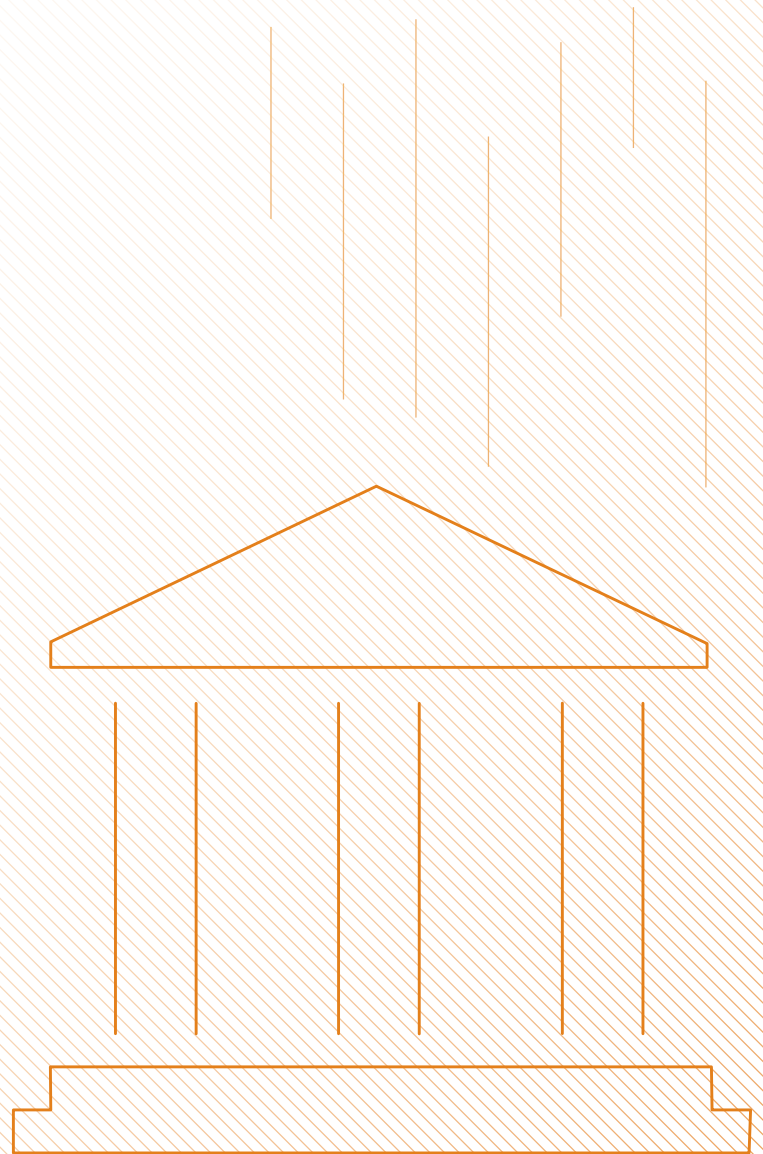


Exchange-Traded Fund Portfolios

Asset Allocation Series

Lower-cost, tax-efficient exchange-traded fund (ETF)
portfolios in five core choices that span the risk spectrum.



A range of core ETF choices for every stage of your life

The ETF portfolios we offer are actively managed by a team of professionals using a research-driven process to help create diversified, low-cost, and tax-efficient portfolios.

We Find Value

Our investment professionals around the world study global markets to find what others may be missing. We begin with a blank sheet of paper, not a benchmark, pushing ourselves to find value, which we define as getting more than what you pay for. Our disciplined and principled approach to finding value builds risk management into every purchase.

ETFs vs. Mutual Funds: What's the Difference?

Exchange-traded funds track a market index, such as the S&P 500. Like mutual funds, they're pooled investments. However, unlike mutual funds that price and trade once a day, ETFs trade on the major exchanges like stocks, and their prices track the underlying value of the securities in the indexes they are designed to match. Also, because they're passively managed to deliver market returns, ETFs tend to cost considerably less than actively managed mutual funds. ETFs also tend to trade their holdings less frequently, which can lead to tax savings over active funds. These characteristics have made ETFs popular with investors.

Morningstar Research

We use a bottom-up, fundamental approach to evaluate each ETF. We begin with trusted data from our parent company, Morningstar, Inc., and its subsidiaries, where analysts cover the stocks inside dozens of ETFs, examining profitability, growth characteristics, and business risk. We roll up the analyst rating for each stock to help assess the attractiveness of an ETF as a whole. From there, we use a proprietary methodology—including reviews of costs and risk—to select an ETF. Only our highest-conviction picks make it into your portfolio.

Tax- and Cost-Effective Management

Because markets are in constant motion, we constantly monitor our portfolios to help ensure each portfolio sticks to its risk and return objectives. We rebalance or replace holdings when necessary. We also seek to minimize the costs that you pay, trading infrequently to help keep costs and taxes in check.

