MORNINGSTAR

Silver



European Fund Fee Study 2026

Gold

Bronze

Table of Contents

Introduction 3

Key Takeaways 4

Trends in Fund Fees
- The Broad View 6
- Fees Paid by Investors 7
- Fees Charged by Industry 8
- Cheap Versus Expensive 9
- Retail Versus Institutional 10
- Launches Versus Closures 11

Fees by Country 12

Fees by Leading Providers 16

Fees and Asset Distribution 21

One-Off Fees 24

Performance Fees 26

Appendix 28
- Key Data tables 29

Methodology 34

Morningstar Manager Research

Eugene Gorbatikov
Analyst, Morningstar EMEA

Jose Garcia Zarate
Senior Principal, Morningstar EMEA

Important Disclosure
The conduct of Morningstar's analysts is governed by Code of Ethics/Code of Conduct Policy, Personal Security Trading Policy (or an equivalent of), and Investment Research Policy. For information regarding conflicts of interest, please visit: http://global.morningstar.com/equitydisclosures

Introduction

In the European Fund Fee Study, we explore how fees have changed in the European investment fund landscape in the past decade. Fees matter; they remain one of the strongest predictors of future fund returns. The fund industry, meanwhile, is in constant evolution. What began as a battle between active and passive strategies has broadened into a multilayered competition on costs. Active funds face pressure from cheaper passive products. Passive fund providers, including exchange-traded funds and index funds, are pushing fees lower as they compete against each other. And now, with the rise of active ETFs, traditional active funds find themselves under new competitive pressure. Together, these shifts are reshaping the dynamics of the European fund market.

How We Construct the Study Sample

Our analysis focuses on equity, fixed-income, and allocation funds. The sample spans the 10-year period from June 2016 through June 2026 and includes roughly 41,000 open-end funds and ETFs. By assets under management, these funds account for about two-thirds of the European fund universe observed in Morningstar Direct. Details on the selection process are provided in the Methodology section.

How We Measure Fees

We use ongoing charge as the primary measure of fund fees. This measure is based on two regulatory documents: the Key Investor Information Document, required for all European funds since June 2012, and the Key Information Document, mandated by the European Commission under Packaged Retail and Insurance-based Investment Products regulations and compulsory since January 2023. When available, the PRIIPs KID is used; otherwise, data are taken from the KIID.

Key Takeaways

Fees Continue to Decline



- Active and passive fund fees in the UK and mainland Europe **steadily declined** in the past decade.
- Fee competition in the passive space has helped, but a bigger driver is **the ever-lower cost of newly launched funds** and the **demise of more expensive funds**.
- The costliest 10% of active funds still charge a **hefty premium** compared with the median active fund, but they have joined the downward trend in fees.

Fee Dynamics by Asset Class



- The **shift from active to passive** has fueled the trend of falling fees paid by an average investor.
- The average fee paid by investors in active equity funds dropped to 1.15% from 1.17% in June 2025 and 1.35% a decade ago. For passive equity funds, it dropped to 0.18% from 0.19% a year earlier and 0.30% a decade ago.
- The average fee paid by investors in active bond funds is 0.68%, down from 0.80% a decade ago, but unchanged from a year earlier. For passive bond funds, it is stable at 0.15% in the past year and was down from 0.25% a decade earlier.
- Allocation fund investors have benefited less, with fees falling more slowly than equity and bond funds. Low-cost allocation funds are less prominent on the continent but popular and widely accessible in the UK.

The Impact of Fees in Assets and Flows



- Active fund investors continue to keep a sizable allocation to funds charging **above-median** fees.
- However, the cheapest vehicles have dominated **net flows** among active funds in the past decade, suggesting that costlier options are much less in demand.
- Meanwhile, the **cheapest quartile** of funds have led most of the rapid asset growth in the passive universe.

Fees by Country and Fund Providers

- **The lowest average active fund industry fees are found in the Netherlands and the UK**, thanks to their competitive fund distribution landscape and regulatory action to ban retrocessions at the retail level. **Fees elsewhere in Europe are higher** because of the prevalence of captive distribution and the ongoing practice of retrocessions. **Italy is the most expensive active fund market in Europe, though this is largely due to the charging of retrocessions.**
- The top 10 active fund providers share the general trend of decreasing fees. Swedbank stands out as the most competitive, with an average fee of 0.79%, compared with Union Investment's 1.19%.
- Fees charged by the top passive fund providers have declined, and for most, they now cluster around 0.20%-0.25%. Vanguard stands out as more competitive with an average fee of 0.13%. This is due to its focus on core building blocks.

Trends in Fund Fees

Fund Fees Continue to Decline

Fund fees in Europe have consistently fallen over the past decade. On aggregate, for all funds in our sample, the equal-weighted average fee fell to 1.06% in June 2026 from 1.08% a year earlier and 1.30% a decade ago. Meanwhile, on an asset-weighted basis, it fell to 0.75% from 0.78% in the preceding 12-month period and 1.04% a decade earlier.

The steeper decline in asset-weighted average fees—the solid red line in Exhibit 1—has been primarily driven by the substantial increase in the market share of passive funds in the past decade. In June 2017, 87% of assets were invested in actively managed funds and 13% in passive funds. By June 2026, the market share for active funds had dropped to 67%, while that for passive funds had increased to 33%.

Exhibit 1 Dynamics of Ongoing Charge

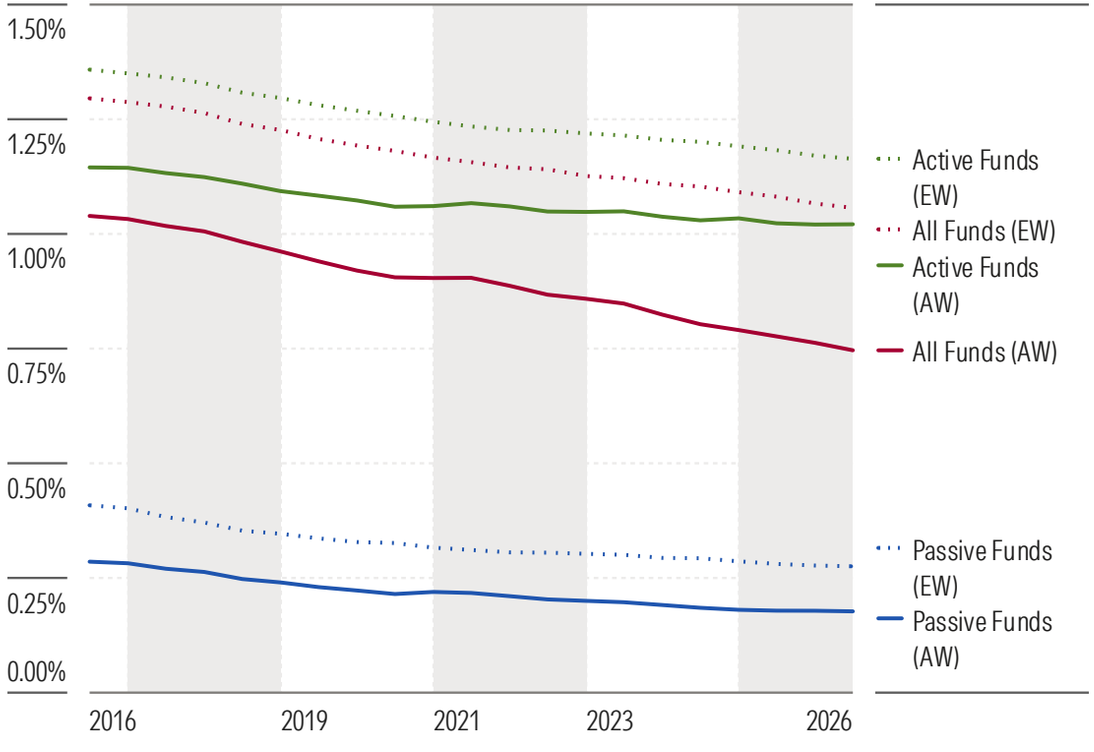
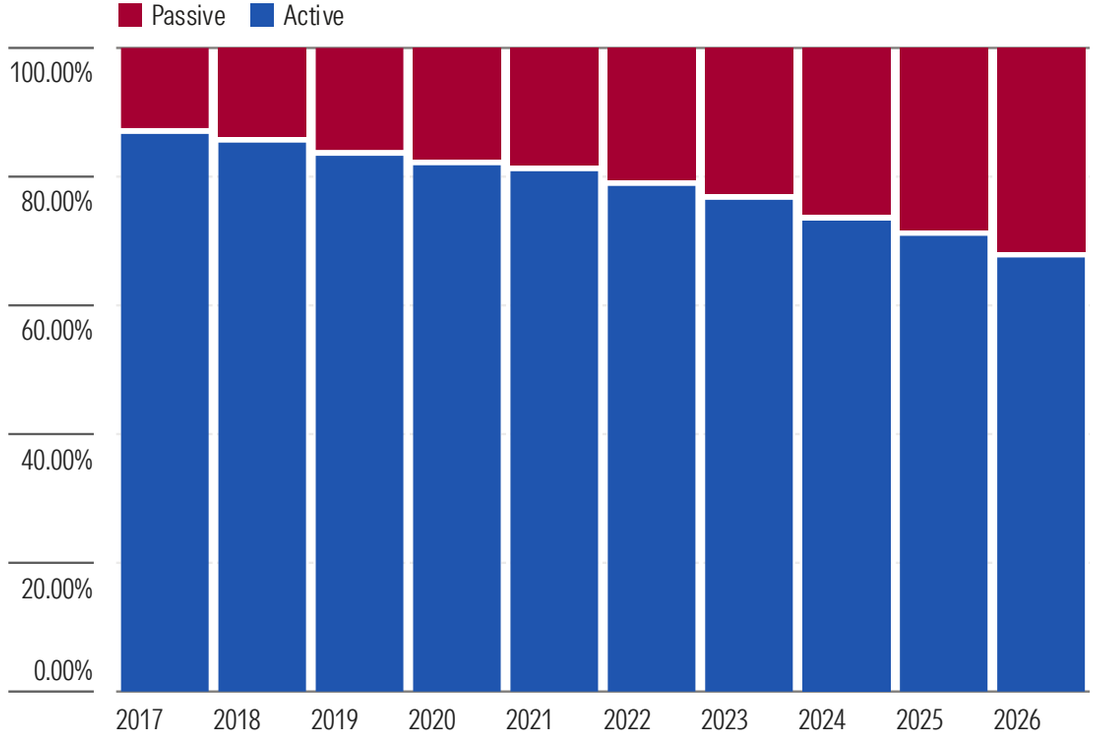


Exhibit 2 Asset Composition Over Time

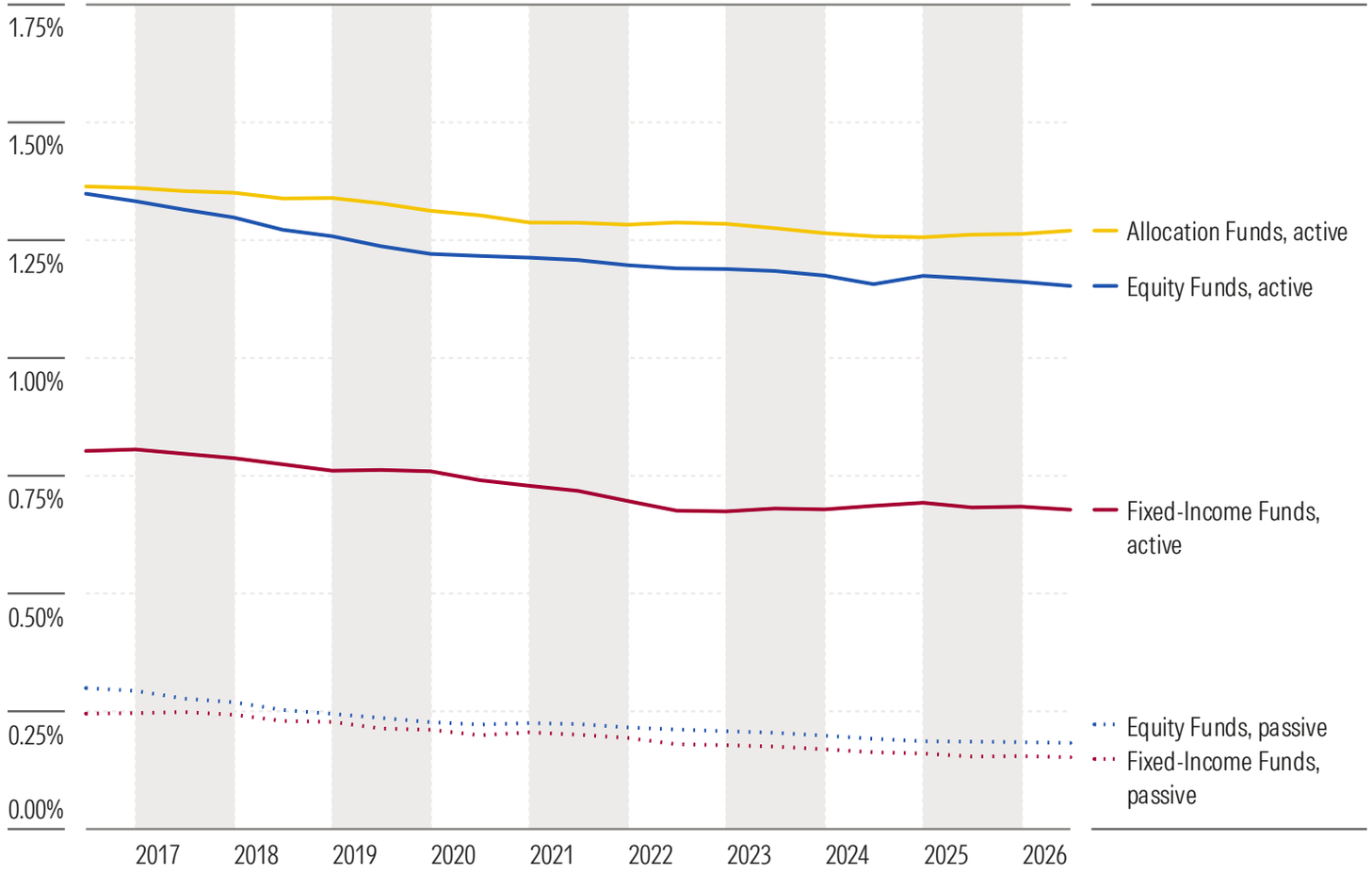


Source: Morningstar Direct. Data as of June 30, 2026.

Fund Fees Paid by Investors

- The asset-weighted average more accurately reflects the costs borne by the average investor than the equal-weighted average, as it captures what investors actually paid in fees on their invested assets. In the past decade, investor fees have steadily declined across all asset classes, regardless of management style.
- The average fee paid by investors in active equity funds dropped to 1.15% from 1.17% in June 2025 and 1.35% a decade ago, while for passive equity funds, it dropped to 0.18% from 0.19% a year earlier. It was 0.30% a decade ago.
- The average fee paid by investors in active bond funds came in at 0.68%, down from 0.80% a decade ago, but unchanged from a year earlier. For passive bond funds, it also remained stable at 0.15% in the past year and was down from 0.25% a decade earlier.
- Allocation funds stand out as those with the slowest pace of fee decline and, on average, the most expensive. This is because of a lack of competition from passives. The average fee paid by investors rose to 1.27% from 1.26% in June 2025 but is down from 1.36% a decade earlier.

