

# Columbia Mid Cap Value Z (USD)

**Overall Morningstar Rtg™**  
 ★★★  
 360 US OE Mid-Cap Value

**Incept** 11-20-2001  
**Type** MF  
**Total Assets** \$4,815.02 mil  
**Morningstar Cat** US OE Mid-Cap Value

Performance 12-31-2010					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-11.28	-0.28	-8.49	-27.91	-41.64
2009	-11.92	17.79	20.92	5.64	32.54
2010	8.11	-11.22	12.14	14.47	23.21
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	23.21	-1.59	3.74	—	8.56
Std 12-31-2010	23.21	—	3.74	—	8.56
Total Return	23.21	-1.59	3.74	—	8.56
+/- S&P 500 TR					
	8.15	1.27	1.45	—	—
+/- Russell Mid Cap Va					
	-1.54	-2.60	-0.34	—	—
% Rank Cat					
	38	85	49	—	—
No. in Cat					
	420	360	286	—	—
7-day Yield					
	—	—	—	—	—

**Performance Disclosure**

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-345-6611 or visit [www.columbiafunds.com](http://www.columbiafunds.com).

**Fees and Expenses**

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.71
12b1 Expense %	NA
Gross Expense Ratio %	0.94

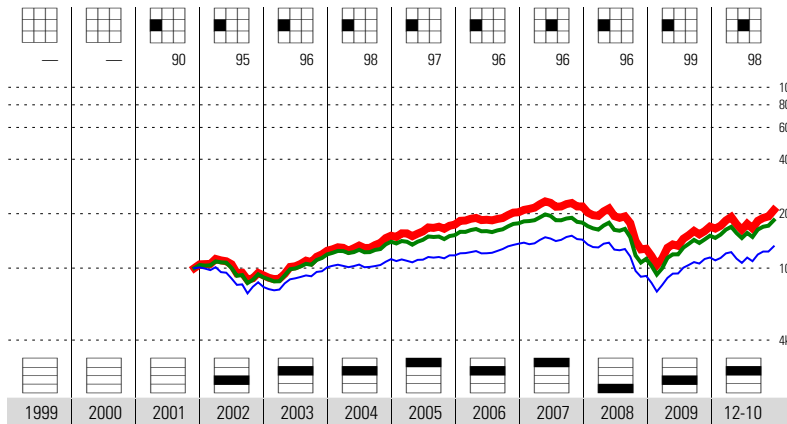
**Risk and Return Profile**

	3 Yr	5 Yr	10 Yr
	360 funds	286 funds	98 funds
Morningstar Rating™	2★	3★	—
Morningstar Risk	Avg	Avg	—
Morningstar Return	-Avg	Avg	—
MPT Statistics			
	Standard Index	Best Fit Index	
	S&P 500 TR	Russell Mid Cap Value TR	
Alpha	2.46	—	USD -2.73
Beta	1.16	0.94	—
R-Squared	95.51	97.40	—

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	-22.84% Assets

**Operations**

Family:	Columbia
Manager:	Multiple
Tenure:	9.2 Years
Objective:	Growth



Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	Investment Style
Equity	—	—	10.60	9.12	12.36	13.63	13.97	14.60	14.68	8.45	11.08	13.46	Equity
Stock %	—	—	—	-13.09	36.89	20.89	15.27	17.09	7.65	-41.64	32.54	23.21	Stock %
Growth of \$10,000	—	—	—	9.01	8.20	10.00	10.36	1.29	2.15	-4.64	6.08	8.15	—
Columbia Mid Cap Value Z	—	—	—	-3.45	-1.18	-2.82	2.63	-3.13	9.07	-3.19	-1.67	-1.54	—
Cat Avg: US OE Mid-Cap Value	—	—	—	54	25	29	4	32	10	80	59	38	—
Index: S&P 500 TR	—	—	—	311	331	320	310	375	405	442	416	420	—
Performance Quartile (within category)	—	—	—	—	—	—	—	—	—	—	—	—	—
History													
NAV/Price	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Return %	—	—	—	—	—	—	—	—	—	—	—	—	—
+/- S&P 500 TR	—	—	—	—	—	—	—	—	—	—	—	—	—
+/- Russell Mid Cap Va	—	—	—	—	—	—	—	—	—	—	—	—	—
% Rank Cat	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of Funds in Cat	—	—	—	—	—	—	—	—	—	—	—	—	—

**Portfolio Analysis 11-30-2010**

Asset Allocation %	Net %	Long %	Short %
Cash	2.22	2.23	0.00
US Stocks	92.21	92.21	0.00
Non-US Stocks	5.03	5.03	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.52	0.52	0.00
Total	99.99	99.99	0.00

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	14.9	0.96	1.09
Large	P/C Ratio TTM	7.7	0.83	1.08
Mid	P/B Ratio TTM	1.7	0.77	1.13
Small	Geo Avg Mkt Cap \$mil	6547	0.14	1.06

Fixed-Income Style	Ltd	Mod	Ext	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
High	—	—	—	—	—	—	—	—
Med	—	—	—	—	—	—	—	—
Low	—	—	—	—	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500 TR
Americas	95.0	0.95
Greater Europe	5.0	—
Greater Asia	0.0	—

**Top Holdings 10-31-2010**

Share Chg since 10-2010	Share Amount	114 Total Stocks	0 Total Fixed-Income	56% Turnover Ratio	% Net Assets
—	5 mil	Discover Financial Services	—	—	1.88
—	4 mil	Spectra Energy Corp	—	—	1.86
—	997,850	Parker Hannifin Corporation	—	—	1.76
—	1 mil	Wisconsin Energy Corporation	—	—	1.65
—	1 mil	Peabody Energy Corporation	—	—	1.63
—	1 mil	Equity Residential	—	—	1.59
—	915,175	PPG Industries, Inc.	—	—	1.57
—	3 mil	Lincoln National Corp.	—	—	1.48
—	1 mil	Rayonier, Inc.	—	—	1.45
—	3 mil	Xcel Energy, Inc.	—	—	1.44
—	1 mil	Sempra Energy	—	—	1.44
—	1 mil	Reinsurance Group of America	—	—	1.41
—	2 mil	Packaging Corporation of America	—	—	1.40
—	3 mil	Foot Locker, Inc.	—	—	1.28
—	1 mil	United States Steel Corporation	—	—	1.26

Sector Weightings	Stocks %	Rel S&P 500 TR
<b>Information Economy</b>	<b>8.5</b>	<b>0.35</b>
Software	1.5	0.34
Hardware	4.0	0.44
Media	2.0	0.63
Telecommunication	0.9	0.13
<b>Service Economy</b>	<b>40.0</b>	<b>1.02</b>
Healthcare Services	3.4	0.31
Consumer Services	6.2	0.74
Business Services	4.8	1.53
Financial Services	25.5	1.55
<b>Manufacturing Economy</b>	<b>51.5</b>	<b>1.40</b>
Consumer Goods	11.3	1.27
Industrial Materials	17.8	1.47
Energy	12.6	1.01
Utilities	9.8	2.94

Base Currency:	USD	Minimum IRA Purchase:	\$1,000
Ticker:	NAMAX	Purchase Constraints:	A
Minimum Initial Purchase:	\$2,500		
Min Auto Investment Plan:	\$50		

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# Columbia Mid Cap Value Z NAMAX

## Investment Summary

Data as of 12/31/2010 Currency USD Benchmark 1 S&P 500 TR Benchmark 2 —

Trailing Return				
	Total Return %	+/- BM1	+/- BM2	Cat % Rank
1 Mo	8.23	1.55	—	12
3 Mo	14.47	3.72	—	17
6 Mo	28.37	5.11	—	25
YTD	23.21	8.15	—	38
1 Yr	23.21	8.15	—	38
3 Yr	-1.59	1.27	—	85
5 Yr	3.74	1.45	—	49
10 Yr	—	—	—	—
15 Yr	—	—	—	—

Ratings as of 12/31/2010				
	Overall	3 Year	5 Year	10 Year
Rating	3★	2★	3★	—
Risk	—	6.89	4.68	—
Return	—	-2.18	1.40	—
# Investments Rated	360	360	286	—

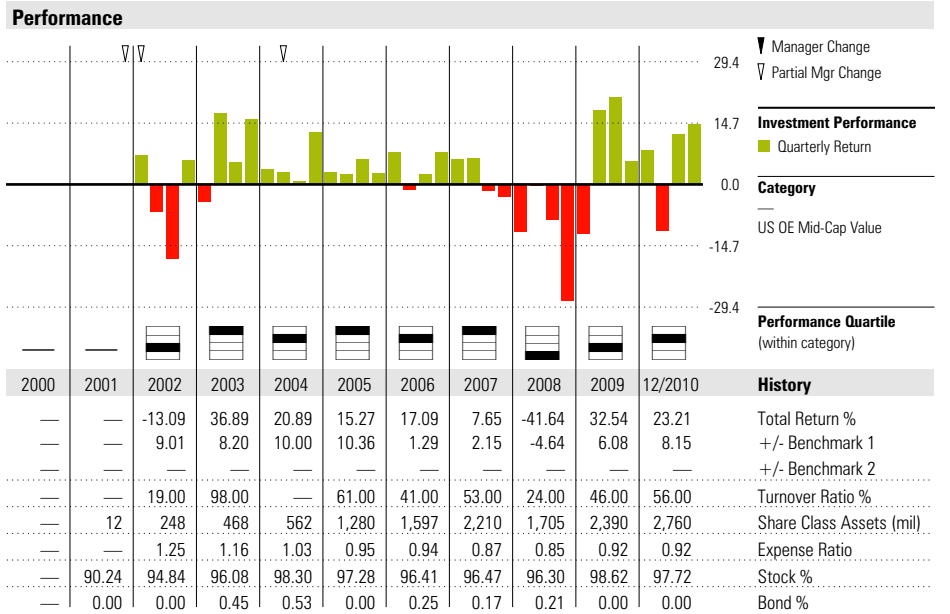
Risk/Reward				
	3 Year	5 Year	10 Year	
Versus Benchmark 1	3 Year	5 Year	10 Year	
Alpha	2.46	1.81	—	
Beta	1.16	1.14	—	
R-Squared	95.51	94.26	—	
Tracking Error	6.59	5.66	—	
Information Ratio	0.19	0.26	—	
Excess Return	1.27	1.45	—	

Miscellaneous	3 Year	5 Year	10 Year
Standard Deviation	26.26	21.00	—
Sharpe Ratio	-0.08	0.07	—
Sortino Ratio	-0.11	0.09	—
Max Drawdown (Mo)	14	21	—
Max Drawdown (%)	-52.48	-55.43	—
Peak Date	1/1/2008	6/1/2007	—
Valley Date	2/28/2009	2/28/2009	—

**Manager Information**  
 Noah Petrucci. CFA. Since 2/2002. B.A. University of Massachusetts—Amherst.  
 Diane Sobin. CFA. Since 11/2001. B.A. 1983 Pace University.  
 David Hoffman. Since 4/2004. B.A. Grinnell College. M.S. Columbia University.

**Investment Strategy**  
 The investment seeks to provide long-term growth of capital. The fund normally invests at least 80% of net assets in equity securities of companies that have market capitalizations in the range of the companies in the Russell Midcap Value Index at the time of purchase, that the Advisor believes are undervalued and have the potential for long-term growth. It may invest up to 20% of total assets in foreign securities. The fund also may invest in real estate investment trusts.

