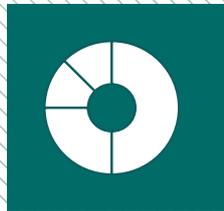
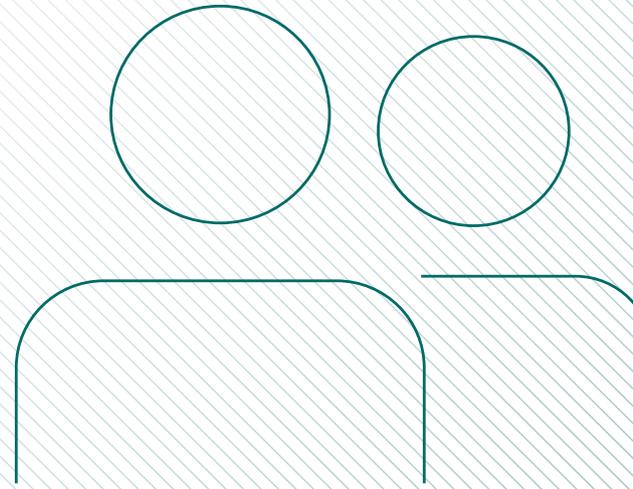


ESG Portfolios

Diversified, one-stop portfolios built with hand-picked funds that focus on sustainable investing principles.



A range of diversified portfolios that invest sustainably

Our investment team combines our valuation-driven asset allocation approach with ESG-focused funds to create core portfolios for investors who care about a sustainable future.

Research by a Sustainable Investing Leader

Morningstar ESG data and research, including the Morningstar Sustainability Rating for Funds, offer a robust look at the sustainability of investments and managers. Our investment selection process builds on this investment and manager research. Our investment team meets with managers to further test their level of commitment, and to better understand their approach to sustainable investing and how their fund might fit into our portfolios.

Investing Well While Doing Good

ESG investing incorporates the analysis of material sustainability issues to both mitigate risk and identify opportunities. While our managers' specific approaches may vary, they all seek to incorporate positive societal and environmental factors into their investment selection process. We believe this can not only lower ESG risks and achieve competitive returns for investors, but also help them achieve positive impact through their investments.

Our Valuation-Driven Asset Allocation

The ESG Portfolios are built using the same valuation-driven asset allocation process we use for our traditional portfolios. To find value—which we define as getting more than what you pay for—our investment professionals around the world study global markets to find what others may be missing. Our disciplined and principled approach to finding value builds risk management into every purchase.

Who's Right for the ESG Portfolios?

Our approach aims to invest in companies taking the greatest strides to address the sustainability challenges they face today and in the future. We believe the ESG Portfolios may be right for investors who want to make a difference with their investments—by helping raise the bar on sustainable corporate practices, while also achieving competitive risk-adjusted returns.

How We Define ESG

Morningstar defines sustainable investing as a long-term approach that incorporates environmental, social, or governance (ESG) factors into the investment process. Here are some examples:



Environmental

Climate change and carbon emissions
Air and water pollution
Energy efficiency
Waste management
Water scarcity
Biodiversity and deforestation



Social

Gender and diversity policies
Safety and quality controls
Human rights
Labour standards
Privacy and data security
Employee engagement



Governance

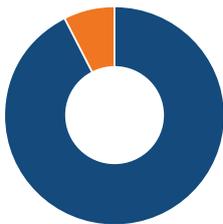
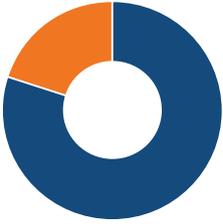
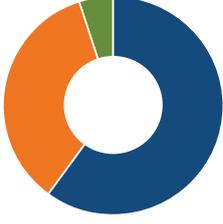
Board diversity
Corporate ethics
Executive compensation
Bribery and corruption policies
Lobbying activities
Accounting practices

ESG Portfolios

The Morningstar ESG Portfolios integrate sustainability considerations within diversified portfolios spanning the risk spectrum. Active investments aim to increase return potential, while passive investments help portfolios remain diversified, low-cost, and tax-efficient. Further, passive investments help precisely implement

valuation-driven asset allocation ideas. All underlying investments consider environmental, social and governance (ESG) factors in their investment decision-making and portfolio construction processes.

● Equity ● Fixed Income ● Alts ● Cash

PORTFOLIO	GOAL	ASSET CLASS RANGE	ALLOCATION
Morningstar ESG Adventurous Portfolio	This portfolio aims to provide capital growth over the long term. There is a maximum equity weighting of 100%.	85-100% 0-15% 0-15% 0-15%	
Morningstar ESG Moderately Adventurous Portfolio	This portfolio aims to provide capital growth over the long term. There is a maximum equity weighting of 100%.	70-90% 10-30% 0-15% 0-20%	
Morningstar ESG Moderate Portfolio	This portfolio aims to provide capital growth and some capital preservation over the medium to long term. There is a maximum equity weighting of 70%.	50-70% 20-50% 0-15% 0-30%	
Morningstar ESG Moderately Cautious Portfolio	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%.	30-50% 30-70% 0-15% 0-40%	
Morningstar ESG Cautious Portfolio	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 30%.	5-30% 45-90% 0-15% 0-50%	

The example allocation images above are for illustrative purposes only. Asset classes shown are Morningstar, Inc. category groups. Allocation of portfolios at the individual account level may vary.

**Learn more about how ESG portfolios
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

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