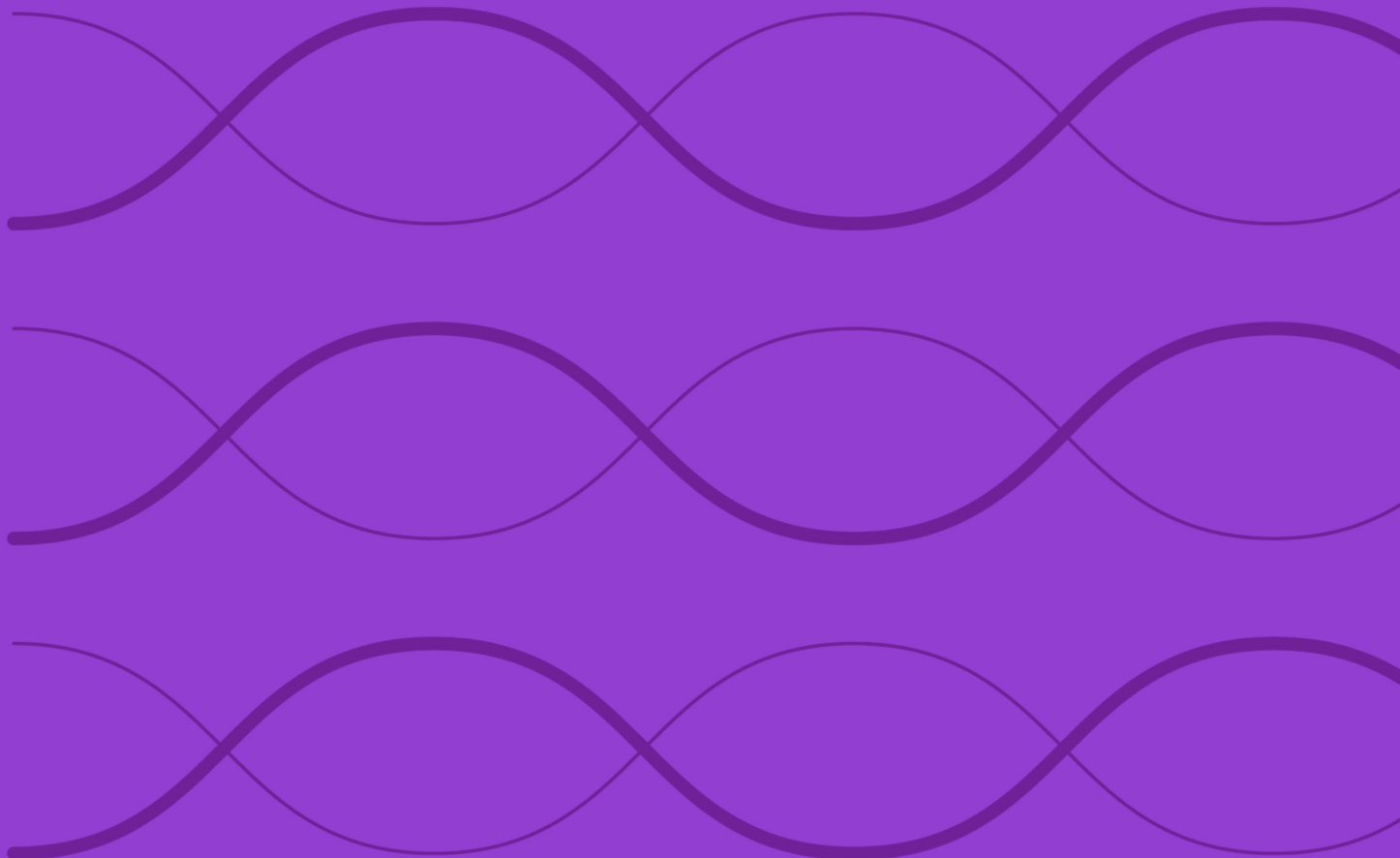


Morningstar Category definitions – for use in the Morningstar® Target Allocation Index Family



Contents

Overview3

Definitions3

About Morningstar Indexes9

Morningstar Index Methodology Committee9

Morningstar Index Services Methodology & Administration Committee9

Morningstar Index Operations Committee9

Morningstar Index Oversight Committee9

Overview

The following document is for reference purposes only in support of The Morningstar® Target Allocation Index Family. Morningstar Indexes do not influence the creation or maintenance of the Morningstar Category definitions.

