

HARBOR CAPITAL APPRECIATION FUND

Jennison Associates LLC

Subadvisor Since 05/01/1990

Total Net Assets - All Classes \$29,973,762,781
Equity Assets: 99.22%
Cash & Other Assets Less Liabilities: 0.78%
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 06/30/2024

Portfolio Characteristics			Economic Sectors		
	Portfolio	Benchmark		Portfolio %	Benchmark %
Number of Holdings	51	440	Information Technology	41.29	46.86
Wtd Avg Market Cap (\$Mil)	1,281,757.80	1,511,554.10	Consumer Discretionary	18.59	14.03
Median Market Cap (\$Mil)	161,568.00	18,173.00	Communication Services	15.18	12.64
Price/Book Ratio	13.12	13.12	Health Care	10.81	10.06
Adjusted Trailing P/E Ratio	50.60	38.70	Financials	6.85	5.64
% EPS Growth - Past 3 Yr	29.50	28.60	Industrials	3.59	5.06
Est 3-5 Yr EPS Growth Rate	22.70	19.40	Consumer Staples	2.91	3.77
(%) Return on Equity (%)	28.04	34.91	Materials	0.00	0.62
Beta vs. Fund Benchmark	1.11		Energy	0.00	0.48
Forecasted P/E Ratio	38.00	31.90	Utilities	0.00	0.06
			Real Estate	0.00	0.75

Top 10 Holdings			Top 10 Industries		
	Portfolio %	Benchmark %		Portfolio %	Benchmark %
NVIDIA Corporation	9.74	10.34	Semiconductors	19.12	16.11
Amazon.com Inc.	8.51	6.13	Software	15.34	17.77
Microsoft Corporation	8.41	11.71	Broadline Retail	10.01	6.24
Apple Inc.	5.25	10.82	Interactive Media	9.59	11.11
Meta Platforms Inc Clas	5.02	3.93	Pharmaceuticals	7.80	3.19
Broadcom Inc.	4.70	2.44	Tech Hardware Storage	5.25	10.93
Eli Lilly and Company	4.44	2.70	Financial Services	4.85	3.50
Netflix Inc.	3.16	1.01	Entertainment	4.43	1.25
Mastercard Incorporated	2.44	1.29	Hotels Rest & Leisure	3.25	2.53
Visa Inc. Class A	2.41	1.47	Specialty Retail	2.46	2.83
Total	54.08	51.84	Total	82.10	75.46

Market Capitalization		
		Portfolio %
Large	Above 25.0B	98.13
	10.0B - 25.0B	1.07
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 06/30/2024

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	6.50%	21.11%	36.03%	6.93%	17.91%	15.73%	12.63%	12/29/87	0.68	0.72
Investor	HCAIX	411511819	6.40%	20.88%	35.52%	6.54%	17.48%	15.31%	12.11%	11/01/02	1.04	1.08
Retirement	HNACX	411512528	6.52%	21.17%	36.14%	7.01%	18.00%	15.81%	12.65%	03/01/16	0.60	0.64
Russell 1000® Growth Index			8.33%	20.70%	33.48%	11.28%	19.34%	16.33%	11.71%	12/29/87		
S&P 500 Index			4.28%	15.29%	24.56%	10.01%	15.05%	12.86%	11.20%	12/29/87		

MANAGER COMMENTARY

As of 06/30/2024

"At the year's halfway point, markets continue to focus on and reward companies that are generating growth at above-average rates."

Jennison Associates, LLC

Market in Review

The second quarter of 2024 saw continued resilience in U.S. economic activity, as it exceeded the pace of most economies outside the United States. Evidence of an anticipated deceleration in growth began to emerge, with consumer sentiment declining and the unemployment rate increasing slightly through quarter-end. The level of the federal funds rate remained steady, reflecting the ongoing strength of the economy as policymakers awaited further evidence of softening before acting.

Meanwhile, around the globe, elections in India and Mexico produced unexpected outcomes. Political leadership in France and the United Kingdom called snap elections, leading to uncertainty and market weakness into quarter-end. The ongoing conflict in Ukraine, coupled with expanded Israeli military activity, kept geopolitical tensions high. The repercussions of a weak property market and trade restrictions on technology goods saw Chinese economic activity stagnate.

