

# Morningstar Category for Funds Definitions

## For funds available for sale in the United States.

**Morningstar**  
October 2025

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## Introduction

The Morningstar Category classifications were introduced in 1996 to help investors make meaningful comparisons between mutual funds. Morningstar found that the investment objective listed in a fund's prospectus often did not adequately explain how the fund actually invested. For example, many funds claimed to be seeking "growth," but some of those were investing in established blue-chip companies, while others were investing in small-cap companies.

The category classifications solved this problem by breaking portfolios into peer groups based on their holdings. Among other things, the categories help investors and analysts evaluate fund performance and portfolio statistics against peers and relevant benchmarks, assess potential risks, and build well-diversified portfolios. Morningstar regularly reviews the category structure and the portfolios within each category to ensure that the system meets the needs of investors.

Morningstar assigns categories to all types of portfolios, such as mutual funds, variable annuities, and separate accounts. Portfolios are placed in a given category based on their average holdings statistics over the past three years. If the portfolio is new and has no history, Morningstar estimates where it will fall before giving it a more permanent category assignment. When necessary, Morningstar may change a category assignment based on recent changes to the portfolio.

The driving principles behind the classification system are as follows:

- ▶ Individual portfolios within a category invest in similar types of securities and therefore share the same risk factors (for example, style risk or prepayment risk).
- ▶ Individual portfolios within a category can, in general, be expected to behave more similarly to one another than to portfolios outside the category.
- ▶ The aggregate performance of different categories differs materially over time.
- ▶ Categories have enough constituents to form the basis for reasonable peer-group comparisons.
- ▶ The distinctions between categories are meaningful to investors and assist in their pursuit of investing goals.

In the United States, Morningstar supports 127 categories, which map into nine category groups (US equity, sector equity, allocation, international equity, alternative, commodities, taxable bond, municipal bond, and money market). The category group indexes and category indexes listed with each category are used in Morningstar's tools and reports to show performance relative to a benchmark.

## Category Review Process

Morningstar engages in a formal process to review the accuracy of the category assignments in each Morningstar category and make adjustments, where necessary. Every category is reviewed at least once each calendar year.

The process begins with a quantitative filter that proposes category recommendations based on the three-year trailing portfolio statistics, which are calculated from an investment's reported holdings. There is a wealth of data used in this process, but the statistics examined coincide with the major portfolio components we use to define categories, such as asset allocation, market capitalization, value-growth score, and duration. The recommendations for changes to existing category assignments are then reviewed by Morningstar manager research analysts, who accept or reject the system's proposals. Our research team uses a mosaic approach when performing qualitative assignments. Their decision is based on many factors, including, but not limited to, familiarity with the strategy of the portfolio managers and fund family; their understanding of current market forces; an appreciation for alternative strategies, which may not be borne out adequately in our statistical calculations; and a desire to portray the most accurate picture of economic exposure possible.

After we propose a change to a fund's category, those changes are sent to the fund's advisor with adequate time to challenge our opinion and provide contravening information in a category appeal. Once an appeal is received, the change is escalated and reviewed again by a second group of analysts.

In addition to the formal review processes, we accept category appeals throughout the year. Morningstar reviews all appeals but generally rejects those that are based only on a philosophical difference in the category definition. Successful appeals typically provide information demonstrating that our analysis is incomplete or inaccurate. These reviews are reserved for miscategorizations that are attributable to the incorrect initial assignment for new funds, data errors, strategy changes, or missing or incomplete data. Regardless of when these requests are received, all category changes are made on the last business day of the month in which they are reviewed. Changes to the category assignment owing to this process are typically available in products by the third business day of the month following the review period. Appeals can be submitted only by the fund representatives, and not by third parties. In the case that a category change is initiated by a Morningstar analyst, we notify the fund representatives and offer an appeal period.

Fund representatives may request an appeal form by emailing [category@morningstar.com](mailto:category@morningstar.com).

**Changes****Oct. 31, 2025**

- Added Private Equity, Venture Capital, Private Debt - General, Private Debt - Direct Lending, Private Multi-Asset, Direct Real Estate, Direct Infrastructure, Government Mortgage-Backed Bond, Securitized Bond - Focused, Securitized Bond - Diversified, Multi-Asset Leveraged, and Equity Digital Assets

**April 30, 2025**

- Added Global Aggressive Allocation, Global Moderately Aggressive Allocation, Global Moderate Allocation, Global Moderately Conservative Allocation, Global Conservative Allocation, and Miscellaneous Allocation
- Retired Global Allocation and Leverage Net Long
- Revised text definitions of Aggressive Allocation, Moderately Aggressive Allocation, Moderate Allocation, Moderately Conservative Allocation, Conservative Allocation, Global Large-Stock Growth, Global Large-Stock Blend, Global Large-Stock Value, Global Small/Mid Stock

**Oct. 30, 2024**

- Added Defined Outcome
- Renamed Options Trading to Equity Hedged
- Revised text definitions of Real Estate, Macro Trading, and Long-Short Equity

**April 30, 2024**

- Added Short-Term Inflation-Protected Bond

**April 28, 2023**

- Added Miscellaneous Fixed Income
- Renamed Allocation—15% to 30% Equity to Conservative Allocation, Allocation—30% to 50% Equity to Moderately Conservative Allocation, Allocation—50% to 70% Equity to Moderate Allocation, Allocation—70% to 85% Equity to Moderately Aggressive Allocation, and Allocation—85%+ Equity to Aggressive Allocation

**April 29, 2022**

- Added Digital Assets
- Revised text definition of Allocation—15% to 30% Equity, Allocation—30% to 50% Equity, Allocation—50% to 70% Equity, Allocation—70% to 85% Equity, and Allocation—85%+ Equity

**April 30, 2021**

- Added Macro Trading, Event Driven, Relative Value Arbitrage, Derivative Income, Options Trading, Multistrategy, Equity Market Neutral, World Large-Stock Growth, World Large-Stock Blend, World Large-Stock Value, and Target-Date 2065+
- Added US Category Groups Nontraditional Equity and Miscellaneous

- ▶ Retired Long-Short Credit, Bear Market, Volatility, Multicurrency, Options-based, Multialternative, Market Neutral, and World Large Stock
- ▶ Renamed Target-Date 2060+ to Target-Date 2060 and Managed Futures to Systematic Trend
- ▶ Revised text definition of World Small/Mid Stock, Bank Loan, and Nontraditional Bond

**April 30, 2020**

- ▶ Added Commodities Focused
- ▶ Retired Commodities Agriculture, Commodities Energy, Commodities Industrial Metals, and Commodities Precious Metals
- ▶ Revised text definition of Mid-Cap Value, Mid-Cap Blend, and Mid-Cap Growth
- ▶ Removed Star Ratings and Rankings calculations for Stable Value

**April 30, 2019**

- ▶ Added Intermediate Core-Plus Bond, Target Maturity, Muni Target Maturity, and World Bond-USD Hedged
- ▶ Renamed Intermediate-Term Bond to Intermediate Core Bond
- ▶ Revised text definition of World Bond, Corporate Bond, Long-Term Bond, and Intermediate Core Bond

**April 30, 2018**

- ▶ Added Money Market—Non-40 Act
- ▶ Revised text definition of Muni National Long, Muni National Intermediate, Muni National Short, Muni Single State Long, Muni Single State Intermediate, Muni Single State Short, Muni California Long, Muni California Intermediate, Muni New York Long, Muni New York Intermediate, and Bank Loan
- ▶ Revised Category Review Process section

**Oct. 31, 2017**

- ▶ Renamed Option Writing to Options-based
- ▶ Revised text definition of Options-based, World Bond, Target-Date 2055, and Target-Date 2060+

**April 28, 2017**

- ▶ Added World Small/Mid Stock
- ▶ Renamed World Stock to World Large Stock
- ▶ Retired Commodities Miscellaneous
- ▶ Revised text definition of Nontraditional Bond

**June 30, 2016**

- ▶ Revised text definition of Long-Short Equity, Option Writing, Prime Money Market, Taxable Money Market, and Tax-Free Money Market

**April 29, 2016**

- ▶ Added Infrastructure; Emerging-Markets Local-Currency Bond; Target-Date 2060+; Option Writing; Long-Short Credit; Prime Money Market; Allocation—15% to 30% Equity; Allocation—85%+ Equity
- ▶ Renamed: Target Date 2051+ to Target-Date 2055; Retirement Income to Target-Date Retirement; Conservative Allocation to Allocation—30% to 50% Equity; Moderate Allocation to Allocation—50% to 70% Equity; Aggressive Allocation to Allocation—70% to 85% Equity
- ▶ Added Morningstar Index assignments to categories
- ▶ Added Category Review Process section

