
Category Definitions

Korea

Morningstar Research
April 2018

Equity

Africa & Middle East Equity

Africa & Middle East Equity funds invest primarily in African & Middle Eastern companies. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in African & Middle Eastern equities.

Category Index: S&P Mid-East and Africa BMI TR

Morningstar Index (Secondary Index): Morningstar Middle East & Africa NR

ASEAN Equity

ASEAN Equity funds invest primarily in the equities of ASEAN member countries. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in ASEAN equities. Their exposure to a single ASEAN country is typically less than 75% of equities.

Category Index: FTSE ASEAN TR

Morningstar Index (Secondary Index): Morningstar ASEAN ex-Vietnam NR

Asia-Pacific ex-Japan Equity

Asia-Pacific ex-Japan Equity funds cover a wide geographic range. Most of these funds focus on export-oriented nations such as Hong Kong, Singapore, Taiwan and Korea. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in Pacific Countries, with less than 10% in Japan.

Category Index: MSCI AC Asia Pacific Ex Japan NR

Morningstar Index (Secondary Index): Morningstar Asia Pac xJpn NR

Asia-Pacific with Japan Equity

Asia-Pacific with Japan Equity funds have a wider investment range than other Asia-oriented funds. These funds can invest throughout the Pacific Rim, including Australia and New Zealand. As a result, country weightings for these funds vary tremendously, though most retain some exposure to Japan and Hong Kong. These funds invest at least 75% of total assets in equities, and invest at least 75% of equities in Pacific countries, including at least 15% in Japan.

Category Index: MSCI AC Asia Pacific NR

Morningstar Index (Secondary Index): Morningstar Asia Pac NR

Brazil Equity

Brazil Equity funds invest primarily in Brazilian companies. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in Brazilian equities.

Category Index: MSCI Brazil NR

Morningstar Index (Secondary Index): Morningstar BRIC NR

BRIC Equity

BRIC Equity funds invest primarily in equities listed or domiciled in Brazil, Russia, India, and China. These funds invest at least 75% of total assets in equities, and invest at least 75% of equity assets in Brazilian, Russian, Indian, and Chinese equities. BRIC funds, which also include Korea, are included in this category.

Category Index: MSCI BRIC

Morningstar Index (Secondary Index): Morningstar BRIC NR

China Equity

China Equity funds invest primarily in Chinese companies listed on the stock exchanges in China and Hong Kong, and companies that derive significant revenues from or have substantial business ties with the China market. These funds invest at least 75% of total assets in equities, and at least 75% of equity assets in Chinese or China-related companies defined as above. The funds usually invest less than 10% of total assets in Taiwanese equities.

Category Index: MSCI China NR

Morningstar Index (Secondary Index): Morningstar China NR

Emerging Europe Equity

Emerging Europe Equity funds invest primarily in the equities of companies based in Emerging Europe. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in Emerging Europe equities.

Category Index: MSCI EM Eastern Europe NR

Morningstar Index (Secondary Index): Morningstar EM Europe NR

Emerging Markets Equity

Emerging Markets Equity funds tend to divide their assets among several emerging markets in Asia, Latin America, Europe, Middle East and/or Africa. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in emerging markets equities.

Category Index: MSCI Emerging Markets NR

Morningstar Index (Secondary Index): Morningstar EM NR

Europe Equity

Europe Equity funds invest primarily in the equities of companies based in Europe across a range of markets. These funds invest at least 75% of total assets in equities, and invest at least 75% of equity assets in European equities.

Category Index: MSCI Europe NR

Morningstar Index (Secondary Index): Morningstar DM Europe NR

Global Equity

Global Equity funds invest primarily in the equities of companies globally across a range of markets. These funds invest at least 75% of total assets in equities, and invest at least 75% of equity assets in Global equities.

Category Index: MSCI AC WORLD NR

Morningstar Index (Secondary Index): Morningstar Gbl Mkts NR

India Equity

India Equity funds invest primarily in Indian companies. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in Indian equities.

Category Index: MSCI India NR

Morningstar Index (Secondary Index): Morningstar India NR

Japan Equity

Japan Equity funds invest primarily in the equities of Japanese companies. These funds invest at least 75% of total assets in equities, and invest at least 75% of equity assets in Japanese equities.

Category Index: MSCI Japan NR

Morningstar Index (Secondary Index): Morningstar Japan NR

Korea Large-Cap Equity

Korea Large-Cap Equity funds invest primarily in the equities of large-cap South-Korean companies. Equities in the top 70% of the capitalisation of the Asia-Pacific ex-Japan equity market are defined as large-cap. These funds invest at least 75% of total assets in equities, and invest at least 75% of equity assets in South-Korean equities.