Operations	
Minimum Initial Investment	2500
Inception Date	11/20/2001
Management Fees	Actual: 0.71% Max: 0.65%
Sales Fees	—
Firm Name	Columbia
Telephone	800-345-6611
Web Address	www.columbiafunds.com



Holding Analysis as of 11/30/2010				
	Net %	#		
Cash	2.0	—		
Stock	97.7	113		
Bond	0.0	0		
Other	0.2	—		
<b>Total</b>	<b>100.0</b>	<b>116</b>		

Equity Style %			Market Cap	%
17	7	9	Giant	0.0
23	29	10	Large	33.4
3	1	1	Mid	61.9
			Small	4.7
			Micro	0.0
			Avg Market Cap (mil)	6,546.9

Value Factors	%	Growth Factors	%
Price/Earnings	15.55	LT Earn Gr	9.65
Price/Book	1.63	Hist Earn Gr	-3.37
Price/Sales	1.17	Book Val Gr	0.47
Price/Cash Flow	6.78	Sales Gr	-6.89
Dividend Yield	1.88	Cash Flow Gr	-1.63

Fixed Income Style				
			Avg Eff Duration	—
			Avg Eff Maturity	—
			Avg Credit Quality	—
			Avg Wtd Coupon	—
			Avg Wtd Price	—
			1 as of —	

Credit Rating Breakdown		Maturity Breakdown	
%		%	
—	AAA	—	1-3
—	AA	—	3-5
—	A	—	5-7
—	BBB	—	7-10
—	BB	—	10-15
—	B or below B	—	15-20
—	Not Rated	—	20-30
			30+

Top Holdings as of 11/30/2010				
Style	Mkt Cap USD	% Mkt	% Mkt	Val
Discover Financial Services	9,955	1.88		
Spectra Energy Corp	15,408	1.86		
Parker Hannifin Corporation	12,944	1.76		
Wisconsin Energy Corporation	7,040	1.65		
Peabody Energy Corporation	15,857	1.63		
Equity Residential	14,217	1.59		
PPG Industries, Inc.	12,709	1.57		
Lincoln National Corp.	7,564	1.48		
Rayonier, Inc.	4,106	1.45		
Xcel Energy, Inc.	10,813	1.44		
Sempra Energy	12,024	1.44		
Reinsurance Group of America	3,656	1.41		
Packaging Corporation of A...	2,630	1.40		
Foot Locker, Inc.	2,926	1.28		
United States Steel Corpora...	6,981	1.26		
Boston Properties, Inc.	11,741	1.24		
J.M. Smucker Co.	7,530	1.18		
Ingersoll-Rand PLC	13,198	1.18		
Weatherford International Ltd	15,132	1.16		
American Electric Power	17,098	1.15		
Top 20 holdings				29.0

Top 3 Equity Sectors			
	%	Rel BM1%	Rel BM2%
Financial Services	25.51	35.69	—
Industrial Materials	17.80	31.93	—
Energy	12.55	0.98	—

Top 3 Fixed Income Sectors			
	%	Rel BM1%	Rel BM2%
Asset-backed	—	—	—
Cash	—	—	—
Convertible	—	—	—

# JPMorgan Mid Cap Growth Sel (USD)

**Overall Morningstar Rtg™**  
 ★★★  
 677 US OE Mid-Cap Growth

**Incept** 03-02-1989  
**Type** MF  
**Total Assets** \$1,638.59 mil  
**Morningstar Cat** US OE Mid-Cap Growth

Performance 12-31-2010					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-14.21	7.86	-16.64	-27.10	-43.77
2009	-1.09	15.10	16.90	7.64	43.24
2010	6.22	-10.28	14.55	14.95	25.49
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	25.49	0.36	5.68	4.07	11.90
Std 12-31-2010	25.49	—	5.68	4.07	11.90
Total Return	25.49	0.36	5.68	4.07	11.90
+/- S&P 500 TR	10.43	3.21	3.39	2.66	—
+/- Russell Mid Cap Gr	-0.89	-0.61	0.79	0.96	—
% Rank Cat	47	45	36	33	
No. in Cat	759	677	594	392	
7-day Yield	—				

**Performance Disclosure**  
 The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

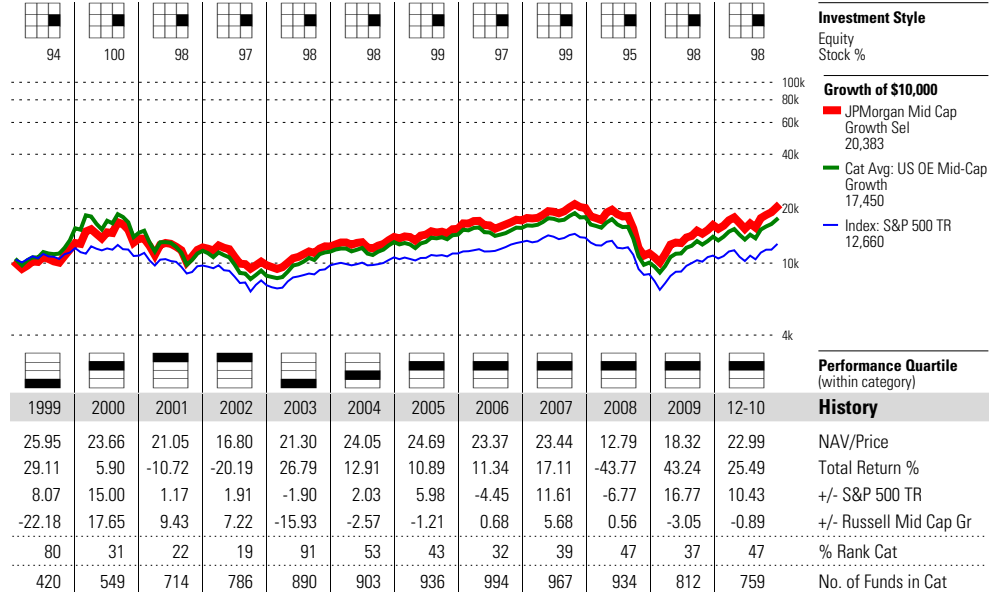
Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-480-4111 or visit [www.jpmorganfunds.com](http://www.jpmorganfunds.com).

Fees and Expenses	
<b>Sales Charges</b>	
<b>Front-End Load %</b>	<b>NA</b>
<b>Deferred Load %</b>	<b>NA</b>
<b>Fund Expenses</b>	
Management Fees %	0.65
12b1 Expense %	NA
<b>Gross Expense Ratio %</b>	<b>1.17</b>

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	3★	3★
Morningstar Risk	+Avg	+Avg	Avg
Morningstar Return	Avg	Avg	Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	26.89	21.87	19.72
Mean	0.36	5.68	4.07
Sharpe Ratio	0.13	0.26	0.19
MPT Statistics	Standard Index	Best Fit Index	
	S&P 500 TR	Russell Mid Cap Growth TR	USD
Alpha	4.60	-0.56	
Beta	1.14	1.00	
R-Squared	88.80	97.98	

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	18.35% Assets

Operations	
Family:	JPMorgan
Manager:	Multiple
Tenure:	6.3 Years
Objective:	Growth



Portfolio Analysis 11-30-2010				Top Holdings 10-31-2010								
<b>Asset Allocation %</b>				Net %	Long %	Short %	Share Chg since 10-2010	Share Amount	94 Total Stocks	0 Total Fixed-Income	% Net Assets	
Cash	2.00	2.00	0.00	95.55	95.55	0.00	354,550	Cummins, Inc.	82% Turnover Ratio		2.23	
US Stocks	2.45	2.45	0.00	0.00	0.00	0.00	31 mil	Jpmorgan Liquid Assets Money Market			2.00	
Non-US Stocks	0.00	0.00	0.00	0.00	0.00	0.00	605,000	NetApp, Inc.			2.00	
Bonds	0.00	0.00	0.00	0.00	0.00	0.00	357,100	Concho Resources, Inc.			1.91	
Other/Not Clsfd	100.00	100.00	0.00				1 mil	Valeant Pharmaceuticals Internation			1.72	
Total							205,200	W.W. Grainger, Inc.			1.66	
<b>Equity Style</b>				Portfolio Statistics	Port Avg	Rel Index	Rel Cat	729,300	Agilent Technologies, Inc.			1.65
Value	Blend	Growth	Large	P/E Ratio TTM	22.1	1.43	1.06	662,300	Lamar Advertising Company A			1.58
			Mid	P/C Ratio TTM	11.6	1.25	0.88	556,400	Micros Systems, Inc.			1.58
			Small	P/B Ratio TTM	3.1	1.43	1.05	1 mil	Marvell Technology Group, Ltd.			1.55
				Geo Avg Mkt Cap \$mil	6393	0.13	1.00	465,400	Scripps Networks Interactive, Inc.			1.54
<b>Fixed-Income Style</b>				Ltd	Mod	Ext	Avg Eff Duration	473,370	Amphenol Corporation			1.53
			High	Avg Eff Maturity				177,000	F5 Networks, Inc.			1.51
			Med	Avg Credit Quality				739,500	Harley-Davidson, Inc.			1.50
			Low	Avg Wtd Coupon				384,150	T. Rowe Price Group			1.45
				Avg Wtd Price								

Sector Weightings			Stocks %	Rel S&P 500 TR
<b>Information Economy</b>			<b>30.8</b>	<b>1.28</b>
Software			9.2	2.03
Hardware			14.8	1.61
Media			3.2	1.00
Telecommunication			3.6	0.50
<b>Service Economy</b>			<b>41.7</b>	<b>1.07</b>
Healthcare Services			11.6	1.05
Consumer Services			12.3	1.46
Business Services			8.6	2.71
Financial Services			9.3	0.57
<b>Manufacturing Economy</b>			<b>27.4</b>	<b>0.74</b>
Consumer Goods			14.6	1.63
Industrial Materials			6.5	0.53
Energy			6.4	0.51
Utilities			0.0	0.00

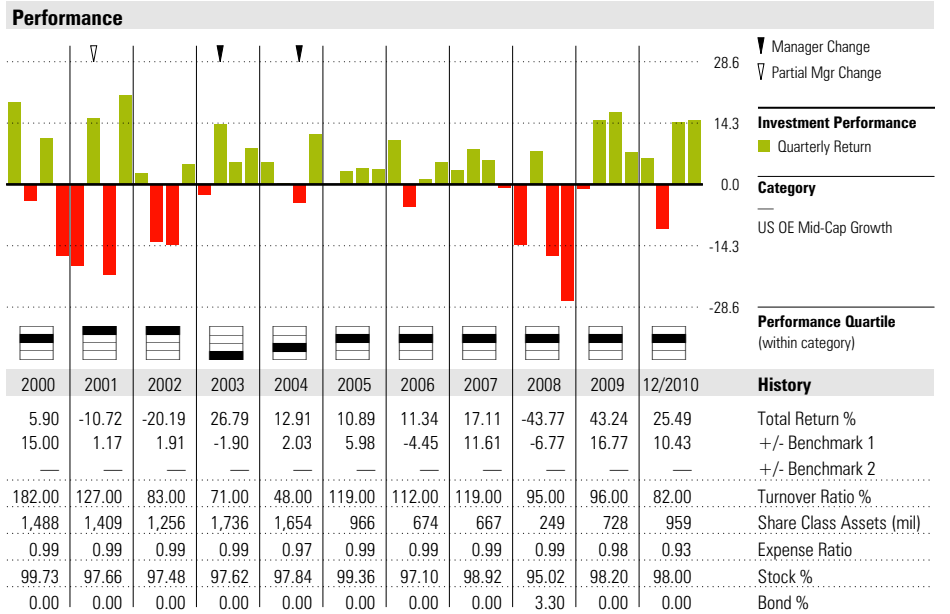
Base Currency:	USD	Purchase Constraints:	
Ticker:	HLGEX		
Minimum Initial Purchase:	\$1 mil		
Min Auto Investment Plan:	\$100		

# JPMorgan Mid Cap Growth Sel HLGEX

## Investment Summary

Data as of 12/31/2010 Currency USD Benchmark 1 S&P 500 TR Benchmark 2 —

Trailing Return				
	Total Return %	+/- BM1	+/- BM2	Cat % Rank
1 Mo	6.68	0.00	—	30
3 Mo	14.95	4.19	—	28
6 Mo	31.67	8.41	—	23
YTD	25.49	10.43	—	47
1 Yr	25.49	10.43	—	47
3 Yr	0.36	3.21	—	45
5 Yr	5.68	3.38	—	36
10 Yr	4.07	2.66	—	33
15 Yr	10.35	3.58	—	12



Ratings as of 12/31/2010				
	Overall	3 Year	5 Year	10 Year
Rating	3★	3★	3★	3★
Risk	—	7.54	5.26	4.17
Return	—	-0.24	3.29	1.77
# Investments Rated	677	677	594	392

Risk/Reward			
Versus Benchmark 1	3 Year	5 Year	10 Year
Alpha	4.59	3.87	3.17
Beta	1.14	1.14	1.10
R-Squared	88.80	86.57	82.80
Tracking Error	9.57	8.42	8.34
Information Ratio	0.34	0.40	0.32
Excess Return	3.21	3.38	2.66

Miscellaneous			
	3 Year	5 Year	10 Year
Standard Deviation	26.89	21.87	19.72
Sharpe Ratio	-0.01	0.15	0.09
Sortino Ratio	-0.01	0.21	0.13
Max Drawdown (Mo)	14	16	16
Max Drawdown (%)	-49.97	-52.47	-52.47
Peak Date	11/1/2008	11/1/2007	11/1/2007
Valley Date	2/28/2009	2/28/2009	2/28/2009

**Manager Information**  
 Timothy Parton. CFA. Since 9/2004. B.S. Bristol University.  
 Christopher Vyvyan Jones. CFA. Since 9/2004. M.A. University of Cambridge.