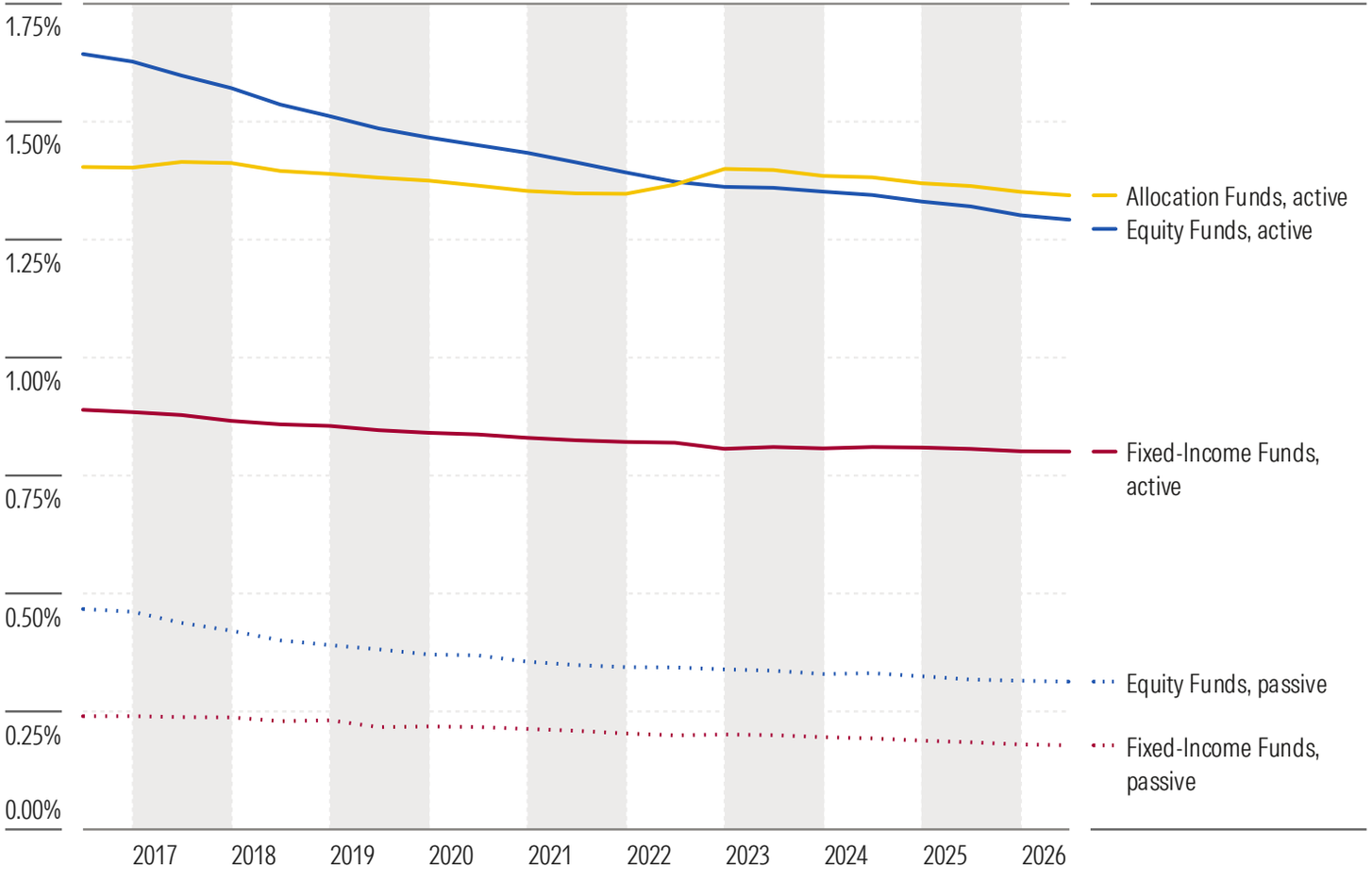
Exhibit 3 Dynamics of Ongoing Charge by Asset Class (Asset-Weighted)



Source: Morningstar Direct. Data as of June 30, 2026.

Fund Fees Charged by the Industry

Exhibit 4 Dynamics of Ongoing Charge by Asset Class (Equal-Weighted)



- Equal-weighted average expense ratios capture the fees that asset managers charge for their products, regardless of fund size. Unlike asset-weighted averages, which reflect the costs borne by investors, the equal-weighted measure represents the industry's pricing practices.
- Active equity funds have seen the steepest decline in industry fees in the past decade to 1.29% from 1.64%. In June 2025, the average fee was 1.32%. Meanwhile, the average fee for their passive counterparts dropped to 0.31% from 0.32% in June 2025 and 0.47% a decade earlier.
- The average industry fee charged by active fixed-income funds is 0.80%, down from 0.81% in June 2025, and from 0.89% a decade ago. For passive funds, it remained flat at 0.18% from June 2025 but was down from 0.24% a decade ago.
- Allocation fund fees have declined more slowly, to the extent that their average charge at 1.34% is now higher than that for active equity funds. Still, despite the lack of pressure from passive funds, the average industry fee came down from 1.36% in June 2025 and 1.40% a decade ago.

Source: Morningstar Direct. Data as of June 30, 2026.

Fees Have Reduced at Expensive and Cheap End Alike

The costliest funds still charge a hefty premium compared with the median fund, but they have joined the downward trend in fees. The drop has been especially pronounced among passive funds: Fees for cheap, median, and high-cost options have all fallen by more than a third over the past decade—a pace unmatched by any group of active funds. Fee competition in the passive space, particularly among ETF providers, is not showing signs of abating. And the traditional active fund industry now faces a new challenge in the growing market of low-cost active ETFs. The battle is no longer just between passive and active management styles but also between investment vehicles—open-end versus ETF—within the cohort of active strategies.

Exhibit 5 Ongoing Charge Dynamics: Cheap Versus Expensive, Active Funds

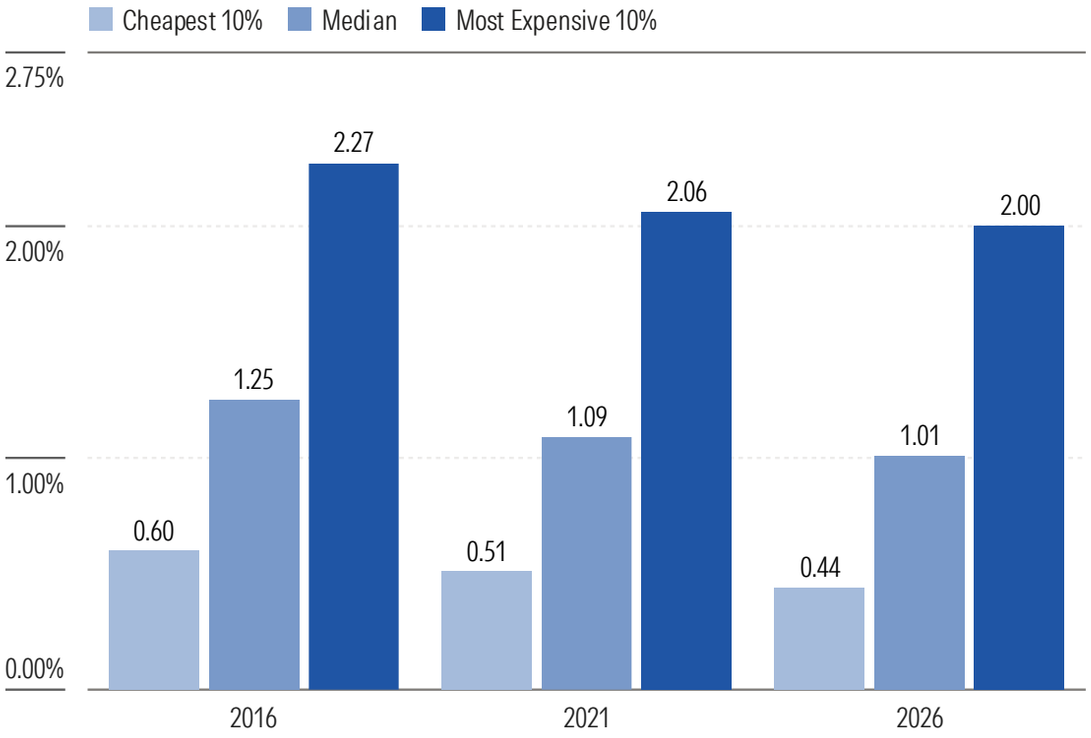
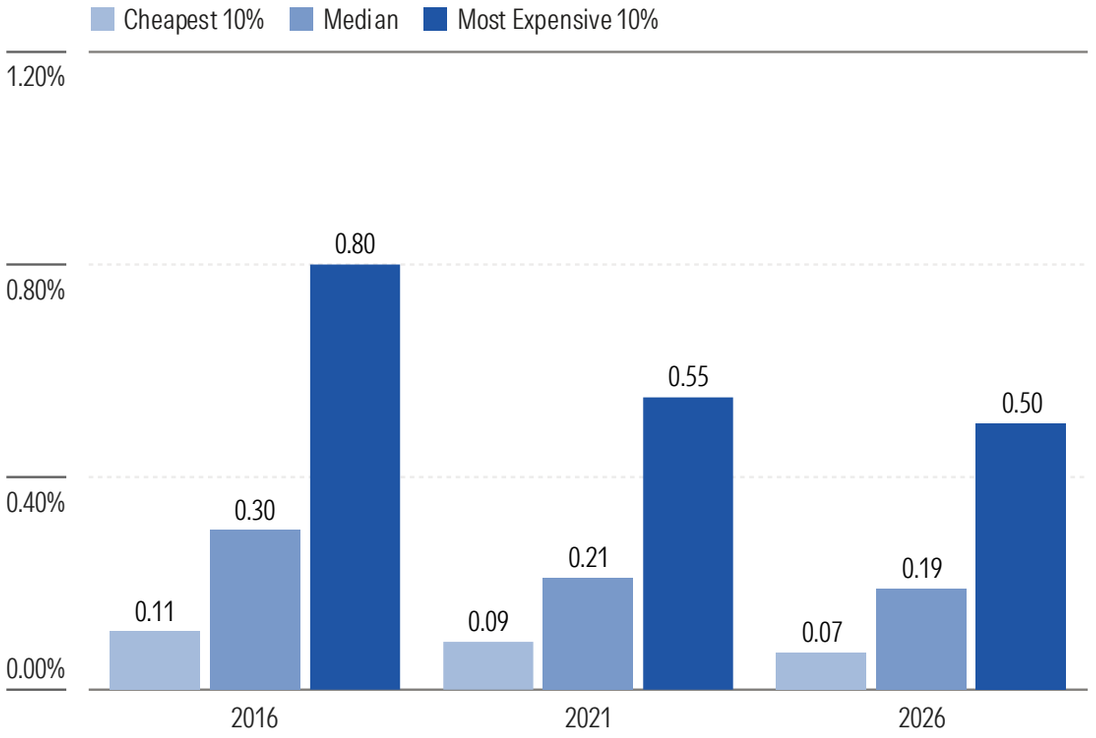


Exhibit 6 Ongoing Charge Dynamics: Cheap Versus Expensive, Passive Funds



Source: Morningstar Direct. Data as of June 30, 2026.

Fees Decline Similarly for Retail and Institutional Investors

The downward trend in fees also spans across the retail-institutional share-class division irrespective of investment style. However, it is on the equity side that investors have benefited from the steepest falls in fees. This has been driven by pressure from low-cost equity ETFs, for which the distinction between retail and institutional share classes is not applicable. For example, the average industry fee for a retail share class in equity active funds has come down to 1.44% from 1.78% a decade earlier, while that in traditional open-end index equity funds has collapsed to 0.35% from 0.63%. In both cases, they are still above the 0.31% fee charged by an equity ETF, which has also declined from 0.39% a decade earlier. Against this context, it is easy to understand the ongoing asset migration from active equity funds to passive alternatives, in particular to ETFs.

Exhibit 7 Ongoing Charge: Retail Versus Institutional Share Classes, Active Funds (EW)

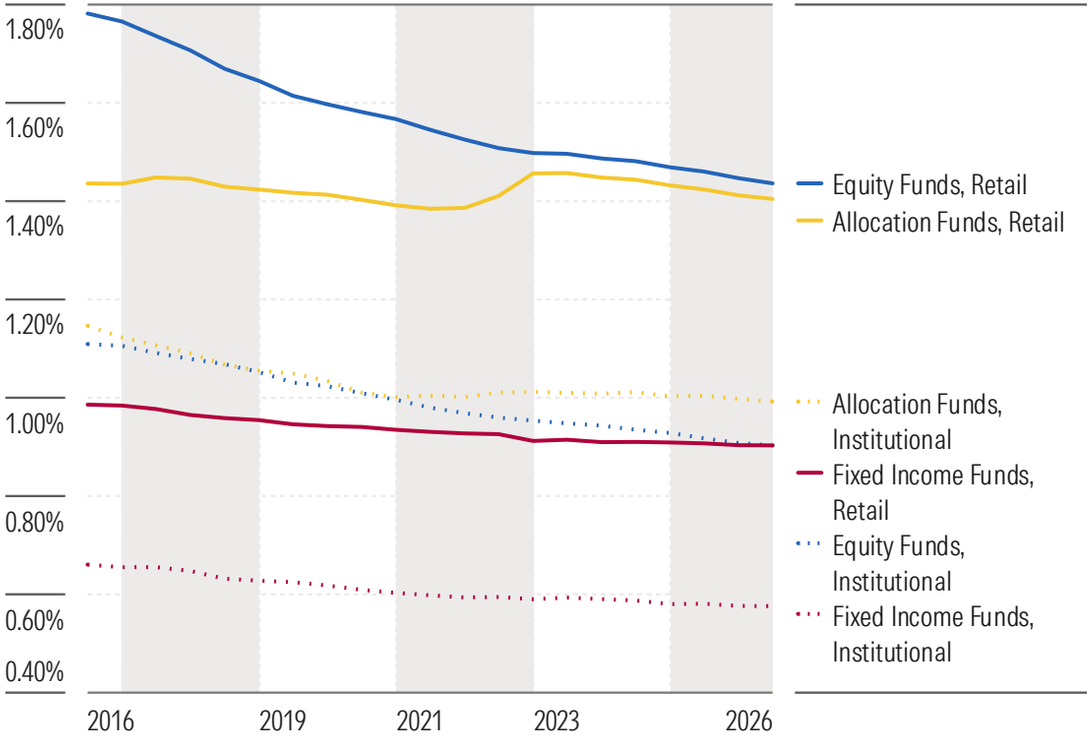
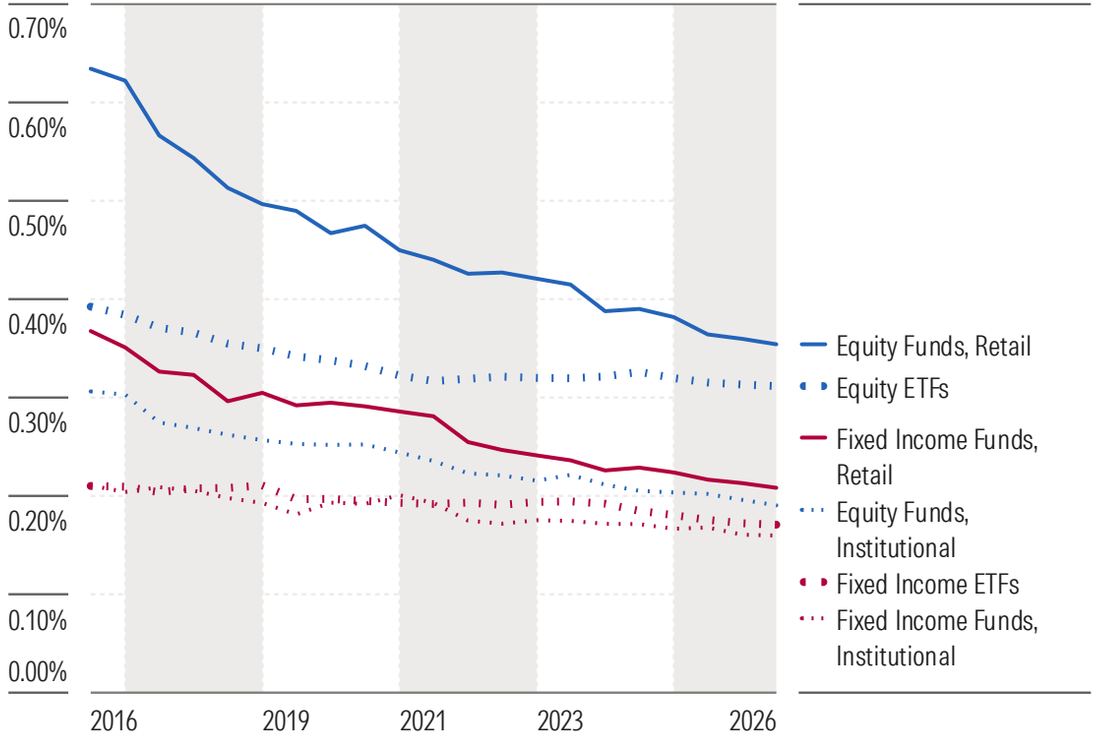


