

Category Definitions

South Korea

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Equity

Africa & Middle East Equity

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

Category Index: Morningstar Middle East & Africa NR USD

ASEAN Equity

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

Category Index: Morningstar ASEAN ex-Vietnam NR USD

Asia-Pacific ex-Japan Equity

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

Category Index: Morningstar Asia Pac xJpn NR USD

Asia-Pacific with Japan Equity

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

Category Index: Morningstar Asia Pac NR USD

Brazil Equity

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

Category Index: Morningstar Brazil NR BRL

BRIC Equity

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

Category Index: Morningstar BRIC NR USD

China Equity

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

Category Index: Morningstar China NR CNY

Emerging Europe Equity

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

Category Index: Morningstar EM Europe NR USD

Emerging Markets Equity

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

Category Index: Morningstar EM NR USD

Europe Equity

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

Category Index: Morningstar DM Europe NR USD

Global Equity

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

Category Index: Morningstar Gbl Mkts NR USD

India Equity

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

Category Index: Morningstar India NR INR

Japan Equity

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

Category Index: Morningstar Japan NR JPY

Korea Large-Cap Equity

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

Category Index: Morningstar Korea Large Cap NR KRW

Korea Small/Mid-Cap Equity

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

Category Index: Morningstar Korea Small-Mid NR KRW

Korea Equity Income

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

Category Index: Morningstar Korea NR KRW

Latin America Equity

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

Category Index: Morningstar EM Americas NR USD

Russia Equity

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

Category Index: Morningstar Russia NR RUB

US Equity

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

Category Index: Morningstar US Market NR USD

Vietnam Equity

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

Category Index: Morningstar Asia Pac xJpn NR USD

Other Equity

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

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

Long/Short Equity - Korea

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

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

Long/Short Equity - Other

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

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

Sector Equity

Sector Equity Alternative Energy

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

Category Index: Morningstar Gbl Mkts xUS NR USD

Sector Equity Consumer Goods and Services

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

Category Index: Morningstar Gbl Consumer Sectors NR USD

Sector Equity Ecology

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

Category Index: Morningstar Gbl Mkts xUS NR USD

Sector Equity Energy

Sector Equity Energy funds invest primarily in the equities of companies that produce or refine oil and gas, oilfield services and equipment companies, and pipeline operations. These funds invest at least 75% of total assets in equities and invest at least 50% of equity assets in energy equities. Funds investing primarily in commodities-linked derivatives are excluded and placed in the relevant Morningstar Commodities category.

Category Index: Morningstar Gbl Mkts xUS NR USD (TBU)

Sector Equity Financial Services

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

Category Index: Morningstar Gbl Fin Svc NR USD.

Sector Equity Infrastructure

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

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

Category Index: Morningstar Gbl Eq Infra NR USD

Sector Equity Natural Resources

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

Category Index: Morningstar Gbl Upstm Nat Res NR USD

Sector Equity Precious Metals

Sector Equity Precious Metals portfolios invest principally in the equities of mining companies, though some may own gold or other metals outright. Most portfolios concentrate on gold-mining equities, but some have significant exposure to silver-, platinum-, and base-metal-mining equities as well. Many precious-metals companies are based in North America, Australia, and South Africa. Funds investing primarily in commodities-linked derivatives or physical commodities are excluded and placed in the relevant Morningstar Commodities category.