Category Index: KOSPI200 PR

Morningstar Index (Secondary Index): Morningstar Korea Large Cap NR

Korea Small/Mid-Cap Equity

Korea Small/Mid-Cap Equity funds invest primarily in the equities of small-cap and mid-cap South-Korean companies. Their holdings typically fall in the bottom 30% of the capitalisation of the Asia-Pacific ex-Japan equity market. These funds invest at least 75% of their total assets in equities, and invest at least 75% of equity assets in South-Korean equities.

Category Index: KOSPI PR

Morningstar Index (Secondary Index): Morningstar Korea Small-Mid NR

Korea Equity Income

Korea Equity Income funds invest principally in European equities that pay out above-market yields. Funds in this category can invest in companies of any size, though many exhibit a large-cap bias.

Category Index: Morningstar Korea NR KRW

Morningstar Index (Secondary Index): Morningstar Korea NR

Latin America Equity

Latin America Equity funds invest mainly in Latin American companies across a range of markets. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in Latin American equities.

Category Index: MSCI EM Latin America NR

Morningstar Index (Secondary Index): Morningstar EM Americas NR

Russia Equity

Russia Equity funds invest primarily in the equities of companies based in Russia. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in Russian equities.

Category Index: MSCI Russia NR

Morningstar Index (Secondary Index): Morningstar Russia NR

US Equity

US Equity funds invest primarily in the equities of US companies. These funds invest at least 75% of total assets in equities and invest at least 75% of equity assets in US equities.

Category Index: MSCI USA NR

Morningstar Index (Secondary Index): Morningstar US Market TR

Vietnam Equity

Vietnam Equity funds invest principally in the equities of Vietnamese companies. These funds invest at least 75% of their total assets in equities and invest at least 75% equity assets in Vietnamese equities.

Category Index: Vietnam VN Index

Morningstar Index (Secondary Index): Not assigned

Other Equity

Other Equity funds invest in the equities of companies from one or more countries that are not included in other Morningstar categories. For example, they can be funds that focus on two countries such as Russia and Brazil, etc. These funds invest at least 75% of total assets in equities.

[Funds in this category do not receive a Morningstar Rating™.]

Sector Equity

Sector Equity Alternative Energy

Sector Equity Alternative Energy funds invest primarily in the equities of companies in the solar power, hydro-electric power, wind power, and nuclear energy industries. Most invest in a range of companies, buying across the alternative energy spectrum, but some funds may concentrate on a single industry segment, such as nuclear energy. These funds invest at least 75% of total assets in equities, and invest at least 50% of equity assets in alternative energy companies.

Category Index: S&P Global Clean Energy TR

Morningstar Index (Secondary Index): Not assigned.

Sector Equity Consumer Goods and Services

Sector Equity Consumer Goods and Services funds invest primarily in the equities of companies that manufacture or provide consumer goods or services. These funds invest at least 75% of total assets in equities and invest at least 50% of equity assets in the consumer goods and/or consumer services sectors.

Category Index: 50% MSCI Wrld/Cnsmr Dscrtnry NR, 50% MSCI Wrld/ Cnsmr Staples NR

Morningstar Index (Secondary Index): Morningstar Gbl Consumer Sectors NR

Sector Equity Ecology

Sector Equity Ecology funds invest primarily in the equities of companies whose products or services actively promote a cleaner environment. Most invest in a range of companies, including alternative energy, pollution control, water treatment and energy efficiency companies. A few funds may concentrate on just one industry segment, such as pollution control. These funds invest at least 75% of total assets in equities, and invest at least 50% of equity assets in ecology companies.

Category Index: MSCI AC WORLD NR

Morningstar Index (Secondary Index): Morningstar Gbl Mkts NR

Sector Equity Financial Services

Sector Equity Financial Services funds invest primarily in the equities of companies in the financial services sector, including banks, brokerage firms, insurance companies and consumer credit providers. These funds invest at least 75% of total assets in equities, and invest at least 50% of equity assets in financial services companies.

Category Index: MSCI World/Financials NR

Morningstar Index (Secondary Index): Not assigned.

Sector Equity Infrastructure

Sector Equity Infrastructure funds invest primarily in the equities of companies that are involved in the provision or maintenance of essential infrastructure. Such companies may include electric and gas

utilities, water utilities, roads and railways, airports, and communication networks. Most funds invest in a range of companies, but a few funds concentrate on just one industry segment. These funds invest at least 75% total assets in equities, and invest at least 50% of equity assets in infrastructure companies.

