

Morningstar Australasia Pty Ltd and Morningstar Research Limited

Financial Advice Provider Disclosure Statement

Morningstar
Australasia Pty Ltd
FSP Number:
FSP100465

Morningstar Research
Limited
FSP number:
FSP100045
Company number:
356952
NZBN: 9429039567505

Updated: March 2021

This Financial Advice Provider Disclosure Statement (Disclosure Statement) has been prepared and issued by Morningstar Australasia Pty Limited ("Morningstar AU"), FSP number: FSP100465, and Morningstar Research Limited ("Morningstar NZ") NZBN: 9429039567505, FSP number: FSP100045 (together "Morningstar ANZ"). Morningstar AU and Morningstar NZ are subsidiaries of Morningstar, Inc., (NASDAQ: MORN), a leading provider of independent investment research in North America, Europe, Australia, and Asia.

This Disclosure Statement is designed to provide retail clients in New Zealand with important information to assist you in determining whether to use any of the financial services provided by Morningstar ANZ and to give you access to information that will help you to find a financial advice provider that meets your needs. This Disclosure Statement will provide you with information about Morningstar ANZ and how we can be contacted; what financial services we are authorised to provide to you; how we are remunerated; how we manage conflicts of interest; how we protect your information; and how we manage complaints.

Who will be providing the financial service to me?

Morningstar Australasia Pty Limited

New Zealand Financial Service Provider number: FSP100465

Morningstar Research Limited

NZBN: 9429039567505

New Zealand Financial Service Provider number: FSP100045

Principal Place of Business:

Level 3, International Tower 1,
100 Barangaroo Avenue,
Barangaroo, NSW 2000

Postal Address:

Locked Bag 25
Royal Exchange NSW 1225

Morningstar.com.au subscribers Tel: 1800 03 44 55
Email: help.au@morningstar.com www.morningstar.com.au

Advisers/Institutions/Others Tel: +61 2 9276 4446

Fax: +61 2 9276 4545

Email: helpdesk.au@morningstar.com

www.corporate.morningstar.com/au

Firstlinks subscribers

Email: firstlinks@morningstar.com

What kinds of financial services are you authorised to provide me?

Morningstar AU holds a financial advice provider ("FAP") licence issued by the New Zealand Financial Markets Authority to provide financial advice services to retail clients in New Zealand. Morningstar NZ is an authorised body under Morningstar AU's FAP licence. Morningstar ANZ is also permitted under New Zealand law to provide regulated financial advice to wholesale clients in New Zealand.

Morningstar ANZ may provide advice on the following types of products:

- ▶ Basic deposit products
- ▶ Derivatives
- ▶ Government debentures, stocks, and bonds
- ▶ Managed funds, including investor directed portfolio services
- ▶ Securities
- ▶ Superannuation and retirement savings accounts and schemes, including KiwiSaver Schemes

Morningstar ANZ currently provides its clients with financial product data, indexes and information, research reports, and regulated financial advice through newsletters, other publications, websites, data feeds and software products.

Our publications include articles and editorials prepared by our own employees, by our authorised representatives (who act as consultants in providing us with regular articles about a range of economic and financial issues), and by third parties who are responsible for the contents of their articles.

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Please note that to the extent that any of our publications, ratings, products or services provide advice, this is regulated financial advice only. This means that the advice has been prepared without taking into account your investment objectives, financial situation or needs. Before acting on any advice, you should consider the appropriateness of the advice, as well as any additional warnings, disclaimers or qualifications. In the case of advice relating to financial product research, you should also consider the information provided by Morningstar ANZ as to the scope of the research, the process by which products are selected for coverage, the filters and research methodology applied, and the spread of ratings. You can find more information at www.morningstar.com/company/disclosures.

To the extent that any of our publications, ratings, products or services provide regulated financial advice, that advice is provided by Morningstar ANZ and not by any individual. Individual research analyst names are only included in research reports and other documents containing regulated financial advice for convenience and to provide a point of contact within the relevant Morningstar ANZ research group. All views expressed in research reports and other documents represent the views of Morningstar ANZ as a whole.

Our publications, ratings products and services should be viewed as an additional investment resource, not as your sole source of information. We recommend you obtain appropriate financial, legal and taxation advice before making any financial investment decision. In addition:

- ▶ you should be aware that past performance does not necessarily indicate a financial product's likely future performance, and
- ▶ if applicable, before making any decision to acquire a particular financial product, you should obtain and carefully consider the relevant product disclosure statement.

Please also note that we base our financial product research on current information furnished to us by third parties (including the financial product issuers) which we cannot necessarily verify. While we will use all reasonable efforts to obtain information from reliable sources, we do not guarantee the accuracy or completeness of that information. Our financial product research may be withdrawn or changed at any time as other information becomes available to us.

How will I pay for the service?

If you have signed up to one of Morningstar ANZ's free products, there is no payment required. Morningstar ANZ operates a subscription-based business when you subscribe to the Morningstar.com.au website. When you subscribe you will be required to pay a fixed fee according to the length of the subscription period, excluding any trial period where you will have an opportunity to trial the product without charge. The current subscription fee payable per annum is AUD \$675.

How are Morningstar employees paid?

All employees of Morningstar ANZ receive a salary and permanent employees are able to participate in any bonus or sales commission plan relevant to their role, as offered by Morningstar ANZ from time to time at its discretion. Certain employees may also receive Restricted Stock Unit Grants in Morningstar, Inc. that are vested over a defined period.

