Morningstar Investment Management Europe

Morningstar® Managed Portfolios™ Active Range

Core strategies designed to capture the strengths of active management.

For Investment Adviser Use Only

Thoughtful, Risk-Aware Growth

These Morningstar® Managed Portfolios™ are designed to provide the foundation of your clients' investing experience by using active management where it may add the most value.

Strategic and Tactical Asset Allocation

Morningstar's active portfolios begin with our ground-breaking research on long-term strategic asset allocation. This approach considers all asset classes globally to build diversified portfolios consisting of equities as well as fixed-income and alternative investments. This gives investors exposure to a broad range of asset classes that can be weighted according to our expectations of risk and reward.

From there, our portfolio managers and researchers add a tactical asset allocation layer, looking for medium-term opportunities and risks that the portfolios can seize or avoid depending on the situation. Using high-quality data and research from Morningstar's global analysts, our portfolio managers scrutinise every investment in every portfolio to determine its suitability and potential for long-term performance.

Designed With Investors' Goals in Mind

Our active portfolios are designed to be a core investment, so we want to make your clients' investing experience as smooth as possible.

To start, we provide you with our risk-tolerance questionnaire to match your clients with a portfolio that suits their appetite for risk. Our portfolio managers work to maintain each portfolio within the limits for expected drawdowns. We also aim to keep our portfolios within a range of projected volatility over the long term. This helps reduce the impact of market downturns while making it possible to capture the results from market rises.

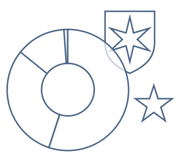
A Blended Approach

Each portfolio is designed to use active management where it may add the most value, maintaining an established risk level while minimising expenses.

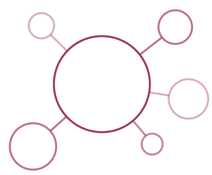
Some asset classes, such as small-cap equities and emerging-markets equities, offer talented portfolio managers the opportunity to outperform the market. When investing in those areas, we are likely to select an actively managed fund. Other asset classes benefit less from the insights of active managers—such as government bonds and North American large-cap equities. In these situations, we use passively managed investments for exposure to those strategies at a low cost.

Key Facts

Our fees are kept at a minimum to maximise portfolio efficiency.



We have the financial strength to support our clients over the longterm. We harness decades of research experience to build our portfolios by combining our asset-allocation expertise with our experience selecting skilled managers.



The service is available on a wide range of platforms.

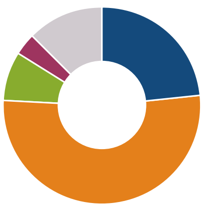
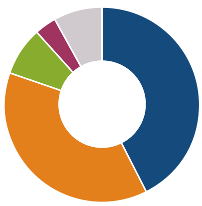
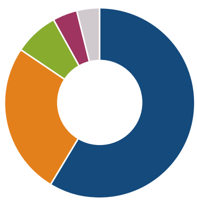
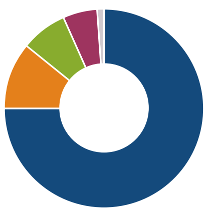
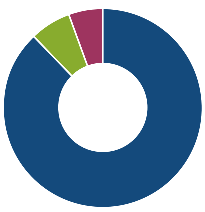
We do not compete with advisers. We do not employ financial planners and we do not provide advice to retail investors.

Active Portfolios

When creating and monitoring Morningstar Managed Portfolios, we draw on our asset-allocation expertise and leading research to build a sophisticated framework for combining active and passive investment styles.

The range consists of five risk-aligned multi-asset portfolios:

Cautious Active Portfolio
Moderately Cautious Active Portfolio
Moderate Active Portfolio
Moderately Adventurous Active Portfolio
Adventurous Active Portfolio

	Portfolios	%	Asset Allocation	Goal
	**Cautious Active**	23.5 52.5 8.0 3.5 12.5	Equity Fixed-Income Absolute Return UK Property Cash and Cash Equivalents	This portfolio aims to provide some capital growth while focusing on capital preservation over the short to medium term. There is a maximum equity weighting of 35%.
	**Moderately Cautious Active**	42.5 38.0 8.0 3.5 8.0	Equity Fixed-Income Absolute Return UK Property Cash and Cash Equivalents	This portfolio aims to provide a balance between capital growth and capital preservation over the medium term. There is a maximum equity weighting of 50%.
	**Moderate Active**	58.8 26.0 7.5 4.25 3.75	Equity Fixed-Income Absolute Return UK Property Cash and Cash Equivalents	This portfolio aims to provide capital growth and some capital preservation over the medium to long term. There is a maximum equity weighting of 65%.
	**Moderately Adventurous Active**	75.0 11.0 7.5 5.5 1.0	Equity Fixed-Income Absolute Return UK Property Cash and Cash Equivalents	This portfolio aims to provide capital growth over the long term. There is a maximum equity weighting of 85%.
	**Adventurous Active**	88.0 0.0 6.5 5.5 0.0	Equity Fixed-Income Absolute Return UK Property Cash and Cash Equivalents	This portfolio aims to provide capital growth over the long term. There is a maximum equity weighting of 100%

Figures are based on 31st January 2016 allocation and are subject to change. Asset classes shown are Morningstar, Inc. category groups. Allocation of portfolios at the individual account level may vary.

Learn more about how our active range can help your practice.

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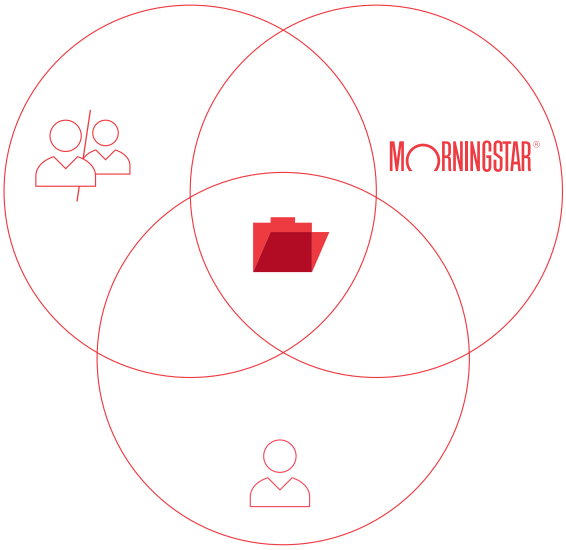

Working Together to Put Your Clients First

With Morningstar® Managed Portfolios,™ your clients get twice the service, expertise and ongoing attention to their portfolio. Working in collaboration with financial advisers, we provide a solution that taps into our strengths. You know your clients' needs and how to build plans to meet them. We combine our investment knowledge with portfolio management experience to provide investing solutions that put your clients first.

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

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 investors may not get back the amount invested.

Morningstar's Investment Management Group

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. Registered address: 1 Oliver's Yard, 55-71 City Road, London, EC1Y1HQ. Morningstar's fund research and rating activities 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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