Category Index: S&P Global Infrastructure TR

Morningstar Index (Secondary Index): Morningstar Gbl Eq Infra NR

Sector Equity Natural Resources

Sector Equity Natural Resources funds invest primarily in the equities of companies involved in the extraction or sale of natural resources. Most invest in a range of companies, including energy, mining, timber, and water issues, but some may focus on a single industry segment. These funds invest at least 75% of total assets in equities, and invest at least 50% of equity assets in natural resource companies.

Category Index: S&P Global Natural Resources TR

Morningstar Index (Secondary Index): Morningstar Gbl Upstm Nat Res TR

Sector Equity Real Estate Indirect

Sector Equity Real Estate Indirect funds invest primarily in the securities of real-estate companies, including those of real-estate investment trusts (REITs). They do not invest significant amounts directly in “bricks and mortar”. Some funds concentrate on a certain segment of the real estate market, such as companies or trusts that own office buildings or residential properties. These funds invest at least 75% of total assets in equities, invest at least 50% of equity assets in real-estate securities. This category excludes indirect real-estate funds focused on Asia, but includes all other regional and global funds.

Category Index: MSCI World/Real Estate NR

Morningstar Index (Secondary Index): Morningstar Gbl Real Estate NR

Sector Equity Real Estate Indirect – Asia

Sector Equity Real Estate Indirect – Asia funds invest primarily in the securities of Asian real-estate companies, including those of real-estate investment trusts (REITs). They do not invest significant amounts directly in “bricks and mortar”. Some funds concentrate on a certain segment of the real estate market, such as companies or trusts that own office buildings or residential properties. These funds invest at least 75% of total assets in equities, and invest at least 50% of equity assets in real-estate securities, with at least 75% of equity assets invested in Asia.

Category Index: FTSE EPRA/NAREIT Dvlp Asia TR

Morningstar Index (Secondary Index): Morningstar Asia Pac Real Estate NR

Sector Equity Technology

Sector Equity Technology funds invest primarily in the equities of companies in the hardware and software sectors. Most concentrate on computer, semiconductor, software, networking and internet-related equities. Some concentrate on a single technology industry. These funds invest at least 75% of total assets in equities, and invest at least 50% of equity assets in the hardware and software sectors.

Category Index: MSCI World/Information Tech NR

Morningstar Index (Secondary Index): Morningstar Gbl Technology NR

Sector Equity Healthcare

Sector Equity Health Care funds invest principally in the equities of companies in the medical and health-care industries. Most invest in a range of companies, buying everything from pharmaceutical and medical device makers to hospitals and nursing homes. A few funds concentrate on just one industry segment, such as medical devices. These funds invest at least 75% of total assets in equities, and invest at least 50% of equity assets in health care companies.

Category Index: MSCI World/Health Care NR

Morningstar Index (Secondary Index): Morningstar Gbl Healthcare

Sector Equity Other

Sector Equity Other funds have meaningful sector concentrations, but do not fit in a Sector Equity category. These funds invest at least 75% of total assets in equities. They concentrate their assets in less than four sectors, and invest more than 10% of equity assets in each of those sectors.

[Funds in this category do not receive a Morningstar Rating™.]

Allocation

Asia Pacific Cautious Allocation

Asia Pacific Cautious Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. Their portfolios typically have 0% to 50% of their total assets in stocks from the Asia-Pacific markets and the remainder in fixed income and cash.

Category Index: 30% MSCI AC Asia Pacific Ex JPN NR & 70% MKBP Composite

Morningstar Index (Secondary Index): Cat 30%Morningstar Asia Pac xJpn NR USD & 70%MKBP Comp

China Aggressive Allocation

China Aggressive Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a larger position in stocks than China Cautious Allocation funds. Their portfolios typically have 50% to 100% of their total assets in Chinese companies listed on the stock exchange in China and Hong Kong, and companies that derive significant revenues from or have substantial business ties with the China market. The remainder in fixed income and cash.

Category Index: China Aggressive Allocation Benchmark (60% Morningstar China NR CNY + 40% MKBP Composite)

Morningstar Index (Secondary Index): China Aggressive Allocation Benchmark

China Cautious Allocation

China Cautious Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a smaller position in stocks than China Aggressive Allocation funds. Their portfolios typically have less than 50% of their total assets in Chinese companies listed on the stock exchange in China and Hong Kong, and companies that derive significant revenues from or have substantial business ties with the China market. The remainder in fixed income and cash.