Exhibit 8 Ongoing Charge: Retail Versus Institutional Share Classes, Passive Funds (EW)

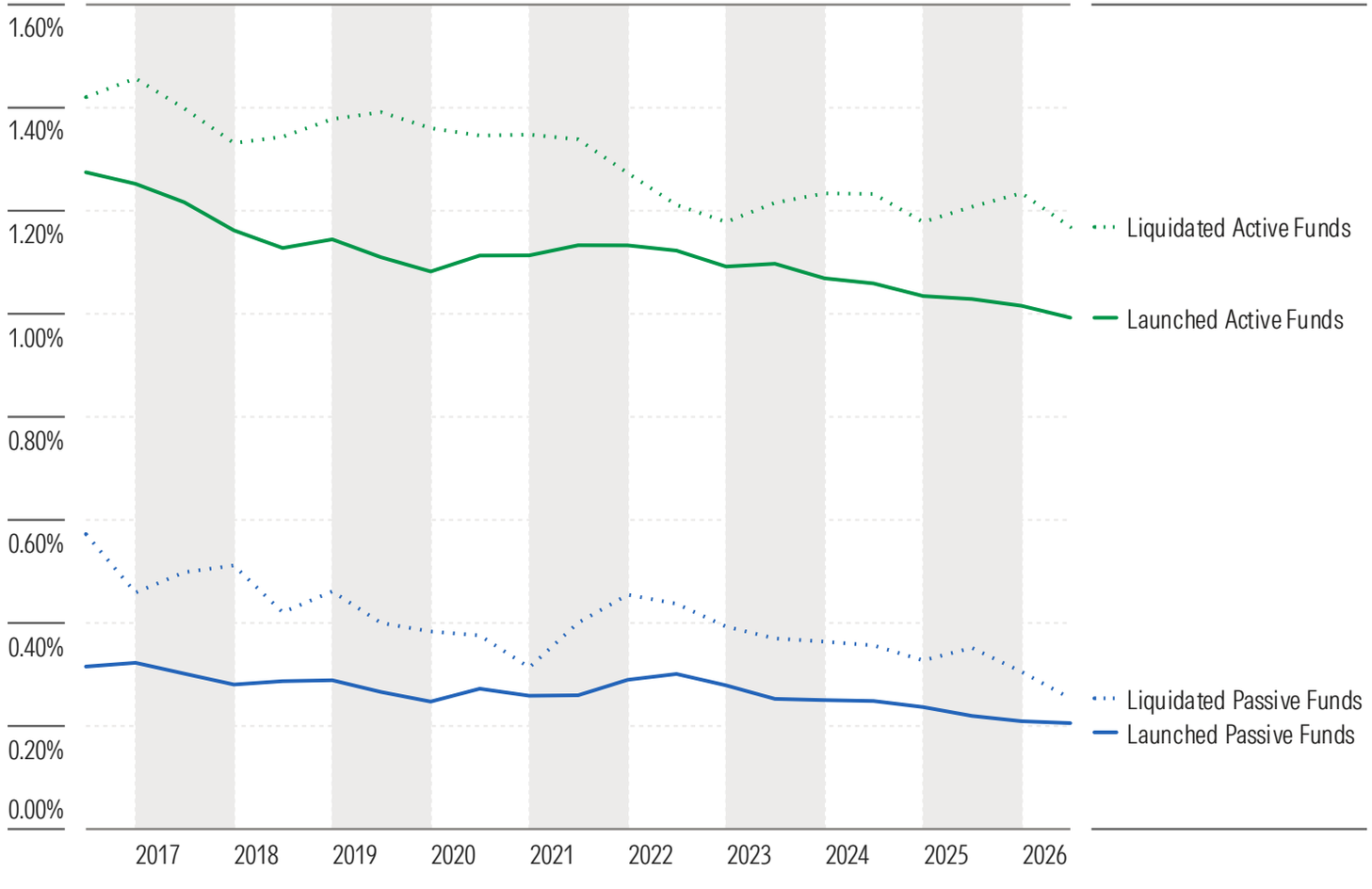


Source: Morningstar Direct. Data as of June 30, 2026.

Launches and Liquidations: Cheaper Funds Replace Costlier Funds

- In any given year in the past decade, the average cost of funds that closed was always higher than that of new funds that launched.
- The average industry fee of a newly launched active fund declined to 0.99% in June 2026 from 1.03% in June 2025 and 1.27% a decade earlier. In contrast, the average fee of a liquidated active fund stood at 1.17% in June 2026, down from 1.21% a year earlier and 1.42% a decade ago.
- For new passive funds, the average fee has fallen to 0.21%, down from 0.22% a year earlier, and from 0.32% a decade ago. For closed passive funds, the average fee in June 2026 was 0.25%, down from 0.35% a year earlier and 0.57% a decade ago.
- This tendency for cheaper funds to replace costlier funds is a key driver of lower average fund costs over time. It is also evidence that, by eating into returns, high fees are one of the key factors hampering the odds of survival of investment funds, irrespective of investment style.

Exhibit 9 Average Fees of Launched Versus Liquidated Funds (Equal-Weighted)



Source: Morningstar Direct. Data as of June 30, 2026.

Fund Fees by Country

How We Tackle Country Fee Comparisons

Starting this edition of the European Fund Fee Study, we update the way we run cross-country comparisons of average industry fund fees. As we did in the previous edition, we calculate fees by country that represent the average fee of locally domiciled funds. In this analysis, Ireland and Luxembourg represent the market of cross-border funds, many of which are distributed and sold across the rest of the countries in the sample. This offers a broad comparison of how locally domiciled offerings stack up against the cross-border peers also available for sale in their jurisdictions.

So, what´s different now? We run two sets of calculations, one based on the ongoing charge as stated in the official documentation of the funds, and another one that excludes an estimate of the average retrocession fee included in ongoing charges of share classes, a common feature in many of the countries in the sample.

Ongoing charges may include retrocessions, payments that the fund manager passes on to banks, advisors, and platforms for distributing the fund so that investors pay for distribution within the fund fee rather than separately. Their prevalence varies materially across domiciles. In markets with retail inducement bans, notably the UK and the Netherlands, distributors may no longer be paid from fund fees for new retail business. As a result, most share classes are “clean,” with no retrocession built into the charge. In Luxembourg and much of continental Europe, most retail share classes remain “bundled,” with the distributor’s payment included. The proportion of bundled share classes differs from one domicile to another, so a simple comparison of average ongoing charges is not like-for-like: It partly reflects the prevalence of bundled classes rather than the cost of the funds themselves.

To adjust domicile averages for retrocessions, we rely on the share-class-level indicator *Share Class without Retrocession* (this is a data point available in Morningstar Direct), which identifies whether the reported ongoing charge includes a payment to distributors. For each share class, we estimate the retrocession amount based on its characteristics, using a nonlinear regression model. For a full explanation of the calculation, please refer to the Methodology section of the report.

The calculations excluding retrocessions provide a like-for-like comparison for analytical purposes, but the reality remains that investors in each country should take the calculations including retrocessions as the true measure of what they´re paying for funds, and if anything, ponder the cost of management relative to other costs included in the overall fee for services whose benefit to investors can be debatable.

Fee Trends by Country—Active Funds

The Netherlands and the UK boast the lowest active fund industry fees, thanks to a competitive distribution network and regulatory pressure that led to a ban on retrocessions for retail investment advice. The average Netherlands-domiciled active fund fee is 0.70%, while for UK-domiciled funds, it is 0.84%, down from 0.90% and 0.95% five years ago, respectively. Elsewhere, captive distribution via commercial banks and insurers is more prevalent, as is the charging of retrocessions. Italy is the most expensive market, with the average fee for Italian-domiciled active funds at 1.38% compared with 1.50% five years earlier. Once estimated retrocession payments are excluded from the calculations, Italy's average fee comes down sharply to 0.89%, and Germany becomes the costliest regional market, with an average industry fund fee for its locally domiciled active funds of 1.22% (1.28% with retrocessions).

Exhibit 10 Ongoing Charge by Country, Active Funds (EW)

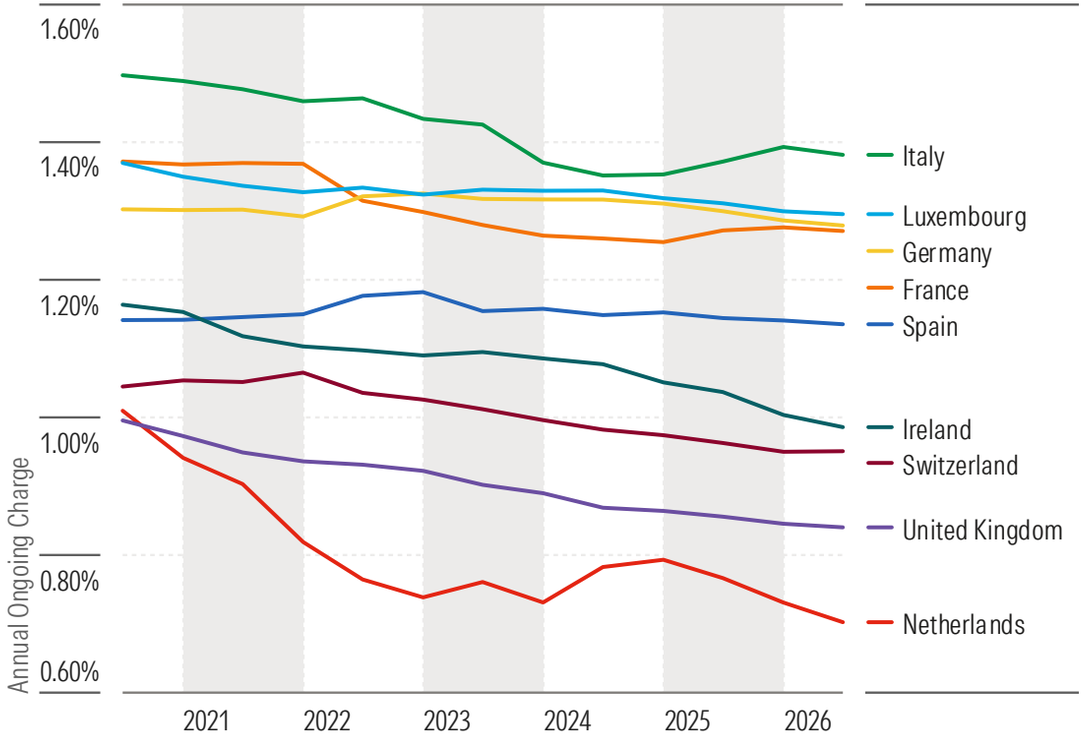
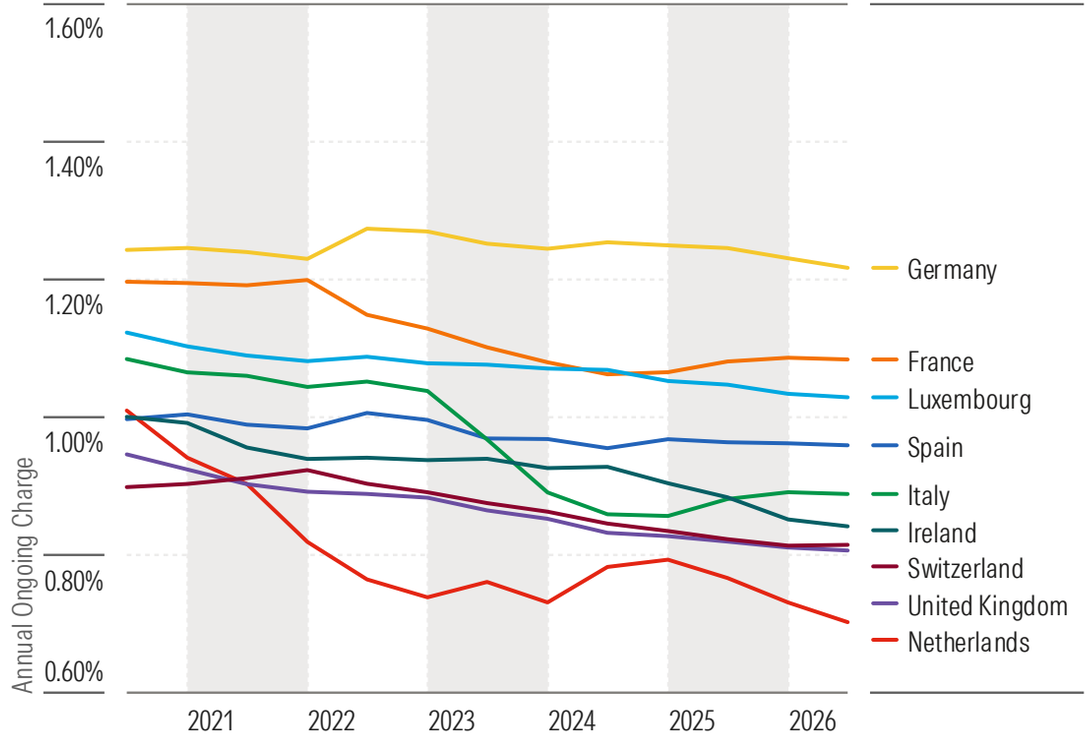


Exhibit 11 Ongoing Charge by Country, Active Funds, Adjusted for Retrocessions (EW)



Source: Morningstar Direct. Data as of June 30, 2026.

Fee Trends by Country—Passive Funds

Most passive ETFs are domiciled in Ireland and Luxembourg and do not charge retrocessions. The locally domiciled passive fund universe in other countries is largely made up of index funds. The Netherlands, the UK, and Switzerland are the cheapest, with the average fee of locally domiciled passive funds at 0.16%, 0.19%, and 0.21%, respectively. Spain stands out as the most expensive market, with an average fee for locally domiciled passive funds of 0.82%. The universe in Spain is made up of funds managed by the asset management division of leading commercial banks like Santander, BBVA, and CaixaBank. The words “captive audience” spring to mind immediately, with these products sold at branches to the retail clients of these banks. The exclusion of estimated retrocessions from calculations pushes Spain’s average fee down to 0.54%, although it remains the most expensive market.

