Morningstar Essentials is a marketing toolkit that is designed to help you make use of the Morningstar proprietary statistics that have gained the acceptance and trust of investors and advisors. One of the key components of Essentials is the broad distribution license for key statistics such as the Morningstar Rating, Morningstar Categories, and Morningstar Style Box, plus many more.

In the following pages, you’ll find important information about how to use the data and images available in your Morningstar Essentials license. This document features a section for each proprietary statistic included in your Essentials license as well as information on our review process and required disclosure language. Each section contains art guidelines, disclosure language to assist you with the FINRA review process, and other important things to know when using Morningstar proprietary statistics.

As part of your Essentials license, Morningstar provides you with access to the logos, artwork, and seals that you need to create effective marketing and advertising campaigns that utilize Morningstar statistics.

Please contact your customer success manager if you have any questions on how to use this document.

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Morningstar Rating Artwork

Morningstar rates mutual funds from one to five stars based on how well they’ve performed (after adjusting for risk) in comparison to similar funds. The overall Morningstar Rating™ must be the featured Morningstar Rating in the materials. The three-, five-, and 10-year ratings may also be illustrated, but the overall Morningstar Rating must be featured with them.

For example, if a fund has received 5 stars for the three-year period and 3 stars for the five-year period and has an overall Morningstar Rating of 4 stars, the 4-star overall Morningstar Rating is required to be the featured Morningstar Rating.

Morningstar Rating Artwork

The Morningstar Rating stars must be two-dimensional, five-pointed stars.

The font “Wingdings” contains a five-pointed star if using EPS artwork is not a viable option. The outlined star with a shadow in Wingdings is not allowed.

Morningstar Rating Seal

We recommend the colors Morningstar red or black when displaying the seals.

If seals are used for multiple proprietary statistics they must all be from the same time period.
### Morningstar Rating in a Table

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Total Return %</th>
<th>Morningstar Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Year</td>
<td>10.26</td>
<td>★★★★★★</td>
</tr>
<tr>
<td>5-Year</td>
<td>12.21</td>
<td>★★★★ 2</td>
</tr>
<tr>
<td>10-Year</td>
<td>9.05</td>
<td>★★★★★★ 3</td>
</tr>
<tr>
<td>Overall</td>
<td>10.68</td>
<td>★★★★★★ 4</td>
</tr>
</tbody>
</table>

1) Out of 0,000 [name of category] funds, as of 00-00-00  
2) Out of 0,000 [name of category] funds, as of 00-00-00  
3) Out of 0,000 [name of category] funds, as of 00-00-00  
4) Out of 0,000 [name of category] funds, as of 00-00-00

### Morningstar Rating in Text

#### Actual Performance

Fund XYZ received a Morningstar Rating™ of ★★★★★

Fund XYZ received a 4-star Morningstar Rating™

Fund XYZ received a Morningstar Rating™ of 4 stars

#### Extended Performance

Fund XYZ received a Morningstar Rating™ of ★★★★

Fund XYZ received a 4-star Morningstar Rating™

Fund XYZ received a Morningstar Rating™ of 4 stars
Displaying the Morningstar Rating™ Artwork

Morningstar Rating™ Artwork

Recommended Color
Black.

Clear Space
Maintain around the rating, with measurements as shown.

Morningstar Rating™
Overall rating out of 0,000 [name of category] funds as of 00-00-00
Morningstar Rating™ Seal

**Recommended Color**
Morningstar red or black.

**Clear Space**
Maintain around the seal, with measurements as shown.

**Size**
The standard seal measures 3” x 3” as shown and may be reduced to 25%.
Required Morningstar Rating™ Disclosures

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Insert time period rating out of insert number of funds insert name of category funds as of insert date.
Suggested Morningstar Rating™ Disclosures

Morningstar Rating

The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Insert name of fund was rated against the following numbers of insert name of category funds over the following time periods: insert number of funds in category during prior 3-year period funds in the last three years, insert number of funds in category during the prior 5-year period funds in the last five years, and insert number of funds in category during the prior 10-year period funds in the last ten years. Past performance is no guarantee of future results.

Additional Disclosure for Multi-class Funds

Morningstar Rating is for the insert class share class only; other classes may have different performance characteristics.
Morningstar Extended Performance Rating Disclosure

Some of Morningstar’s proprietary calculations, including the Morningstar Rating™, are not customarily calculated based on adjusted historical returns. However, for new share classes/channels, Morningstar may calculate an extended performance Morningstar Rating that is based, in part, on adjusted historical (or “pre-inception”) returns for periods prior to the inception of the share class of the fund shown herein (“Report Share Class”).

The extended performance is calculated by creating a performance stream consisting of the Report Share Class and older share class(es). Morningstar adjusts the historical total returns of the older share class(es) of a fund to reflect higher expenses in the Report Share Class. We do not hypothetically adjust returns upwards for lower expenses. For more information regarding calculation of pre-inception returns, please see the Morningstar Extended Performance Methodology.