**Investment Strategy**  
 The investment seeks growth of capital; current income is a secondary consideration. The fund normally invests at least 80% of assets in equity securities of mid-cap companies, including common stocks and debt securities and preferred stocks that are convertible to common stocks. Mid cap companies are companies with market capitalizations similar to those within the universe of the Russell Midcap Growth Index at the time of purchase.

Operations	
Minimum Initial Investment	1000000
Inception Date	3/2/1989
Management Fees	Actual: 0.65% Max: 0.65%
Sales Fees	—
Firm Name	JPMorgan
Telephone	800-480-4111
Web Address	www.jpmorganfunds.com

Holding Analysis as of 11/30/2010			
	Net %	#	
Cash	2.0	—	
Stock	98.0	96	
Bond	0.0	0	
Other	0.0	—	
<b>Total</b>	<b>100.0</b>	<b>97</b>	

Equity Style %			Market Cap	%
1	8	24	Giant	0.0
7	19	34	Large	32.9
0	3	3	Mid	60.7
			Small	6.4
			Micro	0.0
			Avg Market Cap (mil)	6,392.7

Value Factors	%	Growth Factors	%
Price/Earnings	20.27	LT Earn Gr	14.07
Price/Book	3.27	Hist Earn Gr	-4.39
Price/Sales	1.67	Book Val Gr	0.77
Price/Cash Flow	10.11	Sales Gr	-2.66
Dividend Yield	1.30	Cash Flow Gr	3.21

Fixed Income Style			
		Avg Eff Duration	—
		Avg Eff Maturity	—
		Avg Credit Quality	—
		Avg Wtd Coupon	—
		Avg Wtd Price	—
		1 as of —	

Credit Rating Breakdown		Maturity Breakdown	
%		%	
—	AAA	—	1-3
—	AA	—	3-5
—	A	—	5-7
—	BBB	—	7-10
—	BB	—	10-15
—	B or below B	—	15-20
—	Not Rated	—	20-30
		—	30+

Top Holdings as of 11/30/2010				Style	Mkt Cap USD	% Mkt
Box	Sector	(mil)	Val			
		19,211	2.23			
		—	2.00			
		18,407	2.00			
		8,265	1.91			
		7,983	1.72			
		8,628	1.66			
		12,173	1.65			
		3,397	1.58			
		3,523	1.58			
		12,542	1.55			
		8,499	1.54			
		8,736	1.53			
		10,663	1.51			
		7,368	1.50			
		14,958	1.45			
		10,792	1.40			
		10,753	1.39			
		7,066	1.39			
		11,670	1.35			
		18,294	1.34			
Top 20 holdings						32.3

Top 3 Equity Sectors			
	%	Rel BM1%	Rel BM2%
Hardware	14.83	37.97	—
Consumer Goods	14.59	38.70	—
Consumer Services	12.27	31.28	—

Top 3 Fixed Income Sectors			
	%	Rel BM1%	Rel BM2%
Asset-backed	—	—	—
Cash	—	—	—
Convertible	—	—	—

# Morgan Stanley Inst Mid Cap Growth P (USD)

**Overall Morningstar Rtg™**  
★★★★  
677 US OE Mid-Cap Growth

**Incept** 01-31-1997  
**Type** MF  
**Total Assets** \$6,469.46 mil  
**Morningstar Cat** US OE Mid-Cap Growth

Performance 12-31-2010					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-12.25	3.40	-20.83	-26.74	-47.37
2009	-1.35	26.62	22.43	4.44	59.71
2010	6.52	-4.88	17.49	11.46	32.69
Trailing Returns					
	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	32.69	3.70	8.48	4.05	10.65
Std 12-31-2010	32.69	—	8.48	4.05	10.65
Total Return	32.69	3.70	8.48	4.05	10.65
+/- S&P 500 TR	17.62	6.56	6.19	2.64	—
+/- Russell Mid Cap Gr	6.30	2.73	3.59	0.93	—
% Rank Cat	6	13	8	34	—
No. in Cat	759	677	594	392	—
7-day Yield	—				

**Performance Disclosure**

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-548-7786 or visit www.morganstanley.com/im.

**Fees and Expenses**

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.50
12b1 Expense %	0.25
Gross Expense Ratio %	0.98

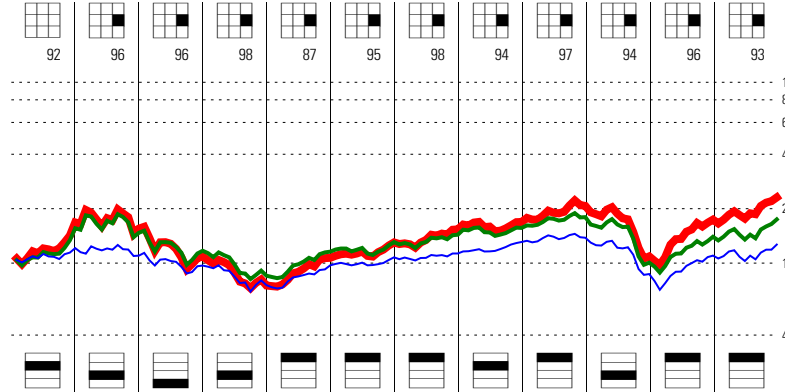
**Risk and Return Profile**

	3 Yr	5 Yr	10 Yr
	677 funds	594 funds	392 funds
Morningstar Rating™	4★	4★	3★
Morningstar Risk	+Avg	+Avg	Avg
Morningstar Return	+Avg	High	Avg
MPT Statistics			
	Standard Index	Best Fit Index	
	S&P 500 TR	Russell Mid Cap Growth TR	USD
Alpha	7.76	2.69	
Beta	1.12	0.98	
R-Squared	86.01	95.18	

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	17.56% Assets

**Operations**

Family:	Morgan Stanley
Manager:	Multiple
Tenure:	9.0 Years
Objective:	Growth



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	12-10	History
31.00	24.48	17.19	11.86	16.87	20.53	24.24	26.58	32.49	17.10	27.31	36.20	NAV/Price
67.89	-7.57	-29.78	-31.01	42.24	21.70	18.07	9.87	22.59	-47.37	59.71	32.69	Total Return %
46.85	1.54	-17.89	-8.91	13.56	10.81	13.16	-5.93	17.10	-10.37	33.24	17.62	+/- S&P 500 TR
16.60	4.18	-9.63	-3.60	-0.47	6.22	5.97	-0.79	11.16	-3.04	13.42	6.30	+/- Russell Mid Cap Gr
35	54	78	69	20	3	5	41	17	74	3	6	% Rank Cat
420	549	714	786	890	903	936	994	967	934	812	759	No. of Funds in Cat

**Portfolio Analysis 09-30-2010**

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2010	Share Amount	68 Total Stocks 0 Total Fixed-Income 23% Turnover Ratio	% Net Assets	
Cash	6.27	6.27	0.00					
US Stocks	72.42	72.42	0.00	⊕	360 mil	Msilf Money Market Portfolio Msilf	6.25	
Non-US Stocks	20.92	20.92	0.00	⊕	521,802	Priceline.com, Inc.	3.16	
Bonds	0.00	0.00	0.00	⊕	4 mil	Ctrip.com International, Ltd. ADR	3.08	
Other/Not Clsfd	0.39	0.39	0.00		5 mil	Las Vegas Sands, Inc.	2.88	
Total	100.00	100.00	0.00		1 mil	Salesforce.com, Inc.	2.87	
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat				
Value Blend Growth	P/E Ratio TTM	29.8	1.93	1.42	⊖	29 mil	Li & Fung Ltd	2.79
Large	P/C Ratio TTM	17.0	1.82	1.28	⊕	4 mil	Teradata Corporation	2.63
Mid	P/B Ratio TTM	4.6	2.09	1.53	⊕	2 mil	Wynn Resorts, Ltd.	2.61
Small	Geo Avg Mkt Cap \$mil	6455	0.13	1.01	⊕	3 mil	Illumina, Inc.	2.56
					⊕	873,863	Netflix, Inc.	2.46
					⊕	2 mil	Mead Johnson Nutrition Company	2.30
					⊕	7 mil	Edenred SA	2.29
					⊕	3 mil	Ultra Petroleum Corporation	2.21
					⊕	4 mil	Intertek Group PLC	2.18
					⊕	4 mil	MSCI Inc	2.12

Fixed-Income Style	Ltd	Mod	Ext	Avg Eff Duration	Avg Eff Maturity	Avg Credit Quality	Avg Wtd Coupon	Avg Wtd Price
High				—	—	—	—	—
Med				—	—	—	—	—
Low				—	—	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel S&P 500 TR
Americas	80.7	0.81
Greater Europe	9.6	—
Greater Asia	9.7	—

Sector Weightings	Stocks %	Rel S&P 500 TR
<b>Information Economy</b>	<b>22.4</b>	<b>0.93</b>
Software	13.5	2.96
Hardware	4.0	0.43
Media	2.8	0.87
Telecommunication	2.2	0.31
<b>Service Economy</b>	<b>57.4</b>	<b>1.47</b>
Healthcare Services	9.0	0.82
Consumer Services	18.7	2.21
Business Services	23.2	7.33
Financial Services	6.5	0.40
<b>Manufacturing Economy</b>	<b>20.2</b>	<b>0.55</b>
Consumer Goods	1.1	0.12
Industrial Materials	14.7	1.22
Energy	4.4	0.35
Utilities	0.0	0.00

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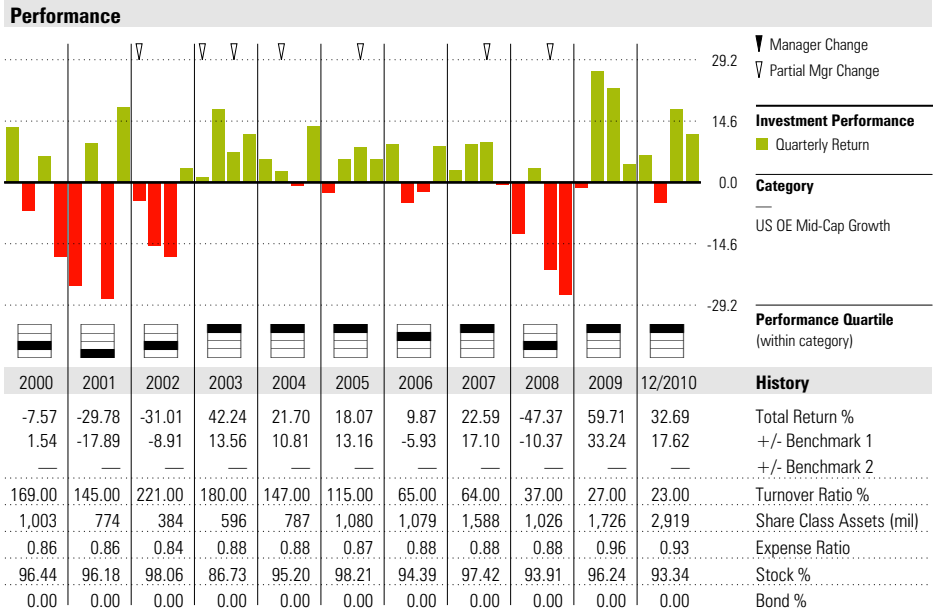


# Morgan Stanley Inst Mid Cap Growth P MACGX

## Investment Summary

Data as of 12/31/2010 Currency USD Benchmark 1 S&P 500 TR Benchmark 2 —

Trailing Return				
	Total Return %	+/- BM1	+/- BM2	Cat % Rank
1 Mo	4.88	-1.80	—	82
3 Mo	11.46	0.71	—	87
6 Mo	30.96	7.69	—	32
YTD	32.69	17.62	—	6
1 Yr	32.69	17.62	—	6
3 Yr	3.70	6.56	—	13
5 Yr	8.48	6.19	—	8
10 Yr	4.05	2.64	—	34
15 Yr	11.29	4.53	—	10



Ratings as of 12/31/2010				
	Overall	3 Year	5 Year	10 Year
Rating	4★	4★	4★	3★
Risk	—	7.37	5.43	4.83
Return	—	3.08	6.03	1.74
# Investments Rated	677	677	594	392

Risk/Reward				
	3 Year	5 Year	10 Year	
Versus Benchmark 1	3 Year	5 Year	10 Year	
Alpha	7.76	6.59	3.45	
Beta	1.12	1.15	1.17	
R-Squared	86.01	82.16	80.57	
Tracking Error	10.39	9.87	9.89	
Information Ratio	0.63	0.63	0.27	
Excess Return	6.56	6.19	2.64	

Miscellaneous				
	3 Year	5 Year	10 Year	
Standard Deviation	26.77	22.51	21.42	
Sharpe Ratio	0.12	0.27	0.08	
Sortino Ratio	0.17	0.40	0.11	
Max Drawdown (Mo)	14	16	16	
Max Drawdown (%)	-52.72	-55.97	-55.97	
Peak Date	1/1/2008	11/1/2007	11/1/2007	
Valley Date	2/28/2009	2/28/2009	2/28/2009	

**Manager Information**  
 Alexander Norton. Since 7/2005. B.A. University of Pennsylvania. M.B.A. Columbia University.  
 Jason Yeung. CFA. Since 9/2007. M.A. University of Cambridge. B.A. Johns Hopkins University.  
 Armistead Nash. Since 9/2008. M.B.A. University of Virginia (Darden). B.A. University of Virginia.