The market backdrop did not have a material impact on the Harbor Capital Appreciation Fund's ("Fund") positions. Accelerated spending on artificial intelligence ("AI") infrastructure among hyperscalers continued. Near-term disappointment with the pace of developing applications to monetize the spending on AI investments weighed on valuations of several Software as a Service ("SaaS") companies. However, we remain encouraged that these companies are working on AI initiatives that will improve their current offerings and fulfill the goal of AI enhancements that will help drive revenue growth for customers over our investment time horizon.

Trends in global consumer goods companies remained mixed. Poor consumption trends in China, weaker currencies in other markets, and declines in consumer confidence have resulted in uneven – and in some cases challenging – fundamental performance since the year began. Several casualties of these trends, along with execution-specific disappointments, appeared in the athleisure and apparel categories. On the other hand, consumers are still expressing a strong preference for travel, with healthy activity levels across the globe.

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 06/30/2024

Portfolio Performance

During the quarter, the Harbor Capital Appreciation Fund (Institutional Class) returned 6.50%, underperforming its benchmark, the Russell 1000® Growth Index, which returned 8.33%, and outperforming the S&P 500 Index, which returned 4.28%.

Stock selection within the Information Technology and Communication Services sectors detracted the most from relative performance during the period. Security selection within the Health Care and Consumer Staples sectors, along with an underweight in Industrials benefited relative results.

Contributors & Detractors

NVIDIA contributed to the Fund's performance as it continues to surpass expectations. Demand for the company's graphics processing units ("GPUs") continues to be spurred by growth in the AI market. Apple also contributed to performance, as its pace of execution in the AI field – and optimism about what the company may introduce – propelled the stock price higher.

Advanced Micro Devices' shares detracted from performance during the quarter. Inventory adjustment in the field remained a headwind, and the company is also experiencing supply constraints on important products. Salesforce shares also declined, following modestly disappointing revenue growth in its latest quarter, as it cited longer sales cycles, a "measured buying environment," and concerns that higher investments will lead to less operating margin leverage.

Buys & Sells

We initiated a position in Analog Devices, as the company is well positioned for strong cyclical growth in analog and mixed-signal technology. The company should also benefit from the acquisition of Linear Technology and Maxim for many years. Meanwhile, the industry should be emerging out of its post-COVID-19 cyclical downturn.

We sold our position in UnitedHealth Group due to concerns about industry medical-loss ratios, Medicare Advantage, and potential impacts on growth rates.

Overweights & Underweights

Sector weights as a by-product of our research-based stock selection. At mid-2024, the Fund's largest sector overweights/underweights relative to the Russell 1000® Growth Index were in Consumer Discretionary (overweight) and Information Technology (underweight). Sector weights remained generally stable and directionally consistent.

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Harbor Capital Appreciation Fund



MANAGER COMMENTARY

As of 06/30/2024

Outlook

At the year's halfway point, markets continue to focus on and reward companies that are generating growth at above-average rates. Profits generally are growing at a faster rate than during the previous year, and the economy has remained largely resilient. The federal funds rate, as a result, remains unchanged from the start of the year. We continue to believe that the trajectory of short rates will be lower, though the timing of the movement remains uncertain. The consumer slowdown is gathering pace but not suggestive of acute distress. Strong employment and growing wages will likely continue to support a positive backdrop, though with moderating gains over the balance of the year.

Market concentration is both topical and a growing phenomenon. The recently concluded Russell 1000® Index reconstitution has further compounded the situation — the ten largest constituents have risen above 60% of the Russell 1000® Growth Index's total weight. Further intensifying the challenges, the index has less than 400 issuers, its fewest number of holdings since 1990. As active large-cap growth investors with the goal of managing a diversified Fund, we must acknowledge these realities against this backdrop.

We hold position sizes in several of the largest market-capitalization companies that — after significant appreciation over the years — approach 10% of the Fund. Yet, in some cases, they are below the weight in the benchmark. Expressing high conviction through large positions has been a normal course of business over our history and an important source of investment alpha. However, idiosyncratic risk is a significant contributor to overall Fund risk. As a fiduciary, we place value on risk control when thinking about Fund construction — and what it takes to build a Fund with the appropriate balance for the environment we see going forward, in service of our goal of outperforming the benchmark over time.