The extended performance Morningstar Risk-Adjusted Return is then calculated for three-, five-, and 10-year time periods and used to determine the extended performance Morningstar Rating. The extended performance Morningstar Rating for this fund does not affect the retail fund data published by Morningstar, as the bell curve distribution on which the ratings are based includes only funds with actual returns. The Overall Morningstar Rating for multi-share open-end funds will be either based on actual performance only or extended performance only. Once the share class turns three years old, the Overall Morningstar Rating will be based on actual ratings only. The Overall Morningstar Rating for multi-share variable annuities is based on a weighted average of any ratings that are available. For more information, please see the Morningstar Rating Methodology.

While the inclusion of pre-inception data, in the form of extended performance, can provide valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures of a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. The underlying investments in the share classes used to calculate the pre-performance string will likely vary from the underlying investments held in the fund after inception. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.
Morningstar Rating for Separate Accounts

The Morningstar Rating™ for funds, or “star rating”, is calculated for separate accounts with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Notes
Fees for separate accounts can vary widely and are negotiated between the asset manager, the separate account program sponsor or advisor, and the investor. Morningstar has chosen to present gross-of-fees performance (before fees have been taken out) to compare separate accounts. Net-of-fees calculations often deduct the highest theoretical fees that an investor may pay.

Morningstar will not calculate ratings for categories or time periods that contain fewer than five separate accounts. Each investor in the same separate account can experience slightly different total returns, because investors have different account preferences and restrictions. Therefore, to ensure that ratings are fairly assigned, Morningstar will calculate ratings for only those firms that report performance for “composites” of similarly managed portfolios according to the guidelines of the CFA Institute’s Global Investment Performance Standards (GIPS®).

Separate accounts that do not have ratings can be divided into two groups: those that do not qualify to be rated and those that did not participate. A separate account will not get a Morningstar Rating if: It is less than three years old, the firm is not GIPS-compliant, or the category contains fewer than five separate accounts that are eligible for a rating.
Suggested Explanation Text

This text may be used as an investor-friendly description of the Morningstar Rating.

Morningstar Rating

Morningstar Rating for Funds
Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk) in comparison to similar funds. Within each Morningstar Category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Funds are rated for up to three time periods—three-, five-, and 10 years—and these ratings are combined to produce an overall rating. Funds with less than three years of history are not rated. Ratings are objective, based entirely on a mathematical evaluation of past performance. They’re a useful tool for identifying funds worthy of further research, but shouldn’t be considered buy or sell recommendations.
Important Things to Know

The overall Morningstar Rating™ must be the featured Morningstar Rating in any communication.
The three-, five-, and 10-year ratings may also be illustrated, but only when the overall Morningstar Rating is also shown. "Cherry-picking" time periods when using the Morningstar Rating is not acceptable.

In other words, the rule for featuring the Morningstar Rating is "One or All." "One" refers to the Overall Morningstar Rating and "All" refers to every Morningstar Rating for the fund (i.e., Overall, three-, five- and 10-year) received to date.

Any reference to the Morningstar Rating must use the term "rating" as opposed to "ranking."
The Morningstar Rating is not to be confused with a "ranking" of funds.

Language cannot be used that depicts the Morningstar Rating as an endorsement of a fund.
The Morningstar Rating is based on an objective, mathematical calculation and is not to be construed as an endorsement of any fund.

Incorrect usage
"XYZ Fund was awarded Morningstar’s highest rating–5 stars!"

"XYZ Fund earned 5 stars!"

Correct usage
"XYZ Fund received a 5-Star Overall Morningstar Rating™!"

The date of the Morningstar Rating must be the most recent available.
This date will be the most recent quarter- or month-end and must be clearly labeled in the communication, as well as in close proximity to the rating. This date, also known as the “as of” date, is provided for you in your monthly Morningstar Essentials data file.

The Morningstar Rating can be used in conjunction with other data provider’s analyses or data.
However, each data provider must be clearly labeled. The Morningstar Rating may not be displayed in connection with, or in close proximity to, any information or data furnished by any of Morningstar’s direct competitors in a manner in which attribution is unclear, including the following entities:
- Lipper, a Thomson Reuters company
- MSCI
- Standard and Poor’s, a division of The McGraw-Hill Companies, Inc.
Morningstar Style Box™ Artwork

The Morningstar Style Box™ was introduced in 1992 to help investors and advisors determine the investment style of a fund. The equity style box is a nine-square grid that classifies securities by size along the vertical axis and by value and growth characteristics along the horizontal axis. For fixed-income funds, along the horizontal axis of the style box lies the average term length of a fund’s bond portfolio based on average effective duration and along the vertical axis lies the average quality rating of a bond portfolio.

