
Category Definitions

Japan

Morningstar Research
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The Morningstar Category™ classifications were introduced to help investors make meaningful comparisons between mutual funds. Morningstar regularly reviews the category structure and the portfolios within each category to ensure that the system meets the needs of investors.

The categories are based on the following principles:

Proper Evaluation

Every rated category should form a benchmark against which a manager's ability to add value relative to peers with similar investment exposures can be meaningfully measured.

Transparency

The rules defining each category should be clearly stated such that asset managers and investors can easily determine the rationale for a fund's classification.

Independence

A fund's classification is based on Morningstar's independent analysis of its asset class weight, objective and risk return profile etc.

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 Japan, Morningstar supports 94 categories. The category indexes listed with each category are used in Morningstar's tools and reports to show performance relative to a benchmark.

Equity Style

Equity investment styles are assigned primarily based on the Morningstar Style Box™ Methodology. The Morningstar Style Box™ was introduced in 1992 to help investors and advisors determine the investment style of a fund. The Morningstar Style Box™ is a nine-square grid that classifies securities by size along the vertical axis and by value and growth characteristics along the horizontal axis. Different investment styles often have different levels of risk and lead to differences in returns. Therefore, it is crucial that investors understand style and have a tool to measure their style exposure.

Morningstar's equity style methodology uses a "building block", holdings-based approach that is consistent with Morningstar's fundamental approach to investing. Style is first determined at the stock level and then those attributes are "rolled up" to determine the overall investment style of a fund or portfolio. This unified framework can link what are often treated as separate processes — stock research, fund research, portfolio assembly, and market monitoring — in the belief that a shared analytical framework will lead to better portfolio construction and fund usage.

The Morningstar Style Box™ captures three of the major considerations in equity investing: size, security valuation and security growth. Value and growth are measured separately because they are distinct concepts. A stock's value orientation reflects the price that investors are willing to pay for the stock's anticipated per-share earnings, book value, revenues, cash flow, and dividends. A high price relative to these measures indicates that a stock's value orientation is weak, but it does not necessarily mean that the stock is growth-oriented. Instead, a stock's growth orientation is independent of its price and reflects the growth rates of fundamental variables such as earnings, book value, revenues, and cash flow.

Allocation Classification

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:	$40 <$ Risk Score \leq 60
Moderate:	$60 <$ Risk Score \leq 75
Moderately Aggressive:	$75 <$ Risk Score \leq 90
Aggressive:	$90 <$ 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).

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Equity

Japan Large-Cap Value Equity

Japan large-cap value equity portfolios invest primarily in big Japanese companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the Japanese 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).

Morningstar MPT Category Index: Russell/Nomura Large Cap Value TR JPY

Japan Large-Cap Blend Equity

Japan large-cap blend equity portfolios are fairly representative of the overall Japanese stock market in size, growth rates, and price. Stocks in the top 70% of the capitalization of the Japanese 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 Japanese industries, and owing to their broad exposure, the portfolios' returns are often similar to those of TOPIX.

Morningstar MPT Category Index: Russell/Nomura Large Cap TR JPY

Japan Large-Cap Growth Equity

Japan large-cap growth equity portfolios invest primarily in big Japanese companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the Japanese 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.

Morningstar MPT Category Index: Russell/Nomura Large Cap Growth TR JPY

Japan Small/Mid-Cap Value Equity

Japan small/mid-cap equity portfolios invest primarily in small/mid size Japanese companies that are less expensive or growing more slowly than other small/mid-cap stocks. Stocks in the bottom 30% of the capitalization of the Japanese equity market are defined as small/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).

