Fact Sheet: The Morningstar Stewardship Grade for Funds

Purpose

The Morningstar Stewardship Grade[™] for mutual funds is designed to help investors further research, identify, and compare fund managers and fund companies that do a good job—or a poor job—of aligning their interests with those of fund shareholders.

The Stewardship Grade goes beyond the usual analysis of strategy, risk, and return. It helps investors assess funds based on:

- The manner in which funds are run
- The degree to which the management company's and fund board's interests are aligned with those of fund shareholders
- The degree to which shareholders can expect their interests to be protected from potentially conflicting interests of the management company

The Stewardship Grade tries to capture some of the intangibles associated with making an investment decision. While the grades are not intended to serve as buy/sell signals in isolation, when combined with other Morningstar analyst commentary—such as an assessment of a fund's strategy and management—they can help determine the difference between a great investment and one to avoid.

The grades are primarily based on information compiled from public filings and the expertise of Morningstar's fund analysts.

Separate from the Star Rating

The methodology for the Stewardship Grade for funds is completely different from the Morningstar Rating[™] for funds (the "star rating"), and the Stewardship Grade has no impact on a fund's star rating. The Morningstar Rating is a quantitative assessment of a fund's past performance—both return and risk—as measured from 1 to 5 stars. The Stewardship Grade is determined using some quantitative measures, but it is primarily based on qualitative information gathered by Morningstar fund analysts.

Scoring

Scale

Each fund is assigned a letter grade from A (best) to F (worst). All funds are graded on an absolute basis. There is no "curve."

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Components

Morningstar analysts' evaluation of the following five components determines the grade for each fund:

- Corporate Culture
- ► Board Quality
- Manager Incentives
- Fees
- Regulatory History

To arrive at a fund's Stewardship Grade, points are tallied across all five components. The maximum score is 10 points. The Corporate Culture component's maximum score is 4 points, and points are awarded in increments as small as 1 point. For the Board Quality, Manager Incentives, and Fees components, the maximum score is 2 points, and points are awarded in increments as small as 0.5 points. For the Regulatory History component, the maximum score is 0 points, and the lowest possible score is -2 points. Regulatory History scores may be reduced in increments as small as 0.5 points.

Each component score corresponds to one of the following letter grades:

A	full credit
В	3/4 credit
С	1/2 credit
D	1/4 credit
F	no credit

The overall Stewardship Grade is based on the sum of the five component scores:

A	9–10 points
В	7–8.5 points
С	5–6.5 points
D	3–4.5 points
F	2.5 points or fewer

Stewardship Grade Components

Corporate Culture (Score range: 0 to +4) This component looks at a wide range of factors to assess how seriously a firm takes its fiduciary duty to its fund shareholders. Morningstar analysts may consider the following:

- Is the fund company focused on investing or gathering assets?
- Does the fund company foster a thoughtful, repeatable investment process?
- Is the fund company straightforward with investors through clear, pertinent disclosure and responsible marketing?
- Do talented investors spend their careers at this fund firm?

Board Quality (Score range: 0 to +2)

We assess the quality of a fund's board, looking at the following factors; the first factor is worth 1 point, and the following two are each worth 0.5 point:

- Does the board consistently act in shareholders' best interest?
- Do the independent directors have meaningful investments in the fund? To earn the maximum score, at least 75 percent of a board's independent directors must have more money invested in the funds they oversee than they receive in aggregate annual compensation for serving on the board. However, the Securities and Exchange Commission requires directors to report investments in dollar ranges, with the top range being "more than \$100,000." As a result, we will assume that directors with more than \$100,000 invested in the funds they oversee meet the above criterion.
- Is the board led by an independent chairman, and are 75% of the directors independent? (Former fund company employees, family members, and current or former employees of fund service providers are not considered independent by Morningstar.)

Manager Incentives (Score range: 0 to +2) We assess two distinct aspects; each is worth 1 point:

- Fund Ownership: Does the manager have a significant investment in the fund(s) he or she oversees? Managers with more than \$1 million or more than one third of their liquid net worth in the funds they run receive full credit. Managers with at least \$500,000 in the funds they run receive partial credit. If the funds overseen by the manager are inappropriate for a large investment, the manager may receive partial or full credit for investing in other funds at the same firm. Similarly, if other reasonable circumstances prevent a manager from investing in his or her fund, we will consider those situations on a case-by-case basis.
- Compensation Structure: Do the compensation plans reward long-term performance or emphasize asset growth? Incentive programs that encourage a focus on short-term performance or asset growth are viewed less favorably.

Fees (Score range: 0 to +2)

We assess one aspect worth up to 2 points:

Is the fund a good value for shareholders? A fund receives 2 points if its expense ratio falls within the cheapest quintile of its type of share class within its comparison group. (For more on the comparison groups see Appendix A: Stewardship Grade Fee Score Comparison Groups, below.) A fund receives 1.5 points for falling in the second-cheapest quintile. Funds with expense ratios falling between the 40th and 60th percentiles of the peer group get 1 point. More expensive funds get zero points for this section.

Regulatory History (Score range: -2 to 0)

We examine any regulatory issues at the fund company in recent years. Serious breaches of fiduciary duty can result in a score of -2; funds with no regulatory concerns receive 0 points. In the event of any breaches, we review the remedies in place and the scope of, and commitment to, reform.