Morningstar Style Box Artwork Without Labels (for both equity and fixed income)

Morningstar Style Box Artwork With Labels

Recommended Color
Black

Font
The label font may be changed to match the client’s page layout.

Font
The label font may be changed to match the client’s page layout.

Morningstar Ownership Zone with Holdings

Morningstar Historical Style
The recommended color for the Morningstar Style Box Seal is Morningstar red or black.

### Morningstar Style Box

**Equity**

- Small Growth

**Fixed Income**

- Extensive Low Quality

The use of a style box in a spreadsheet does not require labels. However, a label key somewhere on the page would benefit the user.

### The Morningstar Style Box in a Table

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Total Return %</th>
<th>Morningstar Style Box™</th>
</tr>
</thead>
<tbody>
<tr>
<td>XYZ Values Fund</td>
<td>10.26</td>
<td>■</td>
</tr>
<tr>
<td>XYZ Discovery Fund</td>
<td>12.21</td>
<td>■</td>
</tr>
<tr>
<td>XYZ Opportunities Fund</td>
<td>9.05</td>
<td>■</td>
</tr>
<tr>
<td>XYZ Small Growth Fund</td>
<td>10.68</td>
<td>■</td>
</tr>
</tbody>
</table>
The Morningstar Style Box Seal

**Recommended Color**
Morningstar red or black.

**Clear Space**
Maintain around the seal, with measurements as shown.

**Size**
The standard seal measures 3" x 3" as shown and may be reduced to 25%.

---

Morningstar Style Box

Equity

Mid Growth
Required Morningstar Style Box™ Disclosures

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Explanatory Style Box Text

**Equity**

Fund XYZ appeared as a [insert market-cap size] [insert investment style] fund on the Morningstar Style Box™ at [insert date/month/year].

**Fixed Income**

Fund XYZ appeared as a [insert credit quality] [insert interest rate sensitivity] fund on the morningstar Style Box™ at [insert date/month/year].
Suggested Disclosure and Explanation

**Morningstar Style Box Explanation**

The Morningstar Style Box™ is a nine-square grid that, for equity funds, depicts three investment styles (value, growth, and blend) for each of three size categories (small, mid, and large). For fixed-income funds, the vertical axis shows the credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's effective duration. The Style Box provides an easy-to-follow visual representation of fund characteristics and enables informed comparisons and portfolio construction based on what funds actually hold.

**Morningstar Style Box Disclosure**

The Morningstar Style Box™ reveals a fund’s investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). For fixed-income funds, the vertical axis shows the credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond’s effective duration.

In the event Licensee uses or displays that part of the Product containing the Morningstar Style Box, Licensee may include the following disclaimer:

The Morningstar Style Box™ reveals a fund’s investment strategy.

For equity funds the vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend, or growth). A darkened square in the style box indicates the weighted average style of the portfolio.

For fixed-income funds, the vertical axis shows the credit quality of the long bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond’s effective duration.

Morningstar seeks credit rating information from fund companies on a periodic basis (e.g., quarterly). In compiling credit rating information Morningstar accepts credit ratings reported by
fund companies that have been issued by all Nationally Recognized Statistical Rating Organizations (NRSROs). For a list of all NRSROs, please visit https://www.sec.gov/ocr. Additionally, Morningstar accepts foreign credit ratings from widely recognized or registered rating agencies. If two rating organizations/agencies have rated a security, fund companies are to report the lower rating; if three or more organizations/agencies have rated a security, fund companies are to report the median rating, and in cases where there are more than two organization/agency ratings and a median rating does not exist, fund companies are to use the lower of the two middle ratings.

Please Note: Morningstar, Inc. is not itself an NRSRO nor does it issue a credit rating on the fund. An NRSRO or rating agency ratings can change from time-to-time.

For credit quality, Morningstar combines the credit rating information provided by the fund companies with an average default rate calculation to come up with a weighted-average credit quality. The weighted-average credit quality is currently a letter that roughly corresponds to the scale used by a leading NRSRO. Bond funds are assigned a style box placement of “low”, “medium”, or “high” based on their average credit quality. Funds with a low credit quality are those whose weighted-average credit quality is determined to be less than “BBB-”; medium are those less than “AA-”, but greater or equal to “BBB-”; and high are those with a weighted-average credit quality of “AA-” or higher. When classifying a bond portfolio, Morningstar first maps the NRSRO credit ratings of the underlying holdings to their respective default rates (as determined by Morningstar’s analysis of actual historical default rates). Morningstar then averages these default rates to determine the average default rate for the entire bond fund. Finally, Morningstar maps this average default rate to its corresponding credit rating along a convex curve.

