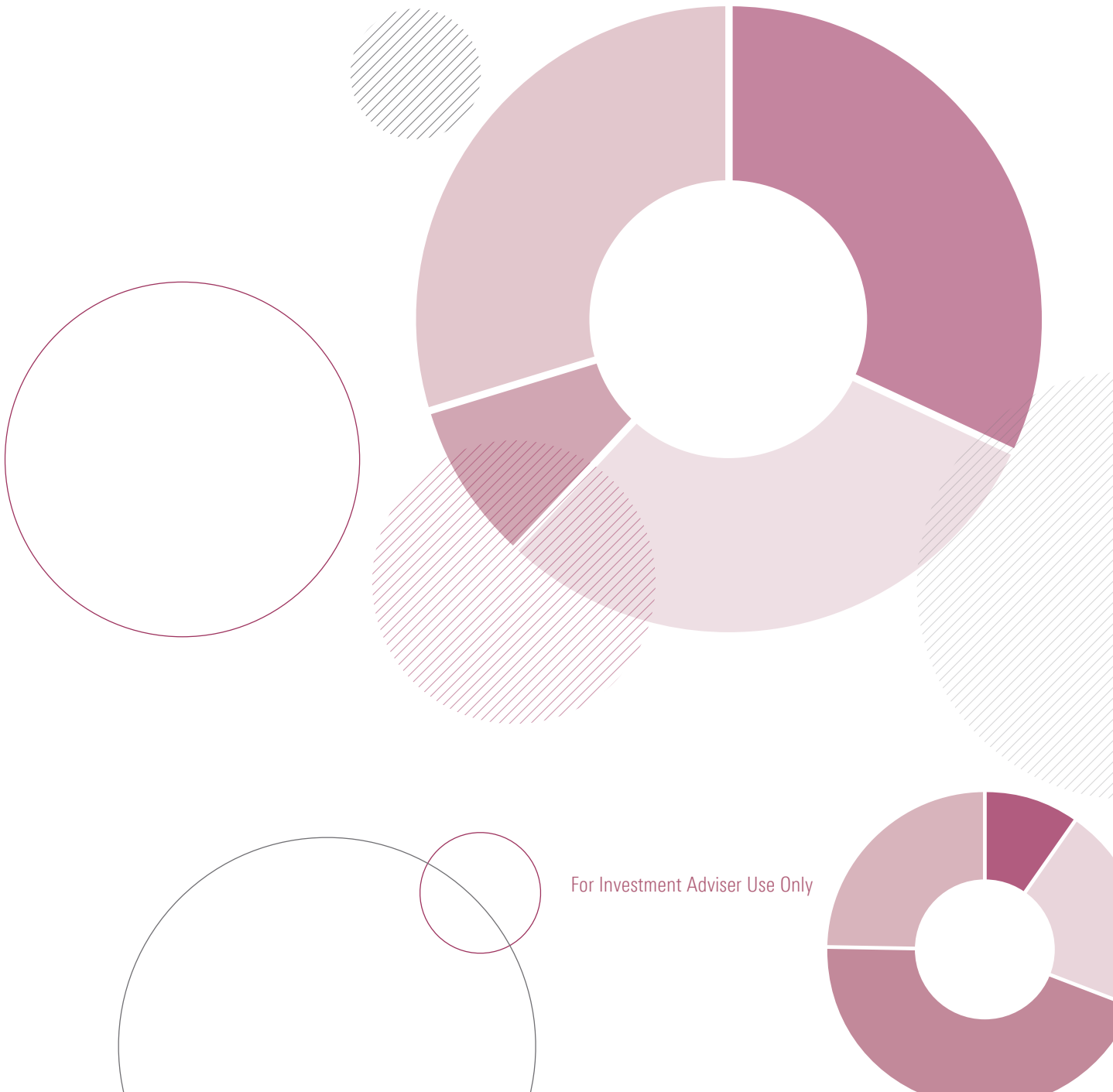


Morningstar[®]
Managed Portfolios[™]
Multi-Asset Real
Return Range

Value-driven multi-asset portfolios designed to deliver returns above inflation.



For Investment Adviser Use Only

A Commitment to Real Returns

These Morningstar® Managed Portfolios™ use value-driven research to locate high-quality undervalued investments and help you grow client capital.

A Foundation of High-Quality Value

Our global real return portfolio managers identify the most attractive investment opportunities using consistent, rigorous research that has been tested in markets around the world.

First we look for the sustainable, long-term intrinsic value of each asset, then we compare this value with its current market valuation to find investment opportunities that have the most favourable balance of risk and return.

