

HARBOR INTERNATIONAL COMPOUNDERS ETF

C WorldWide Asset Management

Subadvisor Since 09/07/2022

Ticker: OSEA
CUSIP: 41151J885
Net Expense Ratio: 0.55%
Gross Expense Ratio: 0.55%
Total Net Assets: \$174,429,137
Benchmark Name: MSCI All Country World Ex. US (ND) Index

Portfolio Managers



Bengt Seger



Peter O' Reilly



Mattias Kolm



Bo Almar Knudsen

Investment Philosophy

The Harbor International Compounders ETF (OSEA) is an actively managed Fund that offers exposure to C WorldWide's International equity strategy. The Fund employs a bottom-up, research-driven process to constructing a portfolio of foreign large capitalization companies.

The Fund seeks long-term growth of capital by investing in large capitalization companies, primarily outside the U.S., that C WorldWide Asset Management believes have compelling prospects for long-term growth.

Identifying themes and integrating them into the process is a meaningful part of the team's selection criteria. Themes represent secular societal changes expected to occur that may impact the economics of industries and individual companies over a medium-term time horizon. Sustainability and specifically environmental, social, and governance (ESG) factors are also an integral part of the investment process and are implemented in the ongoing research of the companies the team invests in. The Fund only contains the team's highest conviction ideas with a maximum of 30 holdings, which makes the portfolio construction process an active competition for capital.

CHARACTERISTICS & ALLOCATION

As of 06/30/2024

Portfolio Characteristics

	Portfolio	Benchmark
Number of Holdings	29	2,159
Wtd Avg Market Cap (\$Mil)	218,564.70	115,726.80
Median Market Cap (\$Mil)	91,658.00	9,479.00
Price/Book Ratio	6.10	2.46
Adjusted Trailing P/E Ratio	31.40	19.80
% EPS Growth - Past 3 Yr	21.00	23.80
Est 3-5 Yr EPS Growth Rate (%)	10.90	13.00
Return on Equity (%)	20.31	14.41
Beta vs. Fund Benchmark	1.00	
Forecasted P/E Ratio	25.40	16.60

Economic Sectors

	Portfolio %	Benchmark %
Industrials	29.34	13.58
Information Technology	17.72	13.91
Health Care	14.61	9.47
Financials	13.47	21.51
Consumer Staples	8.69	7.32
Consumer Discretionary	8.43	11.00
Materials	4.64	7.04
Utilities	2.60	3.06
Real Estate	0.00	1.78
Energy	0.00	5.52
Communication Services	0.00	5.28

Top 10 Holdings

	Portfolio %	Benchmark %
Novo Nordisk A/S Class	7.03	1.81
HDFC Bank Limited Spons	5.33	0.00
Taiwan Semiconductor Ma	5.20	0.00
ASML Holding NV	4.94	1.59
SAP SE	4.66	0.81
Linde plc	4.64	0.00
Ferguson Plc	4.36	0.00
AstraZeneca PLC	4.04	0.93
HOYA CORPORATION	3.54	0.16
RELX PLC	3.41	0.33
Total	47.15	5.63

Top 10 Countries

	Portfolio %	Benchmark %
United Kingdom	18.60	9.49
Japan	14.71	14.37
France	11.73	7.15
Germany	10.54	5.45
Sweden	8.21	2.03
Denmark	7.03	2.53
India	5.33	5.53
Taiwan	5.20	5.68
Netherlands	4.94	3.45
United States	4.64	0.01
Total	90.93	55.69
Emerging Markets	13.35	28.68

Top 10 Industries

	Portfolio %	Benchmark %
Pharmaceuticals	11.07	6.63
Semiconductors	10.14	6.80
Banks	8.14	13.25
Machinery	7.82	2.15
Building Products	5.42	0.59
Software	4.66	1.60
Chemicals	4.64	2.59
Trading Companies	4.36	1.39
Health Care Equip	3.54	1.31
Professional Services	3.41	1.28
Total	63.20	37.59

Market Capitalization

	Portfolio %	
Large	Above 25.0B	94.89
	10.0B - 25.0B	4.63
Mid	5.0B - 10.0B	0.00
	1.0B - 5.0B	0.00
Small	0.0 - 1.0B	0.00

Harbor International Compounders ETF



PERFORMANCE

As of 06/30/2024

Average Annual Returns

	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date
Harbor International Compounders ETF (NAV)	1.43%	5.43%	9.34%	N/A	N/A	N/A	20.25%	09/07/2022
Harbor International Compounders ETF (Market)	1.17%	5.69%	9.18%	N/A	N/A	N/A	20.44%	09/07/2022
MSCI All Country World Ex. US (ND) Index	0.96%	5.69%	11.62%	N/A	N/A	N/A	15.44%	09/07/2022

MANAGER COMMENTARY

As of 06/30/2024

“As an investor, being on the right side of government priorities and policies is important.”

