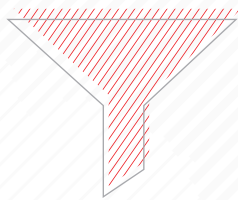
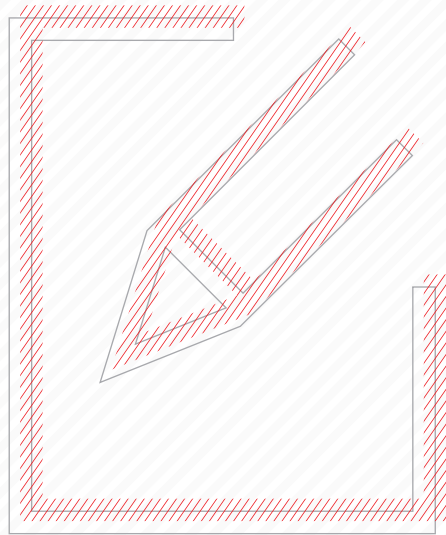
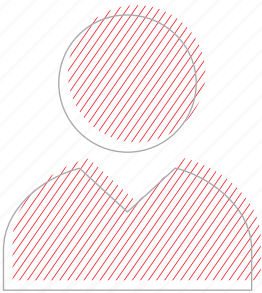
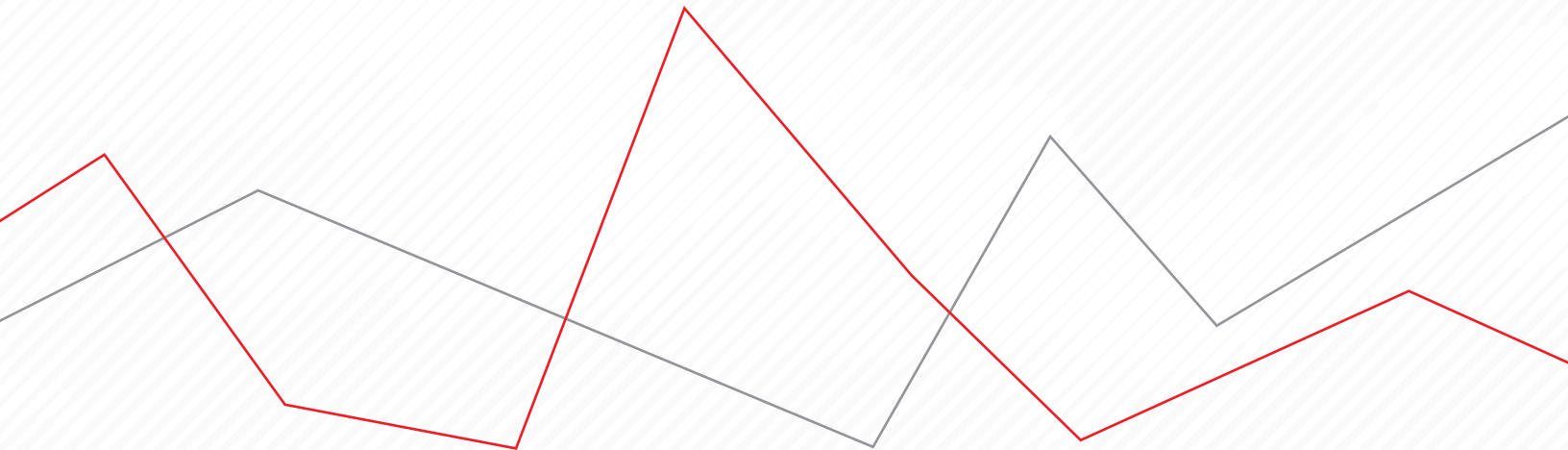


# Using the New Morningstar Report

August 2019



**MORNINGSTAR** Advisor Workstation



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# Using the New Morningstar<sup>SM</sup> Report for Mutual Funds and Exchange-Traded Funds

The new Morningstar Report 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 Report:

## Overview

The following exercises are offered:

- ▶ [Opening and Navigating the New Morningstar Report \(Page 5\)](#)
- ▶ [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 \(Page 30\)](#)

## Opening and Navigating the New Morningstar Report

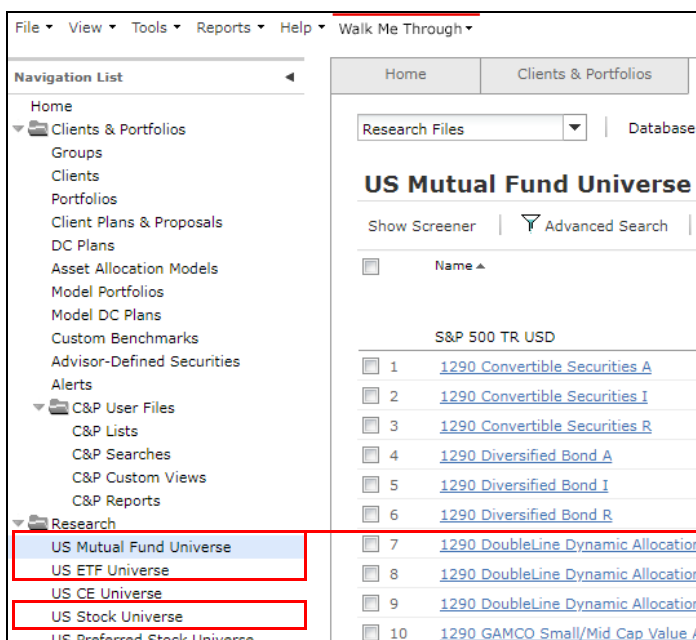
The new Morningstar Report provides a streamlined experience to view information about a fund. This section shows users both how to open the report, and how to navigate through its various sections.