Morningstar MPT Category Index: Russell/Nomura Mid Small Value TR JPY

Japan Small/Mid-Cap Blend Equity

Japan small/mid-cap blend equity portfolios are fairly representative of the overall Japanese stock market in size, growth rates, and price. Stocks in the bottom 30% of the capitalization of the Japanese equity market are defined as small/mid-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

Morningstar MPT Category Index: Russell/Nomura Mid Small TR JPY

Japan Small/Mid-Cap Growth Equity

Japan small/mid-cap growth equity portfolios invest primarily in small/mid size Japanese companies that are projected to grow faster than other small/mid stocks. Stocks in the bottom 30% of the capitalization of the Japanese equity market are defined as small/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). Most of these portfolios focus on companies in rapidly expanding industries.

Morningstar MPT Category Index: Russell/Nomura Mid Small Growth TR JPY

Japan Specialty Equity

Japan specialty equity portfolios focus on companies in particular economic sectors or industries and regions etc. Those portfolios tend to be less diversified and have higher sensitivity than the broad market index to certain macroeconomic factors such as changes in interest rates, exchange rates, and business cycles.

Morningstar MPT Category Index: TOPIX TR JPY

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

Japan Cash Balanced Equity

Japan equity cash balanced portfolios invest mainly in the equities of companies in Japan, but flexibly change the cash position based on the market condition. If the market is in its favor the cash position would be reduced, and if the market is not in its favor the cash position would be increased.

Morningstar MPT Category Index: TOPIX TR JPY

Japan Other Equity

Japan other equity portfolios invest in the equities of companies in Japan and are not included in other Morningstar categories. Examples are funds that apply various investment strategies at the same time such as multi-currency overlay and covered call strategy etc.

Morningstar MPT Category Index: TOPIX TR JPY

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

World Equity

World equity portfolios invest in companies across many countries in the world. They primarily invest in foreign companies, but may include Japanese companies.

Morningstar MPT Category Index: MSCI World GR USD

World Equity - JPY Hedged

World equity - JPY hedged portfolios invest in companies across many countries in the world. They primarily invest in foreign companies, but may include Japanese companies. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: MSCI World Hdg PR JPY

World ex-Japan Equity

World ex-Japan equity portfolios invest in companies across many countries, excluding Japan.

Morningstar MPT Category Index: MSCI Kokusai (World Ex Japan) GR JPY

World ex-Japan Equity - JPY Hedged

World ex-Japan equity - JPY hedged portfolios invest in companies across many countries, excluding Japan. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: MSCI Kokusai (World Ex Japan) Hdg PR JPY

North America Equity

North America equity portfolios invest primarily in companies in U.S., but may invest in some companies in Canada.

Morningstar MPT Category Index: S&P 500 TR YEN

North America Equity - JPY Hedged

North America equity - JPY hedged portfolios invest primarily in companies in U.S., but may invest in some companies in Canada. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: S&P 500 TR Hdg JPY

Europe Equity

Europe equity portfolios invest in companies headquartered in Europe and primarily being traded on European stock exchanges.

Morningstar MPT Category Index: MSCI Europe GR JPY

Europe Equity - JPY Hedged

Europe equity - JPY Hedged portfolios invest in companies headquartered in Europe and primarily being traded on European stock exchanges. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: MSCI Europe Hdg PR JPY

Asia/Pacific Equity

Asia/Pacific equity portfolios invest primarily invest in companies in Asia, Australia, New Zealand and other countries in Pacific region including Japan.

Morningstar MPT Category Index: MSCI Pacific Free GR USD

Australia & New Zealand Equity

Australia & New Zealand equity portfolios primarily invest in companies in Australia and New Zealand.

Morningstar MPT Category Index: MSCI Australia GR USD

Emerging Specific Country/Area Equity

Emerging specific country/Area equity portfolios invest in companies in specific country and region under development with high potential for future economic growth. Such markets include Latin America, Eastern Europe, Africa, the Middle East and part of Asia.

Morningstar MPT Category Index: MSCI EM GR USD

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

Emerging Multiple Country/Area Equity

Emerging multiple country/area equity portfolios invest in companies in various countries and region under development with high potential for future economic growth. Such markets include Latin America, Eastern Europe, Africa, the Middle East and part of Asia.

Morningstar MPT Category Index: MSCI EM GR USD

Emerging Asia Equity

Emerging Asia equity portfolios invest in companies in Asia under development with high potential for future economic growth.

