

Term Definitions

30-Day Median Bid/Ask Spread reflects the median of the difference between the best bid and offer as of the end of each 10 second interval during each trading day of the last 30 calendar days (or since inception, if shorter).

30 Day SEC Yield with waivers, or “reimbursed” meaning it takes into account a fund’s expense reduction, and reflects an estimated yield to maturity. It should be regarded as an estimate of the fund’s rate of investment income, and it may not equal the fund’s actual income distribution rate, which reflects a fund’s past dividends paid to shareholders. The 30 Day SEC Yield with waivers is calculated in accordance with SEC standards.

30 Day SEC Yield without waivers, or “unreimbursed” meaning it does not take into account a fund’s expense reduction, and reflects an estimated yield to maturity. It should be regarded as an estimate of the fund’s rate of net investment income, and it may not equal the fund’s actual income distribution rate, which reflects a fund’s past dividends paid to shareholders. The 30 Day SEC Yield without waivers is calculated in accordance with SEC standards.

Active Share represents the portion of portfolio holdings that differ from an index.

Active weight reflects over/under relative to index.

Alpha compares risk-adjusted performance relative to an index. Positive alpha means outperformance on a risk-adjusted basis.

Basis Point (bp) equals 1/100 of a percentage point. 1 bp = 0.01%, 100 bps = 1%.

Batting Average is defined as the percentage of periods an investment has outperformed an index.

Beta measures the volatility of a security or portfolio relative to an index. Less than one means lower volatility than the index; more than one means greater volatility.

Bid-to-Cover Ratio measures the dollar amount of bids received in a Treasury security auction compared to the amount sold. A high ratio is an indication of strong demand and vice versa.

Capture Ratio measures the percentage of index (market) performance an investment “captured” during periods when the index achieved gains (up capture) or declined (down capture). A capture ratio of 100% means investment performance went up or down exactly the same amount as the index.

Carry is the excess income earned from holding a higher yielding security relative to another.

Correlation measures the degree to which two variables move in relation to each other. A value of 1.0 implies movement in parallel, -1.0 implies movement in opposite directions, and 0.0 implies no relationship.

Credit Spread is the difference in yield between securities with similar maturity but different credit quality. Widening spreads generally indicate deteriorating creditworthiness of corporate borrowers, and narrowing indicate improving.

Distribution Yield for fixed income mutual funds (except Developed World Bond Fund) is calculated by annualizing actual dividends distributed for the monthly period ended on the date shown and dividing by the net asset value on the last business day for the same period. The yield does not include long- or short-term capital gains distributions.

Distribution Yield for exchange-traded funds, equity and asset allocation mutual funds, variable insurance trusts and Developed World Bond Fund is calculated by taking the trailing 365 days of distributions and dividing by the net asset value on the last business day for the same period. The yield does not include long- or short-term capital gains distributions.

Duration measures a bond price’s sensitivity to changes in interest rates. The longer a bond’s duration, the higher its sensitivity to changes in interest rates and vice versa.

Earnings Growth Rate refers to the annualized rate of growth of earnings for a stock or stocks in a portfolio over a given forward looking or trailing period.

Enhanced Beta or **Smart Beta** refers to a set of investment strategies that emphasize the use of alternative index construction rules to traditional market capitalization based indices.

Excess Return indicates the extent to which an investment out- or underperformed an index.

Information Ratio is a ratio of portfolio returns above the returns of an index to the volatility of those returns. It is an indicator of portfolio management performance.

Intraday Value, also called **Intraday Indicative Value (IIV)** or **Indicative Optimized Portfolio Value (IOPV)**, is a real-time estimate of an ETF's fair value, based on the most recent prices of its underlying securities.

Inverse (or Short) Exposure means the performance of an investment will move in the opposite direction of the underlying index or asset.

Net Asset Value (NAV) represents the net value of a fund's assets on a per-share basis.

Net zero refers to greenhouse gas production being balanced by removal from the atmosphere.

Omega Ratio measures the change in an option's value with respect to the percentage change in the underlying price. It gives option investors an idea of how the option price and the stock price that underlies it move together.

Option-Adjusted Spread (OAS) measures the spread between a fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option.

Premium/Discount indicates whether a security is currently trading above (at a premium to) or below (at a discount to) its net asset value.

Price-to-Book (P/B) Ratio measures share price compared to book value per share for a stock or stocks in a portfolio.

Price-to-Earnings (P/E) Ratio measures share price compared to earnings per share for a stock or stocks in a portfolio.

Return on Invested Capital (ROIC) is a measure of how effectively a company used the money invested in its operations.

Roll down is the tendency of a fixed income security's market price to approach its par value as it nears maturity.

R-squared (R²) measures the relationship between portfolio and index performance on a scale of 0.00 (0%) to 1.00 (100%). A higher R² indicates more of the portfolio's performance is affected by market movements and vice versa.

Sharpe Ratio measures risk-adjusted performance using excess returns versus the "risk-free" rate and the volatility of those returns. A higher ratio means better return per unit of risk.

Sortino Ratio measures risk-adjusted performance using excess returns versus the "risk-free" rate and the volatility of negative returns ("bad" volatility). A higher ratio means better return per unit of "bad" risk.

Standard Deviation measures historical volatility. Higher standard deviation implies greater volatility.

Systematic Risk is the risk inherent to the entire market or entire market segment.

Tracking Error is the divergence between the price behavior of an investment and an index.

Turnover is a measure of portfolio trading activity. Higher turnover may indicate higher transaction costs and vice versa.

Volatility measures risk using the dispersion of returns for a given investment.

Yield to worst (YTW) is the lowest yield a bond can achieve provided the issuer does not default and accounts for any applicable call feature (ie, the issuer can call the bond back at a date specified in advance). At a portfolio level, this statistic represents the weighted average YTW for all the underlying issues.