This section covers the following topics:

- ▶ [How do I open the Morningstar Report? \(page 5\)](#)
- ▶ [How do I navigate the new Morningstar Report? \(page 7\)](#)

The current and new Morningstar Reports exist in conjunction until the current version is retired on October 31, 2019. To see the new version of the Morningstar Report, do the following:

1. From the **Navigation List**, select one of the following universes from the Research section:
  - ▶ US Mutual Fund Universe
  - ▶ US ETF Universe, or
  - ▶ US Stock Universe.



### Overview

### How do I open the Morningstar Report?

- 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.

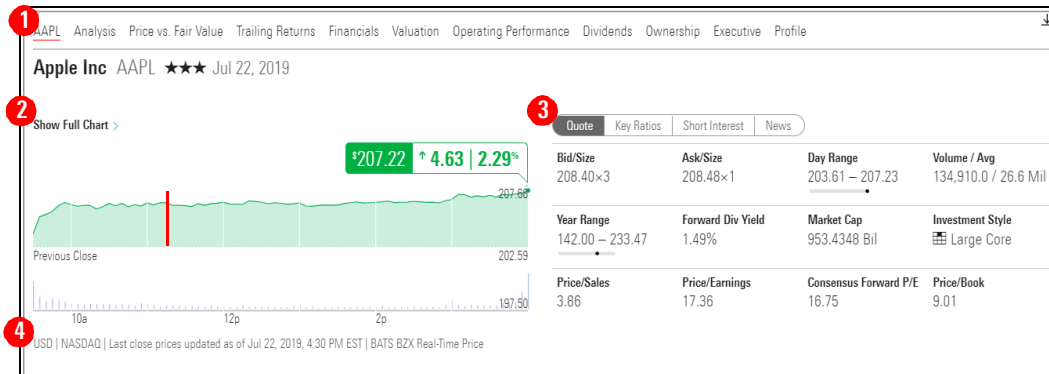
The screenshot shows the Morningstar Research interface. The 'Find' field in the top right contains the text 'Dodge'. A red box highlights this field, and a red line connects it to a callout box on the right that says 'Search for the holding here.' Below the search bar, the 'US Mutual Fund Universe' is displayed with a table of holdings. The table has columns for Name, Ticker, Type, Morningstar Page, Global Fund Report, and Morn Categ. The first row is 'S&P 500 TR USD'. The next six rows are '1290 Convertible Securities A', '1290 Convertible Securities I', '1290 Convertible Securities R', '1290 Diversified Bond A', '1290 Diversified Bond I', and '1290 Diversified Bond R'.

- Click on the **investment's name**. The Morningstar Report window opens.

The screenshot shows the Morningstar report for Dodge & Cox Stock Fund (DODGX). The 'NEW' tab is highlighted with a red box, and a callout box says 'The NEW tab shows the new Morningstar Report.' Below the 'NEW' tab, there are several other tabs: 'Quote', 'Analysis', 'Portfolio', 'Performance', 'Ratings & Risk', 'Tax Analysis', 'Operations', and 'Notes'. A second callout box points to these tabs and says 'These tabs show the current Morningstar Report.' The report content includes a header for 'Dodge & Cox Stock Fund DODGX' with a 4-star rating and 'Gold' status. Below this is a table of key metrics: NAV / 1-Day Return (190.26 / -0.14%), Total Assets (70.8 Bil), SEC Yield (1.76%), Expense Ratio (0.520%), Fee Level (Low), and Load (None). Further down, there is a 'Morningstar's Analysis' section with a positive outlook and a summary by Tony Thomas, Senior Analyst, dated June 25, 2019.

Navigating the new Morningstar Report is unique from the current version. Rather than selecting various tabs, a series of sections are offered instead. Many of the features of the new report 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.

## How do I navigate the new Morningstar Report?



This is how the Morningstar Report will appear after the old Morningstar Report is retired on October 31, 2019.

- Navigation:** This header replaces the tabs used for navigation in the current Morningstar Report. 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.
- Interaction:** Throughout the new Morningstar Report, 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.
- Toggle Buttons:** The Morningstar Report 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.
- Information:** Information about currency, exchange, time period, and benchmarks can be located at the bottom of most charts, tables, and sections.

