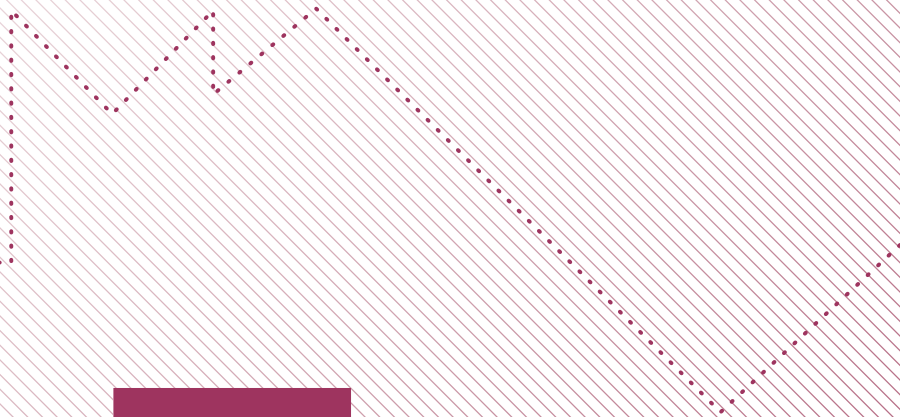
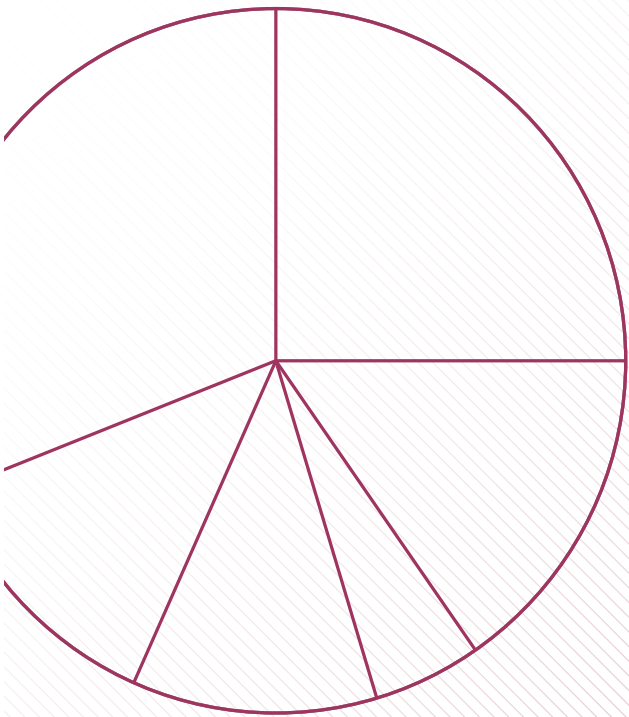


Absolute Return Outcome-Based Series

Emphasizes a diverse range of alternative investments across global markets in pursuit of steady returns and low volatility.



Designed to adapt to shifts in the market

The Absolute Return portfolio uses a broad range of alternative investments to help deliver moderate, consistent returns and helps diversify away from traditional asset classes.

How Absolute Return Works

The Absolute Return portfolio is designed to deliver consistent returns that aren't dependent on the direction of the broad markets, helping investors manage risk. We aim to minimize volatility and drawdown while also offering diversification relative to traditional markets.

A "go anywhere" portfolio, Absolute Return allows fund managers to take advantage of market opportunities to help compound returns over time.

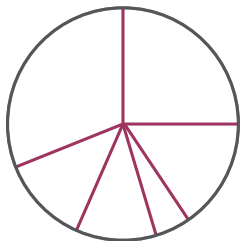
The Power of Alternatives

'Alternative', or non-traditional, investments aren't only for the most sophisticated investors anymore. In fact, we'd argue they can benefit portfolios across risk profiles. Because they don't typically move in lockstep with other parts of a traditional portfolio, alternatives offer the potential to boost overall portfolio returns while reducing risk.

The Absolute Return portfolio combines traditional and alternative investments with low correlations to each other and to the broad markets, offering highly diversified exposure across geographies and asset classes.

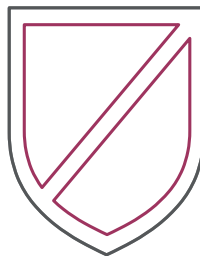
Goals of Absolute Return: Diversify, Protect, Grow

The strategy is designed to capture opportunities in strong market environments—and provide downside protection in weaker ones.



Diversify

- ▶ Incorporate alternatives that may have lower correlation to broader market cycles
- ▶ Invest in a wide range of global securities and sectors



Protect

- ▶ Buffer against sharp volatility and drawdowns
- ▶ Help portfolios weather sudden bear markets



Grow

- ▶ Pursue timely opportunities free from traditional benchmark constraints
- ▶ Allow risk-aware managers to use distinctive strategies to help add value

Research You Can Trust

Only the investments we have the most confidence in make it into the Absolute Return portfolio. Starting with unbiased Morningstar, Inc. data, we use a proprietary evaluation system to identify managers who employ a prudent, repeatable investment process that has yielded strong results over time. We are even more discerning within the alternative space, focusing intently on cost and experience.

Face-to-Face Investing

When we research a fund, we want to understand the firm and the people behind it. We meet one-on-one with fund managers to uncover how they make decisions and assess their experience. We look for good stewards of capital; for example, those who *eat their own cooking* by investing their own personal savings in the funds they oversee. Then, we assemble the investments into a portfolio—and manage it actively to ensure that it's positioned to help meet the goals we've set for it.

Inside the Absolute Return Portfolio

To help meet targeted risk and return objectives and maintain a low correlation to traditional stock and bond markets, the strategy uses investments that tend to fall into one of three categories:



Opportunistic Strategies

The managers of these multi-asset investments may employ a range of techniques as they seek to generate targeted levels of absolute-, not relative-return.



Non-Traditional Diversifiers

These strategies focus on minimizing correlations to broad asset classes—particularly global stocks and bonds. To select them, we look carefully at the fundamental return drivers relative to broad markets and each other.



Stabilizers

Investments in this category tend to act as shock absorbers. They are designed to minimize volatility and drawdowns relative to the U.S. fixed-income or U.S. equity markets.

Who is Absolute Return for?

Absolute Return is well-suited to complement traditional multi-asset portfolios. Its focus on diversification can provide a ballast in difficult market environments while also adding different return drivers than what is commonly found in broad U.S. markets. It may also appeal to conservative investors, including those who are just entering the market. Finally, can help investors in retirement—who have less tolerance for volatility or capital losses—make regular distributions less disruptive.

To select a portfolio, talk to your financial advisor, who can help you build a wealth strategy focused on your long-term goals.

Neither diversification nor asset allocation ensure a profit or guarantee against a loss. This portfolio may not be suitable for all investors. In particular, it is not appropriate for short-term investments, and you could lose money by investing in it.

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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.

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