Exhibit 12 Ongoing Charge by Country, Passive Funds (EW)

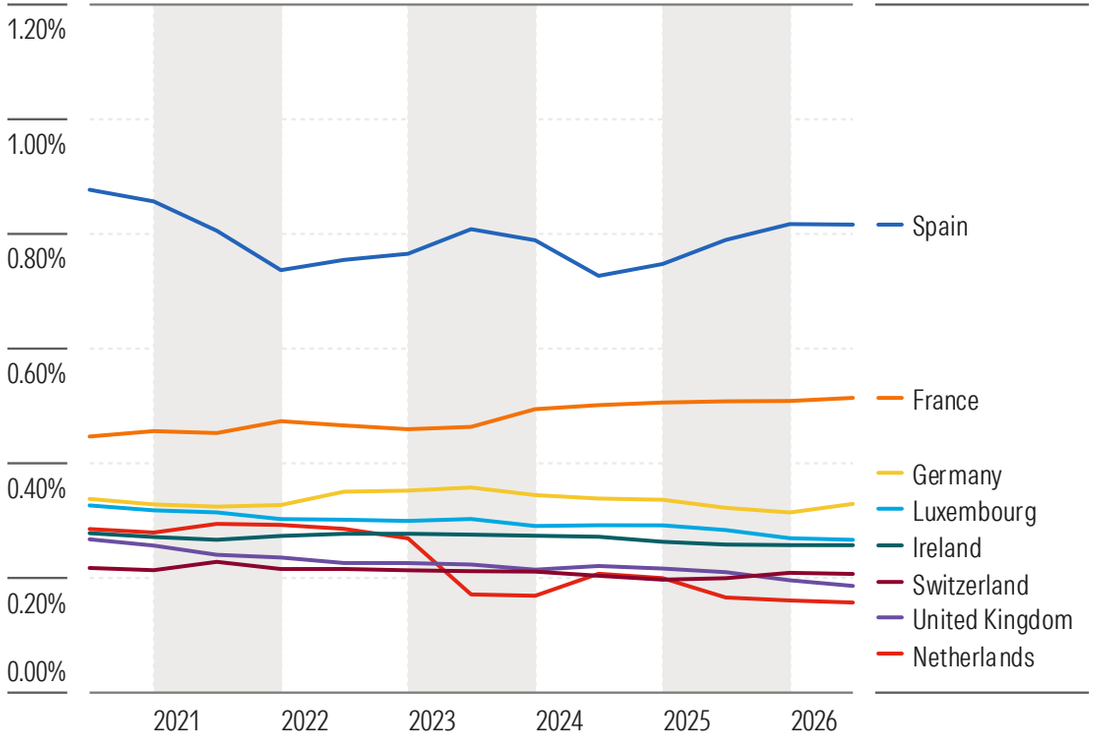
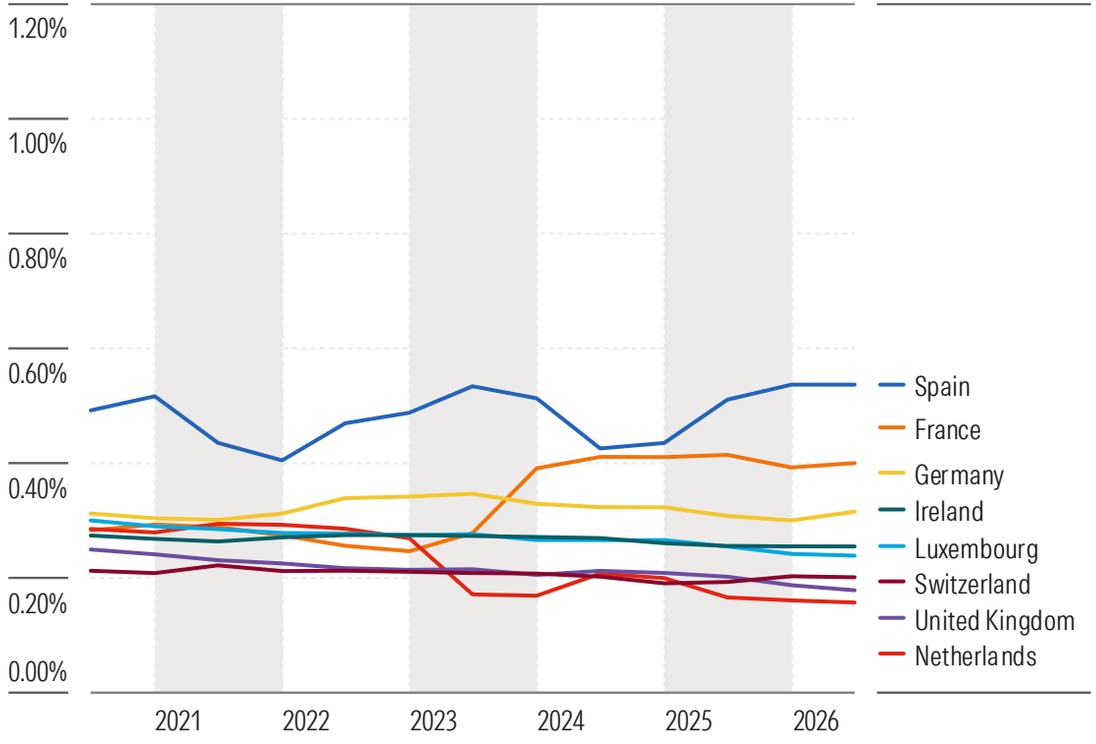


Exhibit 13 Ongoing Charge by Country, Passive Funds, Adjusted for Retrocessions (EW)



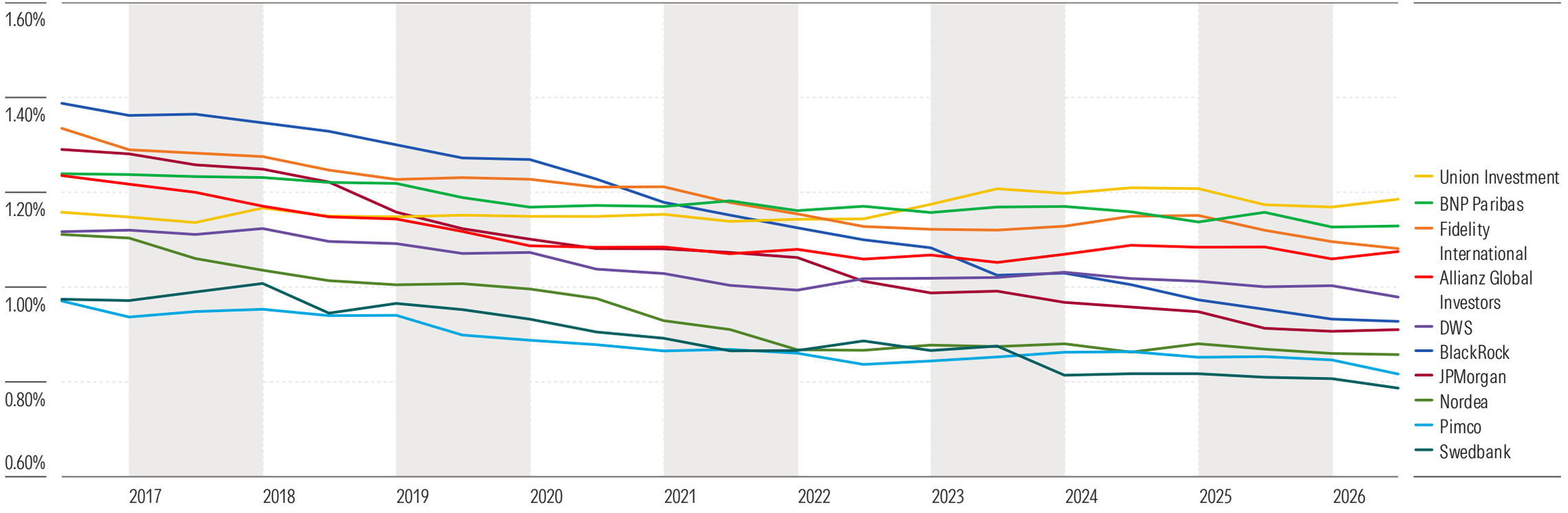
Source: Morningstar Direct. Data as of June 30, 2026.

Fund Fees by Leading Providers

Fee Trends—Top Active Fund Providers

Europe's leading active fund providers by AUM share the general trend of decreasing fees. Differences in their product sets and country footprints contribute to the wide dispersion in charges. Swedbank stands out as the most competitive, with an average fee for its range of active funds of 0.79%, down from 0.97% a decade earlier. Fixed-income specialist Pimco came as the second cheapest, with an average fee of 0.82%, down from 0.97% a decade earlier. Union Investment stands at the other side of the cost spectrum, with an average fee of 1.19%. In the time horizon considered in our analysis, BlackRock started off as the most expensive family a decade ago, with an average fee of 1.39%, but has seen a fast decline in the average fee, ending the period at 0.93%. Cost pressure from its successful iShares-branded suite of passive funds is likely to have been a factor.

Exhibit 14 Ongoing Charge Dynamics by Fund Providers, Active Funds (Equal-Weighted)

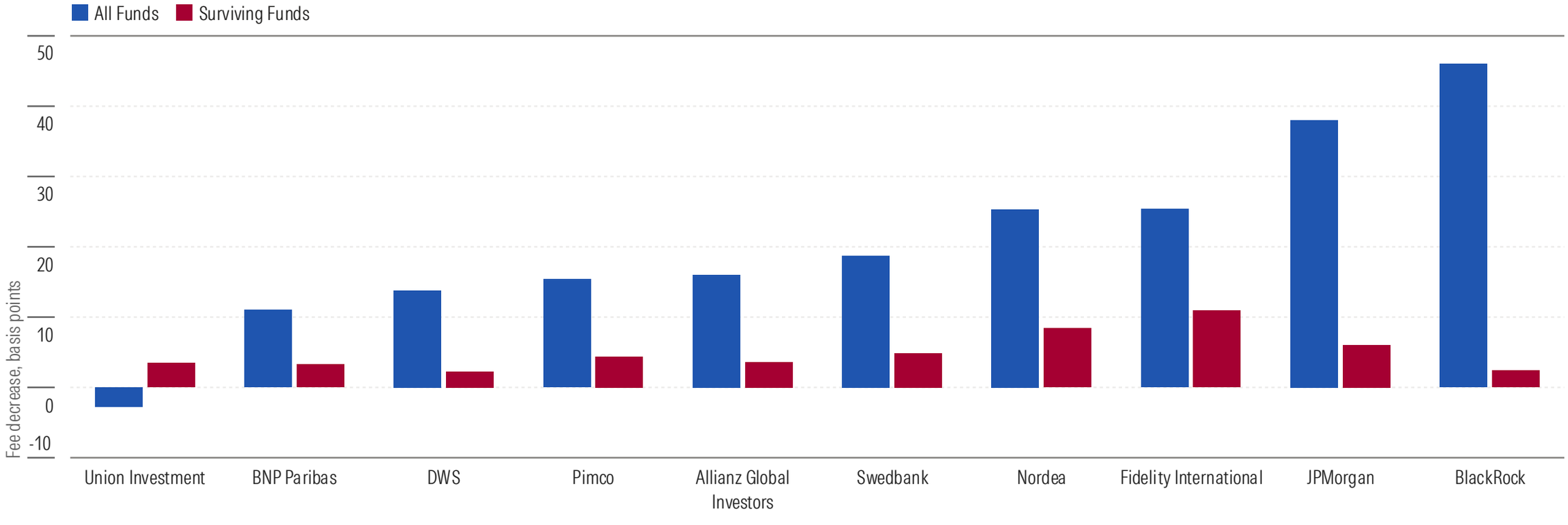


Source: Morningstar Direct. Data as of June 30, 2026.

Fee Changes—Top Active Fund Providers

The decline in aggregate average fees can be driven by the closure of expensive funds as well as falls in fees of surviving funds. Here we aim to show which part of that equation dominates in each of the top active fund providers. The blue bar represents the change in the average fee of all funds, including closed ones, from a decade ago, while the red bar only accounts for the change in fees of funds that existed and survived throughout the 10-year period. A dominant blue bar indicates that the bulk of the decrease in the average fee has been primarily driven by the closure of expensive funds. Across all the largest fund families, fund closures have played a major role in driving down average fees. Union Investment is the notable exception, as the only large provider whose newly launched funds were, on average, more expensive than its existing funds.

Exhibit 15 Ongoing Charge Decrease Over the Past Decade, Active Fund Providers (Equal-Weighted)

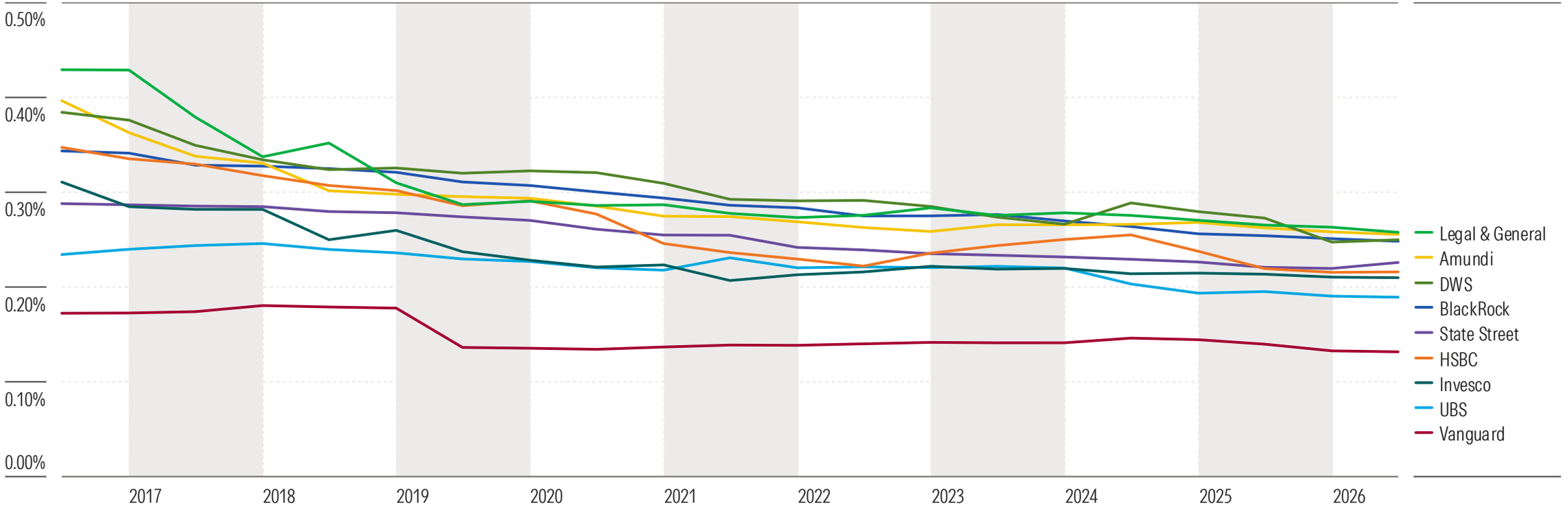


Source: Morningstar Direct. Data as of June 30, 2026.

Fee Trends—Top Passive Fund Providers

Fees charged by most leading passive providers in AUM terms cluster around 0.20%-0.25%, and all have seen a decline in fees over the past decade, though at different speeds. All these providers have an ETF business in addition to offering index funds. Vanguard, also in this camp, has been consistently more competitive because of its focus on a more reduced fund offering focused on core building-block market exposures. Its average fee stands at 0.13%, down 1 basis point from a year earlier and from 0.17% a decade ago. BlackRock, the leading passive fund provider in Europe, charges an average fee of 0.25%, down from 0.34% a decade earlier.