If the report is minimized to a smaller area of the screen, the navigation links at the top of the report are removed, and replaced by a Jump To button in the upper-right corner of the report.:

**k Fund DODGX ★★★★★ Gold**

<b>Total Assets</b> 70.8 Bil	<b>SEC Yield</b> 1.76%	<b>Expense Ratio</b> 0.520%	<b>Fee Level</b> Low
<b>Category Index</b> Russell 1000 Value TR USD	<b>Status</b> Open	<b>Investment Style</b> Large Value	<b>Turnover</b> 20%

1-Day Return as of Jul 29, 2019, 5:00 PM CDT | Analyst Rating as of Jun 25, 2019, 5:00 AM

**Analysis** Analyst Take Investment Objective

Price Jun 25, 2019 **+ Positive** Process Jun 25, 2019 **+ Positive** People Jun 25, 2019 **+ Positive**

There's so much in its favor.

**Jump To**

- Quote
- Analysis
- Performance
- Risk
- Price
- Portfolio
- People
- Parent

To navigate to different areas of the report in a resized window, use this jump menu.



## 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.

### Overview

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.

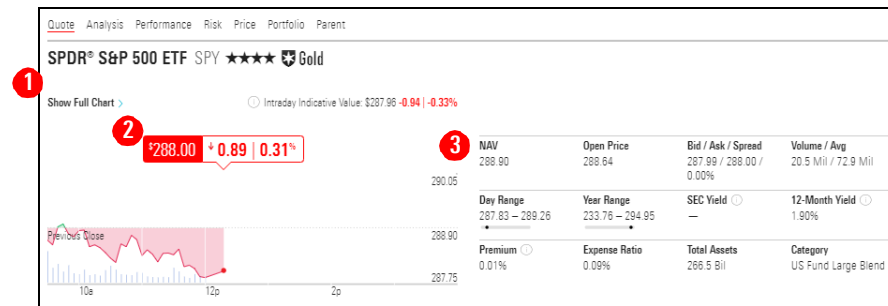
### What information is found in the Quote section for a mutual fund?

<a href="#">Quote</a> <a href="#">Analysis</a> <a href="#">Performance</a> <a href="#">Risk</a> <a href="#">Price</a> <a href="#">Portfolio</a> <a href="#">People</a> <a href="#">Parent</a>					
<b>Dodge &amp; Cox Stock Fund</b> DODGX ★★★★★ Gold					
NAV / 1-Day Return — / —	Total Assets 67.2 Bil	SEC Yield 1.76%	Expense Ratio 0.52%	Fee Level Low	Load None
Category US Fund Large Value	Category Index Russell 1000 Value TR USD	Status Open	Investment Style Large Blend	Turnover 20%	Minimum Initial Investment 2,500
<small>USD   Analyst Rating as of Jun 28, 2018, 5:00 AM</small>					

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.

**What information is found in the Quote section for an ETF?**



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.

### Overview

### How do I interpret the Analyst Take Section?

The screenshot shows the 'Morningstar's Analysis' section with the 'Analyst Take' toggle selected. At the top, there are five pillars: Performance (Jun 25, 2019), Price (Jun 25, 2019), Process (Jun 25, 2019), People (Jun 25, 2019), and Parent (Jun 27, 2018). Each pillar has a green plus sign and the word 'Positive'. Below this is a profile for Tony Thomas, Senior Analyst, with a photo. The text reads: 'There's so much in its favor.' followed by a 'Summary' by Tony Thomas on Jun 25, 2019. The summary text says: 'Ample resources, a valuation-driven process, and an excellent track record earn Dodge & Cox Stock a Morningstar Analyst Rating of Gold.' Below the summary are two red callout boxes: '2 Read Full Analysis' and '3 View Report Archive'.

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 Report 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).

**How can I see a fund's investment objective?**

[Quote](#) [Analysis](#) [Performance](#) [Risk](#) [Price](#) [Portfolio](#) [People](#) [Parent](#)

---

**Morningstar's Analysis** ⓘ [Analyst Take](#) [Investment Objective](#)

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&P 500.

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).

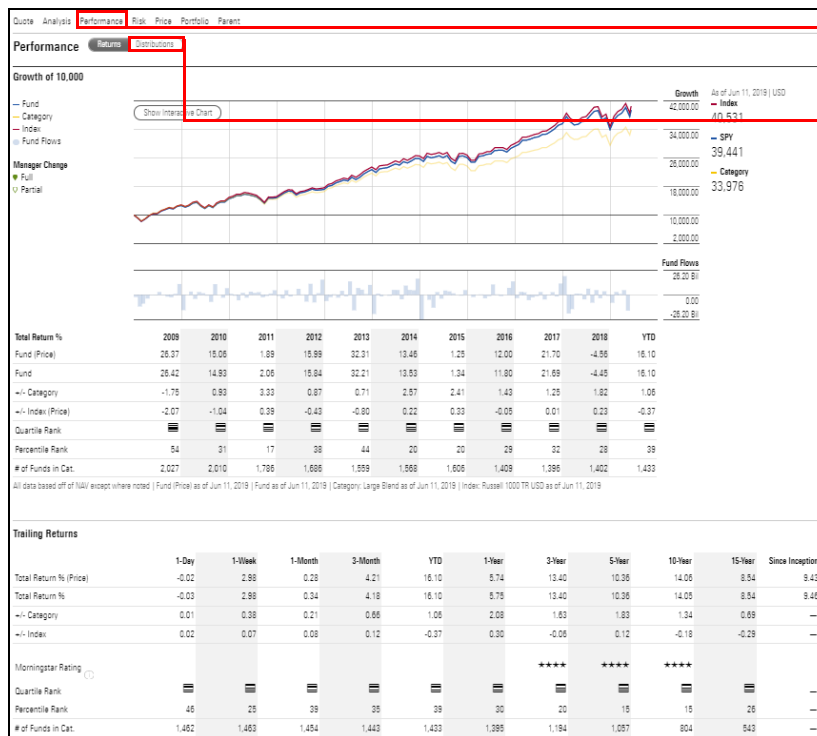
[Click here to see the Investment Objective of a fund.](#)