QUARTERLY ATTRIBUTION

As of 06/30/2024

Best & Worst Performers

Best Performers	Average Weight %	Return %
NVIDIA CORP	9.12	36.74
APPLE INC	4.49	22.99
BROADCOM INC	4.35	21.53
ALPHABET INC-CL A	1.87	20.82
ALPHABET INC-CL C	1.88	20.60

Worst Performers	Average Weight %	Return %
MONGODB INC	0.93	-30.30
LULULEMON ATHLETICA INC	0.54	-23.27
NIKE INC -CL B	0.67	-19.49
WALT DISNEY CO/THE	1.10	-18.85
SNOWFLAKE INC-CLASS A	0.87	-16.41

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
NVIDIA CORP	36.74	3.02
APPLE INC	22.99	1.03
BROADCOM INC	21.53	0.88
ELI LILLY & CO	16.57	0.67
AMAZON.COM INC	7.14	0.60
Total		6.19

Greatest Detractors	Return %	Contribution to Return %
ADVANCED MICRO DEVICES	-10.13	-0.47
SALESFORCE INC	-14.64	-0.37
MONGODB INC	-30.30	-0.36
MASTERCARD INC - A	-8.27	-0.25
WALT DISNEY CO/THE	-18.85	-0.23
Total		-1.68

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Harbor Capital Appreciation Fund



ATTRIBUTION

As of 06/30/2024

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	6.74	8.34	-1.60
Currency Contribution	-0.02	0.00	-0.02
Total Return	6.72	8.34	-1.62

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	10.56	10.26	0.30	12.85	2.97	9.88	1.33	0.31	-0.05	1.05	0.99
Consumer Staples	3.08	3.98	-0.90	8.30	0.82	7.48	0.28	0.05	0.07	0.24	0.31
Industrials	3.13	5.50	-2.38	-6.64	-5.29	-1.35	-0.19	-0.34	0.33	-0.04	0.30
Materials	0.00	0.67	-0.67	0.00	-7.19	7.19	0.00	-0.05	0.11	0.00	0.11
Real Estate	0.30	0.77	-0.48	-5.52	-2.75	-2.78	-0.08	-0.03	0.03	-0.01	0.03
Energy	0.00	0.47	-0.47	0.00	4.98	-4.98	0.00	0.02	0.02	0.00	0.02
Utilities	0.00	0.06	-0.06	0.00	11.25	-11.25	0.00	0.01	0.00	0.00	0.00
Financials	7.22	6.16	1.06	-5.43	-4.49	-0.95	-0.39	-0.30	-0.16	-0.08	-0.24
Consumer Discretionary	19.67	14.48	5.19	1.35	1.89	-0.54	0.22	0.22	-0.35	-0.09	-0.44
Communication Services	13.78	12.68	1.10	8.11	13.63	-5.53	1.08	1.71	0.04	-0.73	-0.70
Information Technology	41.97	44.96	-2.99	10.86	15.24	-4.38	4.46	6.73	-0.21	-1.75	-1.95
Total	100.00	100.00	0.00	6.72	8.34	-1.62	6.72	8.34	-0.21	-1.41	-1.62

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	36.94	33.48	3.45
Currency Contribution	-0.07	0.00	-0.07
Total Return	36.86	33.48	3.38

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
Information Technology	40.18	43.73	-3.55	53.50	43.86	9.64	20.79	18.78	-0.35	3.54	3.19
Health Care	11.36	10.73	0.63	44.82	25.31	19.51	4.65	2.75	-0.23	2.18	1.95
Industrials	2.54	5.77	-3.23	43.29	14.46	28.83	1.07	0.90	0.55	0.60	1.15
Consumer Staples	3.10	4.14	-1.04	37.02	13.34	23.68	1.16	0.55	0.24	0.77	1.01
Materials	0.00	0.68	-0.68	0.00	16.62	-16.62	0.00	0.13	0.12	0.00	0.12
Energy	0.00	0.51	-0.51	0.71	25.20	-24.49	0.00	0.12	0.04	0.00	0.04
Utilities	0.00	0.05	-0.05	0.00	49.48	-49.48	0.00	0.02	-0.01	0.00	-0.01
Real Estate	0.76	0.87	-0.10	-2.00	4.81	-6.80	-0.06	0.05	0.00	-0.07	-0.07
Communication Services	11.93	11.83	0.10	53.61	56.09	-2.48	5.89	6.11	-0.03	-0.37	-0.40
Financials	7.30	6.37	0.94	5.73	18.34	-12.61	0.23	1.33	-0.16	-1.24	-1.40
Consumer Discretionary	22.46	15.33	7.13	13.23	16.97	-3.74	3.11	2.74	-1.21	-0.97	-2.18
Total	100.00	100.00	0.00	36.86	33.48	3.38	36.86	33.48	-1.06	4.44	3.38