Exhibit 16 Ongoing Charge Dynamics by Fund Providers, Passive Funds (Equal-Weighted)

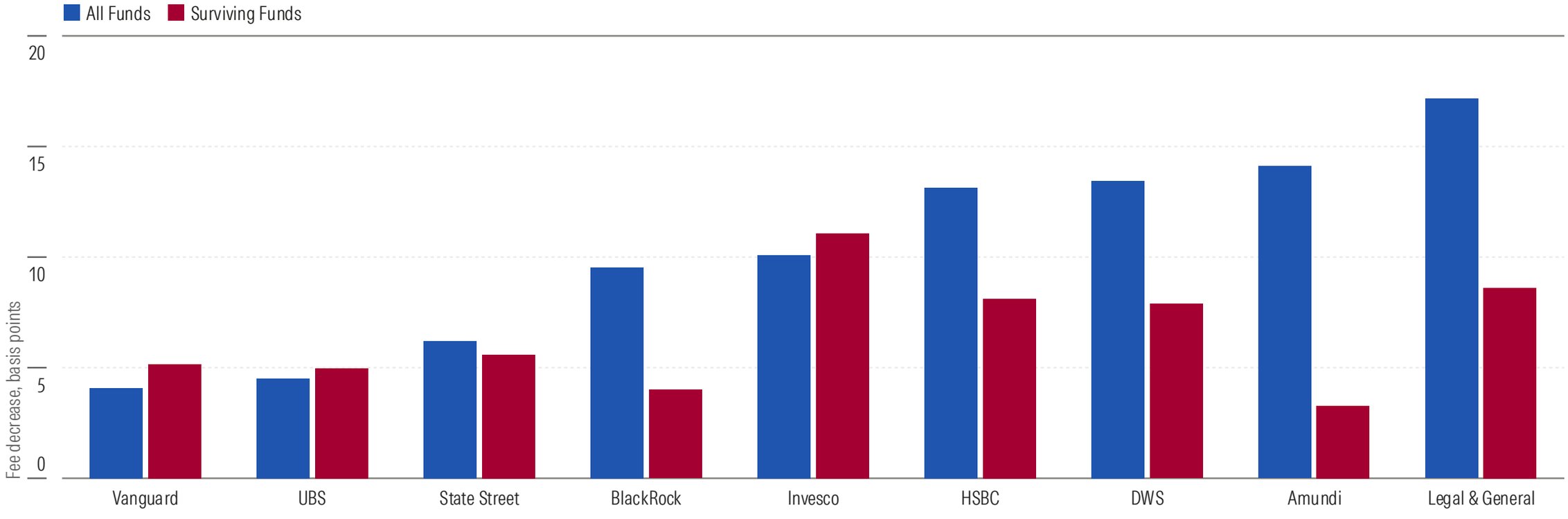


Source: Morningstar Direct. Data as of June 30, 2026.

Fee Changes—Top Passive Fund Providers

In the field of passive fund providers, we also found that the closure of expensive funds, captured by the blue bar, is the leading factor behind the fall in average fees. However, compared with their active counterparts, this is a more balanced picture, one where the contribution of a fall in fees of the cohort of surviving funds has had a more meaningful impact in most cases. Amundi is the asset manager where the closure of expensive funds is most clearly the dominant force. But these figures are likely to be affected by Amundi´s acquisition of Lyxor in 2021, which translated into a stream of fund mergers between the two product lineups.

Exhibit 17 Ongoing Charge Decrease Over the Past Decade, Passive Fund Providers (Equal-Weighted)



Source: Morningstar Direct. Data as of June 30, 2026.

Fund Fees and Asset Distribution

Asset Distribution by Cost

Active fund investors show some sensitivity to cost, particularly in fixed income, but close to half of assets in equity and allocation categories still reside in the two costlier quartiles.

Passive fund investors clearly favor lower-cost vehicles. This reflects that certain popular core exposures, such as US equities or developed-market government bonds, where most assets in passive funds reside, have become increasingly cheap to replicate and attract lower fees than niche sectors.

Exhibit 18 Asset Distribution by Fee Quartiles, Active Funds

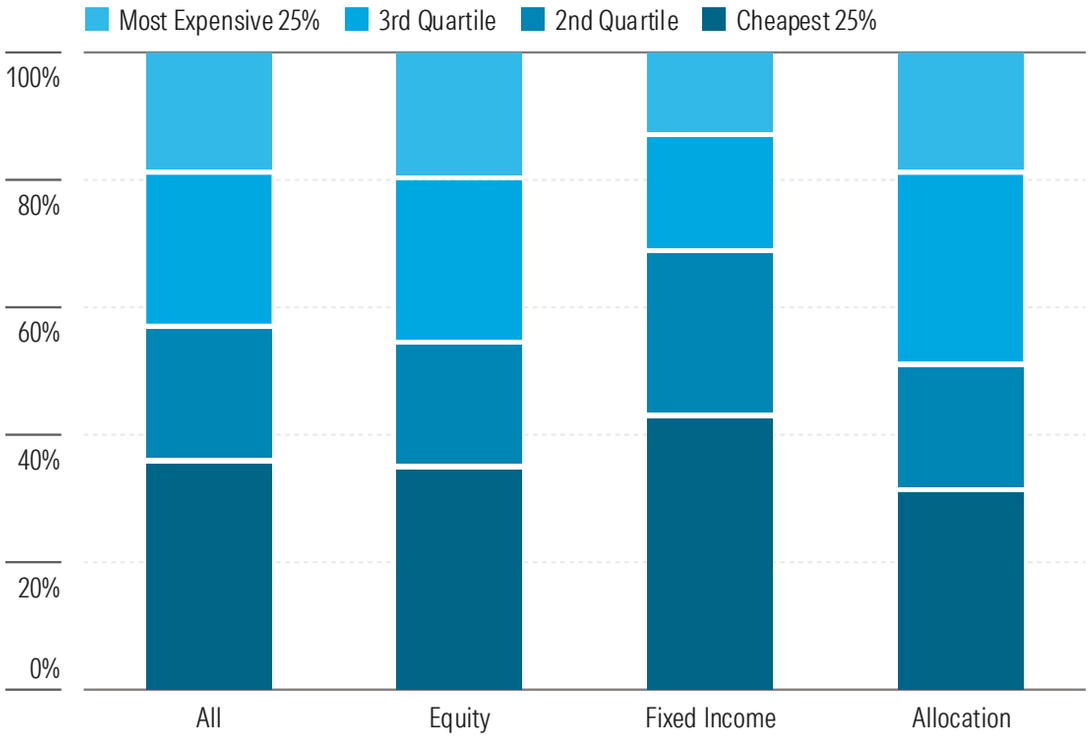
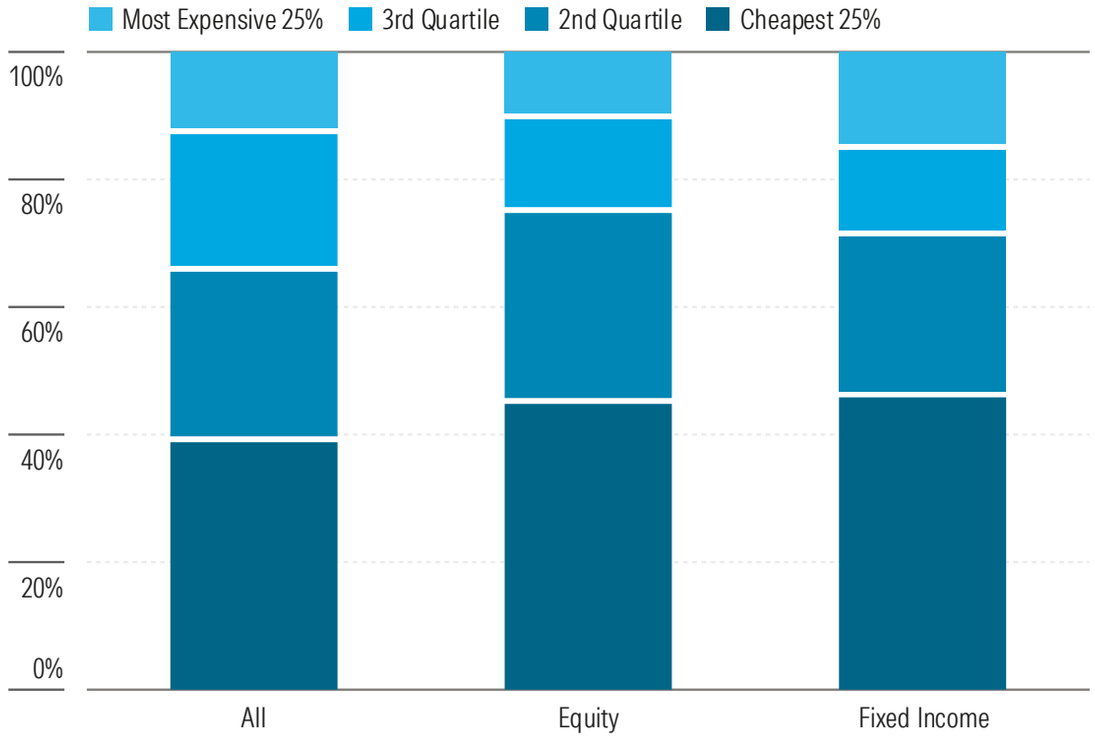


Exhibit 19 Asset Distribution by Fee Quartiles, Passive Funds



Source: Morningstar Direct. Data as of June 30, 2026.

Flows by Cost Level

The cheapest quartile of the universe of active funds has attracted the bulk of flows over the past decade. At times, the cheapest cohort has seen positive flows even when all or most other cohorts recorded outflows. This shows that European investors have been reactive to pricing dynamics to allocate flows and implies that a large share of the assets invested in the costlier quartiles, per Exhibit 18, is probably legacy money.

The cheapest quartile of funds has led the upward march of passive fund flows. This reflects the lower charges of mainstream asset classes, where, historically, the bulk of flows has been directed and where there has been intense fee competition. But even the costlier quartiles have attracted flows routinely in the past decade, another sign of the pull of the passive fund industry against their higher-cost active counterparts.

Exhibit 20 Flows Into Funds by Fee Quartile, EUR Bil, Active Funds

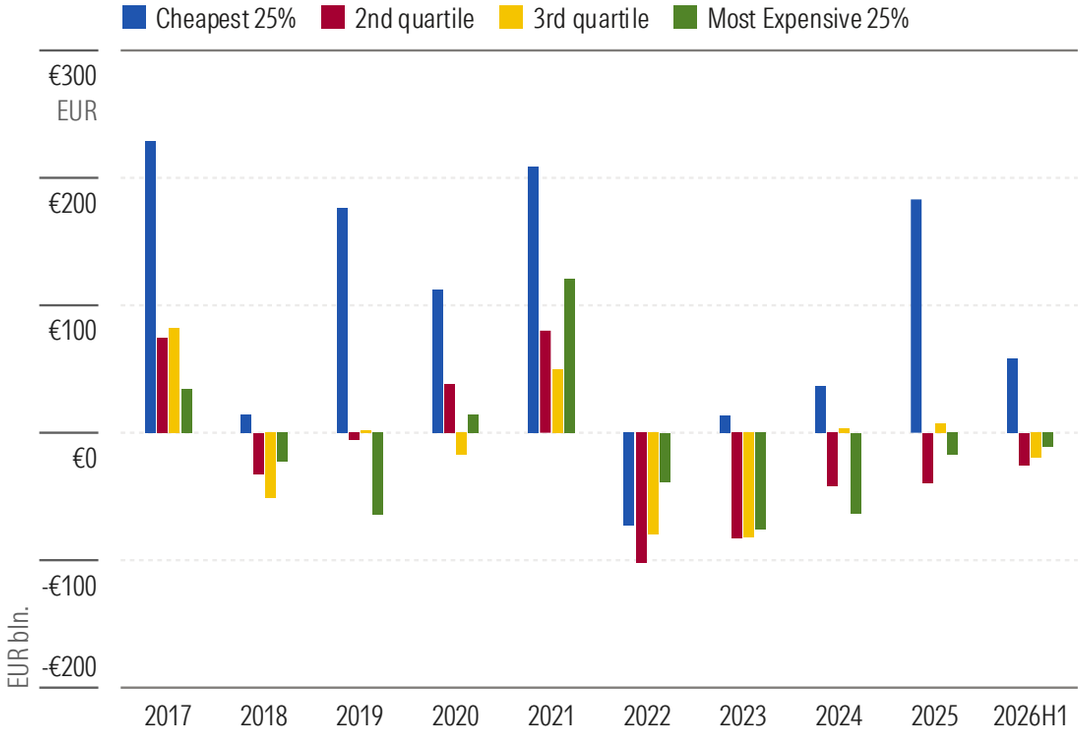
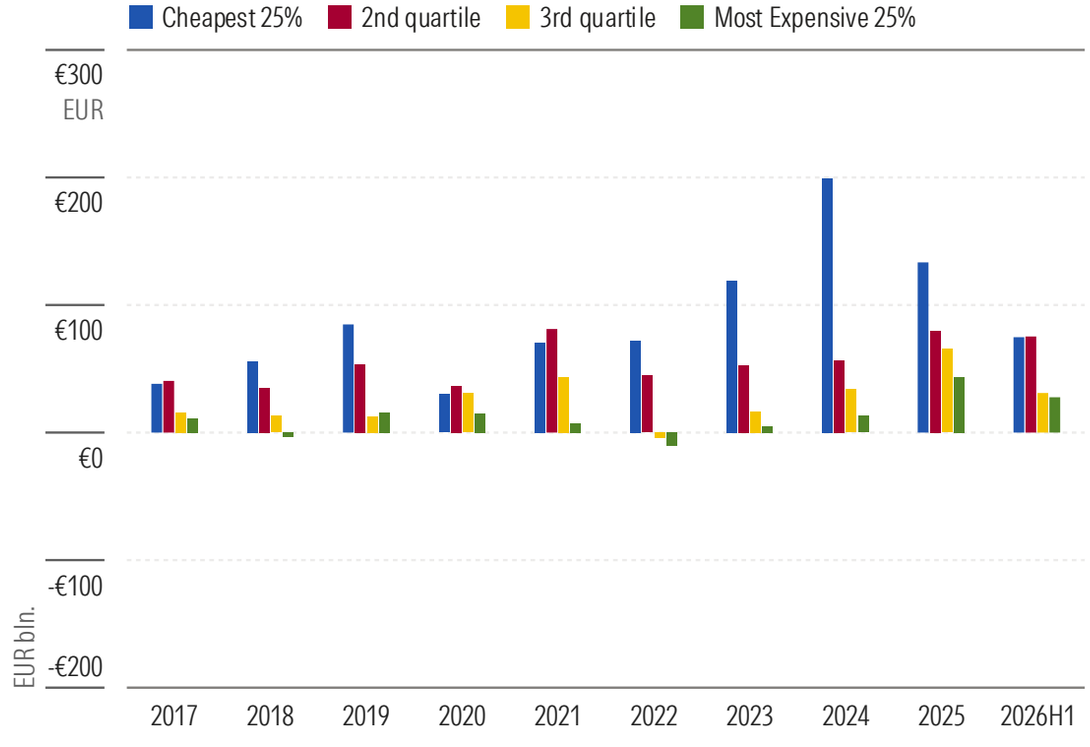


Exhibit 21 Flows Into Funds by Fee Quartile, EUR Bil, Passive Funds



Source: Morningstar Direct. Data as of June 30, 2026.

One-Off Fees

Front and deferred loads.