# Understanding the Performance Section

Performance is the first of the Morningstar Pillars addressed in the Morningstar Report. 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:

## Overview

- ▶ 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?



To navigate to the Performance section, click here or scroll down in the report.

To see information about distributions, select this option from the top of the Performance section.

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 Report. 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.

**What does the Growth of 10,000 graph show?**

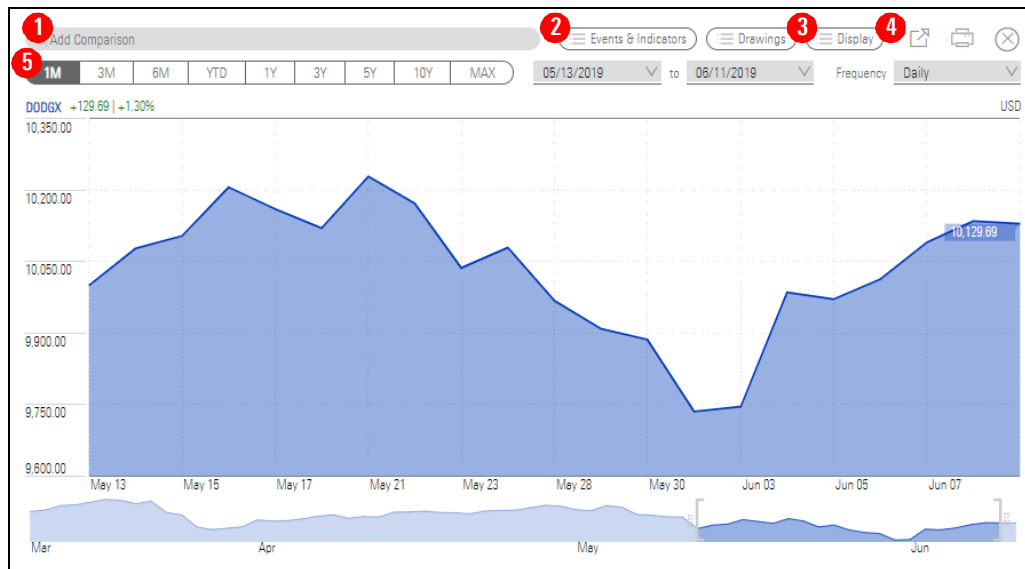


- 1. Interactive Chart:** See the next section [How do I customize the Interactive Chart? on page 15](#). See how to utilize this feature from the Growth of 10,000 chart.
- 2. Manager Change:** This is a new feature in the Morningstar Report. Identify the time a manager changed in the context of return activity.
- 3. Fund Flows:** This is another new feature on the new Morningstar Report. 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.

## How do I customize the Interactive 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, 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.

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?**

Trailing Returns											
	1-Day	1-Week	1-Month	3-Month	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception
Total Return %	-0.49	1.75	3.20	0.89	16.77	2.97	13.65	8.83	13.61	8.58	11.07
+/- Category	-0.36	0.42	1.13	-1.19	-0.28	-1.88	3.92	1.58	1.90	0.98	—
+/- Index	-0.37	0.45	1.27	-1.89	-1.71	-3.96	3.81	1.03	0.87	0.50	—
Morningstar Rating						★★★★★	★★★★★	★★★★★			
Quartile Rank	■	■	■	■	■	■	■	■	■	■	—
Percentile Rank	97	13	5	83	59	67	4	21	10	20	—
# of Funds in Cat.	1,204	1,204	1,204	1,190	1,183	1,172	1,061	922	673	431	—

Fund return as of Jul 29, 2019 | Morningstar Rating as of Jun 30, 2019 | Category: Large Value as of Jul 29, 2019 | Index: Russell 1000 Value TR USD as of Jul 29, 2019 | Inception date Jan 04, 1965 | Time periods greater than 1 year are annualized

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

Distributions are located under the Performance section. To display a fund’s distribution information, select the **Distributions** toggle button at the top of the section. See data about the previous 10 distributions of the fund.

