Morningstar Investment Management Europe

Morningstar® Managed Portfolios™

Discretionary portfolios built with investors' needs in mind

For Investment Adviser Use Only

"We leverage our depth of resources, proprietary research and investing expertise to build investment strategies designed to deliver great investment outcomes for investors."

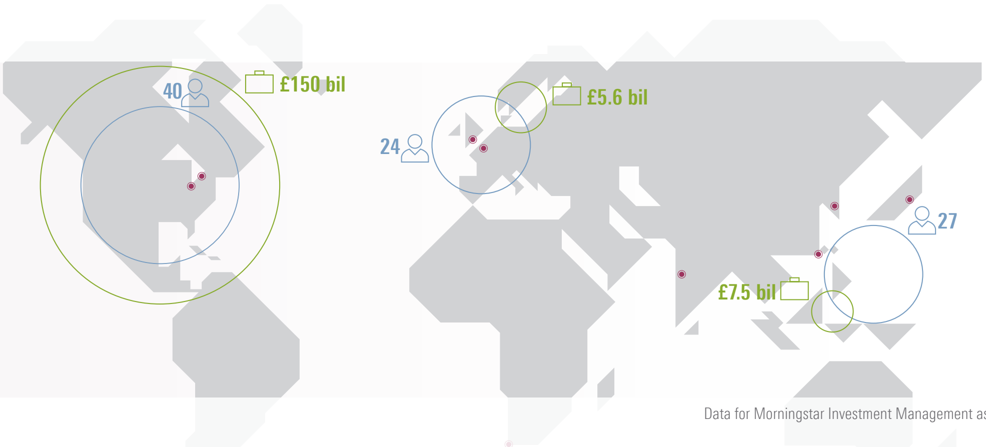
Daniel Needham, President and Chief Investment Officer, Investment Management

"Our managed portfolios reflect our valuation-driven asset allocation and investment selection expertise. We use this knowledge to maximise reward for risk at a total portfolio level."

Dan Kemp, Chief Investment Officer, EMEA
Morningstar Investment Management Europe Ltd

Our Investment Team

Expertise You Can Trust



Data for Morningstar Investment Management as of 30 June 2017

Morningstar is a leading provider of independent investment research. Financial advisers and other investment professionals turn to Morningstar for tools that help them research, analyse and present their investment ideas.

Drawing from our global resources, Morningstar Investment Management Europe has developed Morningstar® Managed Portfolios.™ Financial advisers use the portfolios to help clients reach their financial goals.

We combine risk profiling, renowned asset-allocation research, shrewd investment selection and professional investment expertise in our Morningstar Managed Portfolios. We use unbiased, objective research from Morningstar to create a range of portfolio options for clearly defined risk profiles.

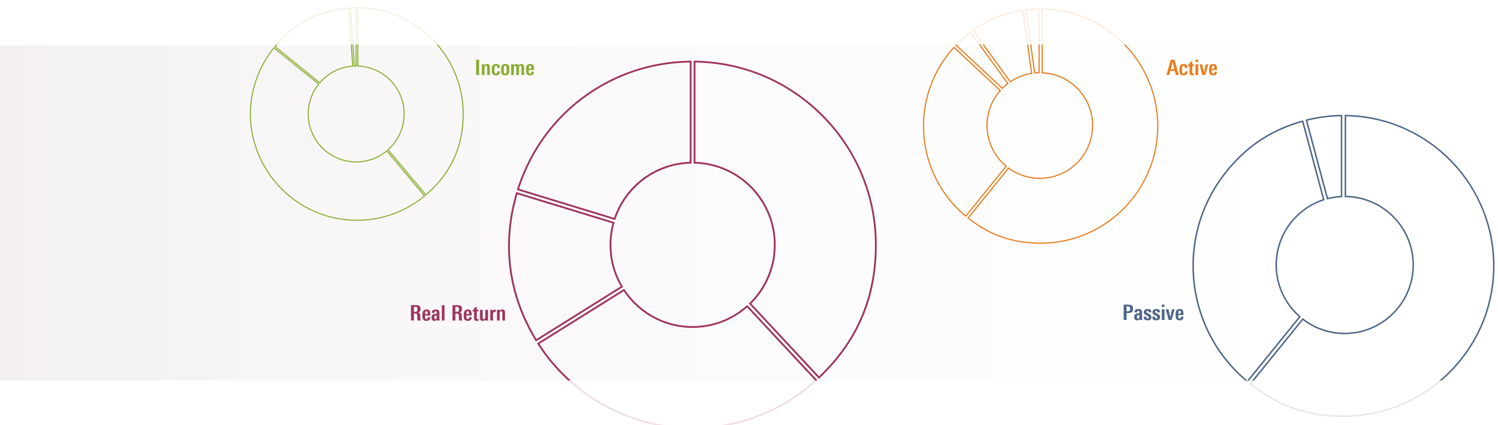
Each portfolio we create is built for the long term and managed with a keen eye on risk. Our managed portfolio services can help enhance your investment offerings, strengthen client relationships and streamline your business.

