Using the New Morningstar Quote Pages - Mutual Funds and ETFs

September 2019
Overview and Navigating the New Morningstar Security Quote

Overview
How do I navigate the new pages?

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Using the New Morningstar℠ Quote Pages for Mutual Funds and Exchange-Traded Funds

Overview

The new Morningstar Quote Pages for mutual funds and exchange traded funds (ETFs) provides a streamlined experience to view fund and holding level information for a security. The navigation of this new report is organized around risk, portfolio, and analysis of a fund. This manual shows users how to navigate and interpret the data presented in this new interactive version of the Morningstar Quote Pages:

The following exercises are offered:

► Overview and Navigating the New Pages (Page 5)
► Understanding the Quote Section (Page 9)
► Understanding the Analysis Section (Page 11)
► Understanding the Performance Section (Page 13)
► Understanding the Risk Section (Page 18)
► Understanding the Price Section (Page 21)
► Understanding the Portfolio Section (Page 22)
► Understanding the People Section (Page 29)
► Understanding Data in the Parent Section (Page 30)
Overview and Navigating the New Morningstar Quote Pages

The new Morningstar Quote Pages provide a streamlined experience to view information about a fund. This section provides an overview of the change, and how to navigate through its various sections.

This section covers the following topics:

- Overview (page 5)
- How do I navigate the new Morningstar Quote Page? (page 7)

The new Morningstar Quote Page replaces the old security Quote tab and sub-tabs. The redesigned quote pages are better organized to help individuals get to the information they need quickly, better surface Morningstar’s unique perspective on security evaluation, and feature several data enhancements, including more interactive charting, and Sustainability and Carbon Risk metrics. Along with the enhancements above, we are excited to introduce Morningstar quantitative ratings for equities. To see the new version of the Morningstar Quote, search any Fund or ETF security in the search bar.

Old quote page experience

New quote page experience
2. From the **Find** field, enter the desired **ticker** or **name** of the security. Then click on the **magnifying glass** icon or press <Enter> on the keyboard.

3. Click on the **investment’s name**. The Morningstar Quote Page opens.
Navigating the new Morningstar Quote Pages are unique from the current version. Rather than selecting various tabs, a series of sections are offered instead. Many of the features of the new quote pages are interactive, where a selection will open a chart, display new data points, or edit the time frame used in the section. For funds, the tabs displayed are based on the Morningstar Analyst Rating Pillars. These sections organize data in a more meaningful presentation, centered around the Morningstar Analyst Rating.

1. **Navigation**: This header replaces the tabs used for navigation in the current Morningstar Quote Page. Click a section title at the top of the report to move to that part of the report. This header remains at the top of the report as you scroll, to facilitate navigation throughout the report. This bar stays at the top of the window to jump between sections, or, alternatively scroll through the entire report.

2. **Toggle Buttons**: The Morningstar Quote Page uses toggle buttons for two reasons: First, to house and group different information, as shown in this example. Second, to determine the time period being used at a section level.

3. **Interaction**: Throughout the new Morningstar Quote Page, many sections surface the most heavily used information up front, and further information can be located by expanding a section. Many of the features housed in the expandable sections are explained in this document. Make sure to explore these expansions to visualize all information.

4. **Information**: Information about currency, exchange, time period, and benchmarks can be located at the bottom of most charts, tables, and sections.
If the page is minimized to a smaller area of the screen, the navigation links at the top of the page are removed, and replaced by a Jump To button in the upper-right corner of the page:

There’s so much in its favor.
Understanding the Quote Section

The Quote section is an introduction to an investment. In this section, the data points cover a wide range of information about expenses, return and classification of a fund.

This section covers the following topics:

- What information is found in the Quote section for a mutual fund? (page 9)
- What information is found in the Quote section for an ETF? (page 10)

The mutual fund Quote section has information most relevant to mutual funds. This includes information on fees, cost, turnover, and style of the fund. To get a quick overview of a mutual fund, use the Quote section.

1. **Morningstar Data**: Most funds display a Morningstar Rating at the top of this section. Also displaying here is the Morningstar Analyst or Quantitative Rating.