C Worldwide Asset Management

Market in Review

Geopolitical events have been dominating the news flow around the world, with election results in India and Mexico, as well as election campaigns in France, the U.K., and the U.S. In a global thematic framework of rising government influence, election results and political appointments increasingly matter. We are witnessing an important transition from a multi-decade period with one superpower dominating the global agenda to a multipolar world, where more countries, led by China, seek increased influence. This has profound implications and will likely create further geopolitical turbulence in the years ahead. To some extent, it can be argued that the ongoing military conflicts are rooted in this shift to a multipolar world.

Therefore, our well-established “bigger government” theme will become even more pronounced. Wars are, by definition, a government matter, and we will see governments exerting greater influence across the business landscape, with more power politics where national interests define priorities. The green energy transition, where countries increase their self-sufficiency, is one example. Increasing government influence and even control of monetary policy will likely continue and become the norm. As an investor, being on the right side of government priorities and policies is important. However, even with this overlay of geopolitical uncertainty, equity markets remain robust, driven by overall positive macroeconomic and corporate earnings growth.

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 International Compounders ETF



MANAGER COMMENTARY

As of 06/30/2024

Portfolio Performance

During the quarter, the Harbor International Compounders ETF (“ETF”) returned 1.43% (NAV), outperforming its primary benchmark, the MSCI All Country World Ex. US (ND) Index, which returned 0.96%. Stock selection in Health Care, Information Technology, and Financials was particularly additive to relative results during the period, while positions in Industrials and Consumer Staples detracted the most.

Contributors & Detractors

The top three contributors were Taiwan Semiconductor Manufacturing Company (“TSMC”), HDFC Bank, and Novo Nordisk. TSMC became the largest semiconductor producer by continually lowering prices to drive larger volumes, outputting the highest yields based on learning from producing the largest quantities of chips, and becoming the most efficient foundry. Now, the company can start raising prices on the back of continued artificial intelligence (“AI”) strength and a solid 95% market share in the three-nanometer node. HDFC Bank bounced back after a period of underperformance, and investors are getting more comfortable with India’s long-term outlook after a few initial election jitters. Novo Nordisk continued the strong Wegovy momentum – with a focus besides obesity – on its cardiovascular benefits.

The top three detractors were Ferguson, LVMH, and Diageo. Ferguson, the world’s largest distributor of heating and plumbing products, has underperformed as the company has guided margins down marginally. On the residential side of the business, the repair, maintenance, and improvement market is still under pressure. The medium-term outlook is supported by an old housing stock in the U.S. that needs repairs and maintenance.

Buys & Sells

During the quarter, we exited our position in Samsung, initiated a new position in SMC, and reduced our holdings in ASML and Ferguson to fund a new position in Compass Group.

Our investment in Samsung was based on its market leadership in semiconductor memory and its potential to challenge TSMC in the global foundry market. However, Samsung’s share price has disappointed. Despite a memory market recovery, Samsung has been seen as missing out on leading-edge trends, losing leadership to Hynix. Despite rising political tensions around Taiwan, Samsung failed to capitalize on becoming a credible No. 2 foundry. Concerns about volatility and corporate governance led us to exit the position.

SMC is the world's leading manufacturer of pneumatic components, holding a 37% global market share. These components, which use air pressure to power and automate machines, are essential in various sectors, especially in industries requiring high precision, like semiconductor production. The company’s competitive advantage lies in its unique business model, combining a broad product portfolio, large inventories, and short delivery times. These components are crucial in industrial production, and quick delivery times are a significant advantage. SMC’s revenue is strongly correlated with global semiconductor CapEx, making it a key driver for future growth.