**April 30, 2014**

- ▶ Added Energy Limited Partnership

**Oct. 31, 2013**

- ▶ Added Corporate Bond, Preferred Stock, and Tactical Allocation

**April 30, 2013**

- ▶ Renamed Currency to Multicurrency
- ▶ Added Single Currency
- ▶ Added Miscellaneous Region
- ▶ Renamed US Broad Asset Class to US Category Group and Global Broad Asset Class to Global Broad Category Group
- ▶ Renamed US Category Groups (Balanced to Allocation, US Stock to U.S Equity, International Stock to International Equity, and Sector Stock to Sector Equity)

**April 30, 2012**

- ▶ Created the Sector Stock US Broad Asset Class, and moved 14 categories from US Stock, International Stock, and Alternative asset classes into this new asset class
- ▶ Relaunched Muni Single State Short
- ▶ Replaced Target-Date 2050+ with Target-Date 2051+
- ▶ Added India Equity, Foreign Small/Mid-Blend, Target-Date 2046-2050
- ▶ Renamed Muni-Short to Muni National Short

**Oct. 31, 2011**

- ▶ Added Nontraditional Bond
- ▶ Replaced Consumer Staples with Consumer Defensive and Consumer Discretionary with Consumer Cyclical

**April 30, 2011**

- ▶ Replaced Long/Short with Long/Short Equity
- ▶ Added Multialternative, Volatility, Trading—Leveraged Commodities, Trading—Inverse Commodities, Trading—Leveraged Debt, Trading—Inverse Debt, Trading—Leveraged Equity, Trading—Inverse Equity, Trading—Miscellaneous

**Sept. 30, 2010**

- ▶ Added Aggressive Allocation and China Region, and made the Market Neutral category available to all universes
- ▶ Removed Muni Single State Short

**June 30, 2009**

- ▶ Added the Commodities broad asset class and six commodities categories: Broad Basket, Energy, Precious Metals, Agriculture, Industrial Metals, and Miscellaneous
- ▶ Added Consumer Discretionary, Consumer Staples, Equity Energy, and Industrials

**Jan. 30, 2009**

- ▶ Introduced Target-Date categories in five-year increments for years 2011-2050
- ▶ Added Retirement Income
- ▶ Added Miscellaneous Sector

**July 31, 2008**

- ▶ Added Global Real Estate and Currency
- ▶ Added the Alternative broad asset class
- ▶ Removed Muni Florida

**Sept. 30, 2007**

- ▶ Added Leveraged Net Long and Market Neutral to the separate accounts and custom funds databases

**Feb. 28, 2006**

- ▶ Added Inflation-Protected Bond, Long-Short, Target-Date 2000-2014, Target-Date 2015-2029, and Target-Date 2030+
- ▶ Added the Balanced broad asset class

**May 31, 2004**

- ▶ Replaced the Muni Single State Intermediate/Short category with two new categories: Muni Single State Intermediate and Muni Single State Short
- ▶ Added Stable Value category (currently used for custom funds and separate accounts only)

**Sept. 30, 2003**

- ▶ Replaced the Foreign Stock category with five new categories: Foreign Large Value, Foreign Large Blend, Foreign Large Growth, Foreign Small/Mid-Value, and Foreign Small/Mid-Growth

**March 30, 2003**

- ▶ Discontinued Domestic Hybrid and split into Conservative Allocation and Moderate Allocation
- ▶ Created Bear Market, Bank Loan, High-Yield Muni, Muni Florida, Muni Pennsylvania, Muni Massachusetts, Muni New Jersey, Muni Ohio, and Muni Minnesota
- ▶ Name changes: International Hybrid to World Allocation, International Bond to World Bond

## **U.S. Equity**

### **Large Value**

Large-value portfolios invest primarily in big US companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the US equity market are defined as large cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Category Group Index: S&P 500 TR USD

Category Index: Russell 1000 Value TR USD

Morningstar Index: Morningstar US LM Brd Value TR USD

### **Large Blend**

Large-blend portfolios are fairly representative of the overall US stock market in size, growth, rates, and price. Stocks in the top 70% of the capitalization of the US equity market are defined as large cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of US industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500 index.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar US Large-Mid TR USD

Morningstar Index: Morningstar US Large-Mid TR USD

### **Large Growth**

Large-growth portfolios invest primarily in big US companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the US equity market are defined as large cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.

Category Group Index: S&P 500 TR USD

Category Index: Russell 1000 Growth TR USD

Morningstar Index: Morningstar US LM Brd Growth TR USD

### **Mid-Cap Value**

Some mid-cap value portfolios focus on medium-sized companies, while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for US stocks that are less expensive or growing more slowly than the market. Stocks in the middle 20% of the capitalization of the US equity market are defined as mid-cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Category Group Index: S&P 500 TR USD

Category Index: Russell Mid Cap Value TR USD

Morningstar Index: Morningstar US Mid Broad Value TR USD

**Mid-Cap Blend**

The typical mid-cap blend portfolio invests in US stocks of various sizes and styles, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks but aren't so price-conscious that they land in the value territory. Stocks in the middle 20% of the capitalization of the US equity market are defined as mid-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar US Mid TR USD

Morningstar Index: Morningstar US Mid TR USD

**Mid-Cap Growth**

Some mid-cap growth portfolios invest in stocks of all sizes, thus leading to a mid-cap profile, but others focus on mid-size companies. Mid-cap growth portfolios target US firms that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices. Stocks in the middle 20% of the capitalization of the US equity market are defined as mid-cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

Category Group Index: S&P 500 TR USD

Category Index: Russell Mid Cap Growth TR USD

Morningstar Index: Morningstar US Mid Broad Growth TR USD

**Small Value**

Small-value portfolios invest in small US companies with valuations and growth rates below other small-cap peers. Stocks in the bottom 10% of the capitalization of the US equity market are defined as small cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Category Group Index: S&P 500 TR USD

Category Index: Russell 2000 Value TR USD

Morningstar Index: Morningstar US Small Brd Val Ext TR USD

**Small Blend**

Small-blend portfolios favor US firms at the smaller end of the market-capitalization range. Some aim to own an array of value and growth stocks, while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages. Stocks in the bottom 10% of the capitalization of the US equity market are defined as small cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar US Small TR USD

Morningstar Index: Morningstar US Small TR USD

### **Small Growth**

Small-growth portfolios focus on faster-growing companies whose shares are at the lower end of the market-capitalization range. These portfolios tend to favor companies in up-and-coming industries or young firms in their early growth stages. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile. Stocks in the bottom 10% of the capitalization of the US equity market are defined as small cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

Category Group Index: S&P 500 TR USD

Category Index: Russell 2000 Growth TR USD

Morningstar Index: Morningstar US Small Brd Grt Ext TR USD

### **Private Equity**

Private equity funds are equity funds that have at least 15% of their assets in illiquid securities, with a plurality of those illiquid securities being private equity investments. Some common traits that distinguish private equity investments from venture capital investments are that they are established businesses in which an investor often takes a controlling stake or provides growth capital. They are commonly found in traditional equity sectors. Funds in the private equity category can also invest in other funds that gain exposure to private equity directly.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar US Market TR USD

Morningstar Index: Morningstar US Market TR USD

### **Venture Capital**

Venture capital funds are equity funds that have at least 15% of their assets in illiquid securities, with a plurality of those illiquid securities being venture capital investments. The venture capital investments can be any combination of angel investments, early-stage or late-stage. Unlike private equity investments, venture capital investments typically involve providing minority equity stakes to startups or relatively new businesses. Because these businesses are new (and often innovative), these investments entail greater potential for both large gains and large losses for equity investors. Funds in the venture capital category can also invest in other funds that invest in venture capital investments directly.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar US Market TR USD

Morningstar Index: Morningstar US Market TR USD

## **Sector Equity**

### **Communications**

Communications portfolios concentrate on telecommunications and media companies of various kinds. Most buy some combination of cable television, wireless communications, and communications equipment firms, as well as traditional phone companies. A few favor entertainment firms, mainly broadcasters, film studios, publishers, and online service providers.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Com Svc Capped TR USD

Morningstar Index: Morningstar US Com SVC TR USD

### **Consumer Cyclical**

Consumer cyclical portfolios seek capital appreciation by investing in equity securities of US or non-US companies in the consumer cyclical sector.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Cons Cyc TR USD

Morningstar Index: Morningstar US Cons Cyc TR USD

### **Consumer Defensive**

Consumer-defensive portfolios seek capital appreciation by investing in equity securities of US or non-US companies that are engaged in the manufacturing, sales, or distribution of consumer staples.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Cons Def TR USD

Morningstar Index: Morningstar US Cons Def TR USD

### **Energy Limited Partnership**

Energy limited partnership funds invest a significant amount of their portfolio in energy master limited partnerships. These include, but are not limited to, limited partnerships specializing in midstream operations in the energy industry.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar MLP Composite TR USD

Morningstar Index: Morningstar MLP Composite TR USD

### **Equity Energy**

Equity-energy portfolios invest primarily in equity securities of US or non-US companies that conduct business primarily in energy-related industries. These include, but are not limited to, companies in alternative energy, coal, exploration, oil and gas services, pipelines, natural gas services, and refineries.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Enrg Capped TR USD

Morningstar Index: Morningstar US Enrg TR USD

**Equity Precious Metals**

Precious-metals portfolios focus on mining stocks, though some do own small amounts of gold bullion. Most portfolios concentrate on gold-mining stocks, but some have significant exposure to silver-, platinum-, and base-metal-mining stocks as well. Precious-metals companies are typically based in North America, Australia, and South Africa.