2. **Data**: Use these data points to gather information about the most commonly used mutual fund data points. This section is a great introduction to a mutual fund.
The ETF Quote section has information most relevant to ETFs. This includes data points referencing both the price (NAV) and Day Range for an ETF. Notably, this section has, in addition to the mutual fund data points, an interactive price chart.

1. **Show Full Chart:** Selecting this option opens a new window with an interactive Advanced Chart. Adjust the display, events and indicators, fundamentals, and time period of the chart here. Additionally, a comparison ETF or index can be added in this window. Once the customization is complete, choose to export the data or print the chart.

2. **Intra-day Change:** As ETFs can be traded throughout the day, see the current price, change in price, and % change over the span of today directly in the price chart for convenience.

3. **ETF Data Points:** While many data points remain consistent between the Mutual Fund and ETF versions of the Quote section, these data points are relevant only to an ETF.
Understanding the Analysis Section

The Analysis section highlights the work of the Morningstar Analyst and provides insight into how the pillars play a role in the overall Morningstar Analyst Rating. This section is formatted to provide a better visual display of the factors used to determine the Morningstar Analyst Rating. In addition to the analysis, this section is also where information about the Investment Objective of a fund is found.

Note: The ETF version of the Morningstar’s Analysis section, a third toggle button called Pros/Cons is available. This section includes a few highlights from the Morningstar Analyst report to help users quickly see what the ETF has in its favor and what works against it.

When the Analyst Take toggle button is selected, users can see the full Morningstar Analyst report, as well as an archive of past reports. Users can also see infographics related to a fund’s Morningstar Analyst Rating.

1. **Morningstar Pillars**: Morningstar analysts evaluate funds by investigating five key pillars: Process, Performance, People, Parent, and Price. These indicate whether the analyst is confident the fund is likely to outperform its category on a risk-adjusted basis. Analysts assign a rating of Positive, Neutral, or Negative to each pillar.

2. **Full Analysis**: An analyst report is comprehensive. The full report explains how the analyst arrived at each pillar rating and how that leads to an overall rating. The new Morningstar Quote Page surfaces only the first two lines of the report in this section. To read the entire report click Read Full Analysis. Selecting this option expands the full report in this window.

3. **Archive**: Morningstar has conducted analyst research on funds since 1986. Any historical Analyst Reports for the selected fund are found by clicking View Report Archive. Clicking this option opens a new window with the reports listed chronologically, the most recent listed first.
The Investment Objective is a summary of a fund's principal investment strategy as written in its prospectus. This information is pulled from the most recent SEC filing (prospectus or supplement).

<table>
<thead>
<tr>
<th>Morningstar’s Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>The investment seeks long-term growth of principal and income; a secondary objective is to achieve a reasonable current income. The fund invests primarily in a diversified portfolio of equity securities. It will invest at least 80% of its total assets in equity securities, including common stocks, depositary receipts evidencing ownership of common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks. The fund may invest up to 20% of its total assets in U.S. dollar-denominated securities of non-U.S. issuers traded in the United States that are not in the S&amp;P 500.</td>
</tr>
</tbody>
</table>

The investment objective & strategy is a summary of the fund's principal investment strategy as written in the prospectus. This information is pulled from the most recent SEC filing (prospectus or supplement).
Understanding the Performance Section

Performance is the first of the Morningstar Pillars addressed in the Morningstar Quote Page. Morningstar is confident that the evaluation of long-term return and risk patterns is vital to determining if a fund is delivering to expectations. The Performance Pillar answers the questions:

- Is the fund’s performance pattern logical given its process? and,
- Has the fund earned its keep with strong risk-adjusted returns over relevant time periods?

This section covers the following topics:

- What does the Growth of 10,000 graph show? on page 14
- How do I customize the Interactive Chart? on page 15
- What trailing return data is included? on page 16
- What information does the Latest Distribution History section include? on page 16
- What information is available for Annual Distributions? on page 17
The Growth of 10,000 Graph has and continues to be a staple of the Morningstar Quote Page. The Growth of 10,000 graph shows a fund’s performance based on how $10,000 invested in the fund would have grown over time with dividends reinvested. It defaults to a line graph over 10 years. Annual return data points are displayed below the graph, including information about the fund’s performance among its category and against its index.

1. **Interactive Chart**: See the next section *How do I customize the Interactive Chart?* on page 15. See how to utilize this feature from the Growth of 10,000 chart.