Morningstar MPT Category Index: MSCI EM Asia GR USD

Greater China Equity

Greater China equity portfolios invest in companies in mainland China, but may invest in companies in Hong Kong and Taiwan.

Morningstar MPT Category Index: MSCI Golden Dragon GR USD

India Equity

India equity portfolios invest primarily in companies in India.

Morningstar MPT Category Index: MSCI India GR USD

Brazil Equity

Brazil equity portfolios invest primarily in companies in Brazil.

Morningstar MPT Category Index: MSCI Brazil GR USD

World Other Equity

World other equity portfolios invest in the equities of companies in the world and are not included in other Morningstar equity categories. Examples are funds that apply various investment strategies at the same time such as multi-currency overlay and covered call strategy etc.

Morningstar MPT Category Index: MSCI ACWI GR USD

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

Fixed Income

Japan Bond - Long/Intermediate

Japan bond - long/intermediate portfolios invest primarily in bonds issued by Japanese government, corporations and asset backed securities and have average effective maturities greater than 3 years. These portfolios are exposed to greater interest rate risk than portfolios with shorter durations.

Morningstar MPT Category Index: Nomura Bond Performance TR JPY

Japan Bond - Short Term

Japan bond - short term portfolios invest primarily in bonds issued by Japanese government, corporations and asset backed securities and have average effective maturities less than 3 years. These portfolios are less sensitive to interest rate risk than portfolios with longer durations.

Morningstar MPT Category Index: NOMURA-BPI ST 1-3 TR JPY

Japan Other Bond

Japan other bond portfolios invest in bonds issued by companies in Japan and are not included in other Morningstar categories. Examples are funds that mainly invest in inflation linked and floating rate bonds etc.

Morningstar MPT Category Index: Nomura Bond Performance TR JPY

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

Japan Bond - Short Term - Bond IT

Japan bond - short term - bond IT portfolios invest primarily in bonds issued by Japanese government, corporations and have average effective maturities less than 3 years. These portfolios are less sensitive to interest rate risk than portfolios with longer durations. This category is only for Bond Investment Trust which cannot invest in any stocks under the terms and conditions based on the Japanese investment trust law.

Morningstar MPT Category Index: NOMURA-BPI ST 1-3 TR JPY

Japan Other Bond - Bond IT

Japan other bond - bond IT portfolios invest primarily in bonds issued by companies in Japan and are not included in Morningstar Japan bond -short term - bond IT category. The portfolio classified as Bond Investment Trusts which cannot invest in any stocks under the terms and conditions based on the Japanese investment trust law.

Morningstar MPT Category Index: Nomura Bond Performance TR JPY

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

World Bond

World bond portfolios invest in bonds across many countries in the world including Japan.

Morningstar MPT Category Index: Morningstar Gbl Core Bd GR JPY

World Bond - JPY Hedged

World bond - JPY hedged portfolios invest in bonds across many countries in the world including Japan. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Morningstar Gbl Core Bd GR Hdg JPY

World ex-Japan Bond

World ex-Japan bond portfolios invest bonds across many countries in the world excluding Japan.

Morningstar MPT Category Index: Morningstar Gbl xJpn Trsy Bd GR JPY

World ex-Japan Bond - JPY Hedged

World ex-Japan bond - JPY hedged portfolios invest bonds across many countries in the world excluding Japan. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Morningstar Gbl xJpn Trsy Bd GR Hdg JPY

US Bond

US bond portfolios invest primarily in U.S. government, corporate, mortgage backed or any debt instruments denominated in U.S. dollars.

Morningstar MPT Category Index: Bloomberg US Agg Bond TR JPY

US Bond - JPY Hedged

US bond - JPY hedged portfolios invest primarily in U.S. government, corporate, mortgage backed or any debt instruments denominated in U.S. dollars. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Bloomberg US Agg Bond TR Hdg JPY

Europe Bond

Europe bond portfolios invest primarily in European government, corporate, mortgage backed or any debt instruments denominated in Euro or any European currencies.