Where to Find the Stewardship Grade

- Morningstar.com. Each fund report displays the scores of each of the five components, as well as the final grade.
- ► Morningstar[®] Mutual Funds[™]
- ► Morningstar[®] FundInvestor[™]
- ► Morningstar[®] Advisor WorkstationSM Office and Enterprise Editions
- ► Morningstar[®] Directsm
- Morningstar[®] Principia[®]

Appendix A: Stewardship Grade Fee Score Comparison Groups

Morningstar categories have been combined where appropriate to form 37 comparison groups of funds that invest in similar asset types. The groups are as follows:

- Bank Loan
- Bear Market
- Conservative Allocation
- Convertibles
- Diversified Emerging Markets + Pacific/Asia ex-Japan + Latin America Stock
- Diversified Pacific/Asia + Japan Stock
- ► Emerging Markets Bond
- Europe Stock
- ► Foreign Large Value + Foreign Large Blend + Foreign Large Growth
- ► Foreign Small/Mid-Value + Foreign Small/Mid-Growth
- ► High-Yield Bond
- ► High-Yield Municipal
- Inflation Protected
- ► Intermediate-Term Bond
- Large Growth + Large Blend + Large Value
- ► Long-Term Bond
- Long Government + Intermediate Government + Short Government

- ► Long-Short
- Mid-Growth + Mid-Blend + Mid-Value
- Moderate Allocation
- Multisector Bond
- Municipal FL + Municipal MA + Municipal MN + Municipal NJ + Municipal OH + Municipal PA
- Municipal National Intermediate + Municipal Single State Intermediate + Municipal CA Int/Sht, + Municipal NY Int/Sht
- Municipal National Long + Municipal Single State Long + Municipal CA Long + Municipal NY Long
- Municipal National Short + Municipal Single State Short
- Short-Term Bond
- Small Growth + Small Blend + Small Value
- Specialty: Communications + Financials + Health Care + Natural Resources + Precious Metals + Real Estate + Technology + Utilities
- ► Target Retirement 2000-2014
- Target Retirement 2015–2029
- Target Retirement 2030 +
- Ultrashort Bond
- ► World Allocation
- World Bond
- World Stock