For interest-rate sensitivity, Morningstar obtains from fund companies the average effective duration. Generally, Morningstar classifies a fixed-income fund’s interest-rate sensitivity based on the effective duration of the Morningstar Core Bond Index (MCBI), which is currently three years. The classification of Limited will be assigned to those funds whose average effective duration is between 25% to 75% of MCBI’s average effective duration; funds whose average effective duration is between 75% to 125% of the MCBI will be classified as Moderate;
and those that are at 125% or greater of the average effective duration of the MCBI will be classified as Extensive.

For municipal bond funds, Morningstar also obtains from fund companies the average effective duration. In these cases static breakpoints are utilized. These breakpoints are as follows: (i) Limited: 4.5 years or less; (ii) Moderate: more than 4.5 years but less than 7 years; and (iii) Extensive: more than 7 years. In addition, for non-US taxable and non-US domiciled fixed income funds static duration breakpoints are used: (i) Limited: less than or equal to 3.5 years; (ii) Moderate: greater than 3.5 and less than equal to 6 years; (iii) Extensive: greater than 6 years.

Interest-rate sensitivity for non-U.S. domiciled funds (excluding funds in convertible categories) may be measured with modified duration when effective duration is not available.
Morningstar Analyst Rating™ and Morningstar Quantitative Rating
Unlike the backward-looking Morningstar Rating™ (often referred to as the “star rating”), which assigns 1 to 5 stars based on a fund’s past risk-adjusted returns versus category peers, the Morningstar Analyst Rating™ is the summary expression of Morningstar’s forward-looking analysis of a fund. Morningstar analysts assign the ratings on a five-tier scale with three positive ratings of Gold, Silver, and Bronze, a Neutral rating, and a Negative rating.

The Analyst Rating is based on the analyst’s conviction in the fund’s ability to outperform its peer group and/or relevant benchmark on a risk-adjusted basis over the long term. If a fund receives a positive rating of Gold, Silver, or Bronze, it means Morningstar analysts think highly of the fund and expect it to outperform over a full market cycle of at least five years.

The Analyst Rating is not a market call, and it is not meant to replace investors’ due-diligence process. It cannot assess whether a fund is the right fit for a particular portfolio and risk tolerance. It is intended to supplement investors’ and advisors’ own work on funds and, along with written analysis, provide forward-looking perspective into a fund’s abilities. It picks up where commonly watched measures of the past leave off.

**Morningstar Analyst Rating™ for Essentials Artwork**

---

**Recommended Color**

Our multi-color option, Morningstar red, or black.

When process colors are not available, please use the black ratings.

**With Morningstar Logo**

- **Gold**
- **Silver**
- **Bronze**

**Without Morningstar Logo**

- **Gold**
- **Silver**
- **Bronze**

Please use these only when the shield has a height less than 18mm. These are intended to preserve the integrity of the horizontal lines.

**Recommended Color**

Use Morningstar red when color is needed.

When process colors are not available, please use the black ratings.

**Words for Other Ratings**

- Neutral
- Negative
- Under Review
- Not Ratable
Fill in appropriate information for items highlighted in red.

<table>
<thead>
<tr>
<th>Morningstar Logo</th>
<th>Morningstar Logo</th>
<th>Without Morningstar Logo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Format</td>
<td>Small Format</td>
<td></td>
</tr>
<tr>
<td><img src="image" alt="Morningstar Logo Red" /></td>
<td><img src="image" alt="Morningstar Logo Gold" /></td>
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</tr>
</tbody>
</table>

Please use these only when the shield has a height less than 18mm. These are intended to preserve the integrity of the horizontal lines.

- **Morningstar Red**: Process RGB 0c-91m-76y-0k 249-30-53
- **Gold**: Process RGB 0c-41m-99y-0k 256-164-29
- **Silver**: Process RGB 15c-0m-11y-4k 139-155-151
- **Bronze**: Process RGB 17c-62m-66y-4k 200-116-80
**Displaying the Morningstar Analyst Rating™ Artwork**

<table>
<thead>
<tr>
<th>Recommended Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Morningstar red when color is needed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clear Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain around the rating, with measurements as shown.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Text Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Align Neutral, Negative, Under Review, and Not Ratable with Gold, Silver and Bronze words if used in a list or table on the same page.</td>
</tr>
</tbody>
</table>
Required Disclosure

Morningstar Data

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Past performance is no guarantee of future results.

Suggested Morningstar Analyst Rating™ Disclosure

The Morningstar Analyst Rating™ is not a credit or risk rating. It is a subjective evaluation
performed by Morningstar’s manager research group, which consists of various Morningstar, Inc.
subsidiaries (“Manager Research Group”). In the United States, that subsidiary is Morningstar
Research Services LLC, which is registered with and governed by the U.S. Securities and Exchange
Commission. The Manager Research Group evaluates funds based on five key pillars, which are
process, performance, people, parent, and price. The Manager Research Group uses this five pillar
evaluation to determine how they believe funds are likely to perform relative to a benchmark,
or in the case of exchange-traded funds and index mutual funds, a relevant peer group, over the
long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their
research, and the weight of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze,
Neutral, and Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflects the
Manager Research Group’s conviction in a fund’s prospects for outperformance. Analyst Ratings
ultimately reflect the Manager Research Group’s overall assessment, are overseen by an Analyst
Rating Committee, and are continuously monitored and reevaluated at least every 14 months.