Category Group Index: MSCI ACWI NR USD

Category Index: MSCI World/Metals & Mining NR USD

Morningstar Index: Morningstar Gbl Othr Prcius Metal NR USD

**Financial**

Financial portfolios seek capital appreciation by investing primarily in equity securities of US or non-US financial-services companies, including banks, brokerage firms, insurance companies, and consumer credit providers.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Fin Svc TR USD

Morningstar Index: Morningstar US Fin Svc TR USD

**Global Real Estate**

Global real estate portfolios invest primarily in non-US real estate securities but may also invest in US real estate securities. Securities that these portfolios purchase include debt securities, equity securities, convertible securities, and securities issued by real estate investment trusts and REIT-like entities.

Portfolios in this category also invest in real estate operating companies.

Category Group Index: MSCI ACWI NR USD

Category Index: S&P Global REIT TR USD

Morningstar Index: Morningstar Gbl Real Est NR USD

**Health**

Health portfolios focus on the medical and healthcare industries. Most invest in a range of companies, buying everything from pharmaceutical and medical-device-makers to health maintenance organizations, hospitals, and nursing homes. A few portfolios concentrate on just one industry segment, such as service providers or biotechnology firms.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Health TR USD

Morningstar Index: Morningstar US Health TR USD

**Industrials**

Industrials portfolios seek capital appreciation by investing in equity securities of US or non-US companies that are engaged in services related to cyclical industries. This includes, but is not limited to, companies in aerospace and defense, automotive, chemicals, construction, environmental services, machinery, paper, and transportation.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Indus TR USD

Morningstar Index: Morningstar US Indus TR USD

**Infrastructure**

Infrastructure equity funds invest more than 60% of their assets in stocks of companies engaged in infrastructure activities. Industries considered to be part of the infrastructure sector include oil and gas midstream, waste management, airports, integrated shipping, railroads, shipping and ports, trucking, engineering and construction, infrastructure operations, and the utilities sector.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Gbl Eq Infra NR USD

Morningstar Index: Morningstar Gbl Eq Infra NR USD

**Natural Resources**

Natural-resources portfolios focus on commodity-based industries such as energy, chemicals, minerals, and forest products in the US or outside of the US. Some portfolios invest across this spectrum to offer broad natural-resources exposure. Others concentrate heavily or even exclusively on specific industries. Portfolios that concentrate primarily in energy-related industries are part of the equity energy category.

Category Group Index: MSCI ACWI NR USD

Category Index: S&P Global Natural Resources TR USD

Morningstar Index: Morningstar Gbl Upstm Nat Res TR USD

**Real Estate**

Real estate portfolios invest primarily in US REITs of various types. Securities that these portfolios purchase include debt securities, equity securities, convertible securities, and securities issued by real REITs and REIT-like entities. Some portfolios in this category also invest in real estate operating companies.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Real Est TR USD

Morningstar Index: Morningstar US Real Est TR USD

**Technology**

Technology portfolios buy high-tech businesses in the US or outside of the US. Most concentrate on computer, semiconductor, software, networking, and internet stocks. A few also buy medical device and biotechnology stocks, and some concentrate on a single-technology industry.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Tech TR USD

Morningstar Index: Morningstar US Tech TR USD

**Utilities**

Utilities portfolios seek capital appreciation by investing primarily in equity securities of US or non-US public utilities, including electric, gas, and telephone-service providers.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Util TR USD

Morningstar Index: Morningstar US Util TR USD

**Miscellaneous Sector**

Miscellaneous sector portfolios invest in specific sectors that do not fit into any of Morningstar's existing sector categories and for which not enough funds exist to merit the creation of a separate category.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Market TR USD

Morningstar Index: Morningstar US Market TR USD

**Equity Digital Assets**

The equity digital assets category consists of funds that primarily invest in equity securities of companies that are involved in the digital assets ecosystem, such as those focused on blockchain technology, cryptocurrency infrastructure, or crypto-mining.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar US Market TR USD

Morningstar Index: Morningstar US Market TR USD

## International Equity

### Foreign Large Value

Foreign large value portfolios invest mainly in big international stocks that are less expensive or growing more slowly than other large-cap stocks. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow). These portfolios typically will have less than 20% of assets invested in US stocks.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI ACWI Ex USA Value NR USD

Morningstar Index: Morningstar Gbl xUS Val TME NR USD

### Foreign Large Blend

Foreign large blend portfolios invest in a variety of big international stocks. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios typically will have less than 20% of assets invested in US stocks.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI ACWI Ex USA NR USD

Morningstar Index: Morningstar Global xUS TME NR USD

### Foreign Large Growth

Foreign large growth portfolios focus on high-priced growth stocks, mainly outside of the US. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). These portfolios typically will have less than 20% of assets invested in US stocks.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI ACWI Ex USA Growth NR USD

Morningstar Index: Morningstar Gbl xUS Growth TME NR USD

**Foreign Small/Mid Value**

Foreign small/mid value portfolios invest in international stocks that are smaller and less expensive than other stocks. These portfolios primarily invest in stocks that fall in the bottom 30% of each economically integrated market (such as Europe or Asia ex-Japan). Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow). These portfolios typically will have less than 20% of assets invested in US stocks.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI ACWI ex USA SMID Value NR USD

Morningstar Index: Morningstar Gbl xUS SMID NR USD

**Foreign Small/Mid Blend**

Foreign small/mid blend portfolios invest in a variety of international stocks that are smaller. These portfolios primarily invest in stocks that fall in the bottom 30% of each economically integrated market (such as Europe or Asia ex-Japan). The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios typically will have less than 20% of assets invested in US stocks.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI ACWI Ex USA SMID NR USD

Morningstar Index: Morningstar Gbl xUS SMID NR USD

**Foreign Small/Mid Growth**

Foreign small/mid growth portfolios invest in international stocks that are smaller, growing faster, and higher-priced than other stocks. These portfolios primarily invest in stocks that fall in the bottom 30% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). These portfolios typically will have less than 20% of assets invested in US stocks.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI ACWI Ex USA SMID Growth NR USD

Morningstar Index: Morningstar Gbl xUS SMID NR USD

**Global Large-Stock Growth**

Global large-stock growth portfolios invest in a variety of international stocks and typically skew towards large caps that are more expensive or projected to grow faster than other global large-cap stocks. Global large-stock growth portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's emerging markets. Global equity portfolios are generally expected to have between 20% and 75% of their equity investments in US securities.

Category Group Index: MSCI ACWI NR USD

Category Index: MSCI ACWI Growth NR USD

Morningstar Index: Morningstar Gbl Growth TME NR USD

**Global Large-Stock Blend**

Global large-stock blend portfolios invest in a variety of international stocks and typically skew toward large caps that are fairly representative of the global stock market in size, growth rates, and price. Global large-stock blend portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's emerging markets. Global equity portfolios are generally expected to have between 20% and 75% of their equity investments in US securities.

Category Group Index: MSCI ACWI NR USD

Category Index: MSCI ACWI NR USD

Morningstar Index: Morningstar Global TME NR USD

**Global Large-Stock Value**

Global large-stock value portfolios invest in a variety of international stocks and typically skew toward large caps that are less expensive or growing more slowly than other global large-cap stocks. Global large-stock value portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's emerging markets. Global equity portfolios are generally expected to have between 20% and 75% of their equity investments in US securities.

Category Group Index: MSCI ACWI NR USD

Category Index: MSCI ACWI Value NR USD

Morningstar Index: Morningstar Gbl Val TME NR USD

**Global Small/Mid Stock**

Global small/mid-stock portfolios invest in a variety of international stocks that are smaller. Global-stock portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's smaller markets. Global equity portfolios are generally expected to have between 20% and 75% of their equity investments in US securities.