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Harbor International Compounders ETF



MANAGER COMMENTARY

As of 06/30/2024

Compass is the largest operator of outsourced canteens globally, operating multiple brands at multiple taste and price points, which broadens its ability to serve customer needs and mitigates risk. Currently, only 50% of canteens are outsourced, with 20% operated by small regional players and 30% by large players. Compass holds a 15% market share among the large players and generates over 30% return on invested capital on asset-light, inflation-protected, and high single-digit recurring revenue, with earnings before interest and tax ("EBIT") growing in low double digits.

Domestic and International Funds

Entering the year, the ETF was notably overweight in the Industrials, Information Technology, and Health Care sectors and underweight in Financials, Energy, and Communication Services. Following our recent purchases of SMC, Schneider Electric, and RELX, Industrials remains our largest active sector overweight, now representing ~29.5% of the ETF compared to the MSCI All Country World Ex. US Index's ~13.7%.

We employ an unconstrained approach to sectors and countries, gravitating toward what we believe are the best long-term opportunities. Country and sector weights are, therefore, a residual of stock selection. Our fundamental and bottom-up analysis – centered on in-depth company research – is the cornerstone of our strategy and where we spend the vast majority of our time.

Country Allocation

During the quarter, there were no significant changes in the ETF's sector and regional allocation compared to the benchmark.

Outlook

Predicting the short- to medium-term market outlook is not our primary focus. As longer-term investors, we look through economic and market cycles to try to find what we believe are the best structural companies with attractive risk/return risk profiles. In this respect, we continue to see what appears to be many attractive opportunities that are supported by thematic tailwinds.

We will never compromise on our investment criteria or strategy due to what we perceive to be short- to medium-term changes in the investment environment. Our focus on only owning what we believe are the best businesses with durable moats, strong governance, and clear long-term strategies gives us comfort that we own companies whose business models, management, and earnings are likely able to sustain earnings even in a low-growth environment. We have a constant pipeline of investment candidates that we compare with existing holdings. For us, it is about competition for capital with a five- to 10-year perspective. We believe intellectual resources and analytical efforts are best allocated to this winning principle.

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Harbor International Compounders ETF



QUARTERLY ATTRIBUTION

As of 06/30/2024

Best & Worst Performers

Best Performers

	Average Weight %	Return % (NAV)
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TAIWAN SEMICONDUCTOR-SP ADR	4.58	28.07
HDFC BANK LTD-ADR	4.90	16.03
ASTRAZENECA PLC	3.90	15.79
NOVO NORDISK A/S-B	6.46	13.26
ATLAS COPCO AB-A SHS	3.14	11.82

Worst Performers

	Average Weight %	Return % (NAV)
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VINCI SA	2.28	-15.89
DIAGEO PLC	2.48	-14.85
LVMH MOET HENNESSY LOUIS VUI	3.58	-14.46
FERGUSON PLC	5.38	-11.66
SMC CORP	1.06	-11.43

Contributors & Detractors

Greatest Contributors

	Return % (NAV)	Contribution to Return %
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TAIWAN SEMICONDUCTOR-SP ADR	28.07	1.12
NOVO NORDISK A/S-B	13.26	0.81
HDFC BANK LTD-ADR	16.03	0.72
ASTRAZENECA PLC	15.79	0.59
ATLAS COPCO AB-A SHS	11.82	0.36

Total **3.60**

Greatest Detractors

	Return % (NAV)	Contribution to Return %
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FERGUSON PLC	-11.66	-0.61
LVMH MOET HENNESSY LOUIS VUI	-14.46	-0.56
DIAGEO PLC	-14.85	-0.40
VINCI SA	-15.89	-0.37
SMC CORP	-11.43	-0.28

Total **-2.22**

Harbor International Compounders ETF



ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:

Harbor International Compounders ETF vs. MSCI All Country World Ex-United States

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	2.63	2.30	0.33
Currency Contribution	-1.06	-1.33	0.27
Total Return	1.57	0.96	0.60