**What information does the Latest Distribution History section include?**

Performance						
Returns		Distributions				
Latest Distribution History						
Distribution Date	Distribution NAV	Income	Short-Term Cap Gain	Long-Term Cap Gain	Return of Cap	Total
Jun 26, 2019	185.02	1.1200	0.0000	0.0000	0.0000	1.1200
Mar 26, 2019	183.37	0.9600	0.2260	5.9290	0.0000	7.1150
Dec 19, 2018	173.08	0.6800	0.0000	11.7600	0.0000	12.4400
Sep 25, 2018	215.46	0.6500	0.0000	0.0000	0.0000	0.6500
Jun 26, 2018	202.37	0.6900	0.0000	0.0000	0.0000	0.6900
Mar 26, 2018	198.34	0.8800	0.0470	2.0330	0.0000	2.9600
Dec 19, 2017	202.77	0.4500	0.3850	7.5700	0.0000	8.4050
Sep 26, 2017	198.55	1.3300	0.0000	0.0000	0.0000	1.3300
Jun 27, 2017	191.25	0.6000	0.0000	0.0000	0.0000	0.6000
Mar 28, 2017	188.88	0.7300	0.1410	2.6030	0.0000	3.4740

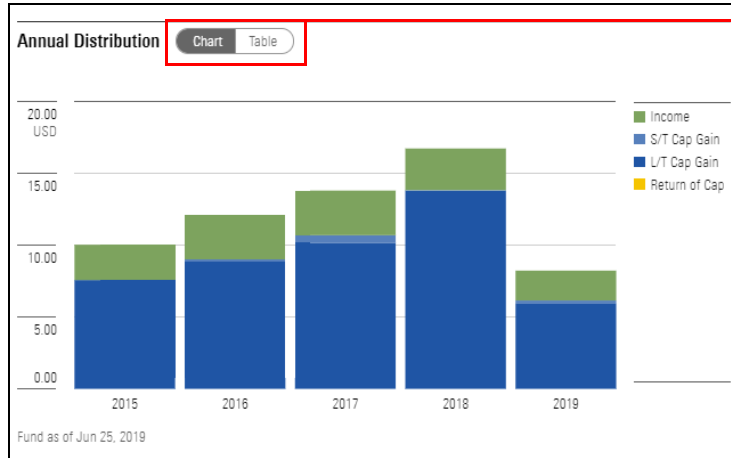
USD

See the breakdown of the last 10 dividend payouts of the fund.



The Annual Distributions section, also housed under the Performance 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.

**What information is available for Annual Distributions?**



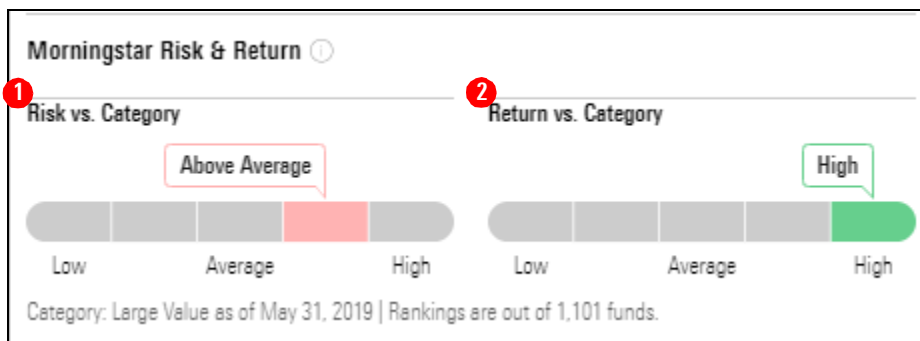
Toggle between visualizing this information in a chart or a table.

## Understanding the Risk Section

This section of the Morningstar Report 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:

- ▶ [What information is available about a fund's Morningstar Risk and Return? on page 18](#)
- ▶ [What data is covered in the Risk & Volatility Measures section? on page 19](#)
- ▶ [What data is available in the Risk/Return Analysis section? on page 19, and](#)
- ▶ [What data is included in the Market Volatility Measures section? on page 20](#)

The graphics here (new to the Morningstar Report) 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.



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.

### Overview

### What information is available about a fund's Morningstar Risk and Return?

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.

**What data is covered in the Risk & Volatility Measures section?**

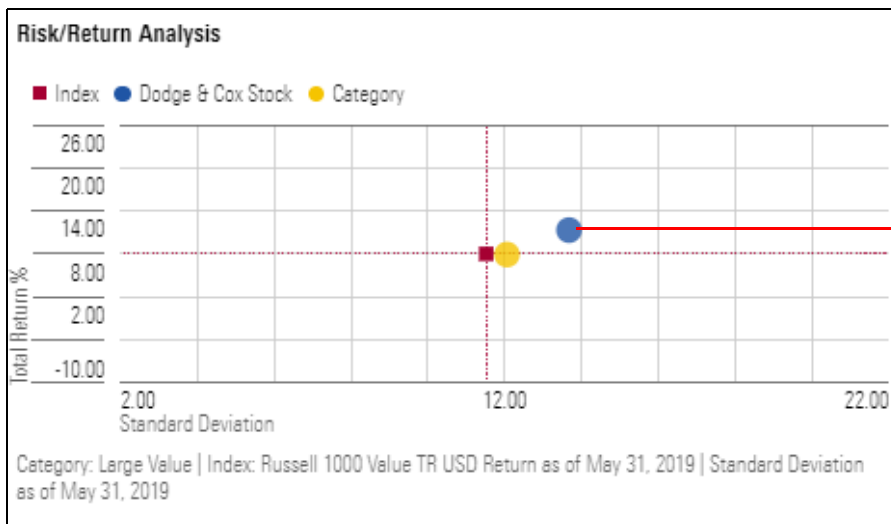
Risk & Volatility Measures ⓘ			
Trailing	Fund	Category	Index
Alpha	-0.90	-3.03	—
Beta	1.07	0.96	—
R <sup>2</sup>	83.98	86.31	—
Sharpe Ratio	0.75	0.58	0.60
Standard Deviation	13.68	12.06	11.52

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

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.