2. **Manager Change**: This is a new feature in the Morningstar Quote Page. Identify the time a manager changed in the context of return activity.

3. **Fund Flows**: This is another new feature on the new Morningstar Quote Page. See the fund flows in and out of this fund in the context of return activity.

4. **Information**: Locate the index and category used for the this section at the bottom of the chart. This information is pertinent to the section with the +/- Category and Index data points.
Clicking **Show Interactive Chart** show the Advanced Chart, which offers the following options:

- add a comparison investment or index
- customize the time period
- include events and indicators
- personalize the display, and
- export or print the chart.

1. **Comparison**: Search for another investment or index to compare to the fund on this graph. Any item added here will be included on the print out or on the export. Search by ticker or by name and select the item from the search results that populate below the search bar. Add up to seven comparisons.
   ✓ Note: Only securities from the same universe and benchmarks can be added for comparison.

2. **Events & Indicators**: Add events (Dividends/Splits) or indicators (for example: Moving Averages, Momentum, Rate of Change) to this graph to see how they interact with the return information of the fund.

3. **Display**: Update the visual settings of this chart. Adjust the cursor type, chart type, and scale from this menu.

4. **Action Options**: Export the data from this graph to Microsoft Excel®, or print the report using these icons. The outputs include the data as selected in the graph (for example: if daily returns are chosen on the graph, the spreadsheet or report will have the returns on a daily basis). Closing the Interactive Chart window resets the chart’s settings.

5. **Time Period**: Choose a time period from the toggle buttons, or set a customized time period using the drop-down fields to the right. Finally, select the frequency with which the returns are reported.
Understanding the Performance Section

What trailing return data is included?

The Trailing Returns data displays information about returns over various time periods. This information is as of market close of the previous market day. Use this in conjunction with the Growth of 10,000 to gain insight into the return history of a fund.

What trailing return data is included?

<table>
<thead>
<tr>
<th>Trailing Returns</th>
<th>1-Day</th>
<th>1-Week</th>
<th>1-Month</th>
<th>YTD</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
<th>15-Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Return %</td>
<td>-0.49</td>
<td>1.75</td>
<td>3.20</td>
<td>0.89</td>
<td>16.77</td>
<td>2.97</td>
<td>13.65</td>
<td>8.83</td>
<td>13.61</td>
<td></td>
</tr>
<tr>
<td>+/- Category</td>
<td>-0.38</td>
<td>0.42</td>
<td>1.13</td>
<td>-1.19</td>
<td>-0.20</td>
<td>-1.68</td>
<td>2.02</td>
<td>1.58</td>
<td>1.90</td>
<td></td>
</tr>
<tr>
<td>+/- Index</td>
<td>-0.37</td>
<td>0.45</td>
<td>1.27</td>
<td>-1.89</td>
<td>-1.71</td>
<td>-3.96</td>
<td>2.61</td>
<td>1.02</td>
<td>0.87</td>
<td></td>
</tr>
</tbody>
</table>

Morningstar Rating

Morningstar Ratings are calculated for 3, 5, and 10-Year time periods.

Quarterly Rank

Growth of 10,000 to gain insight into the return history of a fund.

Percentile Rank

Morningstar Quote Pages for Mutual Funds and ETFs
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The Annual Distributions section, also housed in the Distributions toggle under the Performance section offers dual displays: a chart and a table. Both display the distribution information on an annual basis over the past four calendar years, plus year-to-date information through the previous month end.
Understanding the Risk Section

This section of the Morningstar Quote Page details risks associated with a fund’s portfolio, as compared to its peers, and presents data related to measuring risk. This section covers the following topics:

1. **What information is available about a fund’s Morningstar Risk and Return?** on page 18
2. **What data is covered in the Risk & Volatility Measures section?** on page 19
3. **What data is available in the Risk/Return Analysis section?** on page 19, and
4. **What data is included in the Market Volatility Measures section?** on page 20

The graphics here (new to the Morningstar Quote Page) display how a fund compares against its category peers in terms of both Morningstar Risk and Morningstar Return. These data points help inform the Morningstar Rating. Red indicates either a high risk or low return compared to a fund’s category, and green indicates either a low risk or high return compared to a fund’s category.