Category Group Index: MSCI ACWI NR USD

Category Index: MSCI ACWI SMID NR USD

Morningstar Index: Morningstar Gbl SMID NR USD

**Diversified Emerging Markets**

Diversified emerging-markets portfolios tend to divide their assets among 20 or more nations, although they tend to focus on the emerging markets of Asia and Latin America, rather than on those of the Middle East, Africa, or Europe. These portfolios invest predominantly in emerging-markets equities, but some funds also invest in both equities and fixed-income investments from emerging markets.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI EM NR USD

Morningstar Index: Morningstar EM TME NR USD

**Diversified Pacific/Asia**

Diversified Pacific/Asia stock portfolios have a wider investment range than other Asia-oriented portfolios. These portfolios can invest throughout the Pacific rim, including Australia and New Zealand. As a result, country weightings for these portfolios vary tremendously, though most retain some exposure to Japan and Hong Kong. These portfolios invest at least 70% of total assets in equities and at least 75% of stock assets in Pacific countries, including a minimum of 10% in Japan.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI Pacific NR USD

Morningstar Index: Morningstar Dev APAC TME NR USD

**Miscellaneous Region**

Miscellaneous region stock portfolios invest in countries or smaller regions that do not have their own category. They typically have a narrow geographical range.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI ACWI Ex USA NR USD

Morningstar Index: Morningstar Global xUS TME NR USD

**Europe Stock**

Europe stock portfolios invest at least 70% of total assets in equities and invest at least 75% of stock assets in Europe. Most of these portfolios emphasize the region's larger and more developed markets, including Britain, the Netherlands, Germany, France, and Switzerland. Many also invest in the region's smaller markets, including the emerging markets of Eastern Europe.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI Europe NR USD

Morningstar Index: Morningstar DM Eur TME NR USD

**Latin America Stock**

Latin America stock portfolios invest almost exclusively in stocks from Latin America. Most of these portfolios strongly favor the area's large markets, specifically Brazil, Mexico, and Argentina. Smaller markets such as Peru or Colombia aren't generally as well represented in these portfolios. These portfolios invest at least 70% of total assets in equities and invest at least 75% of stock assets in Latin America.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI EM Latin America NR USD

Morningstar Index: Morningstar EM Americas NR USD

**Pacific/Asia ex-Japan Stock**

Pacific/Asia ex-Japan stock portfolios cover a wide geographic range. Most of these portfolios focus on export-oriented nations such as Hong Kong, Singapore, Taiwan, and Korea. These portfolios invest at least 70% of total assets in equities and invest at least 75% of stock assets in Pacific countries, with less than 10% in Japan.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI AC Asia ex Japan NR USD

Morningstar Index: Morningstar APAC xJpn TME NR USD

**China Region**

China-region stock portfolios invest almost exclusively in stocks from China, Taiwan, and Hong Kong. These portfolios invest at least 70% of total assets in equities and invest at least 75% of stock assets in one specific region or a combination of China, Taiwan, and/or Hong Kong.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI China NR USD

Morningstar Index: Morningstar China NR USD

**India Equity**

India stock portfolios emphasize companies based in India. These portfolios invest at least 70% of total assets in equities and invest at least 75% of stock assets in India.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI India NR USD

Morningstar Index: Morningstar India NR USD

**Japan Stock**

Japan stock portfolios emphasize companies based in Japan. The Japanese stock market is one of the largest in the world, so these portfolios' holdings vary significantly. Some portfolios concentrate on Japan's larger companies, while others concentrate on the nation's smaller firms. These portfolios invest at least 70% of total assets in equities and invest at least 75% of stock assets in Japan.

Category Group Index: MSCI ACWI Ex USA NR USD

Category Index: MSCI Japan NR USD

Morningstar Index: Morningstar Japan NR USD

## Nontraditional Equity

### Long-Short Equity

Long-short equity portfolios hold sizable stakes in both long and short positions in equities, exchange-traded funds, and related derivatives. Funds shift their exposure to long and short positions depending on the opportunities they uncover through bottom-up research. Funds in the category tend to have beta values to relevant benchmarks of between 0.3 and 0.8.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar US Market TR USD

Morningstar Index: Morningstar US Market TR USD

### Derivative Income

Derivative income strategies primarily use an options overlay to generate income while maintaining significant exposure to equity market risk. Income is typically generated through covered call-writing strategies, for example, while traditional equity risk factors dictate a substantial portion of the return. Funds in the category will typically have beta values to relevant benchmarks of between 0.6 and 0.9.

Category Group Index: S&P 500 TR USD

Category Index: CBOE S&P 500 BuyWrite BXM PR USD

Morningstar Index: Morningstar US Market TR USD

### Equity Hedged

Equity hedged strategies use a variety of means to protect the value of their equity exposure during times of market weakness. These funds may exchange equity risk for some other risk premium, such as volatility. They may also make opportunistic trades, like employing market-timing moves to exit the market altogether. These funds use a variety of options trades to hedge their equity risk, including put writing, options spreads, collar strategies, and others. Funds in the category will typically have beta values to relevant benchmarks of less than 0.6.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar Mod Con Tgt Risk TR USD

Morningstar Index: Morningstar Mod Con Tgt Risk TR USD

### Defined Outcome

Defined outcome funds deliver investors a predefined range of outcomes over a set period. This range is determined by equity market performance and the derivative contracts that underlie each fund. The funds' features primarily include upside caps and downside buffers. Underlying asset classes tend to be equity-based but may be derived from other asset classes. The products predominantly use options to deliver these outcomes but may also utilize swaps or other derivatives.

Category Group Index: S&P 500 TR USD

Category Index: Morningstar Mod Agg Tgt Risk TR USD

Morningstar Index: Morningstar Mod Agg Tgt Risk TR USD

## Allocation

### Conservative Allocation

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These conservative strategies prioritize the preservation of capital over appreciation. They typically expect volatility similar to a strategic equity exposure between 15% and 30%. Funds in this domestic category are generally expected to have at least 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar US Con Tgt Alloc NR USD

### Moderately Conservative Allocation

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderately conservative strategies prioritize the preservation of capital over appreciation. They typically expect volatility similar to a strategic equity exposure between 30% and 50%. Funds in this domestic category are generally expected to have at least 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Con Tgt Risk TR USD

Morningstar Index: Morningstar US Mod Con Tgt Alloc NR USD

### Moderate Allocation

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderate strategies seek to balance the preservation of capital with appreciation. They typically expect volatility similar to a strategic equity exposure between 50% and 70%. Funds in this domestic category are generally expected to have at least 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Tgt Risk TR USD

Morningstar Index: Morningstar US Mod Tgt Alloc NR USD

### Moderately Aggressive Allocation

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderately aggressive strategies prioritize capital appreciation over preservation. They typically expect volatility similar to a strategic equity exposure between 70% and 85%. Funds in this domestic category are generally expected to have at least 75% of their assets in US securities

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Agg Tgt Risk TR USD

Morningstar Index: Morningstar US Mod Agg Tgt Alloc NR USD

**Aggressive Allocation**

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These aggressive strategies typically prioritize capital appreciation over preservation. They typically expect volatility similar to a strategic equity exposure of more than 85%. Funds in this domestic category are generally expected to have at least 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Agg Tgt Risk TR USD

Morningstar Index: Morningstar US Agg Tgt Alloc NR USD

**Global Conservative Allocation**

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These conservative strategies prioritize preservation of capital over appreciation. They typically expect volatility similar to a strategic equity exposure between 15% and 30%. Funds in this global category are generally expected to have no more than 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

**Global Moderately Conservative Allocation**

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderately conservative strategies prioritize the preservation of capital over appreciation. They typically expect volatility similar to a strategic equity exposure between 30% and 50%. Funds in this global category are generally expected to have no more than 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Con Tgt Risk TR USD

Morningstar Index: Morningstar Mod Con Tgt Risk TR USD

**Global Moderate Allocation**

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderate strategies seek to balance preservation of capital with appreciation. They typically expect volatility similar to a strategic equity exposure between 50% and 70%. Funds in this global category are generally expected to have no more than 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Tgt Risk TR USD

Morningstar Index: Morningstar Mod Tgt Risk TR USD

### **Global Moderately Aggressive Allocation**

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These moderately aggressive strategies prioritize capital appreciation over preservation. They typically expect volatility similar to a strategic equity exposure between 70% and 85%. Funds in this global category are generally expected to have no more than 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Agg Tgt Risk TR USD

Morningstar Index: Morningstar Mod Agg Tgt Risk TR USD

### **Global Aggressive Allocation**

Funds in allocation categories seek to provide both income and capital appreciation by primarily investing in multiple asset classes, including stocks, bonds, and cash. These aggressive strategies typically prioritize capital appreciation over preservation. They typically expect volatility similar to a strategic equity exposure of more than 85%. Funds in this global category are generally expected to have no more than 75% of their assets in US securities.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Agg Tgt Risk TR USD