Front and Deferred Loads

Exhibit 22 Share Classes by Load Type: Active Funds

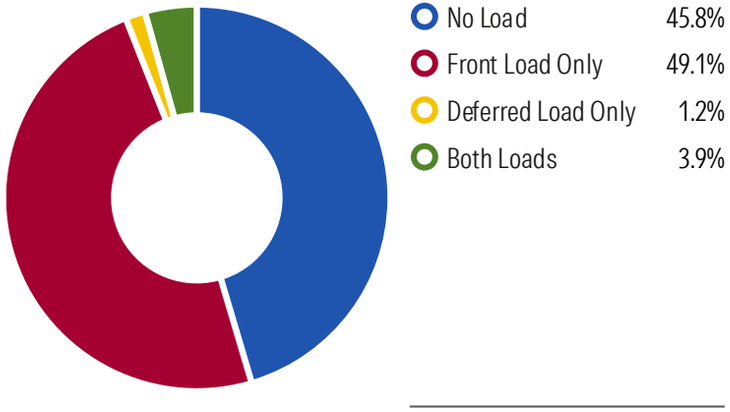


Exhibit 23 Share Classes by Load Type: Passive Funds

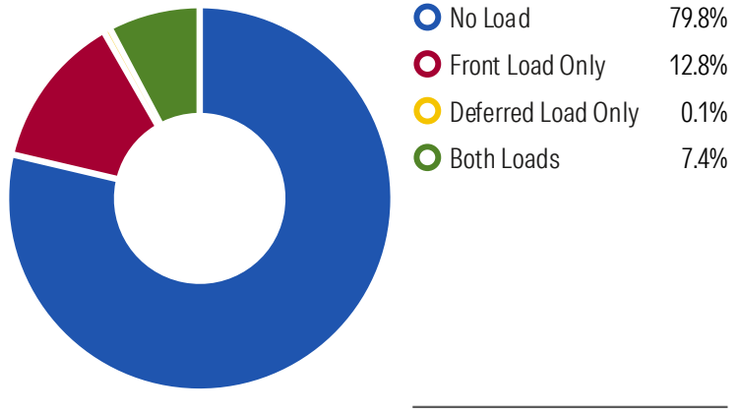
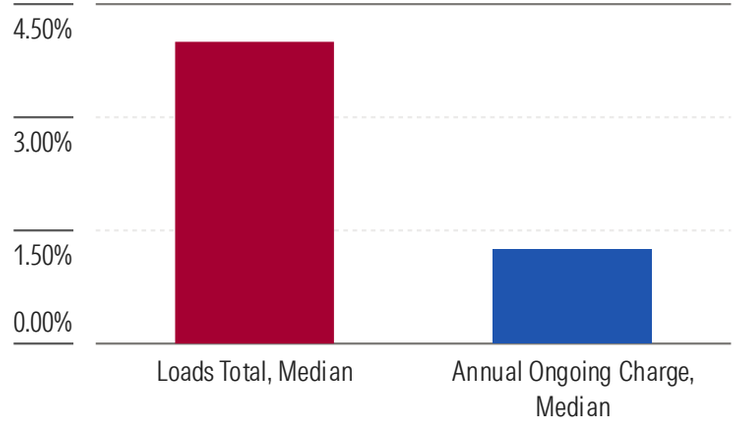


Exhibit 24 Load-Charging Share Classes: Comparison



- Ongoing charges are not the only costs that investors incur. Loads are paid directly by the investor, either when investing in a fund (front-end load) or when redeeming shares (deferred/back-end load). Unlike ongoing charges, loads are not deducted from the fund's assets and therefore do not appear in net return calculations.

- Although the use of loads has declined in recent years, more than half of active funds´ share classes still may charge some form of load. For traditional index funds, the proportion is smaller, at just over 20%. ETFs, which are traded on exchanges like common stock, do not charge loads. However, ETF investors will face other charges, such as brokerage commissions and bid-ask spreads.

- Load amounts often vary depending on the size of the investment. Retail investors with smaller investment amounts should pay particular attention to loads, as the share classes available to them are more likely to include these fees. For share classes that charge loads, the median maximum load is roughly equivalent to three years of ongoing charges.

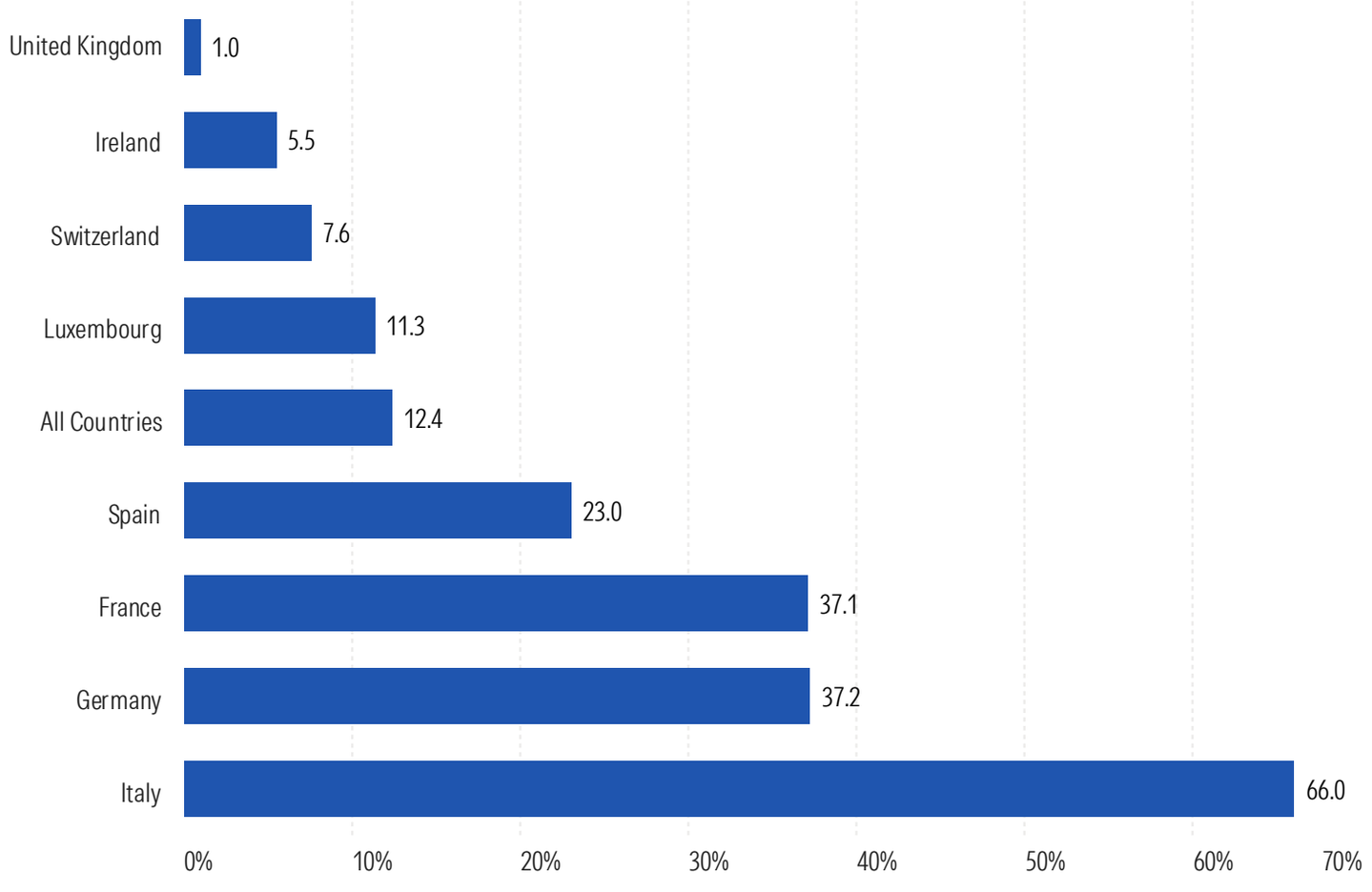
Source: Morningstar Direct. Data as of June 30, 2026.

Performance-Based Fees

Vast Differences Across Countries

- In addition to standard fees, some European active funds also charge a performance-based fee, applied when a fund exceeds a specified benchmark or hurdle.
- Typically, this fee is calculated as a percentage of the outperformance. For a median share class that levies a performance-based fee, this amounts to 15% of the excess return.
- At a country level, there is a huge variation in the practice of charging performance-based fees.
- Such fees are widely accepted in Italy, where there is a large retail focus on the investor base.
- In the UK, however, performance fees are seen as niche product features, and investors prefer more predictable fund charges.

Exhibit 25 Percentage of Active Funds Charging Performance-Based Fees, by Country of Domicile



Source: Morningstar Direct. Data as of June 30, 2026.

Appendix

Fee Trends by Asset Class

Exhibit 26 Fee Trends by Asset Class

I. Asset-Weighted Average Fees (%)

		June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
	All Funds	1.04	1.02	0.98	0.94	0.91	0.90	0.87	0.85	0.80	0.78	0.75
Active Funds	**All**	1.15	1.13	1.11	1.08	1.06	1.07	1.05	1.05	1.03	1.02	1.02
	Equity	1.35	1.31	1.27	1.24	1.22	1.21	1.19	1.18	1.16	1.17	1.15
	Fixed-Income	0.80	0.80	0.77	0.76	0.74	0.72	0.68	0.68	0.69	0.68	0.68
	Allocation	1.36	1.35	1.34	1.33	1.30	1.29	1.29	1.28	1.26	1.26	1.27
Passive Funds	**All**	0.29	0.27	0.25	0.23	0.21	0.22	0.20	0.20	0.18	0.18	0.18
	Equity	0.30	0.28	0.25	0.24	0.22	0.22	0.21	0.20	0.19	0.19	0.18
	Fixed-Income	0.25	0.25	0.23	0.21	0.20	0.20	0.18	0.18	0.16	0.15	0.15

II. Equal-Weighted Average Fees (%)

		June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
	All Funds	1.30	1.28	1.24	1.21	1.18	1.16	1.14	1.12	1.10	1.08	1.06
Active Funds	**All**	1.36	1.34	1.31	1.28	1.26	1.23	1.23	1.21	1.20	1.18	1.16
	Equity	1.64	1.60	1.54	1.49	1.45	1.41	1.37	1.36	1.34	1.32	1.29
	Fixed-Income	0.89	0.88	0.86	0.85	0.84	0.82	0.82	0.81	0.81	0.81	0.80
	Allocation	1.40	1.41	1.40	1.38	1.36	1.35	1.37	1.40	1.38	1.36	1.34
Passive Funds	**All**	0.41	0.38	0.35	0.34	0.33	0.31	0.31	0.30	0.29	0.28	0.28
	Equity	0.47	0.44	0.40	0.38	0.37	0.35	0.34	0.34	0.33	0.32	0.31
	Fixed-Income	0.24	0.24	0.23	0.22	0.22	0.21	0.20	0.20	0.19	0.18	0.18

Source: Morningstar Direct. Data as of June 30, 2026.

Fee Trends by Country

Exhibit 27 Fee Trends by Country

	Ia. Fees of Active Funds, Equal-Weighted Averages (%)							Ib. Fees of Active Funds, Retrocession-Adjusted, Equal-Weighted Averages (%)						
	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
France	1.37	1.37	1.31	1.28	1.26	1.27	1.27	1.20	1.19	1.15	1.10	1.06	1.08	1.08
Germany	1.30	1.30	1.32	1.32	1.32	1.30	1.28	1.24	1.24	1.27	1.25	1.25	1.25	1.22
Spain	1.14	1.15	1.18	1.15	1.15	1.14	1.14	1.00	0.99	1.01	0.97	0.96	0.96	0.96
Italy	1.50	1.48	1.46	1.43	1.35	1.37	1.38	1.08	1.06	1.05	0.97	0.86	0.88	0.89
Netherlands	1.01	0.90	0.76	0.76	0.78	0.77	0.70	1.01	0.90	0.76	0.76	0.78	0.77	0.70
United Kingdom	1.00	0.95	0.93	0.90	0.87	0.86	0.84	0.95	0.90	0.89	0.86	0.83	0.82	0.81
Switzerland	1.04	1.05	1.04	1.01	0.98	0.96	0.95	0.90	0.91	0.90	0.88	0.85	0.82	0.81
Luxembourg	1.37	1.34	1.33	1.33	1.33	1.31	1.30	1.12	1.09	1.09	1.08	1.07	1.05	1.03
Ireland	1.16	1.12	1.10	1.09	1.08	1.04	0.99	1.00	0.96	0.94	0.94	0.93	0.88	0.84

	IIa. Fees of Passive Funds, Equal-Weighted Averages (%)							IIb. Fees of Passive Funds, Retrocession-Adjusted, Equal-Weighted Averages (%)						
	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
France	0.45	0.45	0.47	0.46	0.50	0.51	0.51	0.28	0.29	0.26	0.28	0.41	0.41	0.40
Germany	0.34	0.32	0.35	0.36	0.34	0.32	0.33	0.31	0.30	0.34	0.35	0.32	0.31	0.32
Spain	0.88	0.81	0.75	0.81	0.73	0.79	0.82	0.49	0.44	0.47	0.53	0.43	0.51	0.54
Netherlands	0.29	0.29	0.29	0.17	0.21	0.17	0.16	0.29	0.29	0.29	0.17	0.21	0.17	0.16
United Kingdom	0.27	0.24	0.23	0.22	0.22	0.21	0.19	0.25	0.23	0.22	0.22	0.21	0.20	0.18
Switzerland	0.22	0.23	0.22	0.21	0.20	0.20	0.21	0.21	0.22	0.21	0.21	0.20	0.19	0.20
Luxembourg	0.33	0.31	0.30	0.30	0.29	0.28	0.27	0.30	0.28	0.28	0.28	0.27	0.25	0.24
Ireland	0.28	0.27	0.28	0.28	0.27	0.26	0.26	0.27	0.26	0.27	0.27	0.27	0.26	0.25

Source: Morningstar Direct. Data as of June 30, 2026.

Fee Trends by Asset Manager

Exhibit 28 Fee Trends by Asset Manager

	I. Fees of Largest Asset Managers in Active Strategies, Equal-Weighted Averages (%)										
	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
BlackRock	1.39	1.36	1.33	1.27	1.23	1.15	1.10	1.03	1.01	0.95	0.93
JPMorgan	1.29	1.26	1.22	1.12	1.08	1.07	1.01	0.99	0.96	0.91	0.91
Union Investment	1.16	1.14	1.15	1.15	1.15	1.14	1.14	1.21	1.21	1.17	1.19
Nordea	1.11	1.06	1.01	1.01	0.98	0.91	0.87	0.87	0.86	0.87	0.86
Pimco	0.97	0.95	0.94	0.90	0.88	0.87	0.84	0.85	0.86	0.85	0.82
DWS	1.12	1.11	1.10	1.07	1.04	1.00	1.02	1.02	1.02	1.00	0.98
Fidelity International	1.33	1.28	1.25	1.23	1.21	1.18	1.13	1.12	1.15	1.12	1.08
Swedbank	0.97	0.99	0.95	0.95	0.91	0.87	0.89	0.88	0.82	0.81	0.79
BNP Paribas	1.24	1.23	1.22	1.19	1.17	1.18	1.17	1.17	1.16	1.16	1.13
Allianz Global Investors	1.24	1.20	1.15	1.12	1.08	1.07	1.06	1.05	1.09	1.08	1.08
	II. Fees of Largest Asset Managers in Passive Strategies, Equal-Weighted Averages (%)										
	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
BlackRock	0.34	0.33	0.32	0.31	0.30	0.29	0.27	0.28	0.26	0.25	0.25
Vanguard	0.17	0.17	0.18	0.14	0.13	0.14	0.14	0.14	0.15	0.14	0.13
Amundi	0.40	0.34	0.30	0.30	0.29	0.27	0.26	0.27	0.27	0.26	0.26
DWS	0.38	0.35	0.32	0.32	0.32	0.29	0.29	0.27	0.29	0.27	0.25
UBS	0.23	0.24	0.24	0.23	0.22	0.23	0.22	0.22	0.20	0.20	0.19
State Street	0.29	0.29	0.28	0.27	0.26	0.25	0.24	0.23	0.23	0.22	0.23
HSBC	0.35	0.33	0.31	0.29	0.28	0.24	0.22	0.24	0.26	0.22	0.22
Invesco	0.31	0.28	0.25	0.24	0.22	0.21	0.22	0.22	0.21	0.21	0.21
Legal & General	0.43	0.38	0.35	0.29	0.29	0.28	0.28	0.28	0.28	0.27	0.26

Source: Morningstar Direct. Data as of June 30, 2026.

See Important Disclosures at the end of this report.

Asset by Domicile and Management Style

Luxembourg is the primary choice of domicile for cross-border distribution of active funds.