### Morningstar Risk & Return

**Risk vs. Category**
- **Above Average**
- **Low**
- **Average**
- **High**

**Return vs. Category**
- **High**
- **Low**
- **Average**
- **High**

Category: Large Value as of May 31, 2019 | Rankings are out of 1,101 funds.

1. **Risk vs. Category**: An annualized measure of the downside volatility for a share class over a defined period. Morningstar Risk is calculated only for those investments with at least three years of performance history.

2. **Return vs. Category**: An annualized measure of a fund's load-adjusted excess return relative to the return of the risk-free rate of return over a defined period. Morningstar Return is calculated only for those investments with at least three years of performance history.
The data in the Risk & Volatility Measures section refer to the volatility of the fund. All of the data points are compared to the fund’s Morningstar Category and, as appropriate, the index.

<table>
<thead>
<tr>
<th>Risk &amp; Volatility Measures</th>
<th>Fund</th>
<th>Category</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treailing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alpha</td>
<td>-0.90</td>
<td>-3.03</td>
<td>—</td>
</tr>
<tr>
<td>Beta</td>
<td>1.07</td>
<td>0.06</td>
<td>—</td>
</tr>
<tr>
<td>R²</td>
<td>83.98</td>
<td>88.31</td>
<td>—</td>
</tr>
<tr>
<td>Sharpe Ratio</td>
<td>0.75</td>
<td>0.58</td>
<td>0.60</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>13.66</td>
<td>12.06</td>
<td>11.52</td>
</tr>
</tbody>
</table>

Note: because these data points measure against the index, the index column does not show data.

The Risk/Return Analysis section displays the Risk/Reward scatterplot. This shows how the fund compares to its Morningstar Category and Secondary Category Benchmark in regards to both risk (displayed as Standard Deviation) and return (displayed as Total Return %). Where an investment falls on this scatterplot shows whether investors were rewarded properly in the context of risk.

Although the fund’s risk exceeded that of the category and benchmark, it exhibited superior returns.
The Market Volatility Measures section includes data related to an investment’s performance in both up and down markets. These data points contextualize how a fund performs during periods of market strength and market weakness to highlight how well it mitigates risk.

### Market Volatility Measures

<table>
<thead>
<tr>
<th>Capture Ratios</th>
<th>Fund</th>
<th>Category</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upside</td>
<td>100</td>
<td>83</td>
<td>100</td>
</tr>
<tr>
<td>Downside</td>
<td>104</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drawdown</th>
<th>Fund %</th>
<th>Category %</th>
<th>Index %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum</td>
<td>-13.57</td>
<td>-12.51</td>
<td>-11.72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drawdown Peak Date</th>
<th>Drawdown Valley Date</th>
<th>Max Drawdown Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 01, 2018</td>
<td>Dec 31, 2018</td>
<td>3 Months</td>
</tr>
</tbody>
</table>

As of May 31, 2019 | Category: Large Value | Index: Russell 1000 Value TR USD | Drawdown as of May 31, 2019

1. **Upward Capture Ratio** measures a manager’s performance in up markets relative to the index. A value over 100 indicates that a fund has outperformed the benchmark during periods of positive returns for the benchmark.

2. **Downward Capture Ratio** measures the manager’s performance in down markets relative to the index. A value of less than 100 indicates that a fund has lost less than its benchmark when the benchmark has been in the red.

3. **Maximum Drawdown** is the peak-to-trough decline during a specific recorded period of a fund. It measures the largest percentage drawdown that has occurred in a certain time period.
Understanding the Price Section

The Morningstar Price Pillar answers the question: Is the fund a good value proposition compared with similar funds sold through similar channels?

1. **Maximum Sales Fees**: This section provides information on Front Load, Deferred Load, and Redemption Load fees, along with the minimum initial investment for the fund.

2. **Ongoing Fee Level**: This section looks at the prospectus net expense ratio of a fund and how it compares to its category. The Morningstar Fee Level evaluates a share class expense ratio relative to other funds investing in a similar asset class.

3. **The Cost Illustration** shows the fees an investor would pay to hold this investment over the next one, five, and 10 years. It assumes a $10,000 initial investment with a 5% annualized market return. The example also assumes that the investment’s operating expenses remain the same and expenses are calculated at the end of each time period.