Morningstar Index: Morningstar Agg Tgt Risk TR USD

### **Convertibles**

Convertible-bond portfolios are designed to offer some of the capital-appreciation potential of stock portfolios while also supplying some of the safety and yield of bond portfolios. To do so, they focus on convertible bonds and convertible preferred stocks. Convertible bonds allow investors to convert the bonds into shares of stock, usually at a preset price. These securities thus act a bit like stocks and a bit like bonds.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: ICE BofA US Conv Bonds TR USD

Morningstar Index: None

### **Tactical Allocation**

Tactical allocation portfolios seek to provide capital appreciation and income by actively shifting allocations across investments. These portfolios have material shifts across equity regions and bond sectors on a frequent basis. To qualify for the tactical-allocation category, the fund must have minimum exposure of 10% in bonds and 20% in equity. Next, the fund must historically demonstrate material shifts in sector or regional allocations, either through a gradual shift during three years or through a series of material shifts on a quarterly basis. Within a three-year period, typically, the average quarterly changes between equity regions and bond sectors exceeds 15% or the difference between the maximum and minimum exposure to a single equity region or bond sector exceeds 50%.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Tgt Risk TR USD

Morningstar Index: Morningstar Mod Tgt Risk TR USD

**Target-Date 2000-2010**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2000-10) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2010 TR USD

Morningstar Index: Morningstar Lifetime Mod 2010 TR USD

**Target-Date 2015**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2011-15) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2015 TR USD

Morningstar Index: Morningstar Lifetime Mod 2015 TR USD

**Target-Date 2020**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2016-20) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2020 TR USD

Morningstar Index: Morningstar Lifetime Mod 2020 TR USD

### **Target-Date 2025**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2021-25) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2025 TR USD

Morningstar Index: Morningstar Lifetime Mod 2025 TR USD

### **Target-Date 2030**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2026-30) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2030 TR USD

Morningstar Index: Morningstar Lifetime Mod 2030 TR USD

### **Target-Date 2035**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2031-35) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2035 TR USD

Morningstar Index: Morningstar Lifetime Mod 2035 TR USD

**Target-Date 2040**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2036-40) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2040 TR USD

Morningstar Index: Morningstar Lifetime Mod 2040 TR USD

**Target-Date 2045**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2041-45) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2045 TR USD

Morningstar Index: Morningstar Lifetime Mod 2045 TR USD

**Target-Date 2050**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2046-50) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2050 TR USD

Morningstar Index: Morningstar Lifetime Mod 2050 TR USD

### **Target-Date 2055**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2051-55) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2055 TR USD

Morningstar Index: Morningstar Lifetime Mod 2055 TR USD

### **Target-Date 2060**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2056-60) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2060 TR USD

Morningstar Index: Morningstar Lifetime Mod 2060 TR USD

### **Target-Date 2065+**

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2061-65 and beyond) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date.

Management adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod 2060 TR USD

Morningstar Index: Morningstar Lifetime Mod 2065 TR USD

### **Target-Date Retirement**

Target-date retirement portfolios provide a mix of stocks, bonds, and cash for those investors already in or entering retirement. These portfolios tend to be managed to more of a conservative asset-allocation strategy. These portfolios aim to provide investors with steady income throughout retirement.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Lifetime Mod Incm TR USD

Morningstar Index: Morningstar Lifetime Mod Incm TR USD

**Miscellaneous Allocation**

Miscellaneous allocation portfolios have structures or mandates that make them unsuitable for inclusion in other allocation categories. They do not receive Morningstar ratings, should not be compared against other peer groups, and are not included in calculations for ranking statistics. Among others, constituents include so-called separate-account completion funds that are not designed for use as stand-alone portfolios, and only in combination with other investments.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Tgt Risk TR USD

Morningstar Index: Morningstar Mod Tgt Risk TR USD

**Private Multi-Asset**

Private multi-asset funds are those that have greater than 15% in illiquid securities but do not have enough concentration in equities, debt, real estate, or infrastructure to be classified into one of those categories. They typically have a mix of multiples of those asset types.

Category Group Index: Morningstar Mod Tgt Risk TR USD

Category Index: Morningstar Mod Tgt Risk TR USD

Morningstar Index: Morningstar Mod Tgt Risk TR USD

## Alternative

### Macro Trading

Macro-trading strategies, using either systematic or discretionary methods, look for investment opportunities by studying factors such as the global economy, government policies, interest rates, inflation, and market trends. As opportunists, these funds are not restricted by asset class; may invest across disparate assets such as global equities, bonds, currencies, and commodities; and make extensive use of derivatives. These strategies often take significant nonprice-momentum directional long or short positions, as well as inter- and intra-asset class relative value trades. Market beta is typically kept under 0.25.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

### Event Driven

Event-driven strategies attempt to profit when security prices change in response to certain corporate actions, such as bankruptcies, mergers and acquisitions, emergence from bankruptcy, shifts in corporate strategy, and other atypical events. Activist-shareholder and distressed-investment strategies also fall into this category. These portfolios typically focus on equity securities but can invest across the capital structure. They typically have low to moderate equity-market sensitivity because company-specific developments tend to drive security prices.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

### Relative-Value Arbitrage

Relative-value strategies seek out pricing discrepancies between pairs or combinations of securities, regardless of the asset class. They often employ one or a combination of debt, equity, and convertible arbitrage strategies, among others. They can use significant leverage and typically seek to profit from the convergence of values between securities. Funds in this category typically have low beta exposures to major market indexes owing to their offsetting long and short exposures.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

### **Multistrategy**

Multistrategy portfolios offer investors exposure to two or more alternative investment strategies, as defined by Morningstar's alternative category classifications, through either a single-manager or multimanager approach. Funds in this category typically have a majority of their assets exposed to alternative strategies, but, at a minimum, alternatives must comprise greater than 30% of the strategy's gross exposure. The category includes funds with static allocations to alternative strategies, as well as those that tactically adjust their exposure to different alternative strategies and asset classes.

Multistrategy funds typically aim to have low to modest sensitivity to traditional market indexes, although that may not be the case for strategies with lower alternatives allocations.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

### **Equity Market Neutral**

Equity-market-neutral strategies attempt to profit from long- and short-stock-selection decisions while minimizing systematic risk created by exposure to factors such as overall equity market beta, sectors, market-cap ranges, investment styles, or countries. They try to achieve this by matching long positions within each area against offsetting short positions, though they may vary their exposure to market risk factors modestly. These funds' investment strategies may be discretionary or systematic, and they keep at least 75% of their gross assets in equities or equity-related instruments such as derivatives. They typically have beta values to a relevant benchmark of less than 0.3.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

### **Systematic Trend**

Systematic-trend strategies primarily implement trend-following, price-momentum strategies by trading long and short liquid global futures, options, swaps, and foreign-exchange contracts. The remaining exposure may be invested in a mix of other complementary nontraditional risk premia. These portfolios typically obtain exposure referencing a mix of diversified global markets, including commodities, currencies, government bonds, interest rates, and equity indexes.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

**Multi-Asset Leveraged**

Funds in this category typically invest in two or more investment strategies using gross investment exposures of greater than 100%. Funds usually gain long-only market exposure to equities, fixed income, or commodities while using leverage, often achieved through futures contracts, to gain access to a separate strategy, which may or may not be an alternative strategy. A short-term, high-quality bond portfolio does not qualify as a separate investment strategy for this category.

Category Group Index: MSCI ACWI NR USD

Category Index: Morningstar Con Tgt Risk TR USD

Morningstar Index: Morningstar Con Tgt Risk TR USD

## Miscellaneous

### Trading—Leveraged Commodities

These funds seek to generate returns equal to a fixed multiple of short-term returns of a commodity index. The compounding of short-term returns results in performance that does not correspond to those of investing in the index with external leverage. For example, a fund attempting to achieve 2 times the returns of a given index on a daily basis is unlikely to deliver anything like 2 times 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. Trading funds are not considered suitable for long-term investors and are designed to be used by traders.

Category Group Index: Bloomberg Commodity TR USD

Category Index: Bloomberg Commodity TR USD

Morningstar Index: None

### Trading—Inverse Commodities

These funds seek to generate returns equal to an inverse multiple of short-term returns of a commodity index. The compounding of short-term returns results in performance that does not correspond to those of investing in the index with external leverage. For example, a fund attempting to achieve negative 2 times the returns of a given index on a daily basis is unlikely to deliver anything like negative 2 times the index's returns over periods longer than one day. Many of these funds seek to generate a multiple typically negative 1 to negative 3 times the daily or weekly return of the reference index. Trading funds are not considered suitable for long-term investors and are designed to be used by active traders.