Fee Score Comparison Group Data

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Subsect and CatagoriesInd and <br< th=""><th></th><th colspan="3">Front Load</th><th colspan="3">Deferred Load</th><th colspan="3">Level Load</th><th colspan="3">No Load</th><th colspan="3">Institutional</th></br<>		Front Load			Deferred Load			Level Load			No Load			Institutional		
Beer Market 1.63 1.69 1.76 2.71 N/A N/A 2.40 2.43 2.50 1.43 1.57 1.69 0.74 N/A N/A Conservition Allocation 1.15 1.25 1.56 1.90 2.16 2.31 1.88 2.16 2.34 0.74 0.80 0.90 0.80 0.90 0.80 0.90 0.80 0.90 0.80 0.90 0.80 0.90 0.80 0.91 0.80 0.92 2.55 1.93 1.05 1.20 0.25 1.93 2.00 N/A 0.94 1.05 1.24 0.75 0.80 0.92 Emerging Markets Stock 1.45 1.81 1.92 2.35 2.77 2.80 2.42 2.53 1.91 1.40 1.61 1.10 1.21 1.60 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61 1.61	Supercat and Categories	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile	Quintile
Conservative Allocation 1.15 1.25 1.56 1.90 2.16 2.31 1.89 2.16 2.34 0.74 0.90 0.10 0.79 0.85 0.90 Convertibles 1.03 1.06 1.15 1.78 1.81 1.87 1.81 1.87 0.80 0.83 0.91 0.80 0.87 0.90 Diversified Paolif C/sla/Japa 1.86 1.75 2.18 2.00 2.15 2.28 2.40 0.84 1.20 1.25 0.80 0.87 0.90 Emerging Markets Stock 1.40 1.52 1.85 2.07 2.80 2.15 2.27 0.80 1.07 1.23 0.84 1.00 1.14 Everging Small/Mid Cap 1.50 1.58 1.60 1.76 1.76 1.75 1.75 1.76 1.70 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80 0.80	Bank Loan	1.00	1.05	1.13	1.54	1.62	1.75	1.47	1.75	1.76	0.79	0.85	1.25	0.75	0.79	0.80
Convertibles 1.03 1.06 1.15 1.78 1.81 1.91 1.74 1.81 1.87 0.80 0.83 0.91 0.80 0.97 0.90 Diversified Pacific/Asia/Japan 1.46 1.66 1.75 2.16 2.23 2.30 2.16 2.26 2.42 1.05 1.24 1.00 0.83 0.90 Diversified Pacific/Asia/Japan 1.40 1.52 1.55 2.64 2.51 2.66 1.19 1.61 1.01 1.22 1.46 Foreign Markets Stock 1.61 1.40 1.52 1.65 2.24 2.23 2.33 1.10 1.52 1.70 1.11 1.60 1.67 0.40 1.60 1.70 1.11 1.20 1.66 0.50 <	Bear Market	1.63	1.69	1.76	2.71	N/A	N/A	2.40	2.43	2.50	1.43	1.57	1.69	0.74	N/A	N/A
Diversified Pacific/Asia/Japan 148 166 1.75 2.16 2.23 2.30 2.16 2.25 2.42 1.05 1.24 1.50 0.84 1.15 1.25 Emerging Markets Bond 1.16 1.25 1.39 2.05 2.57 2.88 2.24 2.51 2.65 1.19 1.00 1.25 0.75 0.86 0.92 Emerging Markets Stock 1.60 1.81 1.92 2.56 2.26 2.30 1.05 1.24 0.17 0.39 0.50 Foreign Smal/Mid Cap 1.50 1.58 1.66 2.22 2.25 2.31 1.00 1.57 0.80 0.70 0.33 0.50 0.64 High-Yield Bond 0.90 1.08 1.66 1.75 1.76 1.85 1.57 1.75 1.85 0.75 0.84 0.60 0.75 0.84 0.60 0.75 0.84 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.60	Conservative Allocation	1.15	1.25	1.56	1.90	2.16	2.31	1.89	2.16	2.34	0.74	0.90	1.10	0.79	0.85	0.90
Emerging Markets Band 1.16 1.26 1.39 1.65 2.00 2.15 1.83 2.00 N/A 0.94 1.03 1.25 0.75 0.86 0.92 Emerging Markets Stock 1.65 1.81 1.92 2.35 2.57 2.68 2.24 2.51 2.65 1.19 1.40 1.61 1.10 1.32 1.45 Europs Stock 1.40 1.52 1.65 2.04 2.23 2.33 1.00 2.15 2.33 1.10 1.40 1.40 1.70 0.87 1.10 1.20 Governmert 0.50 1.58 1.66 1.22 2.33 1.30 1.67 0.48 0.60 0.70 0.30 0.50 0.66 Migh-Yield Municipal 0.67 0.88 0.88 1.88 1.82 1.72 1.85 0.75 0.40 0.40 0.60 Large Cap 0.76 0.84 0.59 0.77 0.42 1.85 1.65 0.71 0.40	Convertibles	1.03	1.06	1.15	1.78	1.81	1.89	1.74	1.81	1.87	0.80	0.83	0.91	0.80	0.87	0.90
Emerging Markets Stock 1.65 1.81 1.92 2.35 2.57 2.68 2.24 2.51 2.65 1.19 1.40 1.61 1.10 1.32 1.45 Europe Stock 1.40 1.52 1.65 2.04 2.29 2.33 2.15 2.26 2.30 0.99 1.05 1.24 0.84 1.00 1.14 Foreign Large Cap 1.34 1.48 1.58 2.22 2.25 2.31 2.01 2.27 2.33 0.10 1.13 1.20 0.87 1.10 1.21 Government 0.26 0.90 0.98 1.54 1.64 1.70 1.31 1.60 1.65 0.69 0.70 0.33 0.50 0.64 High-Yield Municipal 0.67 0.85 0.88 1.82 1.62 1.37 1.45 1.62 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65	Diversified Pacific/Asia/Japan	1.48	1.66	1.75	2.16	2.23	2.30	2.16	2.25	2.42	1.05	1.24	1.50	0.84	1.15	1.25