For more detailed information about Morningstar’s Analyst Rating, including its methodology,
please go to global.morningstar.com/managerdisclosures/

The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund,
(ii) involves unknown risks and uncertainties which may cause Analyst expectations not
to occur or to differ significantly from what they expected, and (iii) should not be considered
an offer or solicitation to buy or sell the fund.
The number of funds that receive a Morningstar Analyst Rating is limited by the size of the Morningstar analyst team. To expand the number of funds covered, Morningstar developed a machine-learning model that uses the decisionmaking processes of the analyst team, their past ratings decisions, and the data used to support those decisions. The machine-learning model is then applied to the “uncovered” fund universe and creates the Morningstar Quantitative Rating™ for funds (the Quantitative Rating), which is analogous to the rating a Morningstar analyst might assign to the fund if an analyst covered the fund.

These quantitative ratings predictions make up what we call the Morningstar Quantitative Rating.

**Recommended Color**
Our multi-color option, Morningstar red, or black.

When process colors are not available, please use the black ratings.

**Words for Other Ratings**
Neutral™
Negative™
Under Review™
Not Ratable™

Please use these only when the shield has a height less than 18mm. These are intended to preserve the integrity of the horizontal lines.
Required Morningstar Quantitative Rating™ Disclosure

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providers are responsible for any damages or losses arising from any use of this information. Past
performance is no guarantee of future results.
Suggested Morningstar Quantitative Rating™Disclosure

Morningstar’s quantitative fund ratings consist of: (i) Morningstar Quantitative Rating (overall score), (ii) Quantitative Parent pillar, (iii) Quantitative People pillar, (iv) Quantitative Performance pillar, (v) Quantitative Price pillar, and (v) Quantitative Process pillar (collectively the “Quantitative Fund Ratings”).

The Quantitative Fund Ratings are calculated monthly and derived from the analyst-driven ratings of a fund’s peers as determined by statistical algorithms. Morningstar, Inc. calculates Quantitative Fund Ratings for funds when an analyst rating does not exist as part of its qualitative coverage.

**Morningstar Quantitative Rating**
Intended to be comparable to Morningstar’s Analyst Ratings for open-end funds and ETFs, which is the summary expression of Morningstar’s forward-looking analysis of a fund. The Morningstar Analyst Rating is based on the analyst’s conviction in the fund’s ability to outperform its peer group and/or relevant benchmark on a risk-adjusted basis over a full market cycle of at least 5 years. Ratings are assigned on a five-tier scale with three positive ratings of Gold, Silver, and Bronze, a Neutral rating, and a Negative rating. Morningstar calculates the Morningstar Quantitative Rating using a statistical model derived from the Morningstar Analyst Rating our fund analysts assign to open-end funds. Please go to [https://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf](https://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf) for information about Morningstar Analyst Rating Morningstar’s fund analysts assign to funds.

**Quantitative Parent Pillar**
Intended to be comparable to Morningstar’s Parent pillar scores, which provides Morningstar’s analyst opinion on the stewardship quality of a firm. Morningstar calculates the Quantitative Parent pillar using an algorithm designed to predict the Parent Pillar score our fund analysts would assign to the fund. The quantitative rating is expressed as Positive, Neutral, or Negative.
**Quantitative People Pillar**
Intended to be comparable to Morningstar’s People pillar scores, which provides Morningstar’s analyst opinion on the fund manager’s talent, tenure, and resources. Morningstar calculates the Quantitative People pillar using an algorithm designed to predict the People pillar score our fund analysts would assign to the fund. The quantitative rating is expressed as Positive, Neutral, or Negative.

**Quantitative Performance Pillar**
Intended to be comparable to Morningstar’s Performance pillar scores, which provides Morningstar’s analyst opinion on the fund’s performance pattern of risk-adjusted returns. Morningstar calculates the Quantitative Performance pillar using an algorithm designed to predict the Performance pillar score our fund analysts would assign to the fund. The quantitative rating is expressed as Positive, Neutral, or Negative.

**Quantitative Price Pillar**
Intended to be comparable to Morningstar’s Price pillar scores, which provides Morningstar’s analyst opinion on the fund’s value proposition compared to similar funds sold through similar channels. Morningstar calculates the Quantitative Price pillar using an algorithm designed to predict the Price Pillar score our fund analysts would assign to the fund. The quantitative rating is expressed as Positive, Neutral, or Negative.

