contribution	-0.22	0.00	-0.22
Total Return	27.40	34.83	-7.43

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	11.25	10.39	0.86	27.63	4.68	22.94	6.83	2.29	-1.26	3.18	1.93
Consumer Staples	3.75	4.83	-1.08	24.47	10.37	14.10	-0.12	0.49	0.66	-0.08	0.58
Materials	0.00	0.94	-0.94	0.00	-0.45	0.45	0.00	-0.16	0.33	0.00	0.33
Utilities	0.00	0.07	-0.07	0.00	113.21	-113.21	0.00	0.11	-0.08	0.00	-0.08
Energy	0.65	0.82	-0.17	18.80	102.33	-83.53	0.17	0.43	-0.33	0.25	-0.09
Real Estate	0.81	1.21	-0.41	-17.66	-20.05	2.39	-0.62	-0.77	-0.01	-0.18	-0.19
Industrials	2.60	6.59	-3.99	37.24	23.45	13.78	1.19	1.81	-0.19	-0.06	-0.25
Information Technology	35.19	42.78	-7.60	55.77	58.79	-3.02	26.37	27.91	-1.22	-0.30	-1.52
Financials	8.85	6.63	2.23	8.10	28.93	-20.84	0.34	1.88	0.09	-1.97	-1.88
Communication Services	12.07	10.34	1.73	14.08	24.90	-10.82	-0.88	2.04	-0.50	-1.66	-2.16
Consumer Discretionary	24.17	15.40	8.78	9.06	19.74	-10.68	-5.99	-1.19	-2.55	-2.01	-4.56
Total	100.00	100.00	0.00	27.40	34.83	-7.43	27.40	34.83	-4.61	-2.82	-7.43

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	131.52	138.27	-6.75
Currency Contribution	-0.62	0.00	-0.62
Total Return	130.90	138.27	-7.37

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	24.37	15.67	8.70	159.21	132.08	27.13	30.08	19.41	-3.28	8.84	5.56
Consumer Staples	3.81	4.78	-0.97	117.39	49.49	67.90	2.63	2.54	1.99	2.23	4.22
Health Care	9.39	11.27	-1.89	73.79	54.23	19.55	10.28	11.23	-0.43	4.62	4.19
Materials	0.00	0.96	-0.96	0.00	43.79	-43.79	0.00	0.21	1.13	0.00	1.13
Real Estate	0.60	1.56	-0.97	-14.52	11.31	-25.83	-0.52	0.08	0.83	-0.38	0.45
Energy	0.39	0.56	-0.17	18.80	157.77	-138.96	0.17	0.32	-0.35	0.45	0.10
Utilities	0.00	0.05	-0.05	0.00	98.28	-98.28	0.00	0.12	-0.13	0.00	-0.13
Industrials	2.83	6.55	-3.72	17.16	59.01	-41.85	-3.41	1.48	3.05	-4.85	-1.80
Financials	10.19	7.22	2.97	50.74	67.32	-16.58	7.17	5.96	-3.49	-0.91	-4.40
Communication Services	13.80	10.94	2.86	95.56	127.91	-32.35	15.65	15.16	-0.26	-6.72	-6.98
Information Technology	34.04	40.44	-6.40	227.39	249.46	-22.07	68.72	81.76	-4.51	-5.71	-10.22
Total	100.00	100.00	0.00	130.90	138.27	-7.37	130.90	138.27	-4.94	-2.43	-7.37

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

Harbor Capital Appreciation Fund



IMPORTANT INFORMATION

Fund 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.

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, 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.

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Harbor Capital Appreciation Fund



IMPORTANT INFORMATION

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.

Median Market Cap: The median size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Weighted Average Market Capitalization: The average size of the companies in a portfolio or index as measured by the market value of outstanding shares.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share.

The Est 3-5 Yr EPS Growth (%) is the estimated growth of earnings per share over the next 3-5 years, using pre-calculated mean long-term EPS growth rate estimates, which are calculated using each individual broker's methodology, from FactSet, First Call, I/B/E/S Consensus, and Reuters. Forward looking estimates may not come to pass.

% EPS Growth - Past 3 Year: Earnings per share refers to the bottom-line measure of a company's profitability defined as net income divided by the number of outstanding shares.

The Adjusted Trailing P/E (price-to-earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS.

Forecasted P/E Ratio: a measure of the P/E (price-to-earnings) ratio using forecasted earnings for the P/E calculation.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

The Price/Book (price-to-book) Ratio evaluates a firm's market value relative to its book value.

All P/E, ROE and P/B statistics are calculated as weighted medians.