Europe Stock1.401.521.852.042.292.332.152.262.300.991.051.240.170.991.05Foreign Large Cap1.341.481.582.072.232.331.902.152.270.881.071.230.841.001.14Foreign Small/Mid Cap1.501.581.662.222.252.312.012.772.331.131.241.370.871.101.21Government0.820.990.981.541.641.701.311.601.670.490.600.700.330.500.66High Yield Bond0.961.061.151.771.761.851.521.721.851.620.650.690.720.560.600.62Intermediate-Term Bond0.810.900.961.521.621.771.421.581.660.530.650.300.400.50Long Short1.461.511.952.002.342.002.252.452.861.341.721.991.081.501.56Mid Cap1.201.311.411.912.052.151.161.441.501.561.761.991.311.401.951.661.341.721.991.081.571.501.561.571.561.561.571.561.560.500.570.61	Emerging Markets Bond	1.16	1.25	1.39	1.85	2.00	2.15	1.93	2.00	N/A	0.94	1.03	1.25	0.75	0.86	0.92
Foreign Large Cap 1.34 1.48 1.58 2.07 2.23 2.33 1.90 2.15 2.27 0.88 1.07 1.23 0.84 1.00 1.14 Foreign Small/Mid Cap 1.50 1.58 1.66 2.22 2.25 2.31 2.01 2.27 2.33 1.13 1.24 1.37 0.67 0.83 0.50 0.64 Government 0.82 0.90 0.98 1.54 1.64 1.70 1.31 1.60 1.67 0.49 0.60 0.70 0.33 0.50 0.64 High Yield Bond 0.96 1.05 1.67 1.85 1.52 1.72 1.85 0.65 0.69 0.72 0.56 0.60 0.60 0.60 0.66 0.40 0.60 0.66 0.40 0.60 0.66 0.40 0.60 0.66 0.40 0.60 0.65 0.60 0.66 0.40 0.60 0.65 0.60 0.66 0.40 0.60 0.60 0.60 0.60 0.60 0.60 0.60 0.60 0.60 0.60 0.60	Emerging Markets Stock	1.65	1.81	1.92	2.35	2.57	2.68	2.24	2.51	2.65	1.19	1.40	1.61	1.10	1.32	1.45
Foreign Small/Mid Cap 1.50 1.56 1.66 2.22 2.25 2.31 1.01 1.24 1.37 0.67 1.10 1.21 Government 0.82 0.90 0.98 1.54 1.64 1.70 1.31 1.60 1.67 0.49 0.60 0.70 0.33 0.50 0.64 High-Yield Municipal 0.87 0.85 0.88 1.38 1.58 1.52 1.72 1.85 0.71 0.80 0.88 0.61 0.68 0.62 Inflaton Protected 0.75 0.84 0.90 1.44 1.50 1.60 1.28 1.40 1.50 0.45 0.55 0.65 0.30 0.40 0.50 Intermediate-Term Bond 0.81 0.90 1.74 1.70 1.42 1.88 1.60 1.85 2.00 0.71 0.90 1.40 0.50 1.60 Long-Term Bond 0.80 1.02 N/A 1.55 1.56 N/A 1.48 1.50 1.55 0.61 0.79 0.20 0.50 0.55 0.60 0.50 0	Europe Stock	1.40	1.52	1.65	2.04	2.29	2.33	2.15	2.26	2.30	0.99	1.05	1.24	0.17	0.99	1.05
Government 0.82 0.90 0.98 1.54 1.64 1.70 1.31 1.60 1.67 0.49 0.60 0.70 0.33 0.50 0.64 High-Yield Bond 0.66 1.06 1.15 1.67 1.76 1.85 1.72 1.85 0.71 0.80 0.88 0.61 0.68 0.60 High-Yield Municipal 0.67 0.85 0.88 0.30 1.52 1.62 1.37 1.45 1.62 0.65 0.69 0.72 0.56 0.60 0.62 Intermediate-Term Bond 0.81 0.90 0.96 1.52 1.62 1.70 1.42 1.58 1.66 0.53 0.65 0.50 0.40 0.49 0.60 Lorg-Short 1.46 1.51 1.55 0.60 2.25 2.45 2.86 1.34 1.72 1.99 1.64 1.50 1.51 0.51 0.51 0.51 0.51 0.55 0.61 0.79 0.77 0.52 <t< td=""><td>Foreign Large Cap</td><td>1.34</td><td>1.48</td><td>1.58</td><td>2.07</td><td>2.23</td><td>2.33</td><td>1.90</td><td>2.15</td><td>2.27</td><td>0.88</td><td>1.07</td><td>1.23</td><td>0.84</td><td>1.00</td><td>1.14</td></t<>	Foreign Large Cap	1.34	1.48	1.58	2.07	2.23	2.33	1.90	2.15	2.27	0.88	1.07	1.23	0.84	1.00	1.14
High-Yield Bond0.961.061.151.671.761.851.751.721.850.710.800.880.610.680.62High-Yield Municipal0.670.850.880.901.441.501.601.281.401.500.450.550.650.600.420.50Infation Protected0.750.840.901.441.501.601.281.401.500.450.550.650.500.400.490.60Large Cap1.061.201.301.771.932.031.601.852.000.710.901.040.590.770.90Long-Term Bond0.801.021.301.771.932.031.601.852.061.341.721.991.081.501.60Long-Term Bond0.801.021.311.441.912.052.151.761.992.110.891.051.230.810.950.650.600.750.750.50Mid Cap1.201.311.441.912.052.151.761.992.110.891.051.601.601.601.601.601.601.601.601.601.601.600.600.760.900.760.900.760.900.760.900.760.900.760.900.760.900.760.900.760.900.760.90	Foreign Small/Mid Cap	1.50	1.58	1.66	2.22	2.25	2.31	2.01	2.27	2.33	1.13	1.24	1.37	0.87	1.10	1.21