**Quantitative Process Pillar**
Intended to be comparable to Morningstar’s Process pillar scores, which provides Morningstar’s analyst opinion on the fund’s strategy and whether the management has a competitive advantage enabling it to execute the process and consistently over time. Morningstar calculates the Quantitative Process pillar using an algorithm designed to predict the Process pillar score our fund analysts would assign to the fund. The quantitative rating is expressed as Positive, Neutral, or Negative.

Morningstar Quantitative Ratings have not been made available to the issuer of the security prior to publication.
**Risk Warning**

The quantitative fund ratings are not statements of fact. Morningstar does not guarantee the completeness or accuracy of the assumptions or models used in determining the quantitative fund ratings. In addition, there is the risk that the return target will not be met due to such things as unforeseen changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, and tax rate. For investments in foreign markets there are further risks, generally based on exchange rate changes or changes in political and social conditions. A change in the fundamental factors underlying the quantitative fund ratings can mean that the recommendation is subsequently no longer accurate.

For more information about Morningstar’s quantitative methodology, please visit corporate1.morningstar.com/Research Library.
Sustainability and Carbon
Morningstar Sustainability Rating™

Morningstar rates funds from High to Low based on their Historical Portfolio Sustainability Score™ in comparison to similar funds. When available, the Morningstar Sustainability Rating™ must be the featured sustainability rating. The individual Environmental, Social, and Governance scores may also be illustrated, but the Morningstar Sustainability Rating must be featured with them.

For example, if a fund’s Environmental Score vs. Category is High, but its Morningstar Sustainability Rating is Below Average, the Environmental Score vs. Category cannot be shown in isolation.

Required Morningstar Sustainability Rating Disclosures

Historical Sustainability Score as of [insert date of Historical Sustainability Score]. Sustainability Rating as of [insert date of Sustainability Rating]. Sustainalytics provides company-level analysis used in the calculation of Morningstar’s Historical Sustainability Score.

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Required Accompanying Statement for the Morningstar Sustainability Rating

Out of [insert number of funds] [insert name of global category] funds as of [insert date]. Based on [insert percent of AUM covered] of AUM. Data is based on long positions only.

Morningstar Sustainability Rating in Text

Fund XYZ received a Morningstar Sustainability Rating™ of ☛☛☛☚☚. Fund XYZ received an Above Average Morningstar Sustainability Rating™. Fund XYZ received a Morningstar Sustainability Rating™ of Above Average.
## Morningstar Sustainability Rating Artwork

### Morningstar Sustainability Rating Artwork

<table>
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<tr>
<td><img src="image" alt="Low Icon" /></td>
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</table>

### Displaying the Morningstar Sustainability Rating Artwork

- **Recommended Color**: Blue.
- **Clear Space**: Maintain around the rating, with measurements as shown.
- **Accompanying Statement**: Always display with the rating.

**Out of 0,000 [name of global category] funds as of 00-00-00.**

Based on 00% of AUM. Data is based on long positions only.
Suggested Morningstar Sustainability Rating™ Disclosure

**Morningstar Sustainability Rating**

The Morningstar® Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund’s portfolio holdings are managing their environmental, social, and governance, or ESG, risks and opportunities relative to the fund’s Morningstar Global Category peers.

The Morningstar Sustainability Rating calculation is a three-step process. First, each fund with at least 67% of assets covered by a company-level ESG score from Sustainalytics receives a Morningstar Portfolio Sustainability Score. The Morningstar Portfolio Sustainability Score is an asset-weighted average of normalized company-level ESG scores with deductions made for controversial incidents by the issuing companies, such as environmental accidents, fraud, or discriminatory behavior. The Portfolio Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies that score well after normalization and controversy-level deductions are applied.

Second, the Historical Sustainability Score is an exponential weighted moving average of the Portfolio Sustainability Scores over the past 12 months. The process rescales the current Portfolio Sustainability Score to reflect the consistency of the scores. The Historical Sustainability Score ranges between 0 to 100, with a higher score indicating that a fund has, on average, more of its assets invested in companies that score well after normalization and controversy-level deductions are applied, on a consistent historical basis.

Third, the Morningstar Sustainability Rating is then assigned to all scored funds within Morningstar Global Categories in which at least thirty (30) funds receive a Historical Sustainability Score and is determined by each fund’s Morningstar Sustainability Rating Score rank within the following distribution:

- High (highest 10%)
- Above Average (next 22.5%)
- Average (next 35%)
- Below Average (next 22.5%)
- Low (lowest 10%)
The Morningstar Sustainability Rating is depicted by globe icons where High equals 5 globes and Low equals 1 globe. Since a Sustainability Rating is assigned to all funds that meet the above criteria, the rating it is not limited to funds with explicit sustainable or responsible investment mandates.