Ireland is the preferred domicile of choice for cross-border passive funds, particularly ETFs. The country's favorable tax regime, particularly its advantageous double-taxation treaty with the US, makes it a popular choice for passive fund providers.

Exhibit 29 Asset Distribution by Country, EUR Bil, Active Funds

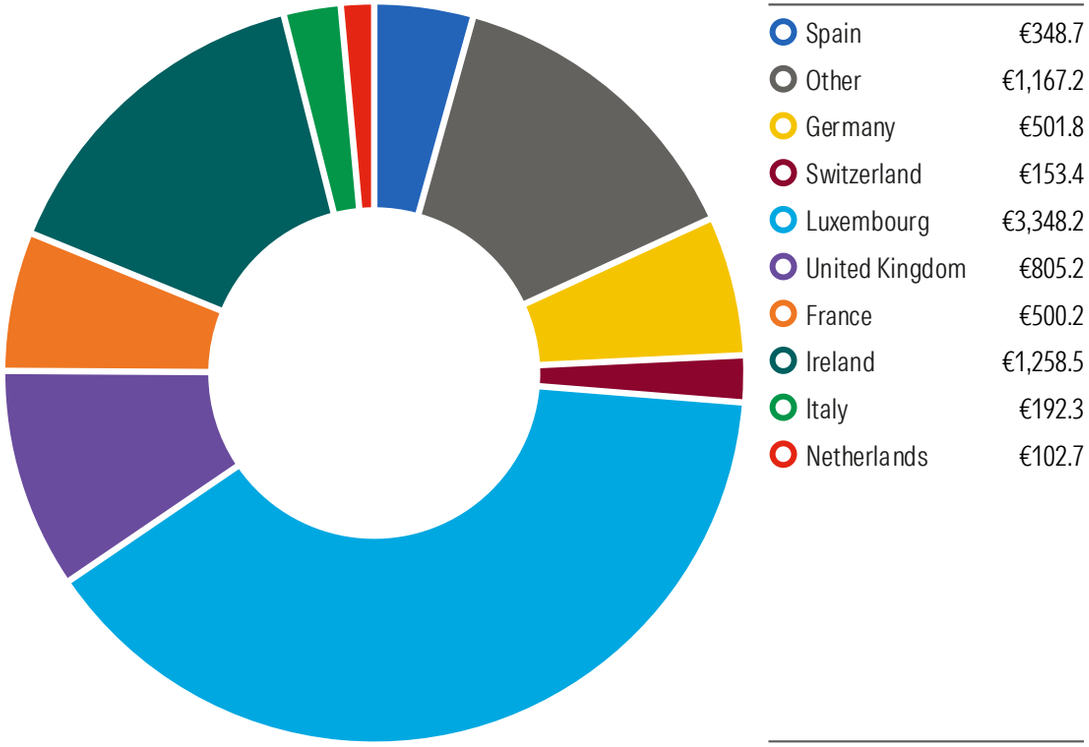
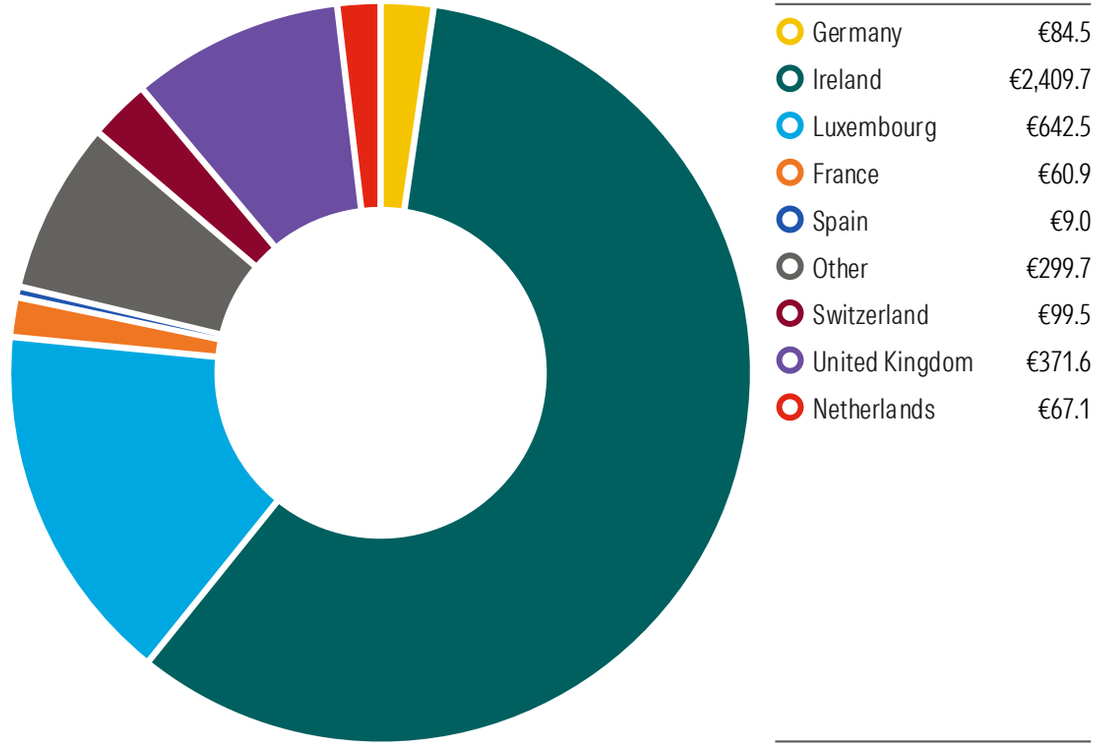


Exhibit 30 Asset Distribution by Country, EUR Bil, Passive Funds



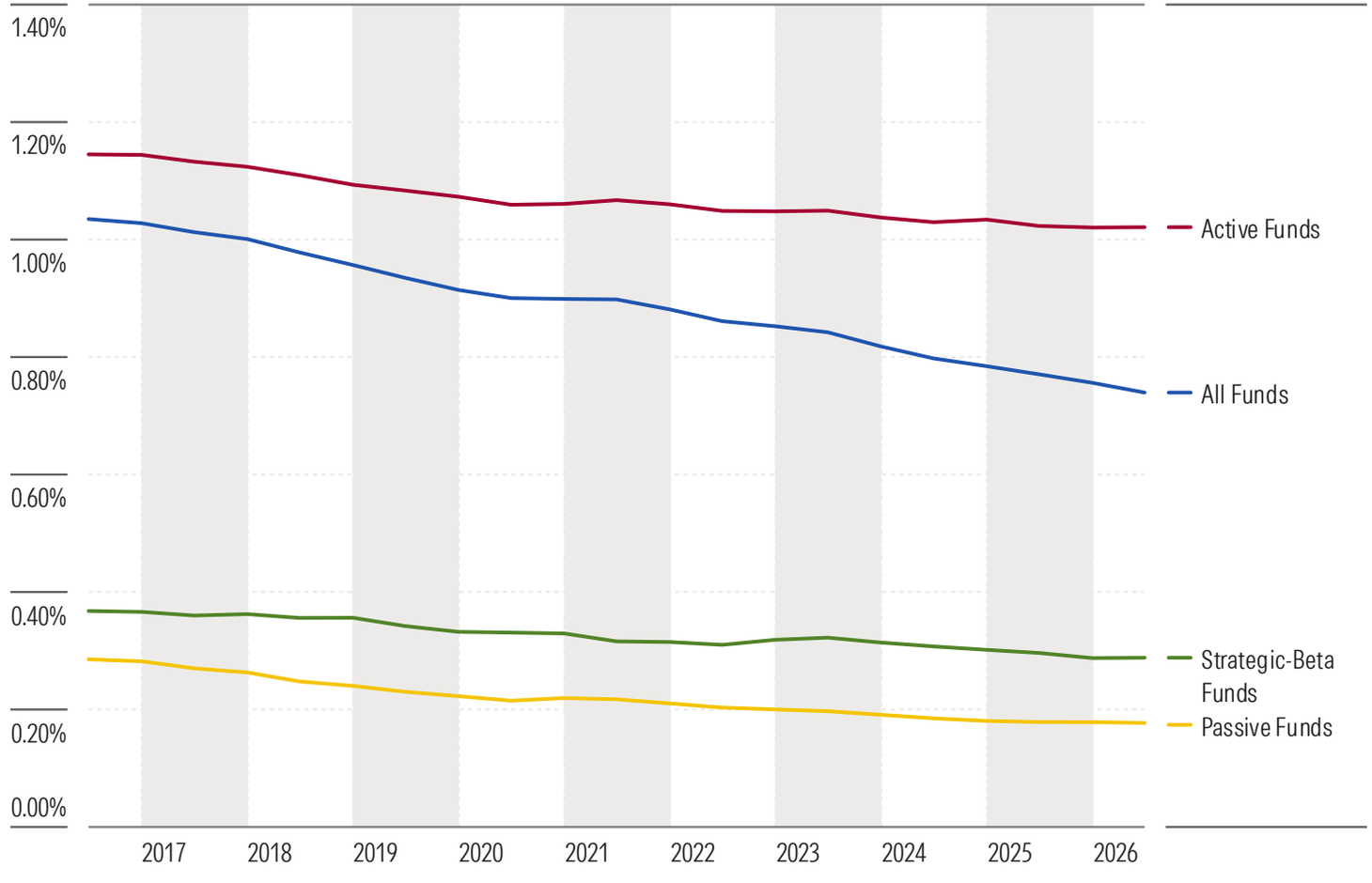
Source: Morningstar Direct. Data as of June 30, 2026.

Trends in Fund Fees: Strategic-Beta Funds

- Strategic-beta, or smart-beta, funds are rules-based strategies that tilt toward specific investment factors such as value, size, quality, and low volatility. These funds offer investors an alternative to traditional market-capitalization-weighted index strategies.
- The selling point of strategic-beta funds is the aspiration to increase returns or reduce risk relative to traditional index approaches. In return, they come at a modest cost premium to standard passive funds.
- On an asset-weighted basis, the average fee of strategic-beta funds has not declined as quickly as active or passive funds. It currently stands at 0.29%, down from 0.37% a decade earlier.
- This is largely reflective of a market that has been stagnant for the best part of the past decade in terms of product development, owing to a lack of investor interest.

Exhibit 31

Dynamics of Ongoing Charge: Strategic-Beta Funds (Asset-Weighted)



Source: Morningstar Direct. Data as of June 30, 2026.

Methodology

Fee Study Methodology

Ongoing Charge Measure

Ongoing charge, the primary measure of ongoing costs used in this study, is derived from two sources: the KIID, which all European funds were required to publish from June 2012, and the KID, required by the European Commission since January 2023 under PRIIPs regulations. UK-domiciled funds, which fall outside the scope of European Commission regulations, continue to report fees using the KIID. Ongoing charge numbers retrieved from PRIIPS and KIID are extended to cover gaps by rolling 12 months back and then rolling 12 months forward, matching the construction of the *Representative Cost* variable. When PRIIPs data are available, the ongoing charge is taken from there and defined as *Ongoing Costs Other Costs*. Otherwise, it is defined as *KIID Ongoing Charge.* The variable is treated as missing if neither source is available.

The ongoing-charge variable is then cleaned in four steps, each applied to a share class' monthly ongoing-charge series.

1. Hard bounds: A value is set to missing if it is negative, zero, or greater than 15%.
2. Scale errors: Within a run of equal values, a value is divided by 10, 100, or 1,000 when the result lines up with the neighboring levels—for example, (1.03, 9.8, 9.8, 0.96) becomes (1.03, 0.98, 0.98, 0.96).
3. Jumps: Tracking a running level, a value is flagged as a *jump* when it moves more than 100 bps away from that level or exceeds 3 times it on the upside. A jump that returns to within 10% of the prior level within 12 months is treated as noise and reset to the prior level—for example, (1.13, 5.0, 1.11, 1.11, and so on) becomes (1.13, 1.13, 1.11, 1.11, and so on). A jump that lasts at least 12 months, or never returns to the prior level, is kept as a genuine new level. A lone jump at the first or last observation is set to missing—for example, (5.0, 1.13, 1.11, 1.11, and so on) becomes (missing, 1.13, 1.11, 1.11, and so on).
4. Rounding corrections: One-decimal ("coarse") PRIIPS costs are refined against the fixed KIID charge: A coarse value is replaced by the nearest KIID within 12 months when that KIID rounds back to it (for example, coarse 0.8 with KIID 0.83 becomes 0.83). The replacement is propagated to identical coarse values in the same share class.

Fee Negotiable Share Class Indicator

A share class is marked as Fee Negotiable if it's marked so by a *Fee Negotiable?* indicator and belongs to the following domiciles: United Kingdom, Luxembourg, Ireland, Germany, Switzerland, Belgium, the Netherlands, Sweden, Portugal, Italy, Denmark, Finland, Norway, Austria, and Liechtenstein. In all other domiciles, a minimum-fee threshold is applied instead: Share classes of passive funds with fees below 3 basis points and share classes of active funds with fees below 10 basis points are marked as Fee Negotiable.

Fee Study Methodology

Management Style and Asset

Active and passive funds are distinguished by the Morningstar *Index Fund* indicator: "No" marks an actively managed fund, while "Yes" marks an index-tracking one. Asset class is determined by the *Morningstar Category Broad Group* variable.

Institutional Share Class Indicator

A share class is classified as institutional if either it is flagged as institutional by the *Institutional* indicator, or its minimum investment is at least EUR 1 million (*per Minimum Investment (Base Currency)* converted into euros). If neither condition holds, the class is classified as retail.

Other Variables

Flows into a fee-quantile group are defined as flows into existing funds, plus the assets of newly created funds belonging to the quantile, minus the assets of funds closed within the quantile. Funds are split by country using the *Domicile* variable and by asset management company using the *Branding Name* variable.

Sample Construction

The study includes all share classes of equity, fixed income, and allocation funds domiciled in Europe. Funds of funds, feeder funds, leveraged funds, inverse/short funds, long-short funds, and restricted funds are excluded. Share classes marked as fee-negotiable are also removed. For the main analysis, we also exclude strategic-beta funds. Fee statistics for these funds are presented separately in the Appendix. To qualify for inclusion in the final sample, a share class must have a reported inception date, base currency, and history of returns and ongoing charges. Funds with an annual ongoing charge of 15% or larger are excluded from the sample. The sample period runs from June 2016 through June 2026.

Tests Specifications

Equal-weighted average fees are calculated across all eligible share classes. To prevent funds with multiple share classes from being overweighted, share class fees are first averaged at the fund level, and these fund-level numbers are then averaged again to produce the aggregate figure. Asset-weighted average fees are calculated using contemporaneous share class assets. Where share class asset data are not available, fund-level assets are used to fill in the gaps, assuming equal size across all share classes with missing assets. Funds with no data on either share class or fund size are excluded from the asset-weighted calculations.

Fee Study Methodology

Retrocession Adjustment

Ongoing charges may include retrocessions, payments that the fund manager passes on to banks, advisors, and platforms for distributing the fund, so that investors pay for distribution within the fund fee rather than separately. In markets with inducement bans, notably the UK and the Netherlands, distributors may no longer be paid from fund fees, so most share classes are "clean," with no retrocession built into the charge; in Luxembourg and much of continental Europe, most retail share classes remain "bundled," with the distributor's payment included. The proportion of bundled share classes therefore differs from one domicile to another, so a simple comparison of average ongoing charges is not like-for-like: It reflects not only the underlying cost of the funds but also the prevalence of bundled share classes and the level of retrocession payments, which can themselves vary across domiciles.

However, funds do not disclose retrocession payments, making a direct adjustment impossible. Instead, we use available information to estimate the value of these payments and subtract the estimates from the total ongoing charges of each share class. A key variable in our analysis is the indicator *Share Class without Retrocession*, which identifies share classes that do not include retrocession payments. As this is a snapshot variable, we assume that its value remains unchanged throughout the history of each share class.