High-Yield Municipal0.670.850.881.381.581.621.371.451.620.650.690.720.560.600.62Inflation Protected0.750.840.900.961.521.621.701.421.581.660.530.650.650.300.400.50Large Cap1.061.201.301.771.932.031.601.852.000.710.901.040.590.770.90Long-Form Bond0.801.02N/A1.551.56N/A1.481.501.550.610.790.970.290.500.55Mid Cap1.201.311.441.912.052.151.761.992.110.881.051.280.600.760.760.760.57Muderate Allocation1.051.161.241.751.891.991.441.831.970.720.881.050.600.760.760.76Municipal Intermediate0.740.800.861.441.511.591.861.810.700.770.820.670.750.78Municipal Intermediate0.740.800.861.441.511.591.861.461.550.500.610.660.500.590.56Municipal Intermediate0.770.780.851.581.591.581.561.681.441.50	Government	0.82	0.90	0.98	1.54	1.64	1.70	1.31	1.60	1.67	0.49	0.60	0.70	0.33	0.50	0.64
Inflation Protected 0.75 0.84 0.90 1.44 1.50 1.60 1.28 1.40 1.50 0.45 0.45 0.55 0.65 0.30 0.40 0.50 Intermediate-Term Bond 0.81 0.90 0.90 1.52 1.62 1.70 1.42 1.58 1.66 0.53 0.65 0.75 0.40 0.49 0.60 Large Cap 1.06 1.20 1.30 1.77 1.93 2.03 1.60 1.85 2.00 0.71 0.90 1.04 0.59 0.77 0.90 Long-Form Bond 0.80 1.02 N/A 1.55 1.56 N/A 1.48 1.50 1.55 0.61 0.79 0.97 0.29 0.50 0.55 Mid Cap 1.20 1.31 1.44 1.91 2.05 2.15 1.76 1.99 2.11 0.89 1.05 0.60 0.61 0.60 0.75 0.75 0.76 0.75 0.75 0.76 0.78 </td <td>High-Yield Bond</td> <td>0.96</td> <td>1.06</td> <td>1.15</td> <td>1.67</td> <td>1.76</td> <td>1.85</td> <td>1.55</td> <td>1.72</td> <td>1.85</td> <td>0.71</td> <td>0.80</td> <td>0.88</td> <td>0.61</td> <td>0.68</td> <td>0.80</td>	High-Yield Bond	0.96	1.06	1.15	1.67	1.76	1.85	1.55	1.72	1.85	0.71	0.80	0.88	0.61	0.68	0.80
Intermediate-Term Bond 0.81 0.90 0.96 1.52 1.62 1.70 1.42 1.58 1.66 0.53 0.65 0.75 0.40 0.49 0.60 Large Cap 1.06 1.20 1.30 1.77 1.93 2.03 1.60 1.85 2.00 0.71 0.90 1.04 0.59 0.77 0.90 Long-Short 1.46 1.51 1.95 1.56 N/A 1.48 1.50 1.55 0.61 0.79 0.97 0.29 0.50 0.55 Mid Cap 1.20 1.31 1.44 1.91 2.05 2.15 1.76 1.99 2.11 0.89 1.05 1.60 0.75 0.61 0.79 0.29 0.50 0.55 Mudrisetar Allocation 1.05 1.16 1.74 1.79 1.50 1.58 1.81 1.70 0.70 0.77 0.82 0.67 0.75 0.75 Muricipal Intermediate 0.74 0.80 0.86	High-Yield Municipal	0.67	0.85	0.88	1.38	1.58	1.62	1.37	1.45	1.62	0.65	0.69	0.72	0.56	0.60	0.62
Large Cap1.061.201.301.771.932.031.601.852.000.710.901.040.590.770.90Long-Short1.461.511.952.002.342.802.252.452.861.341.721.990.290.550.55Mid Cap1.021.311.441.912.052.151.761.992.110.891.051.230.810.950.770.90Moderate Allocation1.051.161.241.751.891.991.641.831.970.720.881.050.660.760.750.750.78Muricipal Intermediate0.740.800.861.441.511.591.381.501.570.500.610.660.500.590.770.88Muricipal Chrer0.750.850.881.441.511.591.381.501.570.500.610.660.500.590.58Muricipal Chrer0.750.850.881.451.531.591.381.501.570.500.610.680.770.880.520.58Muricipal Short0.770.880.921.411.541.601.181.411.550.440.600.670.410.600.570.360.480.55Short-Ferm Bond0.770.880.921.411.541.651.28 <td>Inflation Protected</td> <td>0.75</td> <td>0.84</td> <td>0.90</td> <td>1.44</td> <td>1.50</td> <td>1.60</td> <td>1.28</td> <td>1.40</td> <td>1.50</td> <td>0.45</td> <td>0.55</td> <td>0.65</td> <td>0.30</td> <td>0.40</td> <td>0.50</td>	Inflation Protected	0.75	0.84	0.90	1.44	1.50	1.60	1.28	1.40	1.50	0.45	0.55	0.65	0.30	0.40	0.50
Long-Short 1.46 1.51 1.95 2.00 2.34 2.80 2.25 2.45 2.86 1.34 1.72 1.99 1.08 1.50 0.55 Long-Term Bond 0.80 1.02 N/A 1.55 1.66 N/A 1.48 1.50 1.55 0.61 0.79 0.97 0.80 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.81 0.55 0.85 0.85 0.85 1.39 1.50 1.56 1.56 1.56 1.56 1.55 0.50 0.61 0.56 0.60 0.57 0.55 0.66 0.57 0.55 0.66 0.57 0.56 0.66 0.57 0.56 0.56 0.56 0.56 0.55 0.66 0.57 0.56 0.56 0.56 0.	Intermediate-Term Bond	0.81	0.90	0.96	1.52	1.62	1.70	1.42	1.58	1.66	0.53	0.65	0.75	0.40	0.49	0.60