Definitions

Australia

Multisector Conservative

Multisector Conservative funds have portfolios that are invested in a number of sectors and have 20% or less of their investments in growth sectors. These are typically defined as equity and property asset classes.

Multisector Moderate

The Multisector Moderate Category consists of funds that invest in a number of sectors and have between 21% and 40% of their investments exposed to the growth sectors. These are typically defined as equity and property asset classes.

Multisector Balanced

Multisector Balanced funds invest in a number of sectors and have 41% to 60% of their assets in growth sectors. These are typically defined as equity and property asset classes.

Multisector Growth

Multisector Growth funds invest in a number of sectors and have between 61% and 80% of their assets in growth sectors. These are typically defined as equity and property asset classes.

Multisector Aggressive

Multisector Aggressive funds invest in a number of sectors and have over 80% of their assets in growth sectors. These are typically defined as equity and property asset classes.

Canada

Canadian Equity Balanced

Funds in the Canadian Equity Balanced category must invest at least 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities*. In addition, they must invest greater than 60% but less than 90% of their total assets in equity securities.

Canadian Fixed Income Balanced

Funds in the Canadian Fixed Income Balanced category must invest at least 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities*. In addition, they must invest greater than 5% but less than 40% of their total assets in equity securities.

Canadian Neutral Balanced

Funds in the Canadian Neutral Balanced category must invest at least 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities*. In addition, they must invest greater than or equal to 40% but less than or equal to 60% of their total assets in equity securities.

Global Fixed Income Balanced

Funds in the Global Fixed Income Balanced category must invest less than 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities*. In addition, they must invest greater than 5% but less than 40% of their total assets in equity securities.

Global Neutral Balanced

Funds in the Global Neutral Balanced category must invest less than 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities*. In addition, they must invest greater than or equal to 40% but less than or equal to 60% of their total assets in equity securities.

Global Equity Balanced

Funds in the Global Equity Balanced category must invest less than 70% of total assets in a combination of equity securities domiciled in Canada and Canadian dollar-denominated fixed income securities*. In addition, they must invest greater than 60% but less than 90% of their total assets in equity securities.

EUR

EUR Aggressive Allocation

EUR Aggressive Allocation funds have a mandate to invest in a range of asset types for an EUR-based investor. The equity component will usually exceed 65% in the normal running of the fund.

EUR Aggressive Allocation – Global

EUR Aggressive Allocation – Global funds have a mandate to invest globally in a range of asset types for an EUR-based investor. The equity component will usually exceed 65% in the normal running of the fund.

EUR Cautious Allocation

EUR Cautious Allocation funds have a mandate to invest in a range of asset types for an EUR-based investor. The equity component does not exceed 35% in the normal running of the fund.

EUR Cautious Allocation – Global

EUR Cautious Allocation – Global funds have a mandate to invest globally in a range of asset types for an EUR-based investor. The equity component does not exceed 35% in the normal running of the fund.

EUR Moderate Allocation

EUR Moderate Allocation funds have a mandate to invest in a range of asset types for an EUR-based investor. The equity component will usually be between 35% & 65% in the normal running of the fund.

EUR Moderate Allocation – Global

EUR Moderate Allocation – Global funds have a mandate to invest globally in a range of asset types for an EUR-based investor. The equity component will usually be between 35% & 65% in the normal running of the fund.

GBP

GBP Adventurous Allocation

GBP Adventurous Allocation funds have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives for a GBP-based investor. These portfolios tend to exhibit a 'home bias' and maintain a relatively stable mix of equity and non-equity exposure. Non-equity exposure with an equivalent risk to equities will also be assigned to the equity portion of the portfolio for the purposes of category assessment. The equity or equity equivalent risk component will usually exceed 80% in the normal running of the fund.