Morningstar MPT Category Index: Bloomberg Euro Agg Bond TR EUR

Europe Bond - JPY Hedged

Europe bond - JPY hedged portfolios invest primarily in European government, corporate, mortgage backed or any debt instruments denominated in Euro or any European currencies. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Bloomberg Euro Aggregate TR Hdg JPY

Australia & New Zealand Bond

Australia & New Zealand bond portfolios invest primarily in government and corporate debt instrument issued by entities domiciled in countries in Australia & New Zealand.

Morningstar MPT Category Index: Bloomberg Asian Pac Australia TR JPY

Australia & New Zealand Bond - JPY Hedged

Australia & New Zealand bond - JPY hedged portfolios invest primarily in government and corporate debt instrument issued by entities domiciled in countries in Australia & New Zealand. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Bloomberg Asian Pac Australia TR Hdg JPY

Specific Country/Area Bond

Specific Country/Area Bond portfolios invest primarily in bonds issued in a specific country or region excluding US, Europe, Oceania and Asia.

Morningstar MPT Category Index: Morningstar Gbl Core Bd GR JPY

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

World High Yield Bond Global

World high yield bond global portfolios invest primarily in non-investment grade bonds in the world, which of price volatility risk is higher than those of investment grade bonds. Those portfolios generally offer higher yield than other types of portfolios, but they are also more volatile to economic and credit risk.

Morningstar MPT Category Index: ICE BofA Gbl HY TR JPY

World High Yield Bond US

World high yield bond US portfolios invest primarily in non-investment grade bonds in U.S., which of price volatility risk is higher than those of investment grade bonds. Those portfolios generally offer higher yield than other types of portfolios, but they are also more volatile to economic and credit risk.

Morningstar MPT Category Index: ICE BofA US High Yield TR JPY

World High Yield Bond Europe

World high yield bond Europe portfolios invest primarily in non-investment grade bonds in Europe, which of price volatility risk is higher than those of investment grade bonds. Those portfolios generally offer higher yield than other types of portfolios, but they are also more volatile to economic and credit risk.

Morningstar MPT Category Index: ICE BofA Euran Ccy HY TR JPY

World High Yield Bond Global - JPY Hedged

World high yield bond global - JPY hedged portfolios invest primarily in non-investment grade bonds in the world, which of price volatility risk is higher than those of investment grade bonds. Those portfolios generally offer higher yield than other types of portfolios, but they are also more volatile to economic and credit risk. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: ICE BofA Gbl HY TR HJPY

World High Yield Bond US - JPY Hedged

World high yield bond US - JPY hedged portfolios invest primarily in non-investment grade bonds in U.S., which of price volatility risk is higher than those of investment grade bonds. Those portfolios generally offer higher yield than other types of portfolios, but they are also more volatile to economic and credit risk. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: ICE BofA US High Yield TR HJPY

World High Yield Bond Europe - JPY Hedged

World high yield bond Europe - JPY hedged portfolios invest primarily in non-investment grade bonds in Europe, which of price volatility risk is higher than those of investment grade bonds. Those portfolios generally offer higher yield than other types of portfolios, but they are also more volatile to economic and credit risk. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: ICE BofA Euro High Yield TR HJPY

World Bank Loan

World bank loan portfolios invest primarily in bank loans in the world. In exchange for their credit risk, these loans offer high interest payments that typically float above a common investable bond.

Morningstar MPT Category Index: Morningstar LSTA US LL TR JPY

World Bank Loan - JPY Hedged

World bank loan - JPY hedged portfolios invest primarily in bank loans in the world. In exchange for their credit risk, these loans offer high interest payments that typically float above a common investable bond. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Morningstar LSTA US LL TR Hdg JPY

World Hybrid Security

World hybrid security portfolios invest primarily in subordinated / perpetual bonds and preferred stocks issued by company worldwide. These portfolios tend to have more credit risk than government or agency backed bonds, and effective duration longer than other bond portfolios.