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

Harbor Capital Appreciation Fund



ATTRIBUTION

As of 06/30/2024

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	25.32	37.81	-12.50
Currency Contribution	-0.45	0.00	-0.45
Total Return	24.86	37.81	-12.95

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	10.35	10.61	-0.26	76.80	25.20	51.61	8.67	3.69	-0.53	4.43	3.90
Consumer Staples	3.97	4.93	-0.96	31.66	24.95	6.71	0.36	1.09	0.68	-0.36	0.32
Industrials	2.08	6.94	-4.86	22.67	21.24	1.43	0.84	1.72	0.35	-0.10	0.25
Materials	0.00	1.01	-1.01	0.00	10.31	-10.31	0.00	0.00	0.25	0.00	0.25
Utilities	0.00	0.04	-0.04	0.00	54.08	-54.08	0.00	0.03	-0.01	0.00	-0.01
Energy	0.65	0.80	-0.15	18.80	87.94	-69.13	0.16	0.36	-0.28	0.24	-0.04
Real Estate	0.81	1.44	-0.63	-17.66	-15.56	-2.10	-0.58	-0.54	0.08	-0.17	-0.10
Consumer Discretionary	25.41	16.05	9.36	5.15	5.14	0.01	-4.75	-1.76	-3.33	0.41	-2.93
Financials	9.59	6.80	2.79	-19.76	-2.54	-17.22	-2.30	-0.22	-1.17	-2.17	-3.34
Communication Services	12.24	10.28	1.95	-2.45	18.12	-20.57	-3.36	1.52	-1.13	-3.71	-4.84
Information Technology	34.25	41.10	-6.85	60.10	80.20	-20.10	25.75	31.93	-1.99	-4.83	-6.82
Total	100.00	100.00	0.00	24.86	37.81	-12.95	24.86	37.81	-6.68	-6.27	-12.95

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

Performance

	Portfolio	Benchmark	Active
Return Ex Currency	136.86	142.11	-5.25
Currency Contribution	-0.70	0.00	-0.70
Total Return	136.16	142.11	-5.95

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	24.53	15.64	8.89	154.81	93.00	61.81	31.88	15.95	-5.43	16.75	11.32
Health Care	9.41	11.93	-2.53	111.13	90.38	20.75	11.57	14.77	0.38	3.94	4.31
Consumer Staples	3.95	4.95	-1.00	115.74	61.93	53.81	3.12	3.37	2.11	1.50	3.61
Materials	0.00	1.03	-1.03	0.00	49.35	-49.35	0.00	0.40	1.18	0.00	1.18
Real Estate	0.72	1.77	-1.05	-2.95	17.79	-20.74	-0.27	0.53	0.80	-0.31	0.49
Energy	0.39	0.54	-0.15	18.80	115.60	-96.79	0.16	0.19	-0.19	0.45	0.26
Utilities	0.00	0.03	-0.03	0.00	103.40	-103.40	0.00	0.03	-0.01	0.00	-0.01
Industrials	3.00	7.16	-4.16	19.26	56.58	-37.32	-3.22	2.36	3.81	-4.84	-1.02
Financials	10.99	7.55	3.44	37.20	49.73	-12.53	7.87	6.01	-4.15	-0.79	-4.94
Communication Services	13.62	10.82	2.80	80.89	129.39	-48.50	13.78	15.51	-0.48	-9.88	-10.36
Information Technology	32.80	38.57	-5.78	256.97	285.95	-28.98	71.14	83.00	-5.39	-5.91	-11.30
Total	100.00	100.00	0.00	136.16	142.11	-5.95	136.16	142.11	-6.85	0.90	-5.95

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.

Jennison Associates LLC is a third-party subadvisor to the Harbor Capital Appreciation Fund and CIT.

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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.