GBP Cautious Allocation

GBP Cautious Allocation funds have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives for a GBP-based investor. These portfolios tend to exhibit a 'home bias' and maintain a relatively stable mix of equity and non-equity exposure. Non-equity exposure with an equivalent risk to equities will also be assigned to the equity portion of the portfolio for the purposes of category assessment. The equity or equity equivalent risk component will usually not exceed 20% in the normal running of the fund.

GBP Flexible Allocation

GBP Flexible Allocation funds have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives for a GBP-based investor. These portfolios tend to exhibit a 'home bias' but have a largely unconstrained mandate to invest in a mix of equity and non-equity securities.

GBP Moderate Allocation

GBP Moderate Allocation funds have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives for a GBP-based investor. These portfolios tend to exhibit a 'home bias' and maintain a relatively stable mix of equity and non-equity exposure. Non-equity exposure with an equivalent risk to equities will also be assigned to the equity portion of the portfolio for the purposes of category assessment. The equity or equity equivalent risk component will usually be between 40% & 60% in the normal running of the fund.

GBP Moderately Adventurous Allocation

GBP Moderately Adventurous Allocation funds have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives for a GBP-based investor. These portfolios tend to exhibit a 'home bias' and maintain a relatively stable mix of equity and non-equity exposure. Non-equity exposure with an equivalent risk to equities will also be assigned to the equity portion of the portfolio for the purposes of category assessment. The equity or equity equivalent risk component will usually be between 60% & 80% in the normal running of the fund.

GBP Moderately Cautious Allocation

GBP Moderately Cautious Allocation funds have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives for a GBP-based investor. These portfolios tend to exhibit a 'home bias' and maintain a relatively stable mix of equity and non-equity exposure. Non-equity exposure with an equivalent risk to equities will also be assigned to the equity portion of the portfolio for the purposes of category assessment. The equity or equity equivalent risk component will usually be between 20% & 40% in the normal running of the fund.

New Zealand

Multisector - Conservative

Multisector - Conservative funds are funds that have portfolios that are invested in a number of sectors and have 20% or less of their investments in growth sectors (typically defined as equity and property asset classes).

Multisector - Moderate

The Multisector - Moderate Category funds are funds that invest in a number of sectors and have between 21% and 40% of their investments exposed to the growth sectors (typically defined as equity and property asset classes).

Multisector - Balanced

Multisector - Balanced funds are funds that invest in a number of sectors and have 41% to 60% of their assets in growth sectors (typically defined as equity and property asset classes).

Multisector - Growth

Multisector - Growth funds are funds that invest in a number of sectors and have between 61% and 80% of their assets in growth sectors (typically defined as equity and property asset classes).

Multisector - Aggressive

Multisector - Aggressive funds are funds that invest in a number of sectors and have over 80% of their assets in growth sectors (typically defined as equity and property asset classes).

US

Allocation—15% to 30%

Equity Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 15% and 30%.

Allocation—30% to 50%

Equity Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 30% and 50%.

Allocation—50% to 70%

Equity Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 50% and 70%.

Allocation—70% to 85%

Equity Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 70% and 85%.

Allocation—85%+

Equity Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures of more than 85%. These funds typically allocate at least 10% to equities of foreign companies and do not exclusively allocate between cash and equities.

Japan

The Asset Allocation fund is assigned to either of the Asset Allocation Categories (Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Aggressive) based on the Risk Score of the fund. The Risk Score of the fund is calculated by multiplying each asset weight of the fund's policy asset allocation by each risk score of those assets set by the Ibbotson Associates Japan.

The fund is placed into its Allocation Category as follows:

Conservative:	Risk Score \leq 40
Moderately Conservative:	$40 < \text{Risk Score} \leq 60$
Moderate:	$60 < \text{Risk Score} \leq 75$
Moderately Aggressive:	$75 < \text{Risk Score} \leq 90$
Aggressive:	$90 < \text{Risk Score}$

A risk score of 50 indicates a risk level with a standard deviation of approximately 10% (annualized), and a risk score of 100 indicates a risk level with a standard deviation of approximately 20% (annualized).