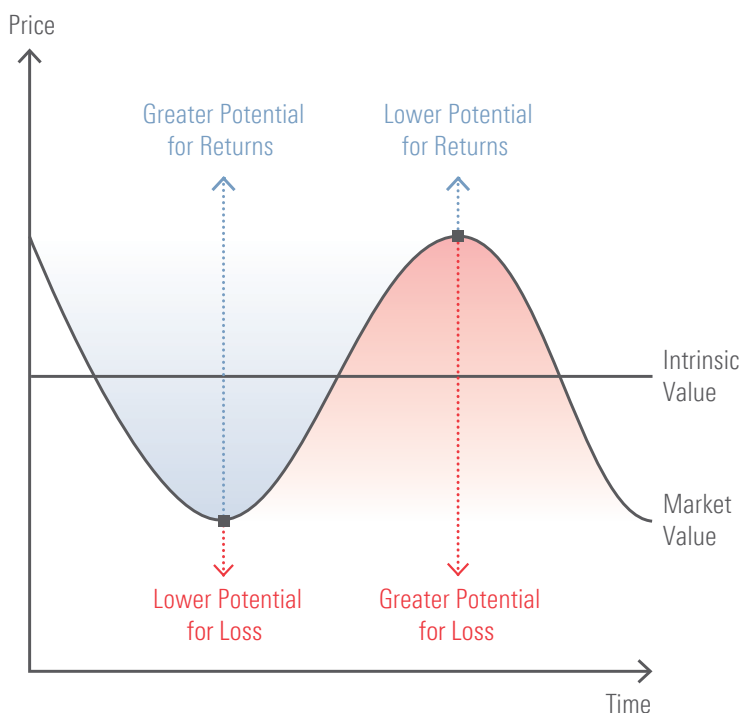
Every month, our global dynamic asset-allocation committee scrutinises 150 asset classes to determine which are undervalued or overvalued, keeping in mind our belief that assets revert to their fair value over time. Short-term deviations downwards from an asset's intrinsic value represent an opportunity to generate superior returns. This valuation-based strategy is designed to protect and enhance investors' capital over time.

Dynamic Asset Allocation

Morningstar's valuation-based strategy takes a different approach to asset allocation. We combine our valuation views with fundamental market analysis and measures of investor sentiment to create portfolios that are better suited to a real-return objective.

Value = Greater Potential for Returns

We believe that if an asset is cheap, or currently undervalued by the market, the potential for positive returns is greater and the potential for loss is lower. We also believe the opposite is true for expensive or overvalued assets—there's a lower potential for returns and a greater potential for loss.



One of the keys to this process is that our portfolio managers will only invest when there is clear expectation that an investment's reward will compensate for its risk. This means that our portfolio managers also decide between investing and holding cash. If opportunities are scarce, they increase these cash weightings to protect value and keep them ready to seize opportunities when they arise.

Risk Measured by Time

Our nontraditional approach to asset allocation requires a similarly nontraditional way of looking at risk. With an eye towards long-term value protection, we control our real return portfolio risk levels in terms of time. For each asset under consideration, we estimate the maximum recovery period based on our analysis of the largest historic loss. We only include those assets that, in a worst-case scenario, we believe would allow the portfolio to recover within a specified time frame.

Multi-Asset Real Return Portfolios

Morningstar's multi-asset real return portfolios are designed to deliver returns above inflation and increase the real worth of your clients' capital. We do this by investing in an unconstrained, diversified portfolio of high-quality assets that are fundamentally undervalued, overlooked or under-appreciated. Once we identify pockets of value, dynamic asset allocation helps make sure our risk-aware portfolios are never stuck in areas of the market where we see little or no opportunity.

The Morningstar Managed Portfolios multi-asset real return strategy is managed by our investment professionals in London and supported by Morningstar experts around the globe. Our professionals based in the UK include portfolio managers, analysts and asset-allocation specialists with years of investing experience.

By combining Morningstar's independent approach to valuation with our leading asset-allocation research, we have created a range of portfolios that can help your clients protect their assets from inflation over the long term.

The range consists of four multi-asset portfolios, aligned with our integrated risk-tolerance questionnaire:

Real Return 100: This is for investors with a cautious approach to risk. The performance target is CPI +1%, the maximum exposure to equities is 40% and the portfolio-recovery time frame is three years.

Real Return 300: This is for investors with a moderate approach to risk. The performance target is CPI +3%, the equity exposure is between 20% and 70% and the portfolio-recovery time frame is five years.

Real Return 500: This is for investors with an adventurous approach to risk. The performance target is CPI +5%, the equity exposure is between 60% and 100% and the portfolio-recovery time frame is 10 years.

Real Return Flexible: This operates as an unconstrained strategy, meaning that the portfolio can take full advantage of value opportunities when they arise with no maximum weightings and may divest fully when value is scarce. The performance target is CPI +4% and the portfolio recovery time-frame is seven years.

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.

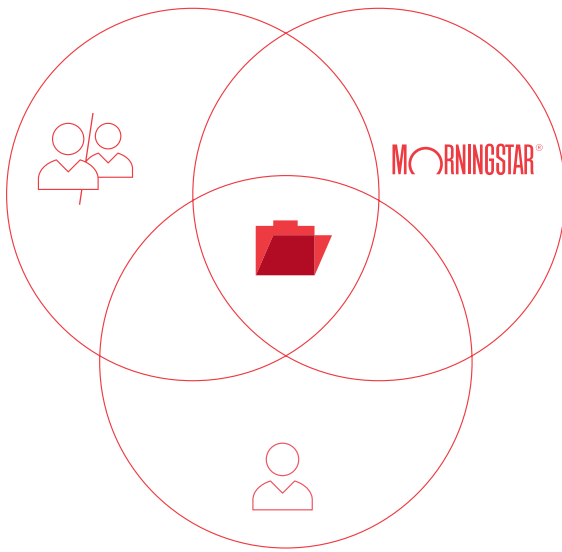


Learn more about how our multi-asset real return range can help your practice.

Tel 020 3107 2930

Email ukmanagedportfolios@morningstar.com

Web global.morningstar.com/UKManagedPortfolios



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.