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	13.96	9.26	4.69	8.58	3.78	4.81	1.19	0.36	0.15	0.65
Information Technology	18.79	13.22	5.57	8.47	5.21	3.27	1.34	0.61	0.08	0.56	0.64
Financials	13.08	21.47	-8.39	5.75	2.56	3.19	0.73	0.57	-0.13	0.39	0.26
Utilities	2.51	3.09	-0.58	8.53	2.21	6.32	0.21	0.07	-0.01	0.15	0.14
Real Estate	0.00	1.89	-1.89	0.00	-4.51	4.51	0.00	-0.08	0.11	0.00	0.11
Consumer Discretionary	7.56	11.55	-3.99	-7.94	-4.75	-3.18	-0.67	-0.55	0.21	-0.20	0.01
Energy	0.00	5.63	-5.63	0.00	1.31	-1.31	0.00	0.08	-0.02	0.00	-0.02
Materials	4.68	7.44	-2.76	-5.27	-1.87	-3.40	-0.27	-0.14	0.08	-0.17	-0.09
Communication Services	0.00	5.19	-5.19	0.00	3.99	-3.99	0.00	0.22	-0.16	0.00	-0.16
Industrials	28.98	13.85	15.13	-1.08	-0.47	-0.61	-0.35	-0.06	-0.24	-0.19	-0.43
Consumer Staples	9.22	7.42	1.81	-7.10	-1.71	-5.39	-0.63	-0.11	-0.04	-0.52	-0.56
Total	100.00	100.00	0.00	1.57	0.96	0.60	1.57	0.96	-0.06	0.67	0.60

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

Harbor International Compounders ETF



ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:

Harbor International Compounders ETF vs. MSCI All Country World Ex-United States

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
Denmark	6.46	2.41	4.05	13.26	7.48	5.78	0.81	0.17	0.26	0.36	0.62
Taiwan	4.58	5.06	-0.48	28.07	15.10	12.97	1.12	0.71	-0.01	0.42	0.41
Sweden	8.15	2.02	6.13	5.76	2.15	3.62	0.45	0.04	0.08	0.28	0.36
Canada	0.00	7.51	-7.51	0.00	-2.14	2.14	0.00	-0.15	0.24	0.00	0.24
Germany	10.22	5.55	4.67	1.84	-1.39	3.23	0.19	-0.07	-0.10	0.33	0.24
India	4.90	5.12	-0.23	16.03	10.21	5.82	0.72	0.50	-0.04	0.26	0.22
Brazil	0.00	1.35	-1.35	0.00	-12.24	12.24	0.00	-0.17	0.19	0.00	0.19
Mexico	0.00	0.70	-0.70	0.00	-16.08	16.08	0.00	-0.12	0.13	0.00	0.13
Netherlands	5.22	3.33	1.89	7.43	5.00	2.43	0.27	0.15	0.04	0.08	0.12
Saudi Arabia	0.00	1.13	-1.13	0.00	-7.36	7.36	0.00	-0.09	0.10	0.00	0.10
Japan	13.27	14.64	-1.37	-4.07	-4.27	0.20	-0.63	-0.70	0.17	-0.08	0.09
Italy	0.00	1.78	-1.78	0.00	-3.44	3.44	0.00	-0.06	0.08	0.00	0.08
Hong Kong	2.64	1.21	1.43	3.10	0.95	2.14	0.12	0.02	-0.01	0.06	0.05
Spain	0.00	1.72	-1.72	0.00	-1.65	1.65	0.00	-0.02	0.05	0.00	0.05
Israel	0.00	0.46	-0.46	0.00	-4.15	4.15	0.00	-0.02	0.03	0.00	0.03
Thailand	0.00	0.41	-0.41	0.00	-4.80	4.80	0.00	-0.02	0.02	0.00	0.02
Philippines	0.00	0.16	-0.16	0.00	-10.70	10.70	0.00	-0.02	0.02	0.00	0.02
United Arab Emirates	0.00	0.32	-0.32	0.00	-2.34	2.34	0.00	-0.01	0.01	0.00	0.01
Kuwait	0.00	0.21	-0.21	0.00	-2.76	2.76	0.00	-0.01	0.01	0.00	0.01
Chile	0.00	0.13	-0.13	0.00	-1.33	1.33	0.00	0.00	0.00	0.00	0.00
Greece	0.00	0.15	-0.15	0.00	-1.24	1.24	0.00	0.00	0.00	0.00	0.00
Colombia	0.00	0.03	-0.03	0.00	-4.59	4.59	0.00	0.00	0.00	0.00	0.00
Qatar	0.00	0.22	-0.22	0.00	-0.30	0.30	0.00	0.00	0.00	0.00	0.00
Belgium	0.00	0.61	-0.61	0.00	0.89	-0.89	0.00	0.01	0.00	0.00	0.00
Egypt	0.00	0.02	-0.02	0.00	-4.15	4.15	0.00	0.00	0.00	0.00	0.00
Peru	0.00	0.09	-0.09	0.00	1.98	-1.98	0.00	0.00	0.00	0.00	0.00
Czech Republic	0.00	0.04	-0.04	0.00	6.26	-6.26	0.00	0.00	0.00	0.00	0.00
New Zealand	0.00	0.12	-0.12	0.00	3.18	-3.18	0.00	0.00	0.00	0.00	0.00
Hungary	0.00	0.07	-0.07	0.00	9.18	-9.18	0.00	0.01	-0.01	0.00	-0.01
Austria	0.00	0.12	-0.12	0.00	7.14	-7.14	0.00	0.01	-0.01	0.00	-0.01
Portugal	0.00	0.12	-0.12	0.00	8.46	-8.46	0.00	0.01	-0.01	0.00	-0.01
Finland	0.00	0.65	-0.65	0.00	3.03	-3.03	0.00	0.02	-0.01	0.00	-0.01
Malaysia	0.00	0.39	-0.39	0.00	4.39	-4.39	0.00	0.02	-0.01	0.00	-0.01
Poland	0.00	0.27	-0.27	0.00	6.12	-6.12	0.00	0.02	-0.01	0.00	-0.01
Ireland	0.00	0.60	-0.60	0.00	3.93	-3.93	0.00	0.03	-0.02	0.00	-0.02
Norway	0.00	0.38	-0.38	0.00	6.55	-6.55	0.00	0.02	-0.02	0.00	-0.02
Turkey	0.00	0.22	-0.22	0.00	21.37	-21.37	0.00	0.04	-0.04	0.00	-0.04
Australia	0.00	4.62	-4.62	0.00	1.96	-1.96	0.00	0.08	-0.05	0.00	-0.05
Singapore	0.00	0.87	-0.87	0.00	8.89	-8.89	0.00	0.08	-0.07	0.00	-0.07
South Africa	0.00	0.81	-0.81	0.00	12.26	-12.26	0.00	0.10	-0.09	0.00	-0.09
Indonesia	2.75	0.47	2.28	-4.62	-12.39	7.77	-0.15	-0.07	-0.33	0.23	-0.10
South Korea	1.72	3.40	-1.69	-3.09	-1.17	-1.93	-0.13	-0.05	-0.12	0.01	-0.11
Switzerland	3.35	6.05	-2.70	-1.99	3.08	-5.07	-0.06	0.18	-0.05	-0.17	-0.22
United States	4.68	0.01	4.67	-5.27	-21.04	15.77	-0.27	0.00	-1.06	0.77	-0.29
France	12.51	7.68	4.84	-7.23	-7.48	0.25	-0.87	-0.56	-0.41	0.04	-0.37