**What data is available in the Risk/Return Analysis section?**



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.

**What data is included in the Market Volatility Measures section?**

The data points in this section reflect the time period selected at the top of the Risk section.

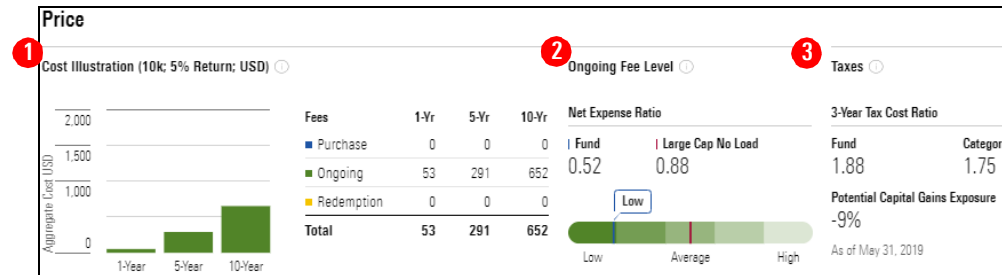
Market Volatility Measures ⓘ			
<b>Capture Ratios</b>	<b>Fund</b>	<b>Category</b>	<b>Index</b>
Upside	100	83	100
Downside	104	99	100
<b>Drawdown</b>	<b>Fund %</b>	<b>Category %</b>	<b>Index %</b>
Maximum	-13.57	-12.51	-11.72
<b>Drawdown Peak Date</b>	<b>Drawdown Valley Date</b>	<b>Max Drawdown Duration</b>	
Oct 01, 2018	Dec 31, 2018	3 Months	
As of May 31, 2019   Category: Large Value   Index: Russell 1000 Value TR USD   Drawdown as of May 31, 2019			

1. **Upside 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. **Downside 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?

### Overview



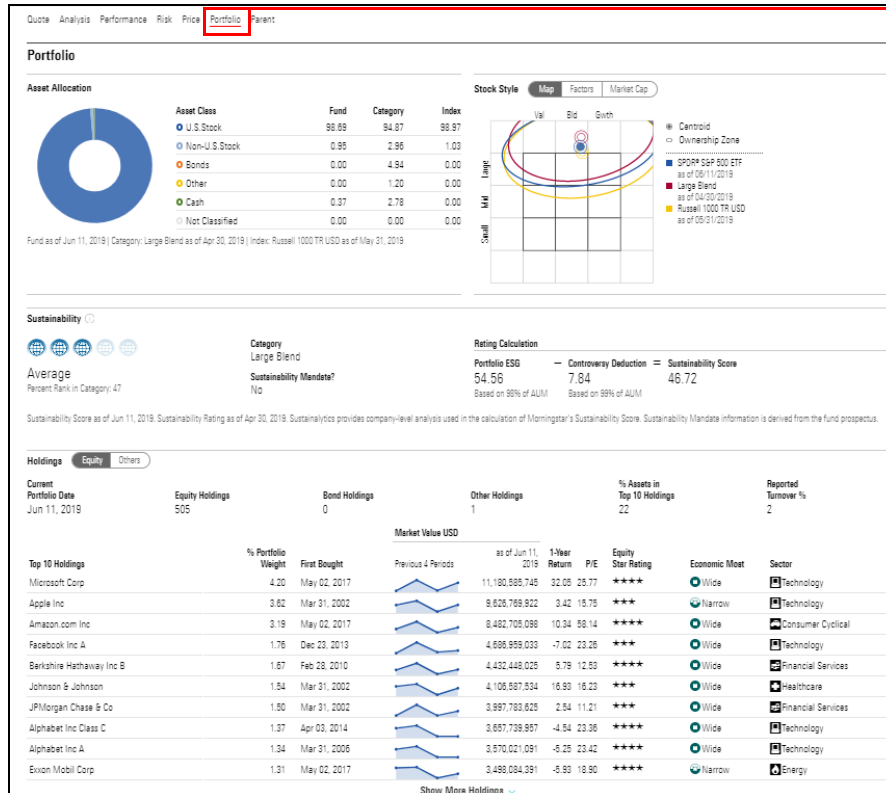
- 1. The Cost Illustration** shows the fees an investor would pay to hold this investment over the next one, five, and 10 years. It assumes a \$10,000 initial investment with a 5% annualized market return. The example also assumes that the investment’s operating expenses remain the same and expenses are calculated at the end of each time period.
- 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. Taxes:** The Morningstar Tax Cost Ratio measures how much a fund's annualized return is reduced by the taxes investors pay on distributions. This area also offers information about a fund’s potential capital gains exposure. Potential capital gain exposure is an estimate of the percent of a fund's assets that represent gains.