Category Index: Morningstar Gbl Gold NR USD

Sector Equity Real Estate Indirect

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

Category Index: Morningstar Gbl Real Estate NR USD

Sector Equity Real Estate Indirect – Asia

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

Category Index: Morningstar Asia Pac Real Estate NR USD

Sector Equity Technology

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

Category Index: Morningstar Gbl Technology NR USD

Sector Equity Healthcare

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

Category Index: Morningstar Gbl Healthcare NR USD

Sector Equity Other

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

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

Allocation

Aggressive Allocation

Asia Pacific Aggressive Allocation

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

Category Index: 60%Morningstar Asia Pac xJpn NR USD & 40% Morningstar Korea Trsy Bd GR USD

China Aggressive Allocation

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

Category Index: China Aggressive Allocation Benchmark

Global Aggressive Allocation

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

Category Index: 60%Morningstar Gbl Mkts NR USD & 40%MKBP Composite

Korea Aggressive Allocation

Korea Aggressive Allocation funds have a mandate to commit diversified investment in multiple assets such as stocks, bonds, etc. These funds tend to hold a larger position in stocks than Korea Cautious Allocation funds. Their portfolios typically have 50% to 100% of their total assets in Korea equities and the remainder in fixed income and cash. *Category Index: 60% Morningstar Korea NR KRW & 40% MKBP Composite*

Vietnam Aggressive Allocation

Vietnam Aggressive Allocation funds invest more than 50% of their assets in Vietnamese stocks, while the rest invest in bonds and liquidity.

Category Index: 60%Morningstar Asia Pac xJpn NR USD & 40% Morningstar Korea Trsy Bd GR USD

US Aggressive Allocation

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

Category Index: Global Aggressive Allocation (60% Morningstar Gbl Mkts NR USD & 40% MKBP Composite)

Cautious Allocation

Asia Pacific Cautious Allocation

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

Category Index: Cat 30%Morningstar Asia Pac xJpn NR USD & 70%MKBP Comp

China Cautious Allocation

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

Category Index: China Cautious Allocation Benchmark

Global Cautious Allocation

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

Category Index: 30% Morningstar Gbl Mkts NR USD & 70% MKBP Composite

Korea Cautious Allocation

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

Category Index: 30% Morningstar Korea NR KRW & 70% MKBP Composite

Vietnam Cautious Allocation

Vietnam Cautious Allocation funds invest less than 50% of their assets in Vietnamese stocks, while the rest invest in bonds and liquidity.

Category Index: Cat 30%Morningstar Asia Pac xJpn NR USD & 70%MKBP Comp

US Cautious Allocation

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

Category Index: Global Cautious Allocation (30% Morningstar Gbl Mkts NR USD & 70%MKBP Composite)

Flexible Allocation

Global Flexible Allocation

Global Flexible Allocation have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives. Some portfolios may exhibit a specific country or a regional concentration. However, they have a largely unconstrained mandate to invest in a mix of equity and non-equity securities. Some funds may use ETFs as investment vehicle.

Category Index: Morningstar Balanced 50/50 GR USD (50% Morningstar DM GR USD & 50% Morningstar Gbl Trsy Bd GR USD)

Korea Flexible Allocation

Korea Flexible Allocation category is for portfolios that have a largely unconstrained mandate to invest in a range of Korean asset classes such as stocks, bonds, cash, and alternative assets. The relative proportion of assets devoted to each asset class varies over time as these funds do not adhere to a pre-defined target mix. These funds have the flexibility to dynamically shift their allocation between equity and debt depending on the asset class's attractiveness and manager's view. Thus, they may invest in variable proportions of stocks, bonds or cash.

Category Index: Korea Flexible Allocation Category (50% Morningstar Korea NR KRW & 50% MKBP Composite)

Life Cycle & Target-Date

Life Cycle

Life Cycle funds provide diversified exposure to equities, bonds, and cash for the investor's age, retirement timing or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. In Korea, Life Cycle funds tend to have static allocation between equity and bonds, so that investors should transfer a fund to another fund when they want to change their allocations based on their risk preferences or lifestyles. On the other hand, management of target-date funds adjusts the allocation among asset classes to more-conservative mixes as the target date approaches, following a present glide path. From April 2019, funds in the Life Cycle category are to be re-grouped into either Life Cycle or Target-Date by vintage years.

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

Target-Date 2015

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2015) 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.

Target-Date 2020

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2020) 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.