Category Group Index: Bloomberg Commodity TR USD

Category Index: Bloomberg Commodity TR USD

Morningstar Index: None

### Trading—Leveraged Debt

These funds seek to generate returns equal to a fixed multiple of the short-term returns of a fixed-income index. The compounding of short-term returns results in performance that does not correspond to those of investing in the index with external leverage. For example, a fund attempting to achieve 2 times the returns of a given index on a daily basis is unlikely to deliver anything like 2 times 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. Trading funds are not considered suitable for long-term investors and are designed to be used by active traders.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Agg Bond TR USD

Morningstar Index: Morningstar US Core Bd TR USD

**Trading—Inverse Debt**

These funds seek to generate returns equal to an inverse fixed multiple of short-term returns of a fixed-income index. The compounding of short-term returns results in performance that does not correspond to those of investing in the index with external leverage. For example, a fund attempting to achieve negative 2 times the returns of a given index on a daily basis is unlikely to deliver anything like negative 2 times the index's returns over periods longer than one day. Many of these funds seek to generate a multiple typically negative 1 to negative 3 times the daily or weekly return of the reference index.

Trading funds are not considered suitable for long-term investors and are designed to be used by active traders.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Agg Bond TR USD

Morningstar Index: Morningstar US Core Bd TR USD

**Trading—Leveraged Equity**

These funds seek to generate returns equal to a fixed multiple of the short-term returns of an equity index. The compounding of short-term returns results in performance that does not correspond to those of investing in the index with external leverage. For example, a fund attempting to achieve 2 times the returns of a given index on a daily basis is unlikely to deliver anything like 2 times 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. Trading funds are not considered suitable for long-term investors and are designed to be used by active traders.

Category Group Index: S&P 500 TR USD

Category Index: S&P 500 TR USD

Morningstar Index: Morningstar US Market TR USD

**Trading—Inverse Equity**

These funds seek to generate returns equal to an inverse fixed multiple of short-term returns of an equity index. The compounding of short-term returns results in performance that does not correspond to those of investing in the index with external leverage. For example, a fund attempting to achieve negative 2 times the returns of a given index on a daily basis is unlikely to deliver anything like negative 2 times the index's returns over periods longer than one day. Many of these funds seek to generate a multiple typically negative 1 to negative 3 times the daily or weekly return of the reference index.

Trading funds are not considered suitable for long-term investors and are designed to be used by active traders.

Category Group Index: S&P 500 TR USD

Category Index: S&P 500 TR USD

Morningstar Index: Morningstar US Market TR USD

### **Trading—Miscellaneous**

These funds seek to generate returns equal to a fixed multiple (positive or negative) of short-term returns of an index. The reference index for this category is not equity, fixed-income, or commodity-linked. The compounding of short-term returns results in performance that does not correspond to those of investing in the index with external leverage. For example, a fund attempting to achieve 2 times the returns of a given index on a daily basis is unlikely to deliver anything like 2 times 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. Trading funds are not considered suitable for long-term investors and are designed to be used by active traders.

Category Group Index: ICE BofA USD 3M Dep OR CM TR USD

Category Index: ICE BofA USD 3M Dep OR CM TR USD

Morningstar Index: Morningstar USD 1M Cash TR USD

### **Digital Assets**

Digital assets that utilize blockchain technology can be described as an immutable, permissionless, and often decentralized digital database. Digital-asset portfolios will invest the majority of their assets into one or more broadly classified areas, including decentralized finance (DeFi) assets, stable coins, currency assets, smart contracts platforms, exchange assets, privacy assets, yield farming, and nonfungible tokens (NFTs), among others. Digital assets are often characterized by two risk-style factors: momentum and volatility. Portfolios may gain access to digital assets through physical or derivative exposures and incorporate both long-only investments and other hedging techniques. To qualify for inclusion, funds in this category must have a material portion of risk coming from digital assets.

Category Group Index: USTREAS T-Bill Auction Ave 3 Mon

Category Index: USTREAS T-Bill Auction Ave 3 Mon

Morningstar Index: None

### **Single Currency**

Currency portfolios invest in a single currency through the use of short-term money market instruments; derivative instruments, including, but not limited to, forward-currency contracts, index swaps, and options, and cash deposits.

Category Group Index: ICE BofA USD 3M Dep OR CM TR USD

Category Index: ICE BofA USD 3M Dep OR CM TR USD

Morningstar Index: Morningstar USD 1M Cash TR USD

**Direct Real Estate**

Direct real estate funds make equity investments in real property directly, or indirectly through funds that invest in real estate directly, rather than through listed REITs. Direct investment gives investors much greater control over their investments but requires property management and property selection expertise. It also tends to be less liquid than indirect investment. Property types may include, among others, warehouses, residential multiunit, retail, and hotels.

Category Group Index: Morningstar US Real Est TR USD

Category Index: Morningstar US Real Est TR USD

Morningstar Index: Morningstar US Real Est TR USD

**Direct Infrastructure**

Direct infrastructure funds make equity investments in infrastructure projects directly, or indirectly through funds that invest in such projects directly, rather than through listed companies that are in the infrastructure space. Some examples of underlying projects are alternative-energy ventures, bridges, and data transmission and data storage projects.

Category Group Index: Morningstar Gbl Eq Infra NR USD

Category Index: Morningstar Gbl Eq Infra NR USD

Morningstar Index: Morningstar Gbl Eq Infra NR USD

## Commodities

### Commodities Broad Basket

Broad-basket portfolios can invest in a diversified basket of commodity goods, including, but not limited to, grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. Investment can be made directly in physical assets or commodity-linked derivative instruments, such as commodity swap agreements.

Category Group Index: Bloomberg Commodity TR USD

Category Index: Bloomberg Commodity TR USD

Morningstar Index: None

### Commodities Focused

Focused portfolios invest in concentrated sectors of commodities, including, but not limited to, agriculture, energy, industrial metals, and precious metals.

Category Group Index: Bloomberg Commodity TR USD

Category Index: Bloomberg Commodity TR USD

Morningstar Index: None

## Taxable Bond

### Long Government

Long-government portfolios have at least 90% of their bond holdings invested in bonds backed by the US government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the US government is unlikely to default on its debt. They are not risk-free, though. Because these portfolios have durations of typically more than 6.0 years, they are more sensitive to interest rates, and thus riskier, than portfolios that have shorter durations.

Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Long term is defined as 125% of the 3.0-year average effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Government Long TR USD

Morningstar Index: Morningstar US 10+ Yr Trsy Bd TR USD

### Intermediate Government

Intermediate-government portfolios have at least 90% of their bond holdings in bonds backed by the US government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the US government is unlikely to default on its debt. These portfolios have durations typically between 3.5 and 6.0 years. Consequently, the group's performance—and its level of volatility—tends to fall between that of the short- and long-government-bond categories. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Intermediate is defined as 75% to 125% of the 3.0-year average effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Government TR USD

Morningstar Index: Morningstar US Trsy Bd TR USD

### Short Government

Short-government portfolios have at least 90% of their bond holdings in bonds backed by the US government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the US government is unlikely to default on its debt. These portfolios have durations typically between 1.0 and 3.5 years, so they have relatively less sensitivity to interest rates and, thus, low-risk potential. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Short is defined as 25% to 75% of the 3.0-year average effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Govt 1-3 Yr TR USD

Morningstar Index: Morningstar US 1-5 Yr Trsy Bd TR USD

**Inflation-Protected Bond**

Inflation-protected bond portfolios invest primarily in debt securities that adjust their principal values in line with the rate of inflation. These bonds can be issued by any organization, but the US Treasury is currently the largest issuer of these types of securities.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Treasury US TIPS TR USD

Morningstar Index: Morningstar US TIPS TR USD

**Long-Term Bond**

Long-term bond portfolios invest primarily in investment-grade US fixed-income issues, including government, corporate, and securitized debt. Their durations (a measure of interest-rate sensitivity) typically range above 125% of the 3.0-year average of the effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Govt/Credit Long TR USD

Morningstar Index: None

**Intermediate Core Bond**

Intermediate-term core bond portfolios invest primarily in investment-grade US fixed-income issues, including government, corporate, and securitized debt, and hold less than 5% in below-investment-grade exposures. Their durations (a measure of interest-rate sensitivity) typically range between 75% and 125% of the 3.0-year average of the effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Agg Bond TR USD

Morningstar Index: Morningstar US Core Bd TR USD

**Intermediate Core-Plus Bond**

Intermediate-term core-plus bond portfolios invest primarily in investment-grade US fixed-income issues, including government, corporate, and securitized debt, but generally have greater flexibility than core offerings to hold noncore sectors such as corporate high yield, bank loan, emerging-markets debt, and non-US currency exposures. Their durations (a measure of interest-rate sensitivity) typically range between 75% and 125% of the 3.0-year average of the effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Universal TR USD

Morningstar Index: Morningstar US Core Plus Bd TR USD

**Short-Term Bond**

Short-term bond portfolios invest primarily in corporate and other investment-grade US fixed-income issues and typically have durations of 1.0 to 3.5 years. These portfolios are attractive to fairly conservative investors, because they are less sensitive to interest rates than portfolios with longer durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Short term is defined as 25% to 75% of the 3.0-year average effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Govt/Credit 1-3 Yr TR USD

