

# Code of Ethics

## Applicable Rules and Regulations:

### Investment Advisers Act of 1940

- Section 206
- Rule 204A-1

### Securities Exchange Act of 1934

- Section 21F

## General Statement

The Research Group intends for Supervised Persons to subscribe to the highest standards of ethical and professional conduct. The highest duty of care with respect to our advisory services and loyalty to all clients are to be observed. What is in the best interests of users of our investment research and clients of our advisory services is paramount, and any issue that arises must be resolved in a manner that is in their best interests.

In addition to the more detailed and specific regulatory requirements outlined in this Manual, general anti-fraud provisions apply to our activities. As the phrase implies, the anti-fraud provisions within the law are general in nature. As a general matter, if an activity seems untold, extraordinary or unusual, Supervised Person should consult with the Compliance team.

The purpose of the Code of Ethics is to (1) educate Supervised Persons as to the laws governing their conduct; (2) protect the Research Group's reputation; (3) mitigate securities law violations; and (4) to protect Clients by deterring Supervised Persons misconduct.

This Code of Ethics is expected to be complied with both in word and in spirit. Failure to comply with this Code of Ethics in whole or in part is a serious matter that may result in disciplinary action; action that could include termination of employment.

## Fiduciary Duty to Clients

### Background

An investment adviser's fiduciary obligations are not contained within the Advisers Act but come from views expressed by the SEC in the Commission Interpretation Regarding Standard of Conduct for Investment Advisers, effective July 12, 2019. Those views are that a registered investment adviser has the:

- Duty of Loyalty
- Duty of Care
  - Duty to Provide Advice in the Best Interest of the Client
  - Duty to Seek Best Execution of Client Transactions
  - Duty to Provide Advice and Monitoring Over the Course of the Relationship

An adviser's fiduciary duty cannot be waived, though it will apply in a manner that reflects the agreed-upon scope of the relationship. Including contract provisions purporting to waive an adviser's fiduciary duty generally, such as by including statements that the adviser will not act as a fiduciary, blanket waivers of all conflicts of interest, or waiver of any specific obligation under the Adviser's Act are inconsistent with the Adviser's Act, regardless of the sophistication of the client.

### Policy

It is the Research Group's policy that Supervised Persons conduct themselves and perform their assigned duties in a manner consistent with the following fiduciary duties.

- **Duty of Loyalty**

- It is Research Group's policy that the interests of the firm or the Supervised Persons do not come before the best interests of the Clients. The Research Group will address this by:

- Making full and fair disclosure to its Advisory Clients of all material facts relating to the advisory relationship, including the capacity in which the Research Group is acting with respect to the advice provided.
- Seeking to eliminate, or if elimination is not possible, exposing through full and

fair disclosure all conflicts of interest which might include the Research Group to render advice which is not disinterested. Such disclosure will be sufficiently specific so that an Advisory Client can understand the material fact or conflict of interest and make an informed decision whether to provide consent and will depend on the nature of the Advisory Client, the scope of advisory services, and the material fact or conflict.

- **Duty of Care**

- It is the Research Group's policy to perform its duties in a prudent manner and consistent with the following:
  - Recommendations/opinions have a reasonable and adequate basis; supported by thorough, diligent and appropriate research and investigation;
  - Where applicable, recommendations/opinions are made after a reasonable inquiry into the client's objective(s) and investment mandate(s);
  - Recommendations/opinions are made after a reasonable investigation into the investment sufficient not to base advice on materially inaccurate or incomplete information;
  - Where applicable, recommendations/opinions are made with the reasonable belief that they are in the best interest of the client based on the client's objectives;
  - Recommendations/opinions are based solely on the merits of the security or securities being recommended or written about; they are not biased by outside pressures such as the relationship the Research Group, Morningstar, Inc., or any of the Research Group's affiliates have or wish to have with the issuer/sponsor of the security; and
  - Facts are clearly distinguished from opinions and output provided to a Client (e.g., investment research report) is clear and complete.
- The Research Group does not have the responsibility to select broker-dealers to execute client trades for any current Advisory Client. Under the Duty of Care, advisers have a duty to seek best execution of a client's transactions in connection with such responsibilities. If the Research Group takes on this responsibility for any Advisory Client in the future, the Research Group will establish policies to seek to obtain the execution of transactions for each of its applicable Advisory Clients such that the Advisory Client's total cost or proceeds in each transaction are the most favorable under the circumstances.
- It is the Research Group's policy to perform its duty to provide advice and monitoring at a frequency that is in the best interest of each Advisory Client, taking into account the scope of the agreed upon relationship.
  - In the absence of any agreed limitation or expansion of an agreement, the scope of duty to monitor will be indicated by the duration and nature of the agreed advisory arrangement.

## Responsibility

Supervised Persons are responsible for performing their duties in a manner consistent with the above.

## Professional Responsibilities

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### Background

Employees of a registered investment adviser are to have qualifications that are commensurate with the duties they perform, and to conduct themselves in an ethical manner, such as with honesty and integrity.

### Policy

It is the Research Group's policy for its Supervised Persons to have the appropriate skills and experience that are commensurate to their assigned duties.

It is the Research Group's policy that Supervised Persons exhibit high moral standards, professionalism, and ethical conduct.

### Responsibility

Senior Management is responsible for ensuring Supervised Persons have the appropriate skills and experience to fulfill their assigned duties.

All Supervised Persons are responsible for performing their duties in a manner that exhibits high moral standard and ethical conduct and avoids prohibited activities.

- To that end, Supervised Persons are *prohibited* from:
  - Guaranteeing the investment performance of their recommendations/opinions.
  - Falsely stating or misrepresenting her/his credentials (e.g., professional designation or education).
  - Selling services in a manipulative, deceptive or fraudulent manner.
  - Stating or implying that the SEC or any other federal or state regulatory body endorses or approves the Research Group's services or its investment process/methodologies.
  - Rendering legal or tax advice to Clients.
  - Communicating