Morningstar MPT Category Index: Bloomberg Global Aggregate TR JPY

World Hybrid Security - JPY Hedged

World hybrid security - JPY hedged portfolios invest primarily in subordinated / perpetual bonds and preferred stocks issued by company worldwide. These portfolios tend to have more credit risk than government or agency backed bonds, and effective duration longer than other bond portfolios. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Bloomberg Global Aggregate TR Hdg JPY

World Hybrid Security - Other

World hybrid security - other portfolios invest primarily in subordinated / perpetual bonds and preferred stocks issued by company in specific region or country and are not included in other Morningstar world hybrid security categories.

Morningstar MPT Category Index: Bloomberg Global Aggregate TR JPY

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

World ST Bond/Money

World ST bond/money portfolios invest globally in short-term debt such as treasury bills, commercial papers and other types of money market instruments. They are less sensitive to interest rate risk than other types of bond portfolios, but are exposed to currency risk.

Morningstar MPT Category Index: Morningstar Gbl 1-3Y Trsy Bd GR JPY

World ST Bond/Money - JPY Hedged

World ST bond/money - JPY hedged portfolios invest globally in short-term debt such as treasury bills, commercial papers and other types of money market instruments. They are less sensitive to interest rate risk than other types of bond portfolios, but are exposed to currency risk. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Morningstar Gbl 1-3Y Trsy Bd GR Hdg JPY

World Bond Inflation / Floating

World bond inflation / floating portfolios invest globally in debt securities that adjust their principal values in line with the rate of inflation and / or debt instrument with floating interest rate.

Morningstar MPT Category Index: Morningstar Gbl Trsy Inf-Lnkd GR JPY

World Other Bond

World other bond portfolios invest in bonds issued by companies in the world and are not included in other Morningstar bond categories. Examples are funds that apply various investment strategies at the same time such as currency overlay and covered call strategy etc.

Morningstar MPT Category Index: Morningstar Gbl Core Bd GR JPY

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

Emerging Global Bond - USD

Emerging global bond portfolios invest primarily in bonds issued in developing countries in US dollar with higher potential for future economic growth. Such markets include Latin America, Eastern Europe, Africa, the Middle East and part of Asia.

Morningstar MPT Category Index: JPM EMBI Global Diversified TR USD

Emerging Global Bond – Local Currency

Emerging global bond portfolios invest primarily in bonds issued in developing countries in local currencies with higher potential for future economic growth. Such markets include Latin America, Eastern Europe, Africa, the Middle East and part of Asia.

Morningstar MPT Category Index: JPM GBI-EM Global Diversified TR USD

Emerging Asia Bond

Emerging Asia bond portfolios invest primarily in bonds issued in emerging Asia countries with higher potential for future economic growth.

Morningstar MPT Category Index: JPM EMBI Global Asia TR USD

Emerging Bond - JPY Hedged

Emerging bond - JPY hedged portfolios invest primarily in bonds issued in developing countries in the world with higher potential for future economic growth. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: JPM EMBI Global Diversified Hedge TR JPY

Emerging High Yield Bond

Emerging high yield bond portfolios invest primarily in non-investment grade bonds of emerging markets (i.e. Latin America, Eastern Europe, Africa, the Middle East and a part of Asia), which of price volatility risk is higher than those of investment grade bonds.

Morningstar MPT Category Index: Bloomberg EM USD Agg HY TR USD

Emerging High Yield Bond - JPY Hedged

Emerging high yield bond - JPY hedged portfolios invest primarily in non-investment grade bonds of emerging markets (i.e. Latin America, Eastern Europe, Africa, the Middle East and a part of Asia), which of price volatility risk is higher than those of investment grade bonds. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: Bloomberg EM USD Agg HY TR Hdg JPY

Emerging Other Bond

Emerging other bond portfolios invest in bonds mainly issued in emerging countries and are not included in other Morningstar emerging bond categories. Examples are funds that apply various investment strategies at the same time such as multi-currency overlay and covered call strategy etc.