4. **More**: Clicking on the "More Fees/Expense Data v" link at the bottom of the section will expand the section to surface additional information on historical expense ratios and other fees and cost illustration.
Understanding the Portfolio Section

The Portfolio section of the Morningstar Quote Page evaluates the diversification, sustainability, and holdings of the selected fund. This section includes a variety of data points and charts to take a detailed look at what constitutes the fund.

To navigate to the Portfolio section, click here.

This section covers the following topics:

- What information is available in the Asset Allocation section? on page 23
- What information is available in the Stock Style section? on page 24
- What does the Sustainability section tell me about a fund? on page 26, and
- What information does the Holdings section show me on page 28
The Asset Allocation section includes data points of the major asset classes in the portfolio. Note: This section shows a fund’s net positions in each asset class; short positions are not available on the report.

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Fund</th>
<th>Category</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Stock</td>
<td>84.75</td>
<td>91.59</td>
<td>88.47</td>
</tr>
<tr>
<td>Non-U.S. Stock</td>
<td>12.40</td>
<td>5.88</td>
<td>1.58</td>
</tr>
<tr>
<td>Bonds</td>
<td>0.00</td>
<td>1.39</td>
<td>0.00</td>
</tr>
<tr>
<td>Other</td>
<td>0.00</td>
<td>0.39</td>
<td>0.00</td>
</tr>
<tr>
<td>Cash</td>
<td>2.75</td>
<td>2.77</td>
<td>0.00</td>
</tr>
<tr>
<td>Not Classified</td>
<td>0.00</td>
<td>0.10</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Understanding the Portfolio Section

What information is available in the Stock Style section?

The Stock Style section shows the breakdown of a fund’s portfolio on the Morningstar Equity Style Box, value and growth factors, and market cap information. Make sure to toggle between the three options at the top to see all of the information.

**Map:**

1. **Map:** The new Morningstar Quote Page displays the Ownership Zone on the Equity Style Box, showing where the portfolio’s holdings are concentrated.

2. **Key:** The centroid displays the weighted average of all of the fund’s holdings, while the ownership zone displays where the top 75% of a fund’s stock holdings. New on this report is the visual of the portfolio’s ownership zone compared to benchmarks and category averages.

3. **Factors:** These data points are important in understanding the equity portion of any fund’s portfolio.

4. **Market Cap:** Use this section to determine how the portfolio’s market cap breakdown and average compares to its Morningstar Category and against its Secondary Category Benchmark.

---

**Map:**

1. **Map:**

2. **Key:**

3. **Factors:**

4. **Market Cap:**

---

**Table:**

<table>
<thead>
<tr>
<th>Value &amp; Growth Measures</th>
<th>Fund</th>
<th>Category Average</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/Earnings</td>
<td>13.63</td>
<td>14.02</td>
<td>13.48</td>
</tr>
<tr>
<td>Price/Book</td>
<td>1.71</td>
<td>2.10</td>
<td>1.74</td>
</tr>
<tr>
<td>Price/Sales</td>
<td>1.45</td>
<td>1.70</td>
<td>1.43</td>
</tr>
<tr>
<td>Price/Cash Flow</td>
<td>2.67</td>
<td>4.01</td>
<td>2.57</td>
</tr>
<tr>
<td>Dividend Yield %</td>
<td>2.40</td>
<td>2.70</td>
<td>2.42</td>
</tr>
<tr>
<td>Long-Term Earnings %</td>
<td>11.07</td>
<td>8.81</td>
<td>9.53</td>
</tr>
<tr>
<td>Historical Earnings %</td>
<td>15.85</td>
<td>16.52</td>
<td>5.88</td>
</tr>
<tr>
<td>Sales Growth %</td>
<td>5.14</td>
<td>4.83</td>
<td>4.76</td>
</tr>
<tr>
<td>Cash Flow Growth %</td>
<td>14.09</td>
<td>16.52</td>
<td>10.44</td>
</tr>
<tr>
<td>Book Value Growth %</td>
<td>3.52</td>
<td>2.95</td>
<td>3.66</td>
</tr>
</tbody>
</table>

---

**Market Cap:**

1. **Factors:**

2. **Market Cap:**

---

Morningstar Quote Pages for Mutual Funds and ETFs
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The Exposure section shows information about both the sector and regional exposure of a fund’s portfolio. (This feature was not available in the previous version of the Morningstar Quote Page.)