**What information can be found in the Price section?**

# Understanding the Portfolio Section

The Portfolio section of the Morningstar Report 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.

## Overview



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.

**What information is available in the Asset Allocation section?**

Asset Allocation			
Asset Class	Fund	Category	Index
U.S. Stock	84.75	91.50	98.47
Non-U.S. Stock	12.49	5.88	1.53
Bonds	0.00	1.38	0.00
Other	0.00	0.38	0.00
Cash	2.76	2.77	0.00
Not Classified	0.00	0.10	0.00

Compare a fund’s asset allocation to it’s category and index.

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.

**What information is available in the Stock Style section?**



Map:

1 Stock Style Map Factors Market Cap

2

- Centroid
- Ownership Zone
- Dodge & Cox Stock as of 03/31/2019
- Large Value as of 04/30/2019
- Russell 1000 Value TR USD as of 05/31/2019

3

Stock Style Map Factors Market Cap

Value & Growth Measures	Fund	Cat. Average	Index
Price/Earnings	13.63	14.92	13.68
Price/Book	1.71	2.13	1.74
Price/Sales	1.45	1.70	1.43
Price/Cash Flow	2.87	4.01	5.97
Dividend Yield %	2.46	2.78	2.92
Long-Term Earnings %	11.07	9.81	9.63
Historical Earnings %	13.93	10.52	5.99
Sales Growth %	5.14	4.83	4.76
Cash-Flow Growth %	14.09	16.62	10.44
Book-Value Growth %	3.52	2.95	3.96

4

Stock Style Map Factors Market Cap

Avg Market Cap	Category Avg Market Cap	Index Avg Market Cap
67.87 Bil	107.77 Bil	59.18 Bil

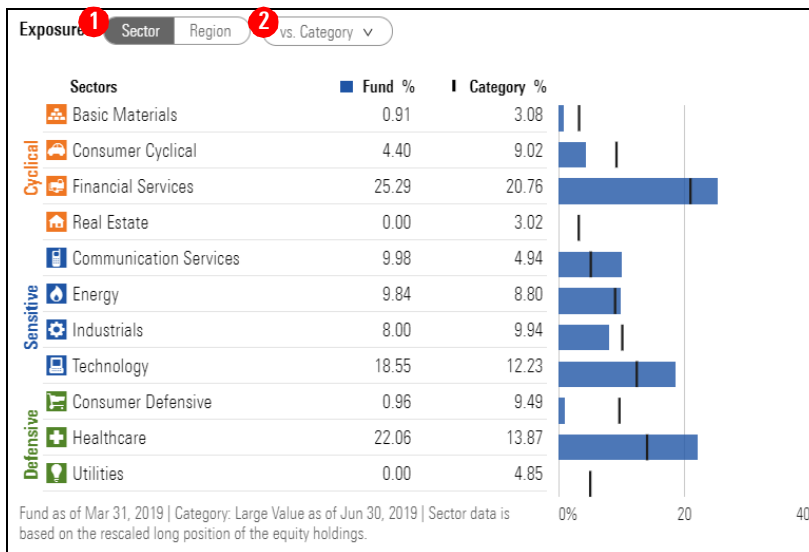
Size	Fund %	Cat. Average %	Index %
Giant	38.42	62.01	44.63
Large	44.86	16.48	34.03
Mid	10.92	16.65	19.90
Small	0.02	1.62	1.44
Micro	0.00	0.00	0.01

- Map:** The new Morningstar Report displays the Ownership Zone on the Equity Style Box, showing where the portfolio’s holdings are concentrated.
- 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.
- Factors:** These data points are important in understanding the equity portion of any fund’s portfolio.
- 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.



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 Report.)

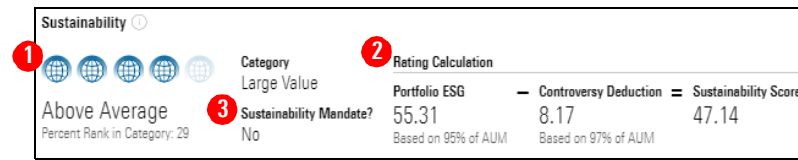
**Where can I find information on sector/regional breakdown?**



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 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.

**What does the Sustainability section tell me about a fund?**

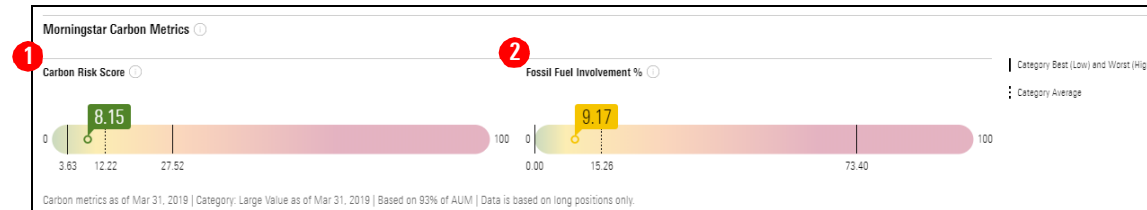


1. **Morningstar Sustainability Rating:** Based on its Morningstar Historical Sustainability Score, a fund is assigned an absolute category rank and percentage rank within its Morningstar Global Category, provided that a category has at least 30 funds with Portfolio Sustainability Scores.
2. **Rating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