Long-Term Bond0.801.02N/A1.551.56N/A1.481.501.550.610.790.970.290.550.55Mid Cap1.201.311.441.912.052.151.761.992.110.891.051.230.810.951.05Moderate Allocation0.971.051.151.611.741.791.501.681.810.700.770.820.600.760.90Multisector Bond0.971.051.151.611.741.791.501.681.810.700.770.820.670.750.750.78Municipal Intermediate0.740.800.861.441.511.591.381.501.570.500.610.660.500.590.63Municipal Other0.750.850.881.451.531.591.381.501.580.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.670.440.600.67 <td>Large Cap</td> <td>1.06</td> <td>1.20</td> <td>1.30</td> <td>1.77</td> <td>1.93</td> <td>2.03</td> <td>1.60</td> <td>1.85</td> <td>2.00</td> <td>0.71</td> <td>0.90</td> <td>1.04</td> <td>0.59</td> <td>0.77</td> <td>0.90</td>	Large Cap	1.06	1.20	1.30	1.77	1.93	2.03	1.60	1.85	2.00	0.71	0.90	1.04	0.59	0.77	0.90
Mid Cap 1.20 1.31 1.44 1.91 2.05 2.15 1.76 1.99 2.11 0.89 1.05 1.23 0.81 0.95 1.05 Moderate Allocation 0.97 1.05 1.16 1.24 1.75 1.89 1.99 1.64 1.83 1.97 0.72 0.88 1.05 0.60 0.76 0.90 Multisector Bond 0.97 1.05 1.15 1.61 1.74 1.79 1.50 1.68 1.81 0.70 0.77 0.82 0.67 0.75 0.78 Municipal Long 0.71 0.78 0.86 1.44 1.51 1.59 1.38 1.50 1.57 0.50 0.61 0.66 0.50 0.59 0.63 Municipal Long 0.71 0.78 0.85 1.81 1.50 1.58 1.46 1.55 0.50 0.61 0.66 0.50 0.52 0.56 Municipal Short 0.72 0.88 0.92 1.41 1.54 1.65 1.28 1.42 1.59 0.55 0.66 0.57 <td< td=""><td>Long-Short</td><td>1.46</td><td>1.51</td><td>1.95</td><td>2.00</td><td>2.34</td><td>2.80</td><td>2.25</td><td>2.45</td><td>2.86</td><td>1.34</td><td>1.72</td><td>1.99</td><td>1.08</td><td>1.50</td><td>1.60</td></td<>	Long-Short	1.46	1.51	1.95	2.00	2.34	2.80	2.25	2.45	2.86	1.34	1.72	1.99	1.08	1.50	1.60
Moderate Allocation1.051.161.241.751.891.991.641.831.970.720.881.050.600.760.99Multisector Bond0.971.051.151.611.741.791.501.681.810.700.770.820.600.760.750.78Municipal Intermediate0.740.800.861.441.511.591.381.501.570.500.610.660.500.590.63Municipal Long0.710.780.850.881.451.531.591.381.501.571.500.600.670.480.520.590.63Municipal Other0.750.850.881.451.531.591.391.521.581.441.550.490.560.680.370.520.500.610.440.600.610.610.660.670.600.610.660.610.610.610.610.610.610.610.610.610.61	Long-Term Bond	0.80	1.02	N/A	1.55	1.56	N/A	1.48	1.50	1.55	0.61	0.79	0.97	0.29	0.50	0.55
Multisector Bond0.971.051.151.611.741.791.501.681.810.700.770.820.670.750.78Municipal Intermediate0.740.800.861.441.511.591.381.501.570.500.610.660.500.590.63Municipal Long0.710.780.850.881.451.501.581.281.461.550.500.620.670.440.500.610.660.500.520.58Municipal Other0.750.850.881.451.531.591.391.521.580.440.600.670.410.600.61Municipal Short0.720.790.880.921.411.541.651.281.421.590.550.660.750.360.480.520.55Short-Term Bond0.770.880.921.411.541.651.281.421.590.550.660.750.360.480.56Small Cap1.271.401.512.022.122.241.882.072.200.981.141.320.901.311.14Specialty1.231.431.551.942.092.241.912.112.770.911.081.920.650.680.830.90Target 2000-20140.941.091.181.661.731.901.51	Mid Cap	1.20	1.31	1.44	1.91	2.05	2.15	1.76	1.99	2.11	0.89	1.05	1.23	0.81	0.95	1.05
Municipal Intermediate0.740.800.861.441.511.591.381.501.570.500.610.660.500.590.63Municipal Long0.710.780.851.391.501.581.281.461.550.500.610.660.670.480.520.58Municipal Other0.750.850.881.451.531.591.391.521.580.440.600.670.410.600.61Municipal Short0.720.790.831.361.541.601.181.411.550.490.560.680.370.520.56Short-Term Bond0.770.880.921.411.541.651.281.421.590.550.660.750.360.480.56Small Cap1.271.401.512.022.122.241.882.072.200.981.141.320.901.031.14Specialty1.231.431.551.942.092.241.912.112.270.911.081.290.810.910.901.031.14Target 2000-20140.941.091.181.661.731.901.511.621.820.620.750.910.650.880.920.91Target 2030+1.061.251.291.761.951.971.681.741.960.690.81 <td>Moderate Allocation</td> <td>1.05</td> <td>1.16</td> <td>1.24</td> <td>1.75</td> <td>1.89</td> <td>1.99</td> <td>1.64</td> <td>1.83</td> <td>1.97</td> <td>0.72</td> <td>0.88</td> <td>1.05</td> <td>0.60</td> <td>0.76</td> <td>0.90</td>	Moderate Allocation	1.05	1.16	1.24	1.75	1.89	1.99	1.64	1.83	1.97	0.72	0.88	1.05	0.60	0.76	0.90