Category Index: China Cautious Allocation Benchmark (30% Morningstar China NR CNY + 70%MKBP Composite)

Morningstar Index (Secondary Index): China Cautious Allocation Benchmark

Global Aggressive Allocation

Global Aggressive Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a larger position in stocks than Global Cautious Allocation funds. Their portfolios typically have 50% to 100% of their total assets in stocks from global and developed markets and the remainder in fixed income and cash.

Category Index: 60% MSCI AC WORLD NR & 40% MKBP Composite

Morningstar Index (Secondary Index): 60%Morningstar Gbl Mkts NR USD & 40%MKBP Composite

Global Cautious Allocation

Global Cautious Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a smaller position in stocks than Global Aggressive

Allocation funds. Their portfolios typically have 0% to 50% of their total assets in stocks from global or developed markets and the remainder in fixed income and cash.

Category Index: 30% MSCI AC WORLD NR & 70% MKBP Composite

Morningstar Index (Secondary Index): 30% Morningstar Gbl Mkts NR USD & 70% MKBP Composite

Korea Aggressive Allocation

Korea Aggressive Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a larger position in stocks than Korea Cautious Allocation funds. Their portfolios typically have 50% to 100% of their total assets in Korea equities and the remainder in fixed income and cash.

Category Index: 60% KOSPI PR & 40% MKBP Composite

Morningstar Index (Secondary Index): 60% Morningstar Korea NR KRW & 40% MKBP Composite

Korea Cautious Allocation

Korea Cautious Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a smaller position in stocks than Korea Aggressive Allocation funds. Their portfolios typically have 0% to 50% of their total assets in Korea equities and the remainder in fixed income and cash.

Category Index: 30% KOSPI PR & 70% MKBP Composite

Morningstar Index (Secondary Index): 30% Morningstar Korea NR KRW & 70% MKBP Composite

Life Cycle

Life Cycle funds provide diversified exposure to equities, bonds, and cash for the investor's age, retirement timing or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. These portfolios get more conservative as the goal date approaches by investing more in bonds and cash.

[Funds in this category do not receive a Morningstar Rating™.]

Other Aggressive Allocation

Other Aggressive Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a larger position in stocks than Other Cautious Allocation funds. Their portfolios typically have 50% to 100% of their total assets in stocks and the remainder in fixed income and cash. These funds do not fit into any existing Allocation categories.

[Funds in this category do not receive a Morningstar Rating™.]

Other Cautious Allocation

Other Cautious Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a smaller position in stocks than Other Aggressive Allocation funds. Their portfolios typically have 0% to 50% of their total assets in stocks and the remainder in fixed income and cash. These funds do not fit into any existing Allocation categories.

[Funds in this category do not receive a Morningstar Rating™.]

Fixed Income

Korea Bond

Korea bond funds invest in fixed-income issues and/or money market instruments in the Korea market.

Category Index: MKBP Composite

Morningstar Index (Secondary Index): Not assigned.

Korea Corporate Bond

Korea Corporate Bond funds invest in corporate-issued securities in the Korea market.

Category Index: MKBP Composite Unsecured Corporate

Morningstar Index (Secondary Index): Not assigned.

Global Bond

Global Bond funds invest in a diversified portfolio of principally investment grade bonds denominated in a diverse range of currencies. Some Global Bond funds follow a conservative approach, favoring high-quality bonds from developed markets. Others are more adventurous and own stakes in lower-quality bonds or emerging-market bonds. Some portfolios invest exclusively outside Korea, while others include Korea in their investable universe. Currency hedging policies among funds in this category range from fully hedged to KRW, to unhedged.

Category Index: Barclays Gbl Agg TR

Morningstar Index (Secondary Index): Morningstar Gbl Gov Bd TR

Global Emerging Markets Bond

Global Emerging Market Bond funds are dedicated to fixed income securities of issuers in emerging market countries. They should invest across the global emerging markets universe without a country or regional focus. Funds may invest in either or both hard and local currency issuance. Currency hedging policies among funds in this category range from fully hedged to KRW, to unhedged.

Category Index: JPM EMBI Global TR

Morningstar Index (Secondary Index): Morningstar EM Sovereign Bd TR

Global High Yield Bond

Global High Yield Bond funds invest in sub-investment grade securities with a credit quality equivalent to BB, or lower. They invest globally across the currency spectrum. Some funds can be funds that focus on some countries or regions. Currency hedging policies among funds in this category range from fully hedged to KRW, to unhedged.