Target-Date 2025

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2025) 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.

Target-Date 2030

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2030) 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.

Target-Date 2035

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2035) 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.

Target-Date 2040

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2040) 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.

Target-Date 2045

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2045) 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.

Target-Date 2050

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2050) 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.

Target-Date 2055

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (year 2055) 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.

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

Other Allocation**Other Aggressive Allocation**

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

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

Other Cautious Allocation

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

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

Fixed Income

Asia Bond

Asia Bond funds are dedicated to fixed income securities of issuers who have their main business activities in Asia. They should invest across the Asian market universe without a single country focus. Funds in this category will generally have a hard currency bias but may exhibit a degree of local currency exposure. Some funds may hold Asian sovereign bonds in their portfolio.

Category Index: Morningstar Asia USD Brd Mkt GR USD

Global Bond

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

Category Index: Morningstar Gbl Trsy Bd TR USD

Global Emerging Markets Bond

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

Category Index: Morningstar EM Sov Bd New GR USD

Global High Yield Bond

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

Category Index: Morningstar Gbl HY Bd GR USD

Korea Bond

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

Category Index: MKBP Composite KRW

Korea Corporate Bond

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

Category Index: MKBP Composite Unsecured Corporate KRW

US Corporate Bond

US Corporate bond portfolios concentrate on investment-grade bonds issued by corporations in U.S. dollars.

Category Index: Morningstar US Corp TR USD

US High Yield

US High Yield Bond funds invest principally in sub-investment grade securities with a credit quality equivalent to BB, or lower in U.S. dollars.

Category Index: Morningstar US HY Bd TR USD

Other Bond

Other Bond funds have meaningful fixed income concentrations, but do not fit into an existing Fixed Income category. *[Funds in this category do not receive a Morningstar Rating™.]*

Money Market

Korea Money Market

Korea Money Market funds invest in money market instruments in the Korea market in order to provide a level of current income that is consistent with the preservation of capital. They invest in short-term money market securities. Generally, the residual aggregate maturity is about 3 months or so.

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

Category Index: KBP MMI Composite KRW

Money Market - Other

Money Market - Other funds invest in money market securities & have currency exposures that do not qualify them for inclusion in Korea Money Market category.

Convertible Bond

Convertible Bond - Europe

Convertible Bond - Europe funds invest principally in convertible securities of issuers in Europe.

Convertible Bond - Global

Convertible Bond - Global funds invest principally in convertible securities of issuers from around the world. Many will have a USD bias given the structure of the global convertibles market.

Convertible Bond - Other

Other funds invest principally in convertible securities that do not qualify the fund for inclusion in any other more specific convertible bond category. This will also include funds/share classes whose currency exposure is not in-keeping with any other convertible bond category.

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

Alternative

Market Neutral - Equity

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

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

Alt – Other

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

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

Commodities

Commodities - Broad Agriculture

Commodities – Broad Agriculture funds invest in derivative financial instruments that give them exposure to a broad range of agricultural commodities. Some funds in the category may have leveraged or inverse exposure to the asset class or include a degree of commodity-related equity exposure. [Funds in this category do not receive a Morningstar Rating™.]

Commodities - Energy

Commodities – Energy funds invest in derivative financial instruments that give them exposure to energy. Funds may focus on a single commodity such as oil or natural gas, or sub-grades thereof, or may take a basket approach. Some funds in the category may have leveraged or inverse exposure to the asset class or include a degree of commodity-related equity exposure. Funds that invest primarily in energy-related equities are placed in the Morningstar Sector Equity – Energy category. [Funds in this category do not receive a Morningstar Rating™.]