Municipal Long0.710.780.851.391.501.581.281.461.550.500.620.670.480.520.58Municipal Other0.750.850.881.451.531.591.391.521.580.440.600.670.410.600.61Municipal Short0.720.790.831.361.541.601.181.411.550.490.550.660.750.360.480.520.56Short-Term Bond0.770.880.921.411.541.651.281.421.590.550.660.750.360.480.520.56Small Cap1.271.401.512.022.122.241.882.072.200.981.141.320.901.031.14Specialty1.231.431.551.942.092.241.912.112.270.911.081.290.810.971.11Target 2015–20290.981.201.251.731.871.951.681.741.960.690.810.940.660.880.880.92Target 2035–20290.981.201.201.761.951.971.701.791.950.760.910.980.760.880.880.920.95Ultra-Short Bond0.680.730.791.201.431.951.991.831.91<	Multisector Bond	0.97	1.05	1.15	1.61	1.74	1.79	1.50	1.68	1.81	0.70	0.77	0.82	0.67	0.75	0.78
Municipal Other0.750.850.881.451.531.591.391.521.580.440.600.670.410.600.61Municipal Short0.720.790.831.361.541.601.181.411.550.490.560.680.370.520.55Short-Term Bond0.770.880.921.411.541.651.281.421.590.550.660.750.360.480.56Small Cap1.271.401.512.022.122.241.882.072.200.981.141.320.901.031.14Specialty1.231.431.551.942.092.241.912.112.770.911.081.290.810.971.11Target 2000-20140.941.091.181.661.731.901.511.621.820.620.750.910.650.680.880.90Target 2015-20290.981.201.251.731.871.951.681.741.960.690.810.940.680.880.96Muricipal Color0.680.730.791.201.451.501.971.701.791.950.760.910.680.880.92Target 2015-20290.981.061.251.291.761.951.971.701.791.950.760.910.980.76	Municipal Intermediate	0.74	0.80	0.86	1.44	1.51	1.59	1.38	1.50	1.57	0.50	0.61	0.66	0.50	0.59	0.63
Municipal Short0.720.790.831.361.541.601.181.411.550.490.560.680.370.520.56Short-Term Bond0.770.880.921.411.541.651.281.421.590.550.660.750.360.480.56Small Cap1.271.401.512.022.122.241.882.072.200.981.141.320.901.031.14Specialty1.231.431.551.942.092.241.912.112.270.911.081.290.810.971.11Target 2000-20140.941.091.181.661.731.901.511.621.820.620.750.910.650.680.880.90Target 2015-20290.981.201.251.731.871.951.681.741.960.690.810.940.680.880.96Target 2030+1.061.251.291.761.951.971.701.791.950.760.910.980.760.891.04Ultra-Short Bond0.680.730.791.831.951.831.911.970.901.021.110.880.920.95World Allocation1.131.201.281.831.951.621.721.870.790.891.080.550.680.680.68 <t< td=""><td>Municipal Long</td><td>0.71</td><td>0.78</td><td>0.85</td><td>1.39</td><td>1.50</td><td>1.58</td><td>1.28</td><td>1.46</td><td>1.55</td><td>0.50</td><td>0.62</td><td>0.67</td><td>0.48</td><td>0.52</td><td>0.58</td></t<>	Municipal Long	0.71	0.78	0.85	1.39	1.50	1.58	1.28	1.46	1.55	0.50	0.62	0.67	0.48	0.52	0.58
Short-Term Bond0.770.880.921.411.541.651.281.421.590.550.660.750.360.480.56Small Cap1.271.401.512.022.122.241.882.072.200.981.141.320.901.031.14Specialty1.231.431.551.942.092.241.912.112.270.911.081.290.810.971.11Target 2000-20140.941.091.181.661.731.901.511.621.820.620.750.910.650.850.800.971.11Target 2015-20290.981.201.251.291.761.951.971.681.741.960.690.810.940.940.660.880.901.04Ultra-Short Bond0.680.730.791.201.451.951.991.621.721.870.901.021.110.550.680.880.920.95World Bond0.951.091.201.201.831.951.621.721.870.970.891.080.950.680.880.92Utra-Short Bond0.951.091.201.831.951.991.621.721.870.970.891.080.920.550.680.880.920.95World Bond0.951.091.201.83 </td <td>Municipal Other</td> <td>0.75</td> <td>0.85</td> <td>0.88</td> <td>1.45</td> <td>1.53</td> <td>1.59</td> <td>1.39</td> <td>1.52</td> <td>1.58</td> <td>0.44</td> <td>0.60</td> <td>0.67</td> <td>0.41</td> <td>0.60</td> <td>0.61</td>	Municipal Other	0.75	0.85	0.88	1.45	1.53	1.59	1.39	1.52	1.58	0.44	0.60	0.67	0.41	0.60	0.61