**Investment Strategy**  
 The investment seeks long-term capital growth. The fund primarily invests in growth-oriented equity securities of U.S. and non-U.S. mid-cap companies. It may invest up to 25% of net assets in securities of foreign issuers, including issuers located in emerging market countries or developing countries. The securities in which the fund may invest may be denominated in U.S. dollars or in currencies other than U.S. dollars.

Operations	
Minimum Initial Investment	1000000
Inception Date	1/31/1997
Management Fees	Actual: 0.50% Max: 0.50%
Sales Fees	—
Firm Name	Morgan Stanley
Telephone	800-548-7786
Web Address	www.morganstanley.com/im

### Holding Analysis as of 9/30/2010

	Net %	#
Cash	6.3	—
Stock	93.3	68
Bond	0.0	0
Other	0.4	—
<b>Total</b>	<b>100.0</b>	<b>73</b>

Equity Style %		
	Val	Core Grth
0	2	32
0	13	50
1	0	2

Market Cap	%
Giant	3.0
Large	33.6
Mid	60.4
Small	2.7
Micro	0.2
Avg Market Cap (mil)	6,455.0

Value Factors	%	Growth Factors	%
Price/Earnings	28.02	LT Earn Gr	13.90
Price/Book	4.11	Hist Earn Gr	6.33
Price/Sales	2.77	Book Val Gr	10.50
Price/Cash Flow	14.03	Sales Gr	2.41
Dividend Yield	1.26	Cash Flow Gr	6.26

Fixed Income Style		
	High	Med
0	0	0
0	0	0
0	0	0

	High	Med	Low
Avg Eff Duration	—	—	—
Avg Eff Maturity	—	—	—
Avg Credit Quality	—	—	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	—	—	—

Credit Rating Breakdown	%	Maturity Breakdown	%
AAA	—	1-3	—
AA	—	3-5	—
A	—	5-7	—
BBB	—	7-10	—
BB	—	10-15	—
B or below B	—	15-20	—
Not Rated	—	20-30	—
		30+	—

Top Holdings as of 9/30/2010				
Style	Box	Sector	Mkt Cap USD (mil)	% Mkt Val
Msif Money Market Portfoli...	—	—	—	6.25
Priceline.com, Inc.	■	IT	17,099	3.16
Ctrip.com International, Ltd. ...	■	IT	6,504	3.08
Las Vegas Sands, Inc.	■	RE	23,041	2.88
Salesforce.com, Inc.	■	IT	14,523	2.87
Li & Fung Ltd	■	RE	166,388	2.79
Teradata Corporation	■	IT	6,451	2.63
Wynn Resorts, Ltd.	■	RE	10,755	2.61
Illumina, Inc.	■	RE	6,115	2.56
Netflix, Inc.	■	IT	8,474	2.46
Mead Johnson Nutrition Co...	■	—	11,644	2.30
Edenred SA	■	—	3,276	2.29
Ultra Petroleum Corporation	■	RE	6,401	2.21
Intertek Group PLC	■	—	2,904	2.18
MSCI Inc	■	—	3,945	2.12
Solera Holdings, Inc.	■	—	3,100	2.12
Verisk Analytics, Inc.	■	—	4,976	2.03
Expeditors International of ...	■	—	9,805	2.00
Schindler Holding AG	■	—	7,565	1.95
Red Hat, Inc.	■	IT	7,777	1.71

Top 3 Equity Sectors			
	%	Rel BM1%	Rel BM2%
Business Services	23.20	86.37	—
Consumer Services	18.67	54.82	—
Industrial Materials	14.73	17.78	—

Top 3 Fixed Income Sectors			
	%	Rel BM1%	Rel BM2%
Asset-backed	—	—	—
Cash	—	—	—
Convertible	—	—	—

# Standardized and Tax Adjusted Returns Disclosure Statement

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit <http://advisor.morningstar.com/familyinfo.asp>

An investment in a money-market vehicle is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation reflects the current earnings of the money market more closely than the total return quotation. Although money markets seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them.

Standardized Returns assume reinvestment of dividends and capital gains. They depict performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses.

If adjusted for taxation, the performance quoted would be significantly reduced. For variable annuities, additional expenses will be taken into account, including M&E risk charges, fund-level expenses such as management fees and operating fees, contract-level administration fees, and charges such as surrender, contract, and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution are as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before-tax returns. After-tax returns for exchange-traded funds are based on net asset value.

## Annualized returns 12-31-2010

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
American Century Equity Income Inv (USD)	—	13.29	4.33	6.47	10.70	08-01-1994	NA	NA	0.97	0.97
American Century Equity Index Instl (USD)	—	14.89	2.03	1.16	1.66	02-26-1999	NA	NA	0.29	0.29
American Century Intl Growth Inv (USD)	—	13.70	4.12	1.72	8.24	05-09-1991	NA	NA	1.40	1.40
American Century Short-Term Govt Inv (USD)	—	2.27	3.99	3.56	5.66	12-15-1982	NA	NA	0.56	0.56
American Century Ultra Inv (USD)	—	16.56	1.61	0.11	11.15	11-02-1981	NA	NA	1.00	1.00
American Century Value Inv (USD)	—	13.41	2.21	5.47	9.31	09-01-1993	NA	NA	1.00	1.00
American Funds Growth Fund of Amer R4 (USD)	—	12.29	2.51	—	5.74	05-28-2002	NA	NA	0.68	0.68
Buffalo Small Cap (USD)	—	16.59	5.02	9.61	12.28	04-14-1998	NA	NA	1.03	1.03
Columbia Mid Cap Value Z (USD)	—	23.21	3.74	—	8.56	11-20-2001	NA	NA	0.94	0.94
Columbia Small Cap Value II Z (USD)	—	25.64	4.68	—	8.30	05-01-2002	NA	NA	1.11	1.11
Dodge & Cox International Stock (USD)	—	13.69	5.03	—	9.40	05-01-2001	NA	NA	0.65	0.65
Janus Overseas T (USD)	—	19.28	13.56	9.03	13.11	05-02-1994	NA	NA	0.95	0.95
JPMorgan Capital Growth Sel (USD)	—	-34.99	-2.43	2.06	5.09	01-25-1996	NA	NA	0.89	0.89
JPMorgan Equity Index Select (USD)	—	14.82	2.14	1.19	8.28	07-02-1991	NA	NA	0.20 <sup>1</sup>	0.71
JPMorgan Intrepid Value Select (USD)	—	13.77	1.95	—	9.19	02-28-2003	NA	NA	0.80 <sup>2</sup>	1.19
JPMorgan Mid Cap Growth Sel (USD)	—	25.49	5.68	4.07	11.90	03-02-1989	NA	NA	0.93 <sup>3</sup>	1.17
JPMorgan SmartRetirement 2010 Instl (USD)	—	11.81	—	—	4.73	05-15-2006	NA	NA	0.69 <sup>4</sup>	0.86
JPMorgan SmartRetirement 2015 Instl (USD)	—	13.86	—	—	4.71	05-15-2006	NA	NA	0.76 <sup>5</sup>	0.93
JPMorgan SmartRetirement 2020 Instl (USD)	—	15.02	—	—	4.61	05-15-2006	NA	NA	0.81 <sup>6</sup>	0.97
JPMorgan SmartRetirement 2030 Instl (USD)	—	16.53	—	—	4.32	05-15-2006	NA	NA	0.89 <sup>7</sup>	1.06
JPMorgan SmartRetirement 2040 Instl (USD)	—	16.86	—	—	4.25	05-15-2006	NA	NA	0.92 <sup>8</sup>	1.12
JPMorgan SmartRetirement Income Instl (USD)	—	11.35	—	—	5.19	05-15-2006	NA	NA	0.65 <sup>9</sup>	0.80
LKCM Small Cap Equity Advisor (USD)	—	32.66	3.87	—	9.91	06-05-2003	NA	NA	1.26	1.26
Morgan Stanley Inst Mid Cap Growth P (USD)	—	32.69	8.48	4.05	10.65	01-31-1997	NA	NA	0.98	0.98
PIMCO Total Return Admin (USD)	—	8.56	7.78	7.07	7.52	09-08-1994	NA	NA	—	0.72
<b>BarCap Government 1-5 Yr TR USD</b>	—	<b>3.57</b>	<b>4.92</b>	<b>4.59</b>	—	—	—	—	—	—
<b>BarCap Govt/Credit 1-5 Yr TR USD</b>	—	<b>4.08</b>	<b>5.05</b>	<b>4.88</b>	—	—	—	—	—	—
<b>BarCap US Agg Bond TR USD</b>	—	<b>6.54</b>	<b>5.80</b>	<b>5.84</b>	—	—	—	—	—	—
<b>BarCap US Credit TR USD</b>	—	<b>8.47</b>	<b>5.98</b>	<b>6.55</b>	—	—	—	—	—	—
<b>BarCap US Govt/Credit 5-10 Yr TR USD</b>	—	<b>9.42</b>	<b>6.45</b>	<b>6.69</b>	—	—	—	—	—	—

## Annualized returns 12-31-2010

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
DJ Industrial Average PR USD	—	11.02	1.56	0.71	—	—				
DJ Moderate TR USD	—	13.95	5.12	6.02	—	—				
Morningstar Lifetime Moderate 2010	—	12.05	5.90	6.08	—	—				
Morningstar Lifetime Moderate 2015	—	12.97	5.83	5.97	—	—				
Morningstar Lifetime Moderate 2020	—	14.07	5.65	5.85	—	—				
Morningstar Lifetime Moderate 2030	—	16.06	5.18	5.74	—	—				
Morningstar Lifetime Moderate 2035	—	16.54	5.11	5.79	—	—				
Morningstar Lifetime Moderate 2040	—	16.72	5.16	5.89	—	—				
Morningstar Lifetime Moderate Income	—	10.16	5.70	6.14	—	—				
Morningstar Moderate Target Risk	—	12.41	5.50	5.68	—	—				
Morningstar Moderately Aggr Target Risk	—	14.98	5.15	5.38	—	—				
Morningstar US Growth TR USD	—	17.11	3.16	-1.54	—	—				
MSCI AC World NR USD	—	12.67	3.44	3.20	—	—				
MSCI EAFE Growth NR USD	—	12.25	3.46	2.69	—	—				
MSCI EAFE NR USD	—	7.75	2.46	3.50	—	—				
MSCI EAFE Value NR USD	—	3.25	1.37	4.19	—	—				
MSCI EM NR USD	—	18.88	12.78	15.89	—	—				
Russell 1000 Growth TR USD	—	16.71	3.75	0.02	—	—				
Russell 1000 TR USD	—	16.10	2.59	1.83	—	—				
Russell 1000 Value TR USD	—	15.51	1.28	3.26	—	—				
Russell 2000 Growth TR USD	—	29.09	5.30	3.78	—	—				
Russell 2000 TR USD	—	26.85	4.47	6.33	—	—				
Russell 2000 Value TR USD	—	24.50	3.52	8.42	—	—				
Russell Mid Cap Growth TR USD	—	26.38	4.88	3.12	—	—				
Russell Mid Cap Value TR USD	—	24.75	4.08	8.07	—	—				
S&P 500 TR	—	15.06	2.29	1.41	—	—				
USTREAS T-Bill Auction Ave 3 Mon	—	0.14	2.31	2.27	—	—				

1. Contractual waiver; Expires 11-01-2011.
2. Contractual waiver; Expires 11-01-2011.
3. Contractual waiver; Expires 11-01-2011.
4. Contractual waiver; Expires 11-01-2011.
5. Contractual waiver; Expires 11-01-2011.
6. Contractual waiver; Expires 11-01-2011.
7. Contractual waiver; Expires 11-01-2011.
8. Contractual waiver; Expires 11-01-2011.
9. Contractual waiver; Expires 11-01-2011.