Together, we bring your clients the best of both worlds: a plan that you've tailored to their goals with the advantages of professional portfolio management.

Global Investment Management, Local Expertise

Our investment professionals share an international perspective that is informed by local-market knowledge and guided by consistent global principles to craft solutions that cater to the unique needs of their markets. Our UK-based team includes experienced portfolio managers, dedicated asset-allocation specialists and an investment operations team, which helps foster cohesive and agile decision-making.

Solutions for Diverse Client Needs



Our platform-based discretionary portfolios are designed to serve a diverse range of client needs.

- **Income** portfolios are intended to provide a stable income in the context of attractive risk-adjusted returns. By focusing on income stability (not just the current yield), our service can provide realistic and risk-aligned income portfolios you can use as part of a long-term investment plan for your clients.

- **Real Return** portfolios are designed to deliver returns above inflation and increase the real worth of a client's capital. We do this by investing in an unconstrained, diversified portfolio of assets that are fundamentally undervalued, overlooked or underappreciated.

- **Active** portfolios use a valuation-driven asset allocation and active management to deliver outcomes. They span equities, fixed-income and alternative investments, providing exposure to a broad range of return drivers that can be weighted according to our expectations for risk and returns.

- **Passive** portfolios are the purest reflection of our asset-allocation strategy. Because of their straightforward composition, passive investments do not face the same possibility of investment style drift as vehicles under active management. Our passive series features exact expressions of our asset-allocation targets for each risk level.

Available to a Range of Investors

Morningstar Managed Portfolios have no minimum investment levels, giving more of your clients access to our service and saving you the time and expense of juggling providers based on client assets. Advisers who use our portfolios receive ongoing support including regular performance and market updates and access to client account representatives.

Our Process

The Morningstar Difference

Rigourous Portfolio Construction

By focusing the resources of our global business on a small number of discretionary portfolios, we set out to create options for long-term investment plans.

Our approach to portfolio construction builds on our 30-plus years of asset-allocation research to create portfolios that use bespoke capital-market assumptions.

Valuation-driven asset-allocation decisions are based on risk and expected portfolio return. They are backed by diligent research, expert opinion and independent research from Morningstar.

Disciplined Risk Management

Each portfolio is subject to comprehensive risk analysis. Our risk-tolerance questionnaire is also aligned to each portfolio we manage. We provide this to you to give directly to clients to help minimise the chance for a mismatch with your clients' preferences.

Our investment team also subjects portfolios to rigorous oversight, keeping a close eye on each portfolio to make sure it remains in line with its targets.

World-Class Manager Research

The Morningstar analyst team is one of the largest and most experienced fund research teams in the UK market, and it shares information with Morningstar's professionals around the world. Our investment professionals use independent data from Morningstar and regular face-to-face meetings with investment managers to identify what we believe to be the funds that best reflect the strategies of our investment solutions.

Our strategies aim to create better outcomes for you and your clients by combining independent research from our global team of analysts with portfolio construction informed by our leading asset-allocation research.

Inside Our Investment Process

We create and maintain our portfolios through this ongoing five-step process.

In-Depth Valuation Analysis
We analyze capital markets with a valuation lens to find ways we can get more than we'll pay for, and gauge market sentiment to help ensure we're taking a contrarian look at markets.

Develop Asset Class Views
Our asset allocation best thinking stems from valuation-based opportunities in stock and bond markets, as we seek to maximize return for a given level of risk.