Morningstar updates its Sustainability Ratings monthly. The Portfolio Sustainability Score is calculated when Morningstar receives a new portfolio. Then, the Historical Sustainability Score and the Sustainability Rating is calculated one month and six business days after the reported as-of date of the most recent portfolio. As part of the evaluation process, Morningstar uses Sustainalytics’ ESG scores from the same month as the portfolio as-of date.

Please visit http://corporate1.morningstar.com/SustainableInvesting/ for more detailed information about the Morningstar Sustainability Rating methodology and calculation frequency.
Morningstar Low Carbon Designation™

The Morningstar® Low Carbon Designation™ is assigned to portfolios that have low carbon-risk scores and low levels of fossil-fuel exposure. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

Required Morningstar Low Carbon Designation Disclosures

Carbon Metrics as of [insert Carbon Date], Based on [insert percent of AUM covered] of AUM. Data is based on long positions only.

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Required Accompanying Statement for the Morningstar Low Carbon Designation

As of [insert Carbon Date].

Morningstar Low Carbon Designation Artwork
Suggested Morningstar Low Carbon Designation™ Disclosure

**Morningstar Low Carbon Designation**

The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy.

The designation is given to portfolios that have low carbon-risk scores and low levels of exposure to fossil fuels. To determine carbon-risk scores and fossil fuel involvement, Morningstar uses Sustainalytics’ company-level data. The Morningstar® Portfolio Carbon Risk Score™ measures the risk that companies in a portfolio face from the transition to a low-carbon economy. The Morningstar® Portfolio Fossil Fuel Involvement™ percentage assesses the degree to which a portfolio is exposed to thermal coal extraction and power generation as well as oil and gas production, power generation, and products & services.

To receive a Morningstar Portfolio Carbon Risk Score, at least 67% of portfolio assets must have a carbon-risk rating from Sustainalytics. The percentage of assets covered is rescaled to 100% before calculating the score.

To receive the designation, a portfolio must meet two criteria:

- A 12-month trailing average Morningstar Portfolio Carbon Risk Score below 10
- A 12-month trailing average exposure to fossil fuels less than 7% of assets, which is approximately a 33% underweighting to the global equity universe

Funds receive the Low Carbon designation based on the most recent quarterly calculations of their 12-month trailing average Morningstar Portfolio Carbon Risk Scores and Morningstar Portfolio Fossil Fuel Involvement. Funds holding the Low Carbon designation that no longer meet the criteria will not receive the designation for the subsequent quarter. All Morningstar Portfolio Carbon Metrics, including the Morningstar Portfolio Carbon Risk Score, Morningstar Portfolio Fossil Fuel Involvement, and the Morningstar Low Carbon Designation, are calculated quarterly. Portfolio carbon metric calculations will be completed on the sixth business day in February, May, August, and November.

Additional Graphs and Ratings
Morningstar Risk, Return, and Category % Rank Artwork

Morningstar Return determines an investment’s excess return over the risk-free rate. Morningstar Risk assesses the variation in an investment’s monthly returns with greater penalties for downside variation. Both are measured for three, five, and 10 years against other investments in the same Morningstar Category, and then the time periods are combined to produce an overall measure.

Morningstar Category % Rank is a fund’s total-return percentile rank relative to all funds in the same category. The highest (or most favorable) percentile rank is one and the lowest (or least favorable) percentile rank is 100.

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**Recommended Color**
Morningstar red or black.

If seals are used for multiple proprietary statistics they must all be from the same time period.

**Morningstar Risk Seal**

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<td>10 Year</td>
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<td>+Avg</td>
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</table>

**Morningstar Return Seal**

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<tr>
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**Morningstar Category % Rank Seal**

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<th>Morningstar Category % Rank</th>
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Required Disclosure

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Past performance is no guarantee of future results.

[Insert time period] [insert ranking type: absolute, percentile, quartile] ranking out of insert number
of funds insert name of category funds as of insert date.
Life cycle funds are diversified investments that shift their allocation among various asset classes—such as stocks, bonds, and cash—as an investor moves toward retirement. These investments have target dates that indicate the expected retirement year, and may have additional traits such as an aggressive, moderate, or conservative investing style.

A glide path illustrates an investment’s change in target asset allocation along specific time points as an investor approaches, reaches, and settles into retirement. It graphically depicts how the allocation shifts from a more aggressive investment approach to a more conservative one as the investment nears its target maturity date.

**Glide Path**

![Glide Path Diagram](image-url)
Required Disclosure

Morningstar Data

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Usage Examples
The XYZ Growth Fund

Focused on the Long Term.

The XYZ Growth Fund takes a long-term approach to investing. We utilize a team approach to management of the fund and all of our managers and analysts are focused on finding the investments that they believe will provide the greatest appreciation over time. While the market fluctuates day-to-day, we are dedicated to our approach of choosing fundamentally sound stocks that are poised for long-term growth.