Morningstar MPT Category Index: JPM EMBI Global Diversified TR USD

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

Convertibles

World Convertible Bond

World convertible bond portfolios invest globally in convertible bonds that are issued by corporate debt, but may be convertible into equity by investors' option to exercise such conversion right.

Morningstar MPT Category Index: ICE BofA Global 300 Convrt TR USD

World Convertible Bond - JPY Hedged

World convertible bond - JPY hedged portfolios invest globally in convertible bonds that are issued by corporate debt, but may be convertible into equity by investors' option to exercise such conversion right. In principle, non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: ICE BofA Global 300 Convrt TR USD

REIT

Japan REIT

Japan REIT portfolios invest in Japanese real estate investment trusts that are investing in certain types of real estate such as office buildings and commercial properties.

Morningstar MPT Category Index: TSE REIT TR JPY

Japan Other REIT

Japan other REIT portfolios invest in Japanese real estate investment trusts that are investing in certain types of real estate such as office buildings and commercial properties, but the portfolios are not included in Japan REIT category. Examples are funds that apply various investment strategies at the same time such as multi-currency overlay and covered call strategy etc.

Morningstar MPT Category Index: TSE REIT TR JPY

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

World REIT

World REIT portfolios invest broadly across countries including Japan in real estate investment trusts.

Morningstar MPT Category Index: S&P Developed REIT TR JPY

World REIT - JPY Hedged

World REIT - JPY hedged portfolios invest broadly across countries including Japan in real estate investment trusts. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: S&P Devlp REIT TR JPY Hedged

World REIT - Specific Region / Country

World REIT - Specific Region / Country portfolios invest specific region/countries in real estate investment trusts.

Morningstar MPT Category Index: S&P Developed REIT TR JPY

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

US REIT

US REIT portfolios invest primarily in US real estate investment trusts.

Morningstar MPT Category Index: S&P United States REIT TR JPY

US REIT - JPY Hedged

US REIT - JPY hedged portfolios invest primarily in US real estate investment trusts. In principle non-Japanese currency is fully hedged to Japanese Yen.

Morningstar MPT Category Index: S&P United States REIT TR JPY Hedged

World Other REIT

World other REIT portfolios invest broadly across countries including Japan in real estate investment trusts, but the portfolios are not included in other Morningstar world REIT categories. Examples are funds that apply various investment strategies at the same time such as multi-currency overlay and covered call strategy etc.

Morningstar MPT Category Index: S&P Developed REIT TR JPY

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

Allocation

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.

Morningstar MPT Category Index: Morningstar JPN Con Tgt Alloc NR JPY

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.

Morningstar MPT Category Index: Morningstar JPN Mod Con Tgt Alloc NR JPY

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.

Morningstar MPT Category Index: Morningstar JPN Mod Tgt Alloc NR JPY

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.

Morningstar MPT Category Index: Morningstar JPN Mod Agg Tgt Alloc NR JPY

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.

Morningstar MPT Category Index: Morningstar JPN Agg Tgt Alloc NR JPY

Risk Control Allocation

Risk control allocation portfolios seek to provide both capital appreciation and income by investing three major asset areas: stocks, bonds, and cash. These portfolios don't tend to hold static policy asset mix but have target risk level based on historical volatility of each underlying asset.

Morningstar MPT Category Index: Morningstar Balanced 50/50 GR USD

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

Tactical Allocation

Tactical asset allocation portfolios seek to provide both capital appreciation and income by investing in asset classes such as stocks, bonds, and cash with flexible allocation changes to capture higher returns by forecasting market trends. Risk profile of the portfolios might be more volatile than portfolios in the risk control allocation category.

Morningstar MPT Category Index: Morningstar Balanced 50/50 GR USD
[Funds in this category do not receive a Morningstar Rating™.]

Other Allocation

Other allocation portfolios seek to provide both capital appreciation and income by investing three major asset areas: stocks, bonds, and cash. These portfolios are not included in other Morningstar allocation categories.