Conservative Allocation

Conservative allocation portfolios seek to provide both capital appreciation and income by investing three major asset areas: stocks, bonds, and cash. These portfolios tend to hold smaller positions in stocks than moderately conservative portfolios. These portfolios have less than 40% of the *Risk Score which is defined by Japan team.

Moderately Conservative Allocation

Moderately conservative allocation portfolios seek to provide both capital appreciation and income by investing three major asset areas: stocks, bonds, and cash. These portfolios tend to hold smaller positions in stocks than moderate portfolios. These portfolios have 40% to 60% of the *Risk Score which is defined by Japan team.

Moderate Allocation

Moderate allocation portfolios seek to provide both capital appreciation and income by investing three major asset areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than moderately conservative portfolios. These portfolios have 60% to 75% of the *Risk Score which is defined by Japan team.

Moderately Aggressive Allocation

Moderately aggressive allocation portfolios seek to provide both capital appreciation and income by investing three major asset areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than moderate portfolios. These portfolios have 75% to 90% of the *Risk Score which is defined by Japan team.

Aggressive Allocation

Aggressive allocation portfolios seek to provide both capital appreciation and income by investing three major asset areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than moderately aggressive portfolios. These portfolios have more than 90% of the *Risk Score which is defined by Japan team.

About Morningstar Indexes

Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers, and advisors in navigating investment opportunities across major asset classes, styles, and strategies. From traditional benchmarks and unique IP-driven indexes to index design, calculation, and distribution services, our solutions span an investment landscape as diverse as investors themselves.

Morningstar Index Methodology Committee

The Morningstar Index Methodology Committee oversees all new index development, index methodology changes, and cessation of indexes for any indexes where Morningstar owns the intellectual property. This committee is also charged with ensuring that indexes align with Morningstar Research principles and values. The group comprises members of the index team with index research, product development, product management, client service, index implementation, and operation expertise who provide the first layer of governance over index design and methodology.

Morningstar Index Services Methodology & Administration Committee

The purpose of the Morningstar Index Services Methodology & Administration Committee is to oversee all new index development, index methodology changes, and cessation of indexes for any indexes where Morningstar provides calculation and administration services but does not own the Intellectual Property of the indexes. The group is comprised of members of the index team with index research, product development, product management, client service, index implementation and operation expertise who provide the first layer of governance over the index calculation services and administration business, with regard to index design and methodology.

Morningstar Index Operations Committee

The Morningstar Index Operations Committee governs the processes, systems, and exception handling of the day-to-day management of all live indexes, including index rebalancing and reconstitution, restatements, market classification, and contingency management. The committee oversees the annual review of index methodology, as required by European Benchmarks Regulation (the “BMR”), ensuring that methodologies remain fit for purpose and continue to achieve their stated investment objectives. The group comprises members of the index team with data, operations, corporate actions, product development, index launch, client service, and index management experience who provide the first layer of governance over index operations.

Morningstar Index Oversight Committee

The Morningstar Index Oversight Committee is responsible for the index oversight function as per the requirements of the European Benchmarks Regulation (the “BMR”), providing independent oversight of all aspects of the governance of benchmark administration. Its remit extends to all calculation and administration-related business activities of Morningstar Indexes, including administration of Morningstar-owned benchmarks as well as client-owned benchmarks and index calculation. The oversight function is part of the organizational structure of Morningstar but is separate and independent from the index business, index management, and the other index committees.

Contact Us

indexes@morningstar.com

©2025 Morningstar. All rights reserved. The information, data, analyses, and opinions contained herein (1) are proprietary to Morningstar, Inc. and its affiliates (collectively, "Morningstar"), (2) may not be copied or redistributed, (3) do not constitute investment advice offered by Morningstar (4) are provided solely for informational purposes and therefore are not an offer to buy or sell a security, and (5) are not warranted to be accurate, complete, or timely. Morningstar shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, this information, data, analyses or opinions or their use. Past performance is no guarantee of future results.