Do you receive remuneration, commission, fees or other benefits or incentives in relation to providing the financial services to me and how is that commission calculated?

We will receive a fixed fee from you in relation to your morningstar.com.au subscription.

Except as stated in this Disclosure Statement, Morningstar ANZ (including its related companies, associates and directors) does not charge or accept payment or commissions from fund managers, listed companies, or any other product issuers in relation to, or that is attributable to, the services that we provide to you, nor for the production of our research generally.

Some of our manager research employees participate from time to time in overseas industry forums which product issuers pay to attend, and in relation to which our employee travel and accommodation costs are met by the forum organisers, which in turn charge fees to product issuers about which Morningstar ANZ may have published research reports. That is, the benefits are indirectly provided by the product issuers.

Morningstar ANZ regularly reviews all gifts, benefits and entertainment received to ensure adherence with internal policy requirements.

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Morningstar ANZ generates the majority of its income from the following sources:

- ▶ Subscription fees from our clients for research, consulting, software products, and subscriptions to websites and newsletters
- ▶ Subscription fees from our clients for equity, credit and fund data services
- ▶ License fees from financial planning and revenue management software
- ▶ License fees from product issuers rated by us, giving them the right to republish our ratings, and research in their promotional materials
- ▶ License fees from product issuers to use Morningstar Indexes and basis point income based on the assets in the product
- ▶ Event and website sponsorship
- ▶ Website advertising

To the extent that any income we receive from product issuers we prepare research on or are rated by us, is in respect of, or attributable to, the services that we provide you, as at the date of this Disclosure Statement we cannot ascertain the amount that we reasonably expect to receive.

Morningstar ANZ may pay external parties who refer clients to us in connection with the financial services to which this Disclosure Statement relates. The payment could be a single one-off payment, or a percentage of the total amount revenue generated by their referral.

Where Morningstar ANZ does provide any of the above services to product issuers that are rated by us, all services are provided on an arms-length basis.

How do you manage potential conflicts of interest?

Morningstar ANZ has an associated business, Morningstar Investment Management Australia, which provides investment management services.

Morningstar ANZ avoids potential conflicts of interest by not undertaking or publishing qualitative analyst research on Morningstar Investment Management's investment products.

Morningstar ANZ avoids potential conflicts of interest by not publishing qualitative analyst research or qualitative ratings on investment products that track a Morningstar Index.

No material interests are held by Morningstar ANZ, its employees or related companies in the financial products that are the subject of our research reports or the product issuer. Generally, analysts are not permitted to hold securities in entities that they rate.

Our employees and authorised representatives are guided by our Code of Ethics and our related conflicts of interest policies.

Our employees may from time to time receive nominal gifts/hospitality from clients and/or product providers. We have strict guidelines in place as to the circumstances and extent to which our employees may accept any such gifts/hospitality.

Morningstar ANZ permits financial product issuers to license the right to republish our ratings and research in promotional materials. Licensing negotiations are undertaken by sales employees who are segregated from research employees. Any licensing agreement takes place after the ratings and research have been completed and published to our clients and the wider marketplace, and the product provider therefore cannot influence the outcomes of our assessments. Morningstar research employees are remunerated by salary and do not receive any commissions or fees. They may be eligible for an annual bonus which is discretionary and relevant to their role as offered by Morningstar ANZ from time to time at its discretion.

What information do you maintain in my file and can I examine my file?

The privacy of your personal information is important to us. Any personal information we collect such as your name, address, phone, and email details are handled in accordance with our Privacy Policy. Our Privacy Policy outlines how we comply with the requirements of the Privacy Act 2020. A copy of the Privacy Policy can be obtained by visiting our website. You can access your personal information in accordance with our Privacy Policy.

Who can I contact if I have a complaint about the provision of the financial services to me?

If you are not satisfied with our service, please contact us using the contact details on page 1. We will seek to resolve your complaint promptly and fairly.

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Morningstar ANZ will:

- ▶ Acknowledge your complaint within two business days of receipt
- ▶ Investigate your complaint and make every effort to resolve your complaint within 20 business days of receipt

If your complaint has gone through the above steps and is not resolved to your satisfaction or 40 business days have elapsed since your complaint was given to Morningstar ANZ, you have the right to contact Financial Services Complaints Ltd (FSCL). FSCL is a free, independent and impartial dispute resolution service that may help investigate or resolve your complaint. FSCL's contact details are:

Financial Services Complaints Ltd
PO Box 5967,
Wellington 6140
Telephone: 0800 347 257
Email: complaints@fscl.org.nz
Website: <http://www.fscl.org.nz/>

This Publication is a public disclosure statement for the purposes of the *Financial Markets Conduct Act 2013* to the extent that the recipient is a retail client as defined in the *Financial Markets Conduct Act 2013*.

In respect of regulated financial advice given to New Zealand clients, Morningstar ANZ is bound by the duties set out in the *Financial Markets Conduct Act 2013* and the Code of Professional Conduct for Financial Advice Services ("Code") to:

- ▶ when giving regulated financial advice to retail clients, meet the standards of competence, knowledge, and skill, and of ethical behaviour, conduct, and client care, set out in the Code;
- ▶ give priority to clients' interests;
- ▶ ensure regulated financial advice is not materially influenced by Morningstar ANZ's interests; and
- ▶ exercise care, diligence, and skill when providing regulated financial advice.