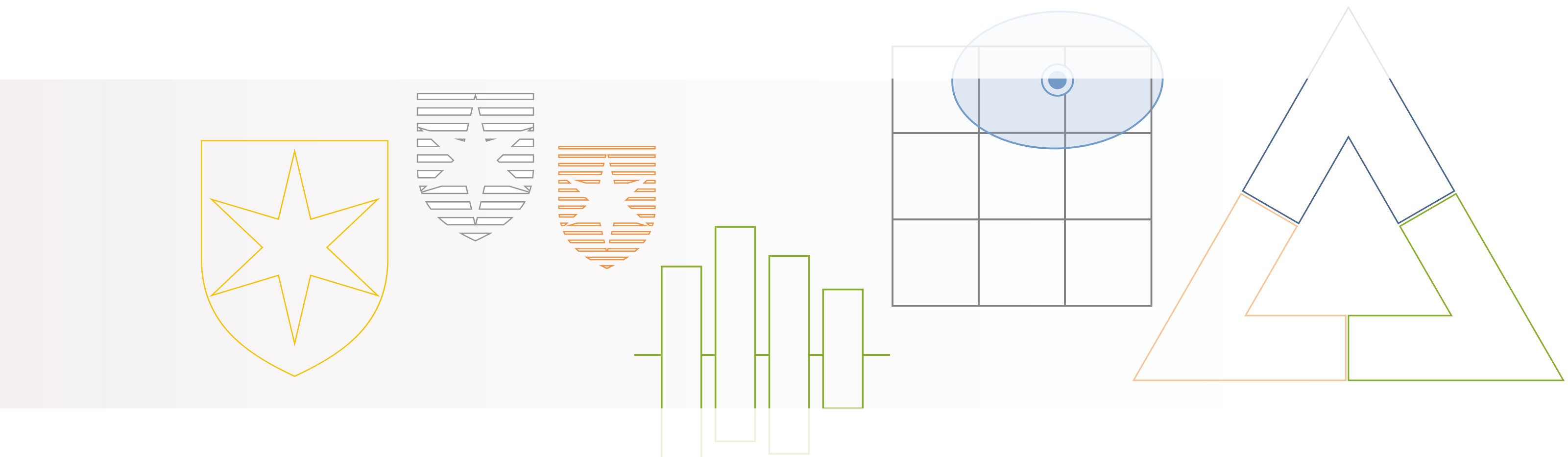
Investment Selection
Our manager research team meets personally with managers to evaluate their investment styles using a five-pillar system to identify the most appropriate strategies to include in our portfolios.

Portfolio Construction
When building portfolios, we look at the whole picture Considering risk and return characteristics of investments may adjust our asset class thinking as we bring pieces together into a portfolio.

Ongoing Monitoring
As markets change, so do our portfolios. Our investment team monitors them each day to stay well-positioned and risk-aware through the market's ups and downs.

Working With You

Communication to Support Your Clients



The Morningstar Managed Portfolios team is dedicated to providing you the information, materials and support you need to build client relationships and expand your business.

You'll receive:

- Direct communications about portfolio changes and the reasons behind them so you're always informed and able to explain these to your clients.
- Access to a dedicated relationship team to answer day-to-day queries.
- Access to portfolio managers to address any questions or concerns.
- Regular, detailed reporting that shows you the status of the portfolios and their performance.

Nobody knows what's important to your clients like you do. Some of our communications are designed for you to share directly with your clients to complement your advice and provide clear explanations of their portfolios. You can use our communication materials to inform client discussions, build client trust and foster long-term relationships.

For additional materials, visit: **global.morningstar.com/UKManagedPortfolios**

Risk Warning

It is important to note that investments in securities involve risk and will not always be profitable. Morningstar Investment Management Europe Limited does not guarantee that the results of its investment decisions or the objectives of the portfolio will be achieved. Morningstar Investment Management Europe Limited does not guarantee that negative returns can or will be avoided in any of its portfolios. An investment made in a security may differ substantially from its historical performance and as a result, portfolios may incur a loss. Past performance is no guarantee of future results. The value of investments may go down as well as up and an investor may not get back the amount invested.

Morningstar's Investment Management Group

Any use of the sole term Morningstar in this document refers to Morningstar, Inc. Morningstar's Investment Management group comprises Morningstar, Inc.'s registered entities worldwide, including the United Kingdom. Morningstar Investment Management Europe Limited is authorised and regulated by the Financial Conduct Authority to provide services to professional clients and is the entity providing the discretionary management services. The fund research and rating activities of Morningstar, Inc. are not undertaken by Morningstar Investment Management Europe Limited and as such, are not regulated by the Financial Conduct Authority. Morningstar® Managed Portfolios™ are intended for citizens or legal residents of the United Kingdom. These portfolios can only be made available through the use of investment advisers appropriately authorised and regulated by the Financial Conduct Authority.

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