This approach has led to consistently high ratings from Morningstar. The XYZ Growth Fund has been rated four stars in the large growth category for the overall, 3-year, 5-year, and 10-year time periods. And because it has outperformed most other large growth funds, it has earned an overall high return rating from Morningstar.

Call your advisor today to find out more about how the XYZ Growth Fund can help you reach your retirement goal.

*Morningstar Rating label with trademark
*Label time periods, and feature the Overall rating
*Use plain, solid, two-dimensional, black stars
*Use the same time period for seals of multiple proprietary statistics
*Maintain clear space around the seal
*Include the quantifying statement
*Include the suggested disclosure for Morningstar Rating (suggested explanation text also available)
*Include the required disclosure for all Morningstar data

Advertisement Sample Usage
Fact Sheet Sample Usage

XYZ Growth Fund

Investment Objective
The investment objective of this fund is to produce long-term growth of capital, with a secondary goal of current income. The fund will normally be fully invested as practicable in a diversified portfolio of common stocks and securities convertible into common stock of U.S. companies that have the potential for capital appreciation. Market capitalizations of issuers selected will be primarily in excess of $2 billion.

Who Should Invest
Investors with long-term growth objectives, such as saving for retirement or for children’s college education. The XYZ Growth fund offers investors a diversified, professionally-managed portfolio of quality stocks. While investing in stocks offers the potential for capital appreciation, investors must be willing to accept fluctuations and the possible loss of principal.

Morningstar Rating
Morningstar Rating
Morningstar Essentials
Morningstar Essentials

Fund Statistics
Ticker: XYZGX
Minimum Initial Investment:
Inception Date: 12/31/04
Net Asset Value: $14.55
Total Net Assets: $217,613,630
Qtr's Income Distrib.: $0.008
Available for IRA

Investment Philosophy
Our goal is to help you build the assets you have worked hard to accumulate. Our investment strategy is designed to emphasize and deliver quality investments to shareholders, manage risk and deliver consistent performance.

Morningstar Style Box

Top 10 Holdings (% Weight in Portfolio)
General Electric Company 4.0%
Procter & Gamble Company 3.5%
PepsiCo Incorporated 3.3%
GlobalSatBPS Corporation 3.3%
Cogent 3.1%
Amgen Incorporated 3.0%
Dell 3.0%
Microsoft Corporation 2.9%
Goldman Sachs Incorporated 2.8%
Halliburton Company 2.8%

Contact Info
The XYZ Company
12345 Main Street
Anywhere, AW 10001
www.xyzfunds.com

Total Returns
Current Quarter: 4.23%
Year to Date: 0.65%
1-Year: 7.76%
Annualized 5-Year: 12.46%
Annualized 10-Year: 9.08%
Annualized Since Inception: 2.53%

Growth of $10,000
$10,000
$50,000
$100,000
$500,000
$1,000,000
$5,000,000

NOT FOR RESALE — NO REPRODUCTION — MAY NOT BE SOLD

The performance data market returns and performance and does not guarantee future results. The investment return and yield of the investment will fluctuate. Past performance is not indicative of future results. Morningstar performance may be lower or higher than similar index tracked here. The more current information, including historical performance, please call 888-555-5555 or visit www.xyzfunds.com.

For each fund with at least 12 months of historical ratings, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that considers a fund's past 3-year total returns, risk, and a time-weighted measure of average morningstar style box, including the effect of any upside/size/entertainment/quality factors. The Morningstar Ratings range from 0 to 5 with 5 being the highest. The Morningstar Rating is not intended to predict future results, nor is it intended to be a recommendation of securities. Morningstar Ratings may change. Morningstar Ratings can change at any time without notice.
Review Process

All use of the Morningstar Rating™ must be submitted to Morningstar for review. Morningstar bases its review of fund company use in advertising and marketing material on the guidelines contained herein. These guidelines were designed in part to help you fulfill the requirements of FINRA (formerly the NASD) as they relate to the use of specific Morningstar® Data. The disclosure of these guidelines in no way replaces the need for fund companies to send advertisements and marketing materials to Morningstar for review of usage of Morningstar’s proprietary data. Morningstar does not require that you obtain written approval prior to your proceeding with publication. However, to ensure that future use follows these guidelines, we may require you to revise your use of the Morningstar material at a later date. Upon notification, you must comply with any requested changes prior to publishing, producing or disseminating any future materials. Morningstar’s review guidelines are subject to change at Morningstar’s discretion.

Material can be submitted to your sales director or customer success manager. When submitting a piece to Morningstar for review, include a description of the piece (i.e., state the type of piece and its intended distribution). Please confirm whether the piece is being used for third-party advertising or is a marketing piece (e.g., website, shareholder communication, press release, flyer, brochure, etc.) If known and easy to summarize, please give the name of the newspaper, television station, or magazine and the date the advertisement will start running.

If you have any questions, please email Morningstar at licensedproducts@morningstar.com or call your customer success manager.