Morningstar offer two broad suites of US Closed-end Funds Peer Group Indexes: one size-weighted and calculated in line with official FTSE Actuaries methodology; the other is an unweighted (equal-weighted) set. Both sets of indexes are free of survivorship bias and the constituents are all U.S.-listed CEFs that have been in existence over the period from 31 December 1996.

The following index series, both weighted and unweighted versions, are calculated for each peer group:
1. NAV Daily Return (calculated from 31-Dec-96)
2. Price Daily Return (calculated from 31-Dec-96)
3. Daily Premium Discount (calculated from 31-Dec-96)
4. NAV Daily Income-Only Yield (calculated from 31-Dec-02)
5. Price Daily Income-Only Yield (calculated from 31-Dec-02)
6. NAV Daily Income & Capital-Gain Yield (calculated from 31-Dec-02)
7. Price Daily Income & Capital-Gain Yield (calculated from 31-Dec-02)
8. NAV Daily Total Distribution Yield (calculated from 31-Dec-02)
9. Price Daily Total Distribution Yield (calculated from 31-Dec-02)

All U.S. listed closed-end funds are classified by Morningstar into peer groups; these peer group categories were constructed after studying the classifications used by the leading analysts and other interested parties in the U.S.

Morningstar has 26 main U.S. closed-end fund classifications consisting of 10 Equity, 14 Fixed Income, and 2 Hybrid Classifications. The Fixed Income categories are further sub-divided into Taxable and Municipal groups.

We then calculate a wide range of composite indexes, e.g. "All CEF", "All Fixed Income", "All Municipal", "All Equity", etc. A full list of all our peer groups, sorted by their lowest level composite index groups, can be found on the following pages.
**Equity**

**Asia Equity**
Funds investing their assets primarily in Asian equity securities; generally, these funds are seeking long-term capital appreciation rather than income.

**Commodities**
Funds that invest directly in commodities.

**Covered-Call Funds**
Funds investing in equities and generate additional income by writing calls on a significant portion of their portfolio.

**Emerging Market Equity**
Funds investing their assets primarily in emerging market equity securities in multiple countries and regions; generally, these funds are seeking long-term capital appreciation rather than income.

**Global Equity**
Funds investing primarily in equity securities in U.S. and foreign countries, with an emphasis on developed countries. Most of these funds seek long-term capital appreciation rather than high income.

**MLP**
Funds that invest primarily in Master Limited Partnerships—these are mostly companies involved in the natural resources sector.

**Real Estate**
Funds that primarily invest in global Real Estate Investment Trusts (REITs).

**Sector Equity**
Funds that invest in a specific equity sector, such as Basic Materials, Communication Services, Healthcare, et cetera.

**Single-Country Equity**
Funds that invest in equity securities in a single foreign country.

**U.S. Equity**
Funds investing their assets primarily in U.S. equity securities; generally, these funds are seeking long-term capital appreciation rather than income.
Fixed Income – Taxable

Convertibles
Funds that invest primarily in convertibles bonds and/or convertible preferred stock.

Emerging Market Income
Funds that invest primarily in emerging market government and corporate debt securities.

Global Income
Funds that invest primarily in a mixture of U.S. and foreign government and corporate debt, with an emphasis on developed countries.

High Yield
Funds that seek high current income through investing in non-investment grade debt instruments.

Investment Grade
Funds that invest primarily in investment grade debt instruments.

Limited Duration
Funds investing in fixed income securities with a duration of less than 5 years; by doing so, they aim to achieve lower than average interest rate risk.

Multi-Sector
Funds that invest across several fixed income asset classes, with typically less than 50% in any one of these asset classes.

Preferreds
Preferred stock portfolios concentrate on preferred stocks and perpetual bonds. These portfolios tend to have more credit risk than government or agency backed bonds, and effective duration longer than other bond portfolios. These portfolios hold more than 65% of assets in preferred stocks and perpetual bonds.

Senior Loans
Funds that invest primarily in collateralized senior bank loans issued by corporations. Most of these securities are typically rated below investment grade.

Taxable Muni
Funds that invest in taxable municipal bonds.
**Fixed Income – Municipal**

**Municipal**  
Funds that invest in municipal bonds across states.

**Municipal - CA**  
Funds that invest in municipal bonds from California.

**Municipal - NY**  
Funds that invest in municipal bonds from New York State.

**Municipal - Single-State**  
Funds that invest in municipal bonds from a single state other than California or New York.
Hybrid

Global Allocation
Funds investing in both equity and fixed-income securities in U.S. and foreign countries, with an emphasis on developed countries.

U.S. Allocation
Funds investing in both equity and fixed-income securities in the U.S.