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

Harbor International Compounders ETF



ATTRIBUTION

As of 06/30/2024

Quarterly Attribution:
Harbor International Compounders ETF vs. MSCI All Country World Ex-United States

Country Attribution

China	0.00	7.15	-7.15	0.00	6.92	-6.92	0.00	0.50	-0.40	0.00	-0.40
United Kingdom	18.34	9.63	8.71	-0.16	3.70	-3.86	-0.03	0.38	0.22	-0.69	-0.47
Cash	1.24	0.00	1.24	2.24	0.00	2.24	0.02	0.00	-0.08	0.00	-0.08
Total	100.00	100.00	0.00	1.57	0.96	0.60	1.57	0.96	-0.03	0.64	0.60

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Harbor International Compounders 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. Harbor ETFs are new and have limited operating history to judge.

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. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions. A non-diversified Fund may invest a greater percentage of its assets in securities of a single issuer, and/or invest in a relatively small number of issuers, it is more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio.

The subadvisor considers certain ESG factors in evaluating company quality which may result in the selection or exclusion of securities for reasons other than performance and the Fund may underperform relative to other funds that do not consider ESG factors.

Benchmarks

The MSCI All Country World Ex. US (ND) Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. This unmanaged index does not reflect fees and expenses and is 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.

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, 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.

C WorldWide Asset Management is a third-party subadvisor to the Harbor International Compounders ETF.

Foreside Fund Services, LLC is the Distributor of the Harbor ETFs.

Harbor International Compounders 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

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.

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.

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.