Building Holistic Portfolios

Each portfolio is created using our iterative investment process.



In-Depth Valuation Analysis

We analyze capital markets with a valuation lens to find ways we can get more than we'll pay for, and gauge market sentiment to help ensure we're taking a contrarian look at markets.

Develop Asset Class Views

Our asset allocation best thinking stems from valuation-based opportunities in stock and bond markets, as we seek to maximize return for a given level of risk.

Investment Selection

Assessing ETFs must go beyond cost. Starting with data and analysis from Morningstar, Inc. and its subsidiaries, we examine each ETF's risk characteristics and assess how it will fit into our portfolios.

Portfolio Construction

When building portfolios, we look at the whole picture. Considering risk and return characteristics of investments may adjust our asset class thinking as we bring pieces together into a portfolio.

Ongoing Monitoring

As markets change, so do our portfolios. Our investment team monitors them each day to stay well-positioned and risk-aware through the market's ups and downs.

Asset Allocation Portfolios

Our portfolios are carefully designed to put your needs front and center—where they belong. We think your portfolio should be working for you no matter what investment approach or style is in favor at any given time. That's why we keep them broadly diversified across

asset classes, managers, and investment styles. We offer portfolios for both taxable and tax-deferred accounts. To select a portfolio, talk to your financial advisor, who can help you build a wealth strategy focused on your long-term goals.

● Equity ● Fixed Income ● Alts ● Cash

PORTFOLIOS	GOAL	ASSET CLASS RANGE	ALLOCATION
Aggressive Growth	Long-term capital appreciation. The portfolio invests primarily in domestic and foreign equities, while seeking to cushion equity market downturns with modest exposure to fixed-income securities.	80-100% 0-20% 0-20% 0-25%	
Growth	Long-term capital appreciation. Designed to help investors to take advantage of the potential for stock market growth by investing primarily in domestic and foreign equities.	65-95% 5-35% 0-20% 0-25%	
Moderate Growth	Long-term growth with moderate volatility. Built with a focus on providing balanced and varied exposure by investing in both equity and fixed-income securities.	45-75% 25-55% 0-20% 0-25%	
Income & Growth	Moderate capital appreciation combined with current income. Combines the growth potential of equities with the balance that fixed-income securities can provide.	25-55% 45-75% 0-20% 0-25%	
Conservative	Protection from capital loss and a safeguard against inflation. Invested in fixed-income and equity securities, it's designed to be best suited for investors who seek current income and stability.	5-35% 65-95% 0-20% 0-25%	

*Allocation ranges shown above are for the tax-deferred portfolios. Tax-sensitive versions of the portfolios are available for taxable accounts and may include tax-exempt asset classes such as municipal bonds in addition to asset classes shown above.

Asset classes shown are determined by Morningstar, Inc. Category groups. Allocation at the individual account level may vary. Neither diversification nor asset allocation ensure a profit or guarantee against a loss. Those asset classes noted may be known to be a growth engine, income producer, or volatility dampener but there is no guarantee this will hold true. For illustrative purposes only. Alternative strategies may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor's portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

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About Morningstar's Investment Management group

Drawing on our core capabilities in asset allocation, investment selection, and portfolio construction, Morningstar's Investment Management group provides a global point of view and local market experience. Our investment professionals, located around the world, are guided by core principles focused on long-term investment results and helping end investors reach their financial goals. Built around world-class investment strategies and harnessing the global resources of Morningstar, Inc., our investment offerings support financial advisors, institutions, and the investors they serve.

Morningstar® Managed Portfolios™ provides professional guidance and access to strategies that can help investors reach their financial goals.

Important Information

It is important to note that investments in securities (e.g., mutual funds, exchange-traded funds, common stocks) involve risk and will not always be profitable. ETFs, like all investments, carry certain risks that may adversely affect their net asset value, market price, and/or performance. An ETF's net asset value (NAV) will fluctuate in response to market activity. Because ETFs are traded throughout the day and the price is determined by market forces, the market price you pay for an ETF may be more or less than the net asset value. Because ETFs are not actively managed, their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to not match the performance of its underlying index. Like other concentrated investments, an ETF with concentrated holdings may be more vulnerable to specific economic, political, or regulatory events than an ETF that mirrors the general U.S. market.

Neither diversification nor asset allocation ensure a profit or guarantee against a loss.

Morningstar® Managed Portfolios™ are offered by the entities within Morningstar's Investment Management group, which includes subsidiaries of Morningstar, Inc. that are authorized in the appropriate jurisdiction to provide consulting or advisory services in North America, Europe, Asia,

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Portfolio construction and ongoing monitoring and maintenance of the portfolios within the Program is provided on Morningstar Investment Services' behalf by Morningstar Investment Management LLC, a registered investment adviser and subsidiary of Morningstar, Inc.

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