Category Index: BofAML Global HY Constrained TR

Morningstar Index (Secondary Index): Not assigned.

Other Bond

Other Bond funds have meaningful fixed income concentrations, but do not fit into an existing Fixed Income category.

[Funds in this category do not receive a Morningstar Rating™.]

Money Market

Money Market funds invest in money market instruments in the Korea market in order to provide a level of current income that is consistent with the preservation of capital. They invest in short-term money market securities and the residual aggregate maturity does not exceed 12 months.

[Funds in this category do not receive a Morningstar Rating™.]

Alternative

Alt – Long/Short Equity - Korea

These funds take long and short positions in South-Korean equities. At least 75% of the funds' gross exposure is in South -Korean equities. They may gain this exposure directly and/or via derivative instruments. These funds will typically have a beta exposure of greater than 0.3 to South Korea equity indexes such as KOSPI.

[Funds in this category do not receive a Morningstar Rating™.]

Alt – Long/Short Equity - Other

These funds primarily take long and short positions in equity securities but do not fit into Alt – Long/Short Equity- Korea. At least 75% of the funds' gross exposure is in equities. They may gain this exposure directly and/or via derivative instruments. These funds will typically have a beta exposure of greater than 0.3 to a global stock index such as MSCI World.

[Funds in this category do not receive a Morningstar Rating™.]

Alt – Market Neutral - Equity

These funds attempt to reduce systematic risk created by factors such as exposures to sectors, market-cap ranges, investment styles, currencies, and/or countries. They try to achieve this by matching short positions within each area against long positions. These strategies are often managed as beta neutral, dollar neutral, or sector neutral. A distinguishing feature of funds in this category is that they typically have low beta exposures (< 0.3 in absolute value) to equity market indexes such as the KOSPI and MSCI World. In attempting to reduce systematic risk, these funds put the emphasis on issue selection, with profits dependent on their ability to sell short and buy long the correct securities.

[Funds in this category do not receive a Morningstar Rating™.]

Alt – Other

All Alternative funds that do not fit into any other Alternative category.

[Funds in this category do not receive a Morningstar Rating™.]

Other

Equity / Derivatives Linked

ELF / DLF invest primarily in ELS, ELB, or DLS. ELS / DLF seek to the predefined profit and loss. These securities are structured financial instruments whose returns are predetermined linked to the underlying equity (usually stock), equity indices, and /or derivatives. ELF / DLF's return (profit and loss) is closely linked to that of the underlying ELS, ELB, and or DLS.

[Funds in this category do not receive a Morningstar Rating™.]

Derivative Commodities

Derivative Commodities funds invest primarily in derivative instruments that give them exposure to various commodities. These commodities include metals, agricultural goods, and energy, among others. These funds may also take short positions in commodities via derivatives.

[Funds in this category do not receive a Morningstar Rating™.]

Leveraged/Inverse Equity

These funds seek to generate returns equal to a fixed multiple of returns of an equity index, or an inverse multiple of returns of an equity index. The compounding of returns results in performance that does not correspond to those of investing in the index with external leverage over a longer holding period. For example, a fund attempting to achieve 2x the returns of a given index on a daily basis is unlikely to deliver anything like 2x the index's returns over periods longer than one day. Many of these funds seek to generate a multiple of the daily or weekly return of the reference index.

[Funds in this category do not receive a Morningstar Rating™.]

Leveraged Equity

These funds seek to generate returns equal to a fixed multiple of returns of an equity index. The compounding of returns results in performance that does not correspond to those of investing in the index with external leverage over a longer holding period. For example, a fund attempting to achieve 2x the returns of a given index on a daily basis is unlikely to deliver anything like 2x the index's returns over periods longer than one day. Many of these funds seek to generate a multiple of the daily or weekly return of the reference index.

[Inverse Equity funds are to be excluded from Leveraged / Inverse Equity to be classified into Others (as of March 2015)]

[Funds in this category do not receive a Morningstar Rating™.]

Target Achievement

The introduction of Target Achievement category is to classify the funds that switch most of the assets when the funds reach certain target returns to preserve the returns earned. These funds invest most of the assets primarily in equities before achieving target returns. Once achieved, they will sell most or all portfolio assets and buy bonds or any other assets to preserve the fund asset. The funds in this category

should be distinguished from the umbrella type of funds in which investors can transfer a fund to another in a different portfolio. [Funds in this category do not receive a Morningstar Rating™.]

Other

All funds which do not currently fit into any other Morningstar category.

[Funds in this category do not receive a Morningstar Rating™.]



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