Morningstar MPT Category Index: Morningstar Balanced 50/50 GR USD
[Funds in this category do not receive a Morningstar Rating™.]

Target Date 2030 and earlier

Target date 2030 and earlier portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific data in mind (in this case, the years 2030 and earlier) for retirement or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, management adjusts the allocation among asset classes to more conservative mixes as the target date approaches.

Morningstar MPT Category Index: Morningstar Balanced 30/70 GR USD

Target Date 2031-2040

Target date 2031-2040 portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific data in mind (in this case, the years 2031 - 2040) for retirement or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, management adjusts the allocation among asset classes to more conservative mixes as the target date approaches.

Morningstar MPT Category Index: Morningstar Balanced 50/50 GR USD

Target Date 2041 and later

Target year 2041 and later portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific data in mind (in this case, the years 2041 and later) for retirement or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, management adjusts the allocation among asset classes to more conservative mixes as the target date approaches.

Morningstar MPT Category Index: Morningstar Balanced 70/30 GR USD

Commodity

Commodity

Commodity portfolios are funds investing primarily in commodity futures such as agricultural products and natural resources such as precious metals and oil.

Morningstar MPT Category Index: Bloomberg Commodity TR USD

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

Alternative

Alt-Long/Short

Alt-long/short portfolios hold sizable stakes in both long and short positions in any assets. Some funds that fall into this category will shift their exposure to long and short positions depending on their macro outlook or the opportunities they uncover through bottom-up research. Some funds may simply hedge long positions through exchange traded funds or derivatives.

Morningstar MPT Category Index: Credit Suisse Long/Short Equity TR USD

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

Alt-Market Neutral

Alt-market neutral portfolios attempt to reduce systematic risk created by factors such as exposures to sectors, market-cap ranges, investment style, 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 a sector neutral. 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.

Morningstar MPT Category Index: Credit Suisse Equity Market Neutral USD

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

Alt-Multistrategy

Alt-multistrategy portfolios offer investors exposure to several different alternative-fund investment tactics. In most of these cases, all of the assets are managed in-house at the fund, but the assets may be divided between multiple portfolio managers, each of whom focuses on a different strategy. An investor's exposure to different tactics may change slightly over time in response to market movements.

Morningstar MPT Category Index: Credit Suisse Multi-Strategy USD

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

Trading - Leveraged/Inverse Currency

Trading - leveraged/inverse currency portfolios are funds whose performance is linked either positively (bull) or negatively (bear) to the performance of currency exchange rate of Japanese yen against a foreign currency (typically US dollars). A fund's performance linkage is contractually determined as a certain multiple of underlying currency rate.

Morningstar MPT Category Index: None

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

Trading - Leveraged/Inverse Equity

Trading - leveraged/inverse equity portfolios are funds whose performance is linked either positively (bull) or negatively (bear) to the performance of certain equity market index. A fund's performance linkage is contractually determined as a certain multiple of underlying market index.

Morningstar MPT Category Index: None

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

Trading - Leveraged/Inverse Bond

Trading - leveraged/inverse bond portfolios are funds whose performance is linked either positively (bull) or negatively (bear) to the performance of certain bond market index. A fund's performance linkage is contractually determined as a certain multiple of underlying market index.

Morningstar MPT Category Index: None

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

Money Market

Japan Money Market

Japan money market portfolios invest in short-term money market instruments settled in Japan such as commercial papers and overnight call rate market. Primary objective is to keep reserve for other investments and provide immediate liquidity to investors.

Morningstar MPT Category Index: Morningstar JPY 1M Cash GR JPY

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

Miscellaneous

General Miscellaneous

The general miscellaneous category contains portfolios that are not suited to and/or do not meet the criteria set for any of the other Morningstar categories. The portfolios in this category are reassessed regularly and when there are sufficient like portfolios to create a meaningful peer group, a new category is created.

Morningstar MPT Category Index: None

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



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