For every month-end t, we estimate on share classes with a known or zero indicator a cross-sectional fee regression with an exponential retrocession premium:

$$fee_{it} = x_{it}'\beta_t + Retro_i \cdot exp(z_{it}'\delta_t) + \varepsilon_{it}$$

The first term is the nonretrocession part of the fee, linear in the set of controls x (log assets, log age, investment type, institutional, asset-class and domicile dummies); the second is the retrocession premium, depending on investor type, asset class, and domicile (z). $Retro_i$ is equal to 0 for *Share Class without Retrocession* = "Yes," and 1 otherwise. The exponential form keeps the premium positive for any share class characteristics.

The estimated retrocession of share class i on date t is the fitted value of the premium. We write it as p_i times the premium, with $p_i = 1$ if the class is known to pay retrocessions, and 0 if it does not. The adjusted ongoing charge is the reported charge less this amount:

$$Retrocession_{it} = p_i \cdot exp(z_{it}'\delta_t), \quad Adjusted\ fee_{it} = fee_{it} - Retrocession_{it}$$

The premium is identified from the fee difference between paying and nonpaying classes, all else equal. Any share class characteristic that is related to whether retrocessions are paid, and is not among the controls, may bias the estimate.

The model is estimated separately for each date and for active and passive fund share classes. The goodness of fit is reasonable, with an average R^2 of 43% for active funds and 27% for passive funds. The estimated retrocession effects are highly statistically significant across all major fund domiciles.

Fee Study Methodology

Share Class Without Retrocession

The retrocession indicator is blank for a minority of share classes. These classes cannot enter the fee regression, but they still need an adjustment. For them, p_i is no longer observed as 0 or 1; it is the estimated probability that the class pays retrocessions. The adjustment is then as before: p_i times the premium of a comparable paying class.

In general, the probability is assigned, in order of priority, as 0 if retrocessions are prohibited by regulation (ETFs, Dutch-domiciled classes, and UK retail classes launched from May 2016); as the observed 0/1 if the indicator is known; and, if the indicator is missing, as the fitted probability from a logit of whether the class pays retrocessions:

$$Pr(Retro_i = 1) = \Lambda(\beta_0 + \beta_1 \, ln(median\ assets_i) + \beta_2 \, Institutional_i + \Sigma_g \, \gamma_g \, Asset_Class_{ig} + \Sigma_c \, \delta_c \, Domicile_{ic}), \quad \Lambda(z) = 1 / (1 + e^{-z})$$

Size is the median of the class's assets over its life, comparable between alive and closed classes. The logit is estimated by maximum likelihood.

The imputation assumes that, conditional on domicile, investor type, asset class, and size, classes with a missing indicator are as likely to pay retrocessions as those with a known one, and that the relation estimated on classes alive in mid-2026 also holds for classes that closed earlier. Missing indicators are concentrated by provider, so the first assumption is the main risk: If nonreporting providers rely more (less) on bundled distribution than comparable reporting providers, imputed probabilities are too low (too high) and adjusted fees in their domiciles are overstated (understated).

General Disclosure
"Morningstar" is used throughout this section to refer to Morningstar, Inc., and/or its affiliates, as applicable. Unless otherwise provided in a separate agreement, recipients of this report may only use it in the country in which the Morningstar distributor is based. Unless stated otherwise, the original distributor of the report is Morningstar Research Services LLC, a USA-domiciled financial institution.

This report is for informational purposes only, should not be the sole piece of information used in making an investment decision, and has no regard to the specific investment objectives, financial situation, or particular needs of any specific recipient. This publication is intended to provide information to assist investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors; recipients must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status, and financial position.

The information, data, analyses, and opinions presented herein are not warranted to be accurate, correct, complete, or timely. Unless otherwise provided in a separate agreement, neither Morningstar, Inc., nor the Research Group represents that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located.

Except as otherwise required by law or provided for in a separate agreement, the analyst, Morningstar, Inc., and the Research Group and their officers, directors, and employees shall not be responsible or liable for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses, or opinions within the report. The Research Group encourages recipients of this report to read all relevant issue documents—a prospectus, for example—pertaining to the security concerned, including without limitation, information relevant to its investment objectives, risks, and costs before making an investment decision and, when deemed necessary, to seek the advice of a legal, tax, and/or accounting professional.

The report and its contents are not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to law or regulation or that would subject Morningstar, Inc., or its affiliates to any registration or licensing requirements in such jurisdiction.

Where this report is made available in a language other than English and in the case of inconsistencies between the English and translated versions of the report, the English version will control and supersede any ambiguities associated with any part or section of a report that has been issued in a foreign language. Neither the analyst, Morningstar, Inc., nor the Research Group guarantees the accuracy of the translations.

This report may be distributed in certain localities, countries, and/or jurisdictions ("territories") by independent third parties or independent intermediaries and/or distributors ("distributors"). Such distributors are not acting as agents or representatives of the analyst, Morningstar, Inc., or the Research Group. In territories where a distributor distributes our report, the distributor is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes, and guidelines established by local and/or regional regulatory bodies, including laws in connection with the distribution of third-party research reports.

Risk Warning
Please note that investments in securities are subject to market and other risks and there is no assurance or guarantee that the intended investment objectives will be achieved. Past performance of a security may or may not be sustained in future and is no indication of future performance. A security investment return and an investor's principal value will fluctuate so that, when redeemed, an investor's shares may be worth more or less than their original cost.

A security's current investment performance may be lower or higher than the investment performance noted within the report. Morningstar's Uncertainty Rating serves as a useful data point with respect to sensitivity analysis of the assumptions used in our determining a fair value price.

Conflicts of Interest
- No material interests are held by the analyst or their immediate family with respect to the securities subject of this investment research report.
- In general, Morningstar will not hold a material interest in the security subject of this report. If a material interest is held by Morningstar, or if Morningstar owns a net long or short position in the security that is the subject of this report that exceeds 0.5% of the total issued share capital of the security, it will be disclosed at https://www.morningstar.com/company/disclosures/holdings.
- Morningstar employees' compensation is derived from Morningstar, Inc.'s overall earnings and consists of salary, bonus, and in some cases, restricted stock.
Morningstar's overall earnings are generated in part by the activities of the Investment Management and Research groups, and other affiliates, that provide services to product issuers.
- Neither Morningstar, Inc., nor its analysts receive commissions, compensation, or other material benefits from product issuers or third parties in connection with this report.
- Morningstar's overall earnings are generated in part by the activities of the Investment Management and Research groups, and other affiliates, who provide services to product issuers. Morningstar does not receive commissions for providing research and does not charge issuers to be rated.
- Morningstar employees may not pursue business or employment opportunities outside Morningstar within the investment industry (including, but not limited to, working as a financial planner, an investment professional or investment professional representative, a broker/dealer or broker/dealer agent, a financial writer, reporter, or analyst) without the approval of Morningstar's Legal and, if applicable, Compliance teams.
- Certain managed investments use an index created by and licensed from Morningstar, Inc. as their tracking index. We mitigate any actual or potential conflicts of interests resulting from that by not producing qualitative analysis on any such managed investment as well as imposing information barriers (both technology and no-technology) where appropriate and monitoring by the compliance department.
- Neither Morningstar, Inc., nor the Research Group is a market maker or a liquidity provider of the securities noted within this report.
- Neither Morningstar, Inc., nor the Research Group has been a lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer.
- Morningstar, Inc.'s Investment Management group has arrangements with financial institutions to provide portfolio management/investment advice, some of which an analyst may issue investment research reports on. In addition, the Investment Management group creates and maintains model portfolios whose underlying holdings can include financial products, including securities that may be the subject of this report. However, analysts do not have authority over Morningstar's Investment Management group's business arrangements or allow employees from the Investment Management group to participate or influence the analysis or opinion prepared by them.
- Morningstar, Inc., is a publicly traded company (ticker: MORN) and thus a financial institution the security of which is the subject of this report may own more than 5% of Morningstar, Inc.'s total outstanding shares. Please access Morningstar, Inc.'s proxy statement, section "Security Ownership of Certain Beneficial Owners and Management," at https://shareholders.morningstar.com/investor-relations/financials/sec-filings/default.aspx. A security's holding of Morningstar stock has no bearing on and is not a requirement for which securities Morningstar determines to cover.

Morningstar, Inc. may provide the product issuer or its related entities with services or products for a fee and on an arm's-length basis, including software products and licenses, research and consulting services, data services, licenses to republish our ratings and research in their promotional material, event sponsorship, and website advertising.

Further information on Morningstar's conflict-of-interest policies is available at http://global.morningstar.com/equitydisclosures. Please note analysts are subject to the CFA Institute's Code of Ethics and Standards of Professional Conduct.

For a list of securities the Research Group currently covers and provides written analysis on, or for historical analysis of covered securities, including fair value estimates, please contact your local Morningstar office. Morningstar Research methodologies can be found at Investor Relations | Morningstar, Inc.

For current Morningstar clients, please reach out to your respective Client Success Manager for more information on how you can best leverage this research within your firm. For all others, please reach out to our business development team at dtainsidesales@morningstar.com to learn more about Morningstar's various offerings and more details about how you can leverage this research.

For recipients in Australia: This report has been issued and distributed in Australia by Morningstar Australasia Pty. Ltd. (ABN: 95 090 665 544; AFSL: 240892). Morningstar Australasia Pty. Ltd. is the provider of the general advice ("the service") and takes responsibility for the production of this report. The service is provided through the research of investment products. To the extent the report contains general advice, it has been prepared without reference to an investor's objectives, financial situation, or needs. Investors should consider the advice in light of these matters and, if applicable, the relevant Product Disclosure Statement before making any decision to invest. Refer to our Financial Services Guide for more information at http://www.morningstar.com.au/s/fsg.pdf.

For recipients in New Zealand: This report has been issued and distributed by Morningstar Australasia Pty Ltd and/or Morningstar Research Ltd (together "Morningstar"). This report has been prepared and is intended for distribution in New Zealand to wholesale clients only and has not been prepared for use by New Zealand retail clients (as those terms are defined in the Financial Markets Conduct Act 2013).

The information, views, and any recommendations in this material are provided for general information purposes only, and solely relate to the companies and investment opportunities specified within. Our reports do not take into account any particular investor's financial situation, objectives, or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. We recommend seeking financial advice before making any investment decision.

For recipients in Canada: This research is not prepared subject to Canadian disclosure requirements.

For recipients in Europe: This report is distributed by Morningstar Holland B.V., a wholly owned subsidiary of Morningstar, Inc. Morningstar Holland B.V. is not required to be regulated by the European Securities and Markets Authority for the provision of investment research data. The analyst/s involved in the creation of the report do not take into account any particular investor's financial situation, objectives, or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. Registered address: Haaksbergweg 58, 9th Floor, 1101 BZ Amsterdam, North Holland, Netherlands.

Continued on next page.

General Disclosure Continued

For recipients in India: This report is issued by Morningstar Investment Research India Private Limited (formerly known as Morningstar Investment Adviser India Private Limited). Morningstar Investment Research India Private Limited is registered with SEBI as an Investment Adviser (Registration number INA000001357), as a Portfolio Manager (Registration number INP000006156) and as a Research Entity (Registration Number INH000008686). Morningstar Investment Research India Private Limited has not been the subject of any disciplinary action by SEBI or any other legal/regulatory body. Morningstar Investment Research India Private Limited is a wholly owned subsidiary of Morningstar Investment Management LLC. In India, Morningstar Investment Research India Private Limited has one associate, Morningstar India Private Limited, which provides data-related services, financial data analysis, and software development. The Research Analyst has not served as an officer, director, or employee of the fund company within the last 12 months, nor has it or its associates engaged in market-making activity for the fund company.

For Recipients in Hong Kong: The report is distributed by Morningstar Investment Management Asia Limited, which is regulated by the Hong Kong Securities and Futures Commission to provide investment research and investment advisory services to professional investors only. Neither Morningstar Investment Management Asia Limited, nor its representatives, are acting or will be deemed to be acting as an investment advisor to any recipients of this information unless expressly agreed to by Morningstar Investment Management Asia Limited.

For Recipients in Japan: This report is distributed by Morningstar Japan, Inc. for informational purposes only. Neither Morningstar Japan, Inc. nor its representatives are acting or will be deemed to be acting as an investment advisor to any recipients of this information.

For recipients in Korea: The report is distributed by Morningstar Korea Ltd., which has filed to Financial Supervisory Service, for informational purposes only. Neither Morningstar Korea Ltd., nor its representatives, are acting or will be deemed to be acting as an investment advisor to any recipients of this information.

For recipients in Singapore: This report is distributed by Morningstar Investment Adviser Singapore Pte Limited, which is licensed and regulated by the Monetary Authority of Singapore to provide financial advisory services in Singapore. Recipients of this report should contact their financial advisor in Singapore in relation to this report. Morningstar, Inc., and its affiliates rely on certain exemptions (Financial Advisers Regulations, Section 27(1)(e), Section 32, Band 32C) to provide its investment research to recipients in Singapore.

For recipients in the United Kingdom: This report is distributed by Morningstar UK Ltd, a wholly owned subsidiary of Morningstar, Inc. Morningstar UK Ltd. is not required to be registered nor authorized by the Financial Conduct Authority for the distribution of investment research data. The analyst/s involved in the creation of the report do not take into account any particular investor's financial situation, objectives, or appetite for risk, meaning no representation may be implied as to the suitability of any financial product mentioned for any particular investor. There are information barriers in place between Morningstar UK Ltd and Morningstar regulated entities based in the UK. Registered address: 1 Oliver's Yard 55-71 City Road London EC1Y 1HQ.



22 West Washington Street
Chicago, IL 60602 USA

About Morningstar Manager Research

Morningstar's global manager research team conducts objective, qualitative analysis of managed investment strategies such as mutual funds and exchange-traded funds. Manager research analysts express their views through the Morningstar Medalist Rating, which takes the form of Gold, Silver, Bronze, Neutral, or Negative. The analysts arrive at a strategy's Medalist Rating by assessing key areas including its management team and supporting resources (People Pillar), its investment approach and rationale (Process Pillar), and the investment organization backing the strategy concerned (Parent Pillar). The analysts juxtapose those assessments with the strategy's cost in arriving at a final Analyst Rating, which expresses their conviction in the strategy's ability to outperform a relevant benchmark index or category peers over a market cycle, adjusted for risk. The Morningstar Medalist Rating methodology is forward-looking in nature and applied consistently across geographies and markets. (The Medalist Rating is an opinion, not a statement of fact, and is not intended to be nor is a guarantee of future performance.)

About Morningstar Manager Research Services

Morningstar Manager Research Services combines the firm's fund research reports, ratings, software, tools, and proprietary data with access to Morningstar's manager research analysts. It complements internal due-diligence functions for institutions such as banks, wealth managers, insurers, sovereign wealth funds, pensions, endowments, and foundations. Morningstar's manager research analysts are employed by various wholly owned subsidiaries of Morningstar, Inc. including but not limited to Morningstar Research Services LLC (USA), Morningstar UK Ltd, and Morningstar Australasia Pty Ltd.

©2026 Morningstar. All Rights Reserved. Unless otherwise provided in a separate agreement, you may use this report only in the country in which its original distributor is based. The information, data, analyses, and opinions presented herein do not constitute investment advice; are provided solely for informational purposes and therefore are not an offer to buy or sell a security; and are not warranted to be correct, complete, or accurate. The opinions expressed are as of the date written and are subject to change without notice. Except as otherwise required by law, Morningstar shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses, or opinions or their use. The information contained herein is the proprietary property of Morningstar and may not be reproduced, in whole or in part, or used in any manner, without the prior written consent of Morningstar. To order reprints, call +1 312-696-6100. To license the research, call +1 312 696-6000.