Morningstar Index: Morningstar US 1-3Y Gov&Corp TR USD

**Ultrashort Bond**

Ultrashort-bond portfolios invest primarily in investment-grade US fixed-income issues and have durations typically of less than 1.0 year. This category can include corporate or government ultrashort-bond portfolios, but it excludes international, convertible, multisector, and high-yield-bond portfolios. Because of their focus on bonds with very short durations, these portfolios offer minimal interest-rate sensitivity and therefore low risk and total return potential. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Ultrashort is defined as 25% of the 3.0-year average effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg Govt/Corp 1 Yr Duration TR USD

Morningstar Index: None

**Bank Loan**

Bank-loan portfolios primarily invest in floating-rate bank loans and floating-rate below-investment-grade securities instead of bonds. In exchange for their credit risk, these loans offer high-interest payments that typically float above common short-term benchmarks such as Libor or Secured Overnight Financing Rate.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Morningstar LSTA US LL TR USD

Morningstar Index: Morningstar LSTA US LL TR USD

**Stable Value**

Stable-value portfolios seek to provide income while preventing price fluctuations. The most common stable-value portfolios invest in a diversified portfolio of bonds and enter into wrapper agreements with financial companies to guarantee against fluctuations in their share prices. These wrapper agreements typically provide price stability on a day-to-day basis, thereby insulating each portfolio's net asset value from interest-rate volatility. Therefore, the duration for each of these funds is essentially zero. This category is used only in Morningstar's custom fund, separate account, and collective investment trust databases.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: USTREAS T-Bill Cnst Mat Rate 3 Yr

Morningstar Index: Morningstar US CIT Stable Value GR USD

**Corporate Bond**

Corporate bond portfolios concentrate on investment-grade bonds issued by corporations in US dollars, which tend to have more credit risk than government or agency-backed bonds. These portfolios hold more than 65% of their assets in corporate debt, less than 40% of their assets in non-US debt, less than 35% in below-investment-grade debt, and durations that typically range between 75% and 150% of the 3.0-year average of the effective duration of the Morningstar Core Bond Index.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Corp Bond TR USD

Morningstar Index: Morningstar US Corp Bd TR USD

**Preferred Stock**

Preferred stock portfolios concentrate on preferred stocks and perpetual bonds. These portfolios tend to have more credit risk than government or agency-backed bonds and effective duration longer than other bond portfolios. These portfolios hold more than 65% of assets in preferred stocks and perpetual bonds.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: ICE BofA Fxd Rate Pref TR USD

Morningstar Index: None

**High-Yield Bond**

High-yield bond portfolios concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These portfolios generally offer higher yields than other types of portfolios, but they are also more vulnerable to economic and credit risk. These portfolios primarily invest in US high-income debt securities, where at least 65% or more of bond assets are not rated or are rated by a major agency such as S&P or Moody's at the level of BB (considered speculative for taxable bonds) and below.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: ICE BofA US High Yield TR USD

Morningstar Index: Morningstar US HY Bd TR USD

**Multisector Bond**

Multisector-bond portfolios seek income by diversifying their assets among several fixed-income sectors, usually US government obligations, US corporate bonds, foreign bonds, and high-yield US debt securities. These portfolios typically hold 35% to 65% of bond assets in securities that are not rated or are rated by a major agency such as S&P or Moody's at the level of BB (considered speculative for taxable bonds) and below.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Universal TR USD

Morningstar Index: Morningstar US Core Plus Bd TR USD

**Global Bond**

Global bond portfolios typically invest 40% or more of their assets in fixed-income instruments issued outside of the US. These portfolios invest primarily in investment-grade-rated issues, but their strategies can vary. Some follow a conservative approach, sticking with high-quality bonds from developed markets. Others are more adventurous, owning some lower-quality bonds from developed or emerging markets. Some portfolios invest exclusively outside the US, while others invest in both US and non-US bonds. Many consistently maintain significant allocations to non-US dollar currencies, while others have the flexibility to make sizable adjustments between their US dollar and non-US currency exposures.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg Global Aggregate TR USD

Morningstar Index: Morningstar Gbl Core Bd GR USD

**Global Bond-USD Hedged**

USD-hedged portfolios typically invest 40% or more of their assets in fixed-income instruments issued outside of the US. These portfolios invest primarily in investment-grade-rated issues, but their strategies can vary. Some follow a conservative approach, sticking with high-quality bonds from developed markets. Others are more adventurous, owning some lower-quality bonds from developed or emerging markets. Some portfolios invest exclusively outside the US, while others invest in both US and non-US bonds. Funds in this category hedge most of their non-US-dollar currency exposure back to the US dollar.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg Global Aggregate TR Hdg USD

Morningstar Index: Morningstar Gbl Core Bd GR Hdg USD

**Target Maturity**

Taxable target-maturity portfolios typically invest in corporate and other taxable US investment-grade fixed-income instruments that are all expected to mature in the same year.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Agg Bond TR USD

Morningstar Index: Morningstar US Core Bd TR USD

**Emerging-Markets Bond**

Emerging-markets bond portfolios invest more than 65% of their assets in foreign bonds from developing countries. The largest portion of the emerging-markets bond market comes from Latin America, followed by Eastern Europe, Africa, the Middle East, and Asia make up the rest.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg EM USD Aggregate TR USD

Morningstar Index: Morningstar EM Bd GR USD

**Emerging-Markets Local-Currency Bond**

Emerging-markets local-currency bond portfolios invest more than 65% of their assets in foreign bonds from developing countries in the local currency. Funds in this category have a mandate to maintain exposure to currencies of emerging markets. The largest portion of the emerging-markets bond market comes from Latin America, followed by Eastern Europe, Africa, the Middle East, and Asia.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg EM Lcl Currency Gov Div TR USD

Morningstar Index: Morningstar EM Govt Bd LCCY GR USD

**Nontraditional Bond**

Inclusion in nontraditional bonds is informed by a balance of factors determined by Morningstar analysts. Those typically include a mix of absolute return mandates; goals of producing returns not correlated with the overall bond market; performance benchmarks based on ultrashort-term interest rates such as T-bills; the ability to take long and short market and security-level positions using a broad range of derivatives; and few or very limited portfolio constraints on exposure to credit, sectors, currency, or interest-rate sensitivity. Funds in this group typically have the flexibility to manage duration exposure over a wide range of years and to take it to zero or a negative value.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: ICE BofA USD 3M Dep OR CM TR USD

Morningstar Index: Morningstar USD 1M Cash TR USD

**Miscellaneous Fixed Income**

Miscellaneous fixed-income portfolios have structures or mandates that make them unsuitable for inclusion in other fixed-income categories. They do not receive Morningstar ratings, should not be compared against other peer groups, and are not included in calculations for ranking statistics. Among others, constituents include so-called separate-account completion funds that are not designed for use as stand-alone portfolios, and only in combination with other investments.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Agg Bond TR USD

Morningstar Index: Morningstar US Core Bd TR USD

**Short-Term Inflation-Protected Bond**

Short-term inflation-protected bond portfolios invest primarily in debt securities designed to provide returns with a component explicitly tied to inflation. US Treasury Inflation-Protected Securities include an adjustment to their principal values in line with the rate of inflation, as measured by the US Consumer Price Index. These bonds can be issued by any organization or government, but the US Treasury is currently the largest issuer of these securities. Inclusion in the category may be informed by a balance of factors, but their durations (a measure of interest-rate sensitivity) are typically shorter than 4.0 years, their average weighted maturities are typically less than 7.0 years, and they typically employ benchmarks limited to bonds with maturities of 10 or fewer years.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg U.S. Treasury TIPS 1-5Y TR USD

Morningstar Index: Morningstar US 1-5Y TIPS TR USD

**Government Mortgage-Backed Bond**

Funds in this category typically invest more than 90% in securities backed by the US government or its agencies and approximately 65% overall in mortgage-backed securities that are issued or guaranteed by US government agencies like Ginnie Mae, Fannie Mae, and Freddie Mae.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Morningstar US Mortgage Backed Securities

Morningstar Index: Morningstar US Mortgage Backed Securities

**Securitized Bond - Diversified**

Funds in this category typically have at least 65% exposure to investment-grade securitized sectors. That may include funds focused on a mix of government- and nonagency residential mortgage debt, as well as funds with broader mandates. The latter may include offerings that allocate assets across multiple securitized sectors, including but not limited to government and nonagency residential mortgages, nonagency commercial mortgage-backed securities, collateralized loan obligations, or a variety of other asset-backed debt. Funds in this category do not concentrate on a single type of securitized bond sector.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Bloomberg US Securitized MBS ABS CMBS TR USD

Morningstar Index: Morningstar US Mortgage Backed Securities

**Securitized Bond - Focused**

Funds in this category typically have at least 65% in exposure to investment-grade holdings concentrated in a single securitized sector.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: ICE BofA US ABS & CMBS (CABS) TR USD

Morningstar Index: Morningstar US Mortgage Backed Securities

**Private Debt - General**

Private debt - general funds are debt funds that have at least 15% of their assets in illiquid securities, with a focus on debt that has been extended to private companies. Funds holding a variety of types of debt can reside here, including mezzanine, real estate, distressed, infrastructure, venture debt, leveraged loans, collateralized loan obligations, and direct lending, and others. However, funds that primarily focus on direct lending are classified elsewhere in a dedicated category.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Morningstar LSTA US LL TR USD

Morningstar Index: Morningstar LSTA US LL TR USD

**Private Debt - Direct Lending**

Funds in the private debt - direct lending category are typically focused on directly originating loans to private corporate borrowers. These borrowers are often unrated and tend to be small to medium-size companies.