1. **Toggle Buttons**: Switch between the information being viewed for a fund’s exposure breakdown. Sector shows the Morningstar Sector breakdown for a fund. The Region option shows a fund’s geographic breakdown based on where its holding are headquartered around the globe.

2. **Compare Drop-Down**: Alter whether the fund is being compared to its category or Secondary Category Benchmark within the Exposure section.

The Financial Metrics section shows key metrics, like Moat coverage of underlying fund investments, financial grades for the fund and in comparison to the category and index.

### Financial Metrics

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Fund</th>
<th>Category</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wide Moat Coverage %</td>
<td>25.58</td>
<td>25.24</td>
<td>15.86</td>
</tr>
<tr>
<td>Narrow Moat Coverage %</td>
<td>19.85</td>
<td>17.38</td>
<td>16.14</td>
</tr>
<tr>
<td>No Moat Coverage %</td>
<td>12.02</td>
<td>0.19</td>
<td>9.47</td>
</tr>
<tr>
<td>Financial Health</td>
<td>B-</td>
<td>B+</td>
<td>—</td>
</tr>
<tr>
<td>Profitability</td>
<td>C-</td>
<td>C+</td>
<td>C+</td>
</tr>
<tr>
<td>Growth</td>
<td>C-</td>
<td>C-</td>
<td>C-</td>
</tr>
<tr>
<td>ROIC</td>
<td>10.81</td>
<td>13.07</td>
<td>11.56</td>
</tr>
<tr>
<td>Cash Return %</td>
<td>41.97</td>
<td>19.07</td>
<td>27.46</td>
</tr>
<tr>
<td>Free Cashflow Yield ex-Financials</td>
<td>20.90</td>
<td>26.33</td>
<td>22.54</td>
</tr>
<tr>
<td>D/C Ratio</td>
<td>44.39</td>
<td>42.99</td>
<td>40.63</td>
</tr>
</tbody>
</table>

Fund as of Jun 30, 2019 | Category: Allocation—50% to 70% Equity as of Jul 31, 2019 | Index: Morningstar Mod Tgt Risk TR USD as of Aug 31, 2019
The Morningstar Sustainability Rating is a measure of how well the holdings in a portfolio are managing their environmental, social, and governance risks and opportunities relative to their Morningstar Global Category peers.

1. **Morningstar Sustainability Rating**: Based on its Morningstar Historical Sustainability Score, a fund is assigned an absolute category rank and percentage rank within its Morningstar Global Category, provided that a category has at least 30 funds with Portfolio Sustainability Scores.

2. **Rating Calculation**: This section depicts how the Sustainability Score is calculated for a fund. 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.

3. **Sustainability Mandate**: Morningstar defines a "Sustainable Investment" as a fund explicitly indicating any kind of sustainability, impact, or ESG strategy in their prospectus or offering documents.
Morningstar Carbon Metrics are asset-weighted portfolio calculations based on Sustainalytics company carbon-risk research. Based on two of these metrics—Carbon Risk Score and Fossil Fuel Involvement %—funds may receive the Low Carbon designation, which allows investors to easily identify low-carbon funds within the global universe.

To receive the Low Carbon designation, a fund must have a 12-month average Portfolio Carbon Risk Score below 10 and a 12-month average Fossil Fuel Involvement % of less than 7% of assets. For these metrics to be calculated, at least 67% of a portfolio’s assets must be covered by Sustainalytics company carbon-risk research. All Morningstar carbon metrics are calculated quarterly.

1. **Carbon Risk Score**: The portfolio Carbon Risk Score is displayed as a number between 0 and 100 (a lower score is better). A portfolio’s Carbon Risk Score is the asset-weighted sum of the carbon risk scores of its holdings, averaged over the trailing 12 months. The carbon risk of a company is Sustainalytics’ evaluation of the degree to which a firm’s activities and products are aligned with the transition to a low-carbon economy. The assessment includes carbon intensity, fossil fuel involvement, stranded assets exposure, mitigation strategies, and green product solutions.