Small Cap1.271.401.512.022.122.241.882.072.200.981.141.320.901.031.14Specialty1.231.431.551.942.092.241.912.112.270.911.081.290.810.971.11Target 2000-20140.941.091.181.661.731.901.511.621.820.620.750.910.650.850.90Target 2015-20290.981.201.251.731.871.951.681.741.960.690.810.940.680.880.96Target 2030+1.061.251.291.761.951.971.701.791.950.760.910.980.760.891.04Ultra-Short Bond0.680.730.791.201.451.501.201.281.380.350.490.660.250.350.45World Allocation1.131.201.281.831.951.621.721.870.790.891.080.550.680.80World Bond0.951.091.201.831.951.621.721.870.790.891.080.550.680.80	Municipal Short	0.72	0.79	0.83	1.36	1.54	1.60	1.18	1.41	1.55	0.49	0.56	0.68	0.37	0.52	0.56
Specialty1.231.431.551.942.092.241.912.112.270.911.081.290.810.971.11Target 2000-20140.941.091.181.661.731.901.511.621.820.620.750.910.650.850.90Target 2015-20290.981.201.251.731.871.951.681.741.960.690.810.940.680.880.96Target 2030+1.061.251.291.761.951.971.701.791.950.760.910.980.760.891.04Ultra-Short Bond0.680.730.791.201.451.501.201.281.380.350.490.660.250.350.49World Allocation1.131.201.281.951.991.831.911.970.790.891.080.550.680.80World Bond0.951.091.201.831.951.621.721.870.790.891.080.550.680.80	Short-Term Bond	0.77	0.88	0.92	1.41	1.54	1.65	1.28	1.42	1.59	0.55	0.66	0.75	0.36	0.48	0.56
Target 2000-20140.941.091.181.661.731.901.511.621.820.620.750.910.650.850.90Target 2015-20290.981.201.251.731.871.951.681.741.960.690.810.940.680.880.96Target 2030+1.061.251.291.761.951.971.701.791.950.760.910.980.760.891.04Ultra-Short Bond0.680.730.791.201.451.501.201.281.380.350.490.660.250.350.45World Allocation1.131.201.281.831.951.621.721.870.790.891.080.550.680.80World Bond0.951.091.201.831.951.621.721.870.790.891.080.550.680.80	Small Cap	1.27	1.40	1.51	2.02	2.12	2.24	1.88	2.07	2.20	0.98	1.14	1.32	0.90	1.03	1.14
Target 2015-20290.981.201.251.731.871.951.681.741.960.690.810.940.680.880.96Target 2030+1.061.251.291.761.951.971.701.791.950.760.910.980.760.891.04Ultra-Short Bond0.680.730.791.201.451.501.201.281.380.350.490.660.250.350.45World Allocation1.131.201.281.831.951.991.831.911.970.901.021.110.880.920.95World Bond0.951.091.201.831.951.621.721.870.790.891.080.550.680.80	Specialty	1.23	1.43	1.55	1.94	2.09	2.24	1.91	2.11	2.27	0.91	1.08	1.29	0.81	0.97	1.11
Target 2030+1.061.251.291.761.951.971.701.791.950.760.910.980.760.891.04Ultra-Short Bond0.680.730.791.201.451.501.201.281.380.350.490.660.250.350.45World Allocation1.131.201.281.831.951.991.831.911.970.901.021.110.880.920.95World Bond0.951.091.201.701.831.951.621.721.870.790.891.080.550.680.80	Target 2000–2014	0.94	1.09	1.18	1.66	1.73	1.90	1.51	1.62	1.82	0.62	0.75	0.91	0.65	0.85	0.90
Ultra-Short Bond 0.68 0.73 0.79 1.20 1.45 1.50 1.20 1.28 1.38 0.35 0.49 0.66 0.25 0.35 0.49 World Allocation 1.13 1.20 1.28 1.99 1.83 1.91 1.97 0.90 1.02 1.11 0.88 0.92 0.95 World Bond 0.95 1.09 1.20 1.83 1.95 1.62 1.72 1.87 0.79 0.89 1.08 0.55 0.68 0.80	Target 2015–2029	0.98	1.20	1.25	1.73	1.87	1.95	1.68	1.74	1.96	0.69	0.81	0.94	0.68	0.88	0.96
World Allocation 1.13 1.20 1.28 1.83 1.95 1.99 1.83 1.91 1.97 0.90 1.02 1.11 0.88 0.92 0.95 World Bond 0.95 1.09 1.20 1.70 1.83 1.95 1.62 1.72 1.87 0.79 0.89 1.08 0.55 0.68 0.80	Target 2030+	1.06			1.76	1.95		1.70	1.79	1.95	0.76	0.91	0.98	0.76	0.89	1.04
World Allocation 1.13 1.20 1.28 1.83 1.95 1.99 1.83 1.91 1.97 0.90 1.02 1.11 0.88 0.92 0.95 World Bond 0.95 1.09 1.20 1.70 1.83 1.95 1.62 1.72 1.87 0.79 0.89 1.08 0.55 0.68 0.80	Ultra-Short Bond	0.68	0.73	0.79	1.20	1.45	1.50	1.20	1.28	1.38	0.35	0.49	0.66	0.25	0.35	0.45
	World Allocation	1.13	1.20	1.28	1.83	1.95	1.99	1.83	1.91	1.97	0.90	1.02	1.11	0.88	0.92	0.95
World Stock 1.29 1.45 1.53 1.98 2.20 2.27 1.83 2.15 2.26 0.94 1.15 1.30 0.99 1.06 1.20	World Bond	0.95	1.09	1.20	1.70	1.83	1.95	1.62	1.72	1.87	0.79	0.89	1.08	0.55	0.68	0.80
	World Stock	1.29	1.45	1.53	1.98	2.20	2.27	1.83	2.15	2.26	0.94	1.15	1.30	0.99	1.06	1.20

N/A - Data not available due to limited size of comparison group.

Comparison group data based on audited expense ratios available as of May 31, 2007.

06/18/2007