Return after Tax (%)	On Distribution					On Distribution and Sales of Shares				
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception	
American Century Equity Income Inv (USD)	12.10	2.51	4.71	7.73	08-01-1994	8.59	2.76	4.65	7.57	
American Century Equity Index Instl (USD)	14.10	1.33	0.55	1.06	02-26-1999	9.65	1.31	0.61	1.05	
American Century Intl Growth Inv (USD)	13.17	3.56	1.27	7.00	05-09-1991	8.88	3.33	1.25	6.69	
American Century Short-Term Govt Inv (USD)	1.73	2.88	2.42	3.40	12-15-1982	1.48	2.76	2.36	3.39	
American Century Ultra Inv (USD)	16.48	0.56	-0.43	9.87	11-02-1981	10.77	1.35	0.07	9.74	
American Century Value Inv (USD)	12.59	0.49	3.61	6.47	09-01-1993	8.68	1.07	3.81	6.50	
American Funds Growth Fund of Amer R4 (USD)	11.97	1.90	—	5.29	05-28-2002	7.99	1.96	—	4.85	
Buffalo Small Cap (USD)	16.59	4.32	8.93	11.45	04-14-1998	10.79	4.20	8.40	10.83	
Columbia Mid Cap Value Z (USD)	22.60	2.69	—	7.29	11-20-2001	15.05	2.81	—	6.96	
Columbia Small Cap Value II Z (USD)	25.49	4.03	—	7.22	05-01-2002	16.66	3.76	—	6.77	
Dodge & Cox International Stock (USD)	13.14	4.00	—	8.66	05-01-2001	8.89	3.89	—	8.01	
Janus Overseas T (USD)	19.24	12.77	8.47	12.37	05-02-1994	12.53	11.57	7.73	11.64	
JPMorgan Capital Growth Sel (USD)	-34.99	-3.81	0.71	3.36	01-25-1996	-22.74	-1.99	1.58	3.95	
JPMorgan Equity Index Select (USD)	14.07	1.49	0.70	7.43	07-02-1991	9.59	1.46	0.76	6.98	
JPMorgan Intrepid Value Select (USD)	13.35	1.38	—	8.25	02-28-2003	8.92	1.37	—	7.62	
JPMorgan Mid Cap Growth Sel (USD)	25.49	4.36	3.30	9.74	03-02-1989	16.57	4.51	3.33	9.57	
JPMorgan SmartRetirement 2010 Instl	10.69	—	—	3.26	05-15-2006	7.64	—	—	3.21	

**Annualized returns 12-31-2010**

Return after Tax (%)	On Distribution					On Distribution and Sales of Shares			
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
(USD)									
JPMorgan SmartRetirement 2015 Instl (USD)	12.75	—	—	3.29	05-15-2006	8.97	—	—	3.23
JPMorgan SmartRetirement 2020 Instl (USD)	14.02	—	—	3.27	05-15-2006	9.72	—	—	3.20
JPMorgan SmartRetirement 2030 Instl (USD)	15.69	—	—	3.09	05-15-2006	10.71	—	—	3.04
JPMorgan SmartRetirement 2040 Instl (USD)	16.08	—	—	3.05	05-15-2006	10.92	—	—	3.00
JPMorgan SmartRetirement Income Instl (USD)	10.21	—	—	3.75	05-15-2006	7.34	—	—	3.60
LKCM Small Cap Equity Advisor (USD)	32.66	3.31	—	8.88	06-05-2003	21.23	3.30	—	8.60
Morgan Stanley Inst Mid Cap Growth P (USD)	32.64	8.43	4.03	9.30	01-31-1997	21.25	7.34	3.51	8.72
PIMCO Total Return Admin (USD)	6.01	5.41	4.80	4.99	09-08-1994	5.86	5.31	4.75	4.94

# Mutual Fund Detail Report

## Disclosure Statement

The Mutual Fund Detail Report is to be used as supplemental sales literature, and therefore must be preceded or accompanied by the fund's current prospectus and a disclosure statement. Please read the prospectus carefully. In all cases, this disclosure statement should accompany the Mutual Fund Detail Report. Morningstar is not itself a FINRA-member firm. Portfolio information is based on the most recent information available to Morningstar.

### Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's Performance section.

**When pre-inception data are presented in the report, the header at the top of the report will indicate this. In addition, the pre-inception data included in the report will appear in italics.**

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures of a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

### Performance

The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than the original investment. Fund portfolio statistics change over time. The fund is not FDIC-insured, may lose value and is not guaranteed by a bank or other financial institution.

Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Standardized Total Return is reflected as of month- and quarter-end time periods. It depicts performance without adjusting for the effects of taxation, but is adjusted for sales charges and all ongoing fund expenses, and assumes reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the performance quoted would be reduced. The sales charge used in the calculation was obtained from the fund's most recent prospectus and/or shareholder report available to Morningstar. Standardized returns never include pre-inception history.

Morningstar % Rank within Morningstar Category does not account for a fund's sales charge (if applicable). Rankings will not be provided for periods less than one year.

### Growth of 10,000

This graph compares the growth of an investment of 10,000 (in the base currency of the fund) with that of an index and with that of the average for all funds in its Morningstar category. The total returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual

ongoing fund expenses, and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. The index and the category average do not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

**If pre-inception data is included in the analysis, it will be graphed.**

### Risk and Return

The Morningstar Rating is calculated for funds with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Please note that some Morningstar proprietary calculations, including the Morningstar Rating, may be calculated based on adjusted historical returns (pre-inception returns). If the extended performance rating is in effect, the "stars" are represented as unshaded stars. For each mutual fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's adjusted monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. This investment's independent Morningstar Rating metric is then compared against the open-end mutual fund universe's actual performance breakpoints to determine its extended performance rating. The Overall Morningstar Rating for a mutual fund is derived from a weighted average of the actual performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

Morningstar Return rates a mutual fund's performance relative to other funds in its Morningstar Category. It is an assessment of a fund's excess return over a risk-free rate (the return of the 90-day Treasury Bill), after adjusting for all applicable loads and sales charges, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the top 10% of funds earn a High Morningstar Return (HIGH), the next 22.5% Above Average (+AVG), the middle 35% Average (AVG), the next 22.5% Below Average (-AVG), and the bottom 10% Low (LOW). Morningstar Return is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

Morningstar Risk evaluates a mutual fund's downside volatility relative to that of other funds in its Morningstar Category. It is an assessment of the variations in a fund's monthly returns, with an emphasis on downside variations, in comparison with the mutual funds in its Morningstar Category. In each Morningstar Category, the 10% of funds with the lowest measured risk are described as Low Risk (LOW), the next 22.5% Below Average (-AVG), the middle 35% Average (AVG), the next 22.5% Above Average (+AVG), and the top 10% High (HIGH). Morningstar Risk is measured for up to three time periods (three-, five-, and 10 years). These separate measures are then weighted and averaged to produce an overall measure for the mutual fund. Funds with less than three years of performance history are not rated.

**If pre-inception returns are included in this analysis, the risk and return profile data calculated on the basis of these returns will appear in italics.**

## Risk Measures

The risk measures below are calculated for funds with at least a three-year history.

Standard deviation is a statistical measure of the volatility of the fund's returns.

Mean represents the annualized geometric return for the period shown.

The Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta). Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.

R-squared reflects the percentage of a fund's movements that is explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Best fit index: Alpha, beta, and R-squared statistics are presented for a broad market index and a "Best fit" index. The Best-Fit index identified in this report was determined by Morningstar by calculating R-squared for the fund against approximately 100 indexes tracked by Morningstar. The index representing the highest R-squared is identified as the best-fit index. The best-fit index may not be the fund's benchmark, nor does it necessarily contain the types of securities that may be held by the fund.

**Risk measures calculated using pre-inception data, if included in the analysis, will be presented in italics.**

## Asset Allocation

The weighting of the portfolio in various asset classes, including "Other" is shown in the table. "Other" includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks.

In the table, allocation to the classes is shown for long positions, short positions, and net (long positions net of short) positions. These statistics summarize what the managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the funds' exposure and risk.

Most managed product portfolios hold fairly conventional securities, such as long positions in stocks and bonds. Other portfolios use other investment strategies or securities, such as short positions or derivatives, to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while others have unique return and risk characteristics.

Most portfolios take long positions in securities. Long positions involve buying the security outright and then selling it later, with the hope that the security price rises over time. In contrast, short positions are taken to benefit from anticipated price declines. In this type of transaction, the investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can now buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience losses by buying it at a higher price than the sale price.

The strategy of selling securities short is prevalent in specialized portfolios, such as long-short, market-neutral, bear-market, and hedge funds. Most conventional portfolios do not typically short securities, although they may reserve the right to do so under special circumstances. Funds may also short derivatives, and this is sometimes more efficient than shorting individual securities. Short positions produce negative exposure to the security that is being shorted. This means that when the security rises in value, the short position will fall in value and vice versa. Morningstar's portfolio statistics will capture this negative exposure. For example, if a fund has many short stock positions, the percent of assets in stocks in the asset allocation breakdown may be negative. Funds must provide their broker with cash collateral for the short position, so funds that short often have a large cash position, sometimes even exceeding 100% cash.

Note that all other portfolio statistics presented in this report are based on the long holdings of the fund only.

## Style Analysis

The Morningstar Style Box reveals a fund's investment style as of the date noted on this report.

For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth).

For fixed-income funds, the vertical axis shows the credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information, Morningstar instructs fund companies to only use ratings that have been assigned by a Nationally Recognized Statistical Rating Organization (NRSRO). If two NRSROs have rated a security, fund companies are to report the lowest rating; if three or more NRSROs have rated the same security differently, fund companies are to report the rating that is in the middle. For example, if NRSRO X rates a security AA-, NRSRO Y rates the same security an A and NRSRO Z rates it a BBB+, the fund company should use the credit rating of 'A' in its reporting to Morningstar. PLEASE NOTE: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO rating on a fixed-income security can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of "low", "medium", or "high" based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than "BBB-"; medium are those less than "AA-", but greater or equal to "BBB-"; and high are those with a weighted-average credit quality of "AA-" or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar's analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund's interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI's average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate; and those that are at 125% or greater of the average

effective duration of the MCBF will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

### Equity Portfolio Statistics

The referenced data elements below are a weighted average of the long equity holdings in the portfolio.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12-months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a fund's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The geometric average market capitalization of a fund's equity portfolio offers a measure of the size of the companies in which the mutual fund invests.

### Fixed-Income Portfolio Statistics

The referenced data elements below are a weighted average of the long fixed income holdings in the portfolio.

Duration is a time measure of a bond's interest rate sensitivity. Average effective duration is a weighted average of the duration of the underlying fixed income securities within the portfolio.

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

Average weighted coupon is generated from the fund's portfolio by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

Average weighted price is generated from the fund's portfolio by weighting the price of each bond by its relative size in the portfolio. This number reveals if the fund favors bonds selling at prices above or below face value (premium or discount securities, respectively). A higher number indicates a bias toward premiums. This statistic is expressed as a percentage of par (face) value.