2. **Fossil Fuel Involvement %**: Fossil Fuel Involvement % is the portfolio’s asset-weighted percentage exposure to fossil fuels, averaged over the trailing 12 months. Companies with fossil fuel involvement are defined as those in the following subindustries: Thermal Coal Extraction, Thermal Coal Power Generation, Oil & Gas Production, Oil & Gas Power Generation, and Oil and Gas Products and Services.
The Holdings isolates the individual holdings within a portfolio and looks at key data points to gain insight these underlying holdings behave. This is broken down into Equity and Other holdings as seen below.

1. **Toggle Buttons**: Use this option to switch the holdings listed from equity to other holdings types. This allows data points specific to certain holding types to be displayed across the top of the columns.

2. **Active Share**: Active share is a similarity measure of the equity holdings of a fund and its benchmark. An active share score of 0 indicates that the equity portion of a fund and its benchmark are the same equities in the same proportions. An active share score of 100 indicates that the equity portion of the fund and its benchmark have no common holdings. Active share is a valuable complement to returns-based similarity measures like best fit r-squared and tracking error, as it captures the differences in the actual holdings. The ETF proxy benchmark of the Morningstar Category assigned index is used due to entitlement and distribution reasons.

3. **Show More Holdings**: Select this option to see all of the holdings within the selected fund’s portfolio. Selecting this expands the number of holdings listed in this window, and allows for paging further into the holdings.

**Note**: Holdings data cannot be exported.
Understanding the People Section

This section highlights the Morningstar People Pillar. The overall quality of a fund’s investment team is a significant key to a fund’s ability to deliver superior performance relative to its benchmark and/or peers. Evaluating a fund’s investment team requires Morningstar analysts to assess several relevant items. The People Pillar answers the question: What is the assessment of the managers’ talent, tenure, and resources?

Note: This section is not included for ETFs; it is available only for mutual funds. This is because ETFs are passively managed.

The People section includes information on a fund’s management team. This is displayed as the Management Team and Timeline in order to paint a picture of the people who have controlled the assets in this fund over the fund’s history.

1. Data Points: These data points provide insight about the management team as a whole.
2. Management Team: See how much each manager has invested in the fund, as well as the range of their tenure.
3. Manager Timeline: This graphic demonstrates, over a fund’s history, what combination of managers were in charge of the assets in the fund. Click the name of the managers to see more information about their history.
Understanding Data in the Parent Section

Morningstar is confident the parent organization is of utmost importance in evaluating funds. Although other factors may have more immediate impact, they would not be sustainable without backing from a fund’s firm. The fund firm and its management set the tone for key elements of the Morningstar Analyst’s evaluation, including capacity management, risk management, recruitment and retention of talent, and incentive pay. Beyond these operational areas, Morningstar prefers firms with a culture of stewardship putting investors first to those too heavily weighted to salesmanship. The Parent Pillar strives to answer the question: What priorities prevail at the firm, stewardship or salesmanship?

This section covers the following topics:

- What information does the Fund Flows section show? on page 30
- What information is provided in the Rating Breakdown section? on page 31
- What information is provided in the Morningstar Rating section? on page 31

The Fund Flows chart is a new feature in the new version of the Morningstar Quote Page. It allows both the Net Flows and the Total Net Assets to be graphed in the same space, demonstrating how they relate to one another over time. The Net Flows are displayed quarterly as a bar chart, and the Total Net Assets are in a continuous line graph.

![Fund Flows Chart]

See how the fund flows over time influence these data points.
This section references the Parent company by analyzing how funds at the parent firm are rated by Morningstar Analysts. This gives a good overview of whether this fund is the exception or the rule among the other funds the parent manages. This section displays information on the Rating Breakdown, as well as the top rated funds, and any funds that have gone through recent changes.

What information is provided in the Rating Breakdown section?

What information is provided in the Morningstar Rating section?

Toggle within the Rating Breakdown section to see the Morningstar Rating. This section looks at how the funds of the parent company are rated on risk-adjusted return, in relation to their category. This data reflects the rating breakdown, the lowest rated funds, and the highest rated funds.

What information is provided in the Morningstar Rating section?

View any funds that have had a recent rating change.

See both the highest and lowest rated funds under the fund company’s management.