Category Group Index: Bloomberg US Agg Bond TR USD

Category Index: Morningstar LSTA US LL TR USD

Morningstar Index: Morningstar LSTA US LL TR USD

## Municipal Bond

### Muni National Long

Muni national long portfolios invest in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors. These portfolios have durations of more than 6.0 years (or average maturities of more than 12 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal TR USD

Morningstar Index: Morningstar US Municipal Bond GR USD

### Muni National Intermediate

Muni national intermediate portfolios invest in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors. These portfolios have durations of 4.0 to 6.0 years (or average maturities of 5.0 to 12.0 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 1-15 Yr TR USD

Morningstar Index: None

### Muni National Short

Muni national short portfolios invest in bonds issued by state and local governments to fund public projects. The income from these bonds is generally free from federal taxes and/or from state taxes in the issuing state. To lower risk, some of these portfolios spread their assets across many states and sectors. Other portfolios buy bonds from only one state to get the state-tax benefit. These portfolios have durations of less than 4.0 years (or average maturities of less than 5.0 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 3 Yr 2-4 TR USD

Morningstar Index: None

### High Yield Muni

High-yield muni portfolios typically invest a substantial portion of assets in high-income municipal securities that are not rated or that are rated at the level of or below BBB (considered high yield within the municipal-bond industry) by a major rating agency such as S&P or Moody's.

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg 65% High Grade/35% HY TR USD

Morningstar Index: None

**Muni Single State Long**

Muni single-state-long portfolios invest in bonds issued by state and local governments to fund public projects. The income from such bonds is generally free from federal taxes and from state taxes in the issuing state. To get the state-tax benefit, these portfolios buy bonds from only one state. These portfolios have durations of more than 6.0 years (or average maturities of more than 12 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal TR USD

Morningstar Index: None

**Muni Single State Intermediate**

Muni single-state-intermediate portfolios invest in bonds issued by state and local governments to fund public projects. The income from such bonds is generally free from federal taxes and from state taxes in the issuing state. To get the state-tax benefit, these portfolios buy bonds from only one state. These portfolios have durations of 4.0 to 6.0 years (or average maturities of 5.0 to 12.0 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 1-15 Yr TR USD

Morningstar Index: None

**Muni Single State Short**

Muni single-state-short portfolios invest in bonds issued by state and local governments to fund public projects. The income from such bonds is generally free from federal taxes and from state taxes in the issuing state. To get the state-tax benefit, these portfolios buy bonds from only one state. These portfolios have durations of less than 4.0 years (or average maturities of less than 5.0 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 3 Yr 2-4 TR USD

Morningstar Index: None

**Muni California Long**

Muni California long portfolios invest at least 80% of assets in California municipal debt. Because the income from these bonds is generally free from federal taxes and California state taxes, these portfolios are most appealing to the residents of California. These portfolios have a duration of more than 6.0 years (or maturities of more than 12 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal California Exempt TR

Morningstar Index: None

**Muni California Intermediate**

Muni California intermediate portfolios invest at least 80% of assets in California municipal debt. Because the income from these bonds is generally free from federal taxes and California state taxes, these portfolios are most appealing to the residents of California. These portfolios have durations of 4.0 to 6.0 years (or average maturities of 5.0 to 12.0 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal MF CA Interim TR USD

Morningstar Index: None

**Muni Massachusetts**

Muni Massachusetts portfolios invest at least 80% of assets in Massachusetts municipal debt and can include long-, intermediate-, and short-duration portfolios. Because the income from these bonds is generally free from federal taxes and Massachusetts state taxes, these portfolios are most appealing to the residents of Massachusetts.

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 10 Yr 8-12 TR USD

Morningstar Index: None

**Muni Minnesota**

Muni Minnesota portfolios invest at least 80% of assets in Minnesota municipal debt and can include long-, intermediate-, and short-duration portfolios. Because the income from these bonds is generally free from federal taxes and Minnesota state taxes, these portfolios are most appealing to the residents of Minnesota.

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 10 Yr 8-12 TR USD

Morningstar Index: None

**Muni New Jersey**

Muni New Jersey portfolios invest at least 80% of assets in New Jersey municipal debt and can include long-, intermediate-, and short-duration portfolios. Because the income from these bonds is generally free from federal taxes and New Jersey state taxes, these portfolios are most appealing to the residents of New Jersey.

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 10 Yr 8-12 TR USD

Morningstar Index: None

**Muni New York Long**

Muni New York long portfolios invest at least 80% of assets in New York municipal debt. Because the income from these bonds is generally free from federal taxes and New York state taxes, these portfolios are most appealing to the residents of New York. These portfolios have a duration of more than 6.0 years (or average maturities of more than 12 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal New York Exempt TR

Morningstar Index: None

**Muni New York Intermediate**

Muni New York intermediate portfolios invest at least 80% of assets in New York municipal debt. Because the income from these bonds is generally free from federal taxes and New York state taxes, these portfolios are most appealing to the residents of New York. These portfolios have durations of 4.0 to 6.0 years (or average maturities of 5.0 to 12.0 years).

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal New York Exempt TR

Morningstar Index: None

**Muni Ohio**

Muni Ohio portfolios invest at least 80% of assets in Ohio municipal debt and can include long-, intermediate-, and short-duration portfolios. Because the income from these bonds is generally free from federal taxes and Ohio state taxes, these portfolios are most appealing to the residents of Ohio.

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 10 Yr 8-12 TR USD

Morningstar Index: None

**Muni Pennsylvania**

Muni Pennsylvania portfolios invest at least 80% of assets in Pennsylvania municipal debt and can include long-, intermediate-, and short-duration portfolios. Because the income from these bonds is generally free from federal taxes and Pennsylvania state taxes, these portfolios are most appealing to the residents of Pennsylvania.

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal 10 Yr 8-12 TR USD

Morningstar Index: None

**Muni Target Maturity**

Muni-target-maturity portfolios typically invest in bonds issued by various US state and local governments to fund public projects, all of which are expected to mature in the same year. The income from these bonds is generally free from federal taxes.

Category Group Index: Bloomberg Municipal TR USD

Category Index: Bloomberg Municipal TR USD

Morningstar Index: None

## **Money Market**

### **Money Market—Taxable**

These portfolios invest in short-term money market securities to provide a level of current income that is consistent with the preservation of capital. These funds do not designate themselves as Prime in Form N-MFP.

Category Group Index: USTREAS T-Bill Auction Ave 3 Mon

Category Index: ICE BofA USD 3M Dep OR CM TR USD

Morningstar Index: Morningstar USD 1M Cash TR USD

### **Money Market—Tax-Free**

These portfolios invest in short-term municipal money market securities that are often exempt from some federal and state taxes. These funds provide current income and aim to preserve capital. These funds do not designate themselves as Prime in Form N-MFP.

Category Group Index: USTREAS T-Bill Auction Ave 3 Mon

Category Index: ICE BofA USD 3M Dep OR CM TR USD

Morningstar Index: Morningstar USD 1M Cash TR USD

### **Money Market—Non-40 Act**

These portfolios invest in short-term money market securities to provide a level of current income that is consistent with the preservation of capital. These funds are not subject to 2a-7 regulations under the Investment Company Act of 1940. This category is used only in Morningstar's custom fund, separate account, and collective investment trust databases.

Category Group Index: USTREAS T-Bill Auction Ave 3 Mon

Category Index: ICE BofA USD 3M Dep OR CM TR USD

Morningstar Index: Morningstar USD 1M Cash TR USD

### **Prime Money Market**

These portfolios invest in short-term money market securities to provide a level of current income that is consistent with the preservation of capital. These funds designate themselves as Prime in Form N-MFP.

Category Group Index: USTREAS T-Bill Auction Ave 3 Mon

Category Index: ICE BofA USD 3M Dep OR CM TR USD

Morningstar Index: Morningstar USD 1M Cash TR USD



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