Credit quality breakdowns are shown for corporate-bond holdings and depict the quality of bonds in the underlying portfolio. The report shows the percentage of fixed-income securities that fall within each credit quality rating as assigned by an NRSRO. Bonds not rated by an NRSRO are included in the not rated (NR) category.

Turnover Ratio is a decent proxy for how frequently a manager trades his or her portfolio. The inverse of a fund's turnover ratio is the average holding period for

a security in the fund. As turnover increases, a fund's brokerage costs typically rise as well.

### Operations

Purchase constraints denote if a mutual fund has any of the following qualities: Qualified Access (A), Institutional (T), Closed to New Investments, (C) or Closed to All Investments (L). Because these qualities can all act as restrictions and/or requirements for investment, they are grouped together.

Potential capital gains exposure is the percentage of a mutual fund's total assets that represents capital appreciation.

### Fees and Expenses

Prospectus Gross Expense Ratio reflects the annual percentage of a fund's assets paid out in expenses. Expenses include management, 12B-1, transfer agent and all other asset-based fees associated with the fund's daily operations and distribution, with the exception of brokerage commissions. It does not reflect expenses that have been reimbursed by the investment advisor, reductions from brokerage service arrangements or other expense offset arrangements.

Prospectus Net Expense Ratio reflects actual expenses paid by the fund as well as any voluntary waivers, reductions from brokerage service arrangements and any other expense offset arrangements.

## Stock Detail Report Disclosure Statement

Please read this information carefully. In all cases, this disclosure statement should accompany the Stock Detail report. Morningstar is not itself a FINRA-member firm. All data presented is based on the most recent information available to Morningstar. Morningstar gathers data from many sources including third party providers such as Comstock and Reuters. Unless otherwise stated, all data and statistics presented in the report are as of the release date noted within the Detail Report and constitute "as originally reported" information.

### Last Close \$

The stock price shown represents the market price of the stock as of the close of trading on the release date noted at the top of the investment detail page.

### Market Capitalization \$ mil

The value of a company as determined by the market price of its outstanding common stock. It is calculated by multiplying the market price as of the close of trading as of the last day of the most recent month-end by the number of shares outstanding as of the most recently completed fiscal quarter. It may be used as an indicator of how investors value a company's future prospects.

### Morningstar Rating

The Morningstar Rating for stocks is calculated by comparing Morningstar's assessment of a stock's fair value with the stock's current market price. The rating is assigned a five star rating if fair value is 30% or more above the current market price, four star rating if it is 10% to 30% above the current market price, three star rating if fair value is 10% above or below the current market price, two star rating if fair value is 10% to 30% below the current market price, and a one star rating for a fair value of 30% or more below the current market price.

### Fair Value Uncertainty

Fair Value Uncertainty is meant to give investors an idea of how tightly we feel we can bound our fair value estimate for any given company. To generate Morningstar Fair Value Uncertainty, analysts consider the following factors: Sales predictability, Operating leverage, Financial leverage, a firm's exposure to

contingent events. Based on these factors, analysts classify the stock into one of several uncertainty levels: Low, Medium, High, Very High, or Extreme. The greater the level of uncertainty, the greater the discount to fair value required before a stock can earn 5 stars, and the greater the premium to fair value before a stock earns a 1-star rating.

### Fair Value

Each stock's fair value is estimated by utilizing a proprietary discounted cash flow model (DCF). This model assumes that the stock's value is equal to the total of the free cash flows of the company is expected to generate in the future, discounted back to the present at the rate commensurate with the riskiness of the cash flows. As with any DCF model, the ending value is highly sensitive to Morningstar's projections of future growth.

### Economic Moat

Economic Moat measures the strength and sustainability of a firm's competitive advantage. Many factors are considered when assigning this rating, including the firm's historical performance, the source of the company's excess economic profits, market share, ability to produce products at lower costs than competitors, governmental protection via patents/copyrights, high customer switching costs, and other various considerations as determined by our Editorial staff. The rating value assigned will be either none, narrow, or wide.

### Style

The Morningstar Style consists of nine categories that provide an overview of the investment strategy. The style is comprised of a combination of market capitalization of the security and the investment style (value, blend, or growth).

### Stock Grades

The grading system is a letter-based system from A through F, with A being the highest. The Growth Grade shows how well the company's growth compares with the Morningstar universe. Growth is measured by revenue per share. The Profitability Grade shows how well a company's profitability, as measured by return on equity, compares with the Morningstar universe. The Financial Health Grade compares a company's enterprise value with the book value of its liabilities, rewarding those firms that have a low probability of enterprise value falling below the value of liabilities.

### Stock Performance

Total Return represents shareholders' gains from a stock over a given period of time (YTD, one month, three month, one-, three-, and five year). Total return includes both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming the reinvestment of all dividends, then dividing by the initial stock price, and expressing the result as a percentage. Returns for periods longer than one year are annualized. Returns do not include brokerage commission or the effects of taxation.

### Financials

Earnings per share \$ (EPS), diluted EPS, is calculated by dividing net income net of preferred dividends by a weighted average of total shares outstanding plus additional common shares that would have been outstanding if the dilutive common share would have been issued for the trailing 12 months (TTM).

Dividend per share \$ is the dollar amount of dividends paid out by the company in a particular period to its common shareholders, as reported by the company.

### Profitability

Return on Assets (ROA) is the percentage a company earns on its assets in a given year (year 1, 2, etc.). The calculation is net income divided by end-of-year total assets, then multiplied by 100.

Return on Equity (ROE) is the percentage a company earns on its total equity in a

given year (Year 1, 2, etc.). The calculation is net income divided by end-of-year net worth, multiplied by 100.

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Asset Turnover represents how many dollars in revenue a company has generated per each dollar of assets. It is calculated by dividing total revenues for the period by total assets for the same period.

Financial leverage is calculated by dividing total assets by total shareholders' equity.

### Valuation

Price/Earnings (PE) is the current price divided by the company's trailing 12-month earnings per share.

Price/Book (PB) is the most recent stock price divided by the most recent book value per share.

Price/Sales (PS) is the current price divided by the company's sales per share over the trailing 12 months.

Price/Cash Flow (PC) is the most recent price divided by the cash flow per share of the latest fiscal year.

### Growth Rates

All the figures in the Growth section represent the compounded or annualized growth rate. These figures are collected for revenue, net income, EPS, equity per share, and dividends.

### Profitability Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Return on Equity % is the percentage a company earns on its total equity in a given year. The calculation is net income divided by end-of-year net worth.

Return on Assets % is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets.

Revenue/Employee \$K looks at a company's sales in relation to the number of employees it has. This ratio is most useful when compared against other companies in the same industry. Ideally, a company wants the highest revenue per employee possible, as it denotes higher productivity.

Operating Margin % is used to measure pricing strategy and operating efficiency. It is calculated by dividing operating income by net sales. Also known as operating profit margin or net profit margin.

Net Margin % is equal to annual net income divided by revenues.

Free Cash Flow/Rev % is free cash flow divided by sales for the same time period. Free cash flow is calculated by subtracting capital spending from cash flow from operations for the same time period. It is the money left over after investment, and it can be used to pay dividends, buy back stock, or pay down debt.

### Valuation Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Price/Earnings is the stock's price divided by the company's earnings per share.

Forward P/E ratio is the most-recent stock price divided by the mean EPS estimate for the current fiscal year. This number gives some indication of how cheap or expensive a stock is compared with consensus earnings estimates. The lower the forward P/E, the cheaper the stock. Reuters Estimates data is used in the denominator of this calculation.

Price/Cash Flow is the stock's price divided by the cash-flow per share of the latest fiscal year.

Price/Free Cash Flow is the free cash flow divided by its "enterprise value", or market capitalization plus net debt. This number tells you what cash return you would get if you bought the entire company, including its debt.

Dividend Yield % is a percentage calculated by dividing total dividends by the current market price and multiplying by 100.

Price/Book is the stock price divided by the book value per share.

Price/Sales is the stock's price divided by the company's sales per share.

PEG Ratio is Forward P/E ratio divided by the company's EPS Growth % Five-Year Mean Estimate. The Forward P/E ratio used in the numerator of this ratio is calculated by taking the current share price and dividing by the mean EPS estimate for the current fiscal year. The denominator is the average estimate of long-term EPS growth, derived from all polled analysts' estimates from Reuters Estimates.

## Market

Standard & Poor's 500: A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market.

## Investment Risks

International/Emerging Market Equities: Investing in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Strategies: Portfolios that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Strategies: Portfolios that invest a significant percentage of assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Equities: Portfolios that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Mid Cap Equities: Portfolios that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bonds: Portfolios that invest in lower-rated debt securities (commonly referred as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Tax-Free Municipal Bonds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Bonds: Bonds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio decline. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates.

HOLDERS: The investor should note that these are narrow industry-focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDER might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

Hedge Funds: The investor should note that hedge fund investing involves specialized risks that are dependent upon the type of strategies undertaken by the manager. This can include distressed or event-driven strategies, long/short strategies, using arbitrage (exploiting price inefficiencies), international investing, and use of leverage, options and/or derivatives. Although the goal of hedge fund managers may be to reduce volatility and produce positive absolute return under a variety of market conditions, hedge funds may involve a high degree of risk and are suitable only for investors of substantial financial means who could bear the entire loss of their investment.

Bank Loan/Senior Debt: Bank loans and senior loans are impacted by the risks associated with fixed income in general, including interest rate risk and default risk. They are often non-investment grade; therefore, the risk of default is high. These securities are also relatively illiquid. Managed products that invest in bank loans/senior debt are often highly leveraged, producing a high risk of return volatility.

Short Positions: When a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker may demand more collateral and a manager might have to close out a short position at an inopportune time to limit further losses.

Long-Short: Due to the strategies used by long-short funds, which may include but are not limited to leverage, short selling, short-term trading, and investing in derivatives, these funds may have greater risk, volatility, and expenses than those focusing on traditional investment strategies.

Liquidity Risk: Closed-end fund, ETF, and HOLDER trading may be halted due to market conditions, impacting an investor's ability to sell a fund.

Market Price Risk: The market price of ETFs, HOLDERS, and closed-end funds traded on the secondary market is subject to the forces of supply and demand and thus independent of the NAV. This can result in the market price trading at a premium or discount to the NAV which will affect an investor's value.

Market Risk: The market prices of ETF's and HOLDERS can fluctuate as a result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

Target-Date Funds: Target-date funds typically invest in other mutual funds and are designed for investors who are planning to retire during the target date year. The fund's target date is the approximate date of when investors expect to begin withdrawing their money. Target-date fund's investment objective/strategy typically becomes more conservative over time primarily by reducing its allocation to equity mutual funds and increasing its allocations in fixed-income

mutual funds. An investor's principal value in a target-date fund is not guaranteed at anytime, including at the fund's target date.

High double- and triple-digit returns were the result of extremely favorable market conditions, which may not continue to be the case. High returns for short time periods must not be a major factor when making investment decisions.

## Benchmark Disclosure

### BarCap Government 1-5 Yr TR USD

Comprised of both the Treasury Bond index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government). These bonds also must have maturities of one to five years. The returns we publish for the index are total returns, which include reinvestment of dividends.

### BarCap Govt/Credit 1-5 Yr TR USD

Represents a combination of the Government and Corporate Bond indices for bonds with maturities between one and five years. The returns we publish for the index are total returns, which include reinvestment of dividends.

### BarCap US Agg Bond TR USD

This index is composed of the BarCap Government/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns we publish for the index are total returns, which include reinvestment of dividends.

### BarCap US Credit TR USD

Tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC-registered, investment-grade corporate debt.

### BarCap US Govt/Credit 5-10 Yr TR USD

Represents a combination of the Government and Corporate Bond indices for bonds with maturities between 5 and 10 years. Includes both corporate (publicly-issued, fixed-rate, nonconvertible, investment grade, dollar-denominated, SEC-registered, corporate dept.) and government (Treasury Bond index, Agency Bond index, and Government index) indices. The returns we publish for the index are total returns, which include reinvestment of dividends.

### DJ Industrial Average PR USD

Computed by summing the prices of the stocks of 30 companies and then dividing that total by a split-adjusted value.

### DJ Moderate TR USD

This risk-based index consists stocks, bonds, and cash and is intended to represent 60% of the risk and return of the 100% Global Portfolio Index.

### Morningstar Lifetime Moderate 2010

Description unavailable.

### Morningstar Lifetime Moderate 2015

Description unavailable.

### Morningstar Lifetime Moderate 2020

Description unavailable.

### Morningstar Lifetime Moderate 2030

Description unavailable.

### Morningstar Lifetime Moderate 2035

Description unavailable.

### Morningstar Lifetime Moderate 2040

Description unavailable.

### Morningstar Lifetime Moderate Income

Description unavailable.

### Morningstar Moderate Target Risk

Description unavailable.

### Morningstar Moderately Aggr Target Risk

Description unavailable.

### Morningstar US Growth TR USD

Tracks the performance of stocks that are growing at a faster pace than the rest of the market.

### MSCI AC World NR USD

Description unavailable.

### MSCI EAFE Growth NR USD

Description unavailable.

### MSCI EAFE NR USD

This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes.

### MSCI EAFE Value NR USD

Description unavailable.

### MSCI EM NR USD

Description unavailable.

### Russell 1000 Growth TR USD

Tracks the companies within the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

### Russell 1000 TR USD

Consists of the 1000 largest companies within the Russell 3000 index, which represents approximately 98% of the investable US equity market. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose.

### Russell 1000 Value TR USD

Tracks the companies within the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

### Russell 2000 Growth TR USD

Tracks the companies within the Russell 2000 Index that have higher price-to-book ratios and higher forecasted growth values.

### Russell 2000 TR USD

Consists of the 2000 smallest companies in the Russell 3000 Index.

### Russell 2000 Value TR USD

Tracks the companies within the Russell 2000 Index that have lower price-to-book ratios and lower forecasted growth values.

### Russell Mid Cap Growth TR USD

Tracks the companies within the Russell Midcap Index with higher price-to-book ratios and higher forecasted growth values.

### Russell Mid Cap Value TR USD

Tracks the companies within the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

### S&P 500 TR

A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. TR (Total Return) indexes include daily reinvestment of dividends.

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**USTREAS T-Bill Auction Ave 3 Mon**

Three-month T-bills are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months. Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.

# Investment Summary Disclosure Statement

Use of the Investment Summary report requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction.

When the Investment Summary report is used as supplemental sales literature, it must be preceded or accompanied by the investment's current prospectus and disclosure statement.

Past financial performance is no guarantee of future results. Morningstar is not a FINRA-member firm.

## Print Date

This is the date the report was generated.

## Data as of

Unless otherwise specified or disclosed, information on the report reflects data for time periods ending on this date.

## Currency

Unless otherwise specified or disclosed, the currency used for data in the report is US Dollar (USD).

## Benchmark

S&P 500 TR

No definition available for this benchmark.

## Annual and Trailing Returns

Expressed in percentage terms, Morningstar's calculation of total monthly and quarterly return is determined by taking the change in net asset value, reinvesting all income and capital-gains distributions during the period, and dividing by the starting NAV. Reinvestments are made using the actual reinvestment NAV, and daily payoffs are reinvested monthly. Unless otherwise noted, Morningstar does not adjust total returns for sales charges (such as front-end loads, deferred loads and redemption fees), preferring to give a clearer picture of an investment's performance. The total returns do account for management, administrative, 12b-1 fees and other costs taken out of investment assets. Total returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns), affording a more meaningful picture of investment performance than non-annualized figures.

## Return +/- Benchmark

Returns relative to the benchmark are calculated by subtracting the benchmark's return from the subject investment's return.

## Category % Rank

Category percentile rank is a standardized way of ranking investment returns within the same Morningstar Category. The observation with the largest numerical value is ranked one; the observation with the smallest numerical value is ranked 100. The remaining observations are placed equal distance from one another on the rating scale. Note that the ranking date may be different from the date of the returns. The ranking date is disclosed separately at the bottom of the section.

## Morningstar Rating

Morningstar Rating<sup>TM</sup> is calculated for investments with at least a three-year history. It is calculated based on a Morningstar Risk- Adjusted Return measure that accounts for variation in an investment's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of investments in each category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars and the bottom 10% receive one star. The Overall Morningstar Rating is derived from a weighted average of the performance figures associated with the three-, five- and 10- year (if applicable) Morningstar Rating metrics. Morningstar will not calculate ratings for categories or time periods that contain fewer than five investments.

## Morningstar Risk

Morningstar Risk is an annualized measure that evaluates variations in an investment's monthly returns, with an emphasis on downside variations, relative to that of other investments in the Morningstar Category. A high number indicates higher risk and a low number indicates lower risk.

## Morningstar Return

Morningstar Return is an annualized measure of an investment's load-adjusted excess return over a risk-free rate, in comparison with the investments in its Morningstar Category.

## # Investments Rated

This figure indicates the number of investments included in the subject investment's Morningstar Category for the corresponding rating time period.

## Alpha

Alpha measures the difference between an investment's actual returns and its expected performance, given its level of risk as measured by beta. A positive alpha figure indicates the investment has performed better than its beta would predict. In contrast, a negative alpha indicates that the investment underperformed, given the expectations established by its beta. Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

## Beta

Beta is a measure of an investment's sensitivity to movements in a benchmark. A portfolio with a beta greater than one is more volatile than the benchmark, and a portfolio with a beta less than one is less volatile than the benchmark.

## R-Squared

R-squared reflects the percentage of an investment's movements that are explained by movements in the benchmark, showing the degree of correlation between the investment and the benchmark. A score of 1.00 means that the investment exactly tracked the benchmark's movement. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

## Tracking Error

Tracking error is the divergence between the price behavior of an investment and the price behavior of a benchmark. Tracking error is reported as a standard deviation percentage difference.

## Information Ratio

Information ratio measures a manager's ability to consistently add value relative to the selected benchmark. The ratio is composed of excess return and tracking error. The higher the information ratio, the better, as this indicates a large excess return against a small tracking error. The information ratio measures the consistency with which a manager delivers his alpha.

## Excess Return

Excess return is a measure of the investment's return in excess of the benchmark's return.

### Standard Deviation

Standard deviation is a statistical measurement of dispersion about an average, which, for an investment, depicts how widely the returns varied over the time period indicated. Morningstar computes standard deviation using the trailing monthly total returns for the time period. All of the monthly standard deviations are then annualized.

### Sharpe Ratio

Sharpe ratio is calculated by taking the investment's average monthly excess return over the user-defined risk-free rate and dividing by the monthly standard deviation of excess returns to determine reward per unit of risk. A higher Sharpe ratio reflects better historical risk-adjusted performance.

### Sortino Ratio

Sortino ratio is similar to Sharpe ratio except that it uses downside risk (downside deviation) in the denominator. Because upside variability is not necessary a bad thing, the Sortino ratio is sometimes preferable to the Sharpe ratio. It measures the annualized rate of return for a given level of downside risk.

### Manager Information

This area provides the name and available biographical highlights of the individuals employed by the management company who are directly responsible for managing the investment's portfolio. Managers are listed in order of greatest tenure. Space constraints may prohibit the display of the complete list of managers. The term Management Team is used when more than two persons are involved in management, and they manage together, or when the product strongly promotes its team-managed approach.

### Investment Strategy

Provided by the management company, the investment strategy usually describes the objective of the investment and may explain how the managers intend to invest to achieve this objective.

### Minimum Initial Investment

This is the smallest investment amount accepted for establishing a new account.

### Inception Date

This is the date on which the investment began its operations.

### Management Fees

The actual management fee is the most recently reported actual percentage that was deducted from an investment's average net assets to pay the investment's management. The max figure reflects the maximum management fee percentage that an investment may charge, according to its prospectus.

### Sales Fees

Also known as loads, sales fees list the maximum level of front-end (F) and deferred (D) sales charges and redemption fees (R) imposed by an investment and as reported in the prospectus. Because fees change frequently and are sometimes waived, it is wise to examine the investment's prospectus carefully for specific information before investing.

The initial, or front-end, sales charge is a one-time deduction from funds contributed to the investment. The amount is generally relative to the amount of the contribution, so that larger contributions incur smaller rates of charge. An investment's potential fees and sales charges are an important factor to consider before making an investment. The load fee

compensates the broker or financial planner for the service of providing professional investment advice.

A back-end or deferred sales charge is imposed when investors redeem shares. The percentage charged generally declines the longer shares are held. This charge, often coupled with 12b-1 fees as an alternative to a traditional front-end load, diminishes over time. With a deferred fee, an investor has the advantage of getting the full financial power of the investment from the onset.

The redemption fee is an amount charged when money is withdrawn from the investment. This fee does not go back into the pockets of the management company, but rather into the investment itself and thus does not represent a net cost to shareholders. Also, unlike contingent deferred sales charges, redemption fees typically operate only in short, specific time clauses, commonly 30, 180, or 365 days. However, some redemption fees exist for up to five years. Charges are not assessed after the stated time has passed. These fees are typically imposed to discourage market timers, whose quick movements into and out of investments can be disruptive. The charge is normally imposed on the ending share value, appreciated or depreciated from the original value.

### 12b-1 Fees

The 12b-1 fee represents the maximum annual charge that may be deducted from investment assets to pay for distribution and marketing costs. Although usually set on a percentage basis, this amount will occasionally be a flat figure. This information is taken directly from the investment's prospectus. Morningstar lists the maximum amount.

### Firm Name

This is the name of the investment's management company.

### Telephone

This is the telephone number for the management company.

### Web Address

This is the Internet address of the management company.

### Manager Change

On the quarterly performance graph, the solid triangle visually depicts the date of a complete management change for the investment.

### Partial Manager Change

On the quarterly performance graph, the hollow triangle visually depicts the date when a manager was either terminated from or added to the management group.

### Morningstar Category

In an effort to distinguish investments by what they own, as well as by their prospectus objectives and styles, Morningstar developed the Morningstar Categories. While the prospectus objective identifies an investment's goals based on the wording in its prospectus, the Morningstar Category identifies investments based on their actual investment styles as measured by their underlying portfolio holdings (portfolio and other statistics over the past three years).

#### US OE Large Blend

Large-blend portfolios are fairly representative of the overall U.S. stock market in size, growth rates, and price. Stocks in the top 70% of the capitalization of the U.S. 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 U.S. industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500 Index.

#### US OE Foreign Large Growth

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

#### US OE Large Growth

Large-growth portfolios invest in big U.S. companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. 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.

#### US OE Large Value

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

#### US OE Small Growth

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

#### US OE Mid-Cap Value

Some mid-cap value portfolios focus on medium-size companies while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for U.S. stocks that are less expensive or growing more slowly than the market. The U.S. mid-cap range for market capitalization typically falls between \$1 billion-\$8 billion and represents 20% of the total capitalization of the U.S. equity market. 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).

#### US OE Small Value

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

#### US OE Foreign Large Value

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

sales, book value, and cash flow). These portfolios typically will have less than 20% of assets invested in U.S. stocks.

#### US OE Mid-Cap Growth

Some mid-cap growth portfolios invest in stocks of all sizes, thus leading to a mid-cap profile, but others focus on midsize companies. Mid-cap growth portfolios target U.S. firms that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices. The U.S. mid-cap range for market capitalization typically falls between \$1 billion-\$8 billion and represents 20% of the total capitalization of the U.S. equity market. 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).

#### US OE Target Date 2000-2010

Target-date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2000-2014) 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. These portfolios get more conservative as the goal date approaches by investing more in bonds and cash. Investment managers structure these portfolios differently; two funds with the same goal year may have different allocations to equities and therefore different levels of return and risk.

#### US OE Target Date 2011-2015

No definition available for this category.

#### US OE Target Date 2016-2020

No definition available for this category.

#### US OE Target Date 2026-2030

No definition available for this category.

#### US OE Target Date 2036-2040

No definition available for this category.

#### US OE Retirement Income

No definition available for this category.

#### US OE Intermediate-Term Bond

Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of 3.5 to six years (or, if duration is unavailable, average effective maturities of four to 10 years). These portfolios are less sensitive to interest rates, and therefore less volatile, than portfolios that have longer durations.

#### US OE Short Government

Short-government portfolios have at least 90% of their bond holdings in bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the U.S. government is unlikely to default on its debt. These portfolios have durations between one and 3.5 years (or, if duration is unavailable, average effective maturities between one and four years), so they have relatively less sensitivity to interest rates, and thus low risk potential.