Commodities - Precious Metals

Commodities – Precious Metals funds invest in one or more precious metals, including gold, silver, platinum, and palladium. They may gain this exposure through investing in derivative financial instruments linked to the relevant commodities price, or via direct investment in the physical metals, which is then stored on behalf of the fund. Funds may focus on a single commodity or take a basket approach. Some funds in the category may have leveraged or inverse exposure to the asset class or include a degree of commodity-related equity exposure. Funds that invest primarily in precious-metals related equities are placed in the Morningstar Sector Equity – Precious Metals category. [Funds in this category do not receive a Morningstar Rating™.]

Commodities - Other

Commodities – Other funds invest in derivative financial instruments or other issues that give them exposure to commodities not captured in one of the other Morningstar Commodity categories. Some funds in the category may have leveraged or inverse exposure to the asset class or include a degree of commodity-related equity exposure. [Funds in this category do not receive a Morningstar Rating™.]

Miscellaneous

Equity / Derivatives Linked

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

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

Leveraged Equity

These funds seek to generate returns equal to a fixed multiple of returns of an equity index. The compounding of returns results in performance that does not correspond to those of investing in the index with external leverage over a longer holding period. For example, a fund attempting to achieve 2x the returns of a given index on a daily basis is unlikely to deliver anything like 2x the index's returns over periods longer than one day. Many of these funds seek to generate a multiple of the daily or weekly return of the reference index. (Leverage / Inversed Equity category has been changed to Leveraged Equity category (April 2015). Accordingly, the Inverse equity funds are excluded from the Leverage/Inverse Equity category and reclassified as Other.)

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

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

Target Achievement

The introduction of Target Achievement category is to classify the funds that switch most of the assets when the funds reach certain target returns to preserve the returns earned. These funds invest most of the assets primarily in equities before achieving target returns. Once achieved, they will sell most or all portfolio assets and buy bonds or any other assets to preserve the fund asset. The funds in this category should be distinguished from the umbrella type of funds in which investors can transfer a fund to another in a different portfolio. [Funds in this category do not receive a Morningstar Rating™.]

Other

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

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

Changes

April 30, 2015

- ▶ Revised Leveraged / Inverse Equity to Leveraged Equity carving out Inverse funds to be re-assigned to Other. Only leveraged funds remain in the revised category of "Leveraged Equity".

Oct 31, 2015

- ▶ Added Alt-Long/Short Equity-Korea; Alt Long/Short Equity - Other; Alt-Market Neutral-Equity; All-Other

Oct 31, 2016

- ▶ Added Vietnam Equity

April 30, 2017

- ▶ Added Target Achievement

April 30, 2018

- ▶ Added Korea Equity Income; China Cautious Allocation; China Aggressive Allocation

April 30, 2019

- ▶ Added Target-Date series (2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, Target-Date Retirement); Korea Flexible Allocation
- ▶ Replaced the previous Morningstar Category Index with Morningstar Index or blend index.

Oct 31, 2019

- ▶ Added Convertible Bond - Europe, Convertible Bond - Global, and Convertible Bond - Other.

April 30, 2020

- ▶ Added two categories of sector equities: Sector Equity Energy and Sector Equity Precious Metals
- ▶ Added four categories of commodities: Commodities – Agriculture, Commodities – Energy, Commodities – Precious Metals, and Commodities – Other. These four categories of commodities are classified as Commodities (broad category)

Oct 31, 2020

- ▶ Added four categories: Asia Pacific Aggressive Allocation, Vietnam Aggressive Allocation, Vietnam Cautious Allocation, Target-Date 2055

April 30, 2021

- ▶ Added two categories: Asia Bond, Global Flexible Allocation
- ▶ Renamed & Changed Broad Category: Alt-Long/Short Equity - Korea (Alternative) was renamed as Long/Short Equity - Korea (Equity), Alt - Long/Short Equity - Other (Alternative) was renamed as Long/Short Equity - Other (Equity)
- ▶ Retired: Derivative Commodities

Oct 31, 2021

▶ Added four categories: US Corporate Bond, US High Yield Bond, US Aggressive Allocation, US Cautious Allocation



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