## What are the Morningstar Carbon Metrics?

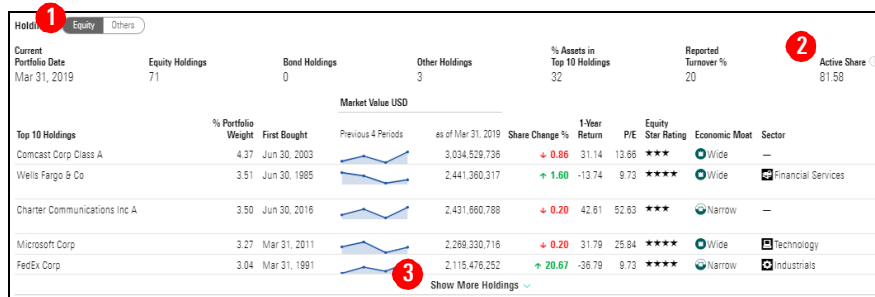
To receive the Low Carbon designation, a fund must have a 12-month average Portfolio Carbon Risk Score below 10 and a 12-month average Fossil Fuel Involvement % of less than 7% of assets. For these metrics to be calculated, at least 67% of a portfolio's assets must be covered by Sustainalytics company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

**What information does the Holdings section show me**



Note: Holdings data cannot be exported.

- 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.
- 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.
- 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.

# 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.

## Overview

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.

## How do I interpret the People section?



To navigate to the Portfolio section, click here.

- 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?

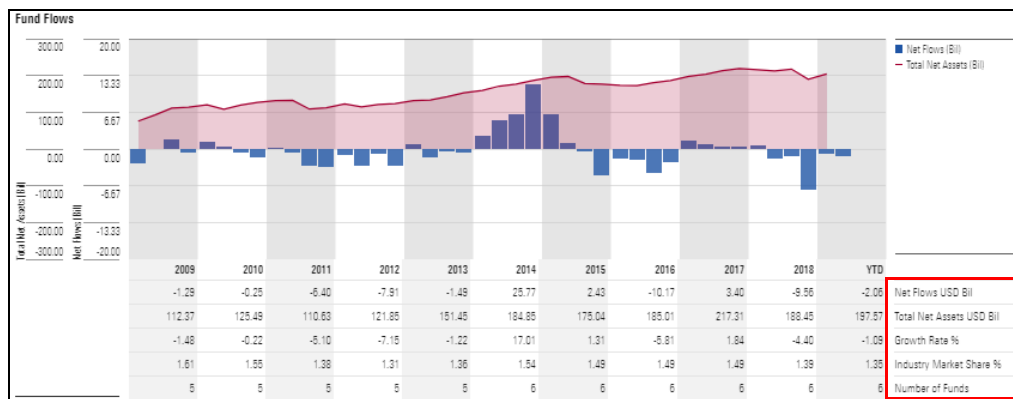
### Overview

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 Report. 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.

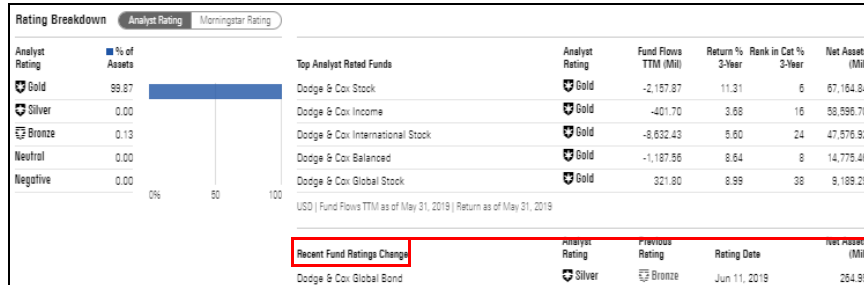
### What information does the Fund Flows section show?



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.

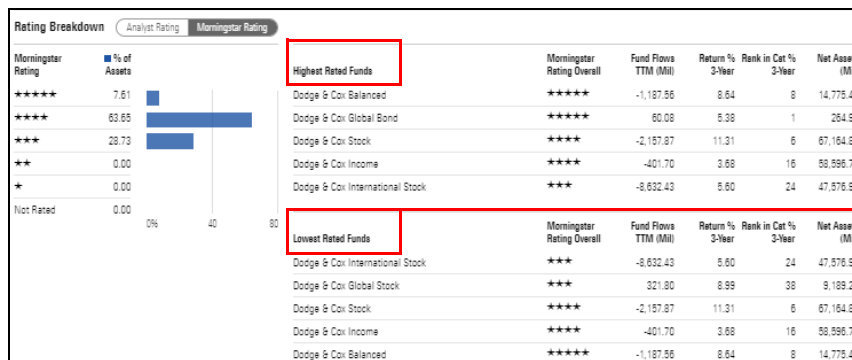
**What information is provided in the Rating Breakdown section?**



View any funds that have had a recent rating change.

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?**



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