### Performance Quartile

The performance quartile visually depicts the category percentile rank of the investment's annual return, with the top quartile being those ranks up to 25%.

### History

This date corresponds to the annual period for the information presented in the quarterly performance graph and accompanying data table. The date furthest to the right is stated in YY-MM format to reflect year-to-date figures.

### Turnover Ratio

Turnover ratio is a proxy for how frequently a manager trades her portfolio. The inverse of an investment's turnover ratio is the average holding period for a security in the investment. As turnover increases, an investment's brokerage costs typically rise as well.

### Share Class Assets

This figure is the month-end net assets of the investment (share class) as reported by the management company. The monthly net asset amount from December is used for the annual data. Net asset figures are useful in gauging an investment's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

### Expense Ratio

The expense ratio represents the percentage of investment assets used to pay for operating expenses and management fees, including administrative fees and all other asset-based costs incurred by the investment, except brokerage costs. The ratio is culled from annual reports.

### Stock/Bond %

Stock and bond percentages reflect the proportion of investment assets invested in each broad asset class for the last portfolio reported in the corresponding year. Stocks include common stocks, ADRs, private/illiquid stocks, real estate investment trusts, and income trusts. Bonds represent everything from government notes to high-yield corporate bonds.

### Holdings Analysis

Information in this section is generated using the single portfolio corresponding to the date in the section header.

### Composition

This pie chart illustrates the breakdown of holdings among four broad asset classes. The accompanying data table reveals both the allocation percentage and number of holdings for each asset class.

Cash encompasses both actual cash and cash equivalents (fixed income securities with a maturity of one year or less) held by the portfolio plus receivables minus payables.

Stocks include common stocks, ADRs, private/illiquid stocks, real estate investment trusts, and income trusts.

Bonds represent everything from government notes to high-yield corporate bonds.

Other includes preferred stocks, convertible bonds, convertible preferreds, and other securities which may not be easy to categorize, such as warrants and options.

### Equity Style %

This graphic illustrates the number of holdings as a percentage of the equity portfolio's market value that fall into each area of the Morningstar Style Box<sup>TM</sup>. The vertical axis shows the market capitalization of the stocks owned, and the horizontal axis shows investment style (value, blend, or growth).

### Market Capitalization Breakdown

The market capitalization breakdown is a measure of the percentage of an investment's stock assets that fall into each market capitalization group. Morningstar divides all global stocks into seven markets called style zones (US, Canada, Europe, Latin America, Asia ex-Japan, Japan, and Australia/New Zealand). Morningstar considers the top 40% of the capitalization of each market to be giant-cap, the following 30% to be large-cap, the following 20% to be mid-cap, the following 7% to be small-cap and the remainder to be micro-cap. For the purpose of display in the

Morningstar Style Box<sup>TM</sup>, giant-cap stocks are rolled into the large-cap designation, and micro-cap stocks are rolled into the small-cap designation.

### Average Market Capitalization

Morningstar defines the overall size of an equity portfolio as the geometric mean of the market capitalization for all of the underlying stocks.

### Price/Earnings

The price/earnings ratio is a weighted average of the price/earnings ratios of the stocks in the equity portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

### Price/Book

The price/book ratio is a weighted average of the price/book ratios of all the stocks in the equity portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

### Price/Sales

The price/sales ratio is a weighted average of the price/sales ratios of the stocks in the equity portfolio. The P/S ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' revenues per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

### Price/Cash Flow

The price/cash flow ratio is a weighted average of the price/cash flow ratios of the stocks in the equity portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

### Dividend Yield

Dividend yield for a stock is the percentage of its stock price that a company is projected to pay out as dividends. For portfolios, this data point is calculated by taking an asset-weighted average of the dividend yields of all the stocks in the portfolio.

### Long-term Earnings Growth

The long-term projected earnings growth rate is the average of the available third-party analysts' estimates for three- to five-year earnings per share growth. For portfolios, this data point is the share-weighted average of the projected earnings growth estimates for all the stocks in the portfolio.

### Historical Earnings Growth

The trailing earnings growth rate is a measure of how earnings per share have grown over the last five years. Morningstar uses earnings per share from continuing operations to calculate the growth rate. For portfolios, this data point is the share-weighted collective earnings growth for all stocks in the portfolio.

### Book Value Growth

The book value growth rate is a measure of how the book value per share has grown over the last five years. For portfolios, this data point is the share-weighted collective book value growth for all stocks in the portfolio.

### Sales Growth

The sales growth rate is a measure of how the sales per share have grown over the last five years. For portfolios, this data point is the share-weighted collective sales growth for all stocks in the portfolio.

### Cash Flow Growth

The cash flow growth rate is a measure of how the cash flow per share has grown over the last three to five years. For portfolios, this data point is the share-weighted collective cash flow growth for all stocks in the portfolio.

### Fixed Income Style

This graphic illustrates the number of holdings as a percentage of market value that fall into each area of the Morningstar Style Box<sup>TM</sup>. For fixed income portfolios, the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate, long).

### Average Effective Duration

Average effective duration is a time measure of a bond's interest rate sensitivity. Average effective duration for a portfolio is a weighted average of the duration of the underlying fixed income securities within the portfolio.

### Average Effective Maturity

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security.

### Average Credit Quality

Average credit quality is calculated by taking the weighted average of the credit rating for each bond in the portfolio.

### Average Weighted Coupon

Average weighted coupon is generated by weighting the coupon of each bond by its relative size in the portfolio. Coupons are fixed percentages paid out on a fixed-income security on an annual basis.

### Average Weighted Price

Average weighted price is the weighted price of all the fixed income holdings in the portfolio.

### Credit Rating Breakdown

This section shows the percentage of holdings in the fixed income portfolio classified at each rating level. The credit rating is an independent judgment of a bond issuer's ability to repay the principal and interest payments under the terms of the bond.

### Maturity Breakdown

This section shows the percentage of holdings in the fixed income portfolio classified at each maturity level (years). For example, the 1-3 label represents holdings with maturities of at least one year but less than three years.

### Top Holdings


This list includes the largest holdings as a percentage of the subject investment's market value.


### Style Box


The style box visually depicts the style of individual holdings.


### Sector


The image visually depicts the sector classification of individual equity holdings. Morningstar assigns all companies within the Morningstar stock universe to a sector, and these classifications are reviewed annually.


 Hardware: manufacturers of computer equipment, communication equipment, semiconductors, and components


 Software: companies engaged in the design and marketing of computer operating systems and applications


 Media: companies that own and operate broadcast networks and those that create content or provide it to other media companies


 Telecommunications: companies that provide communication services using fixed-line networks or those that provide wireless access and services


 Healthcare: includes biotechnology, pharmaceuticals, research services, HMOs, home health, hospitals, medical equipment and supplies, and assisted living companies


 Consumer Services: includes retail stores, personal services, home builders, home supply, travel and entertainment companies, and educational providers


 Business Services: includes advertising, printing, publishing, business support, consultants, employment, engineering and construction, security services, waste management, distributors, and transportation companies

 Financial Services: includes banks, finance companies, money management firms, savings and loans, securities brokers, and insurance companies

 Consumer Goods: companies that manufacture or provide food, beverages, household and personal products, apparel, shoes, textiles, autos and auto parts, consumer electronics, luxury goods, packaging, and tobacco

 Industrial Materials: includes aerospace and defense firms, and companies that provide or manufacture chemicals, machinery, building materials, and commodities

 Energy: companies that produce or refine oil and gas, oilfield services and equipment companies, and pipeline operators

 Utilities: electric, gas, and water utilities

### Market Capitalization

This number represents the market capitalization of the individual holding.

### % Market Capitalization

This percentage represents the portion of the subject investment's market value represented by the holding. These figures are then summed to show the total percentage of market value represented by the combined top holdings.

### Top 3 Equity Sectors

This section lists the top three equity sectors and corresponding percent of market value represented by each in the investment's equity portfolio. The relative benchmark figures are multiples; the equity sector percentage under- or over-represents the benchmark by this factor.

### Top 3 Fixed Income Sectors

This section lists the top three fixed income sectors and corresponding percent of market value represented by each in the investment's fixed income portfolio. The relative benchmark figures are multiples; the fixed income sector percentage under- or over- represents the benchmark by this factor.

US Treasury: includes all conventional fixed-rate debt issued by the US government's treasury (i.e. it excludes TIPS). Some examples of government debt are Treasury bonds and Treasury notes. Treasury bills are included under Cash, because they mature in less than 12 months.

**TIPS:** inflation-indexed Treasuries. (The term TIPS derives from their former name, "Treasury Inflation-Protected Securities.") These bonds have principal and coupon payments that are linked to movements in the Consumer Price Index. They are a defensive measure against expectations of inflation (which typically erodes the real yield of conventional bonds). Even if inflation fears are in check, these bonds can benefit when the yields fall on traditional Treasuries. These unique securities act very differently than any other fixed-rate bond and their volatility can change over time, depending on the level of interest rates.

**US Agency:** includes the fixed income securities that are issued by US government agencies, such as the Federal National Mortgage Association (FNMA, Fannie Mae) or the Federal Home Loan Mortgage Corporation (FHLMC, Freddie Mac), to raise capital and finance their operations. These "debentures" are not secured by physical assets, so they differ from most of the mortgage bonds that are issued by these agencies.

**Mortgage Pass-thru:** includes bonds which represent a claim to the cash flows associated with a pool of mortgages. The bondholders are entitled to a share of the principal and interest payments paid by the homeowners. The majority of these bonds are issued by a government agency like FNMA, GNMA, or FHLMC. A few private corporations and banks also securitize and package mortgages in this way and those are also included in this sector.

**Mortgage CMO:** includes collateralized mortgage obligations. These are similar to pass-thru mortgage securities, but investors have more control over whether they will be paid sooner or later. CMOs are structured by time, so that some investors can line-up for the first series of cash flow payments, while others may choose to put themselves at the end of the line. Managers often purchase late-paying CMOs when there may be a lot of mortgage refinancing in the near-term. This protects the investment from getting money back too early (as cash, which would need to be reinvested at a lower interest rate). Most CMOs are based on mortgages from government agencies, such as FNMA and GNMA.

**Mortgage ARM:** includes adjustable rate mortgages. These are fixed income securities that are backed by residential home mortgages, where the interest rate is reset periodically in relation to a benchmark. Most ARMs are issued by government agencies, such as FNMA and GNMA.

**US Corporate:** includes all fixed income securities that are issued by corporations domiciled in the United States. Corporate bonds are issued with a wide range of coupon rates and maturity dates.

**Asset-backed:** includes those securities which are based on the expected cash flow from such things as auto loans, credit card receivables, and computer leases. The cash flows for asset-backed securities can be fixed (e.g. auto loans have a defined payment schedule and a fixed maturity) or variable (credit card debt is paid at random intervals). These securities typically range in maturity from 2-7 years.

**Convertible:** these bonds give the owner an opportunity to convert the bond to a certain number of shares of common stock at a certain price. As the stock approaches that price, the option to convert becomes more valuable and the price of the convertible bond also rises. These securities usually provide lower interest payments because the option to convert to stock could potentially be quite valuable at some point in the future.

**Municipal:** includes bonds issued by local and state governments in order to raise money for operations and development. This financing is sometimes used to build or upgrade hospitals, sewer systems, schools, housing, stadiums, or industrial complexes. Some municipal bonds are backed by the issuing entity while others are linked to a revenue stream, such as a tollway or a utility. Municipal bonds are exempt from federal tax and often from state and local taxes, too. The tax break allows

municipal governments to sell the bonds at a lower interest rate, because the investor gets an additional tax benefit.

**Inflation-Protected:** these securities are similar to TIPS, but they are issued by a private entity instead of the US government. These bonds are linked to an index of inflation, and the principal and coupon payments increase when inflation increases. As with TIPS, these securities behave quite uniquely compared to other conventional bonds.

**Non-US Corporate:** includes securities issued by corporations that are based outside of the United States.

**Non-US Government:** includes securities issued by governments outside the United States.

**Cash:** includes cash in the bank, certificates of deposit, currency, or money market holdings. Cash can also be any fixed income securities that mature in less than 12 months. Cash also includes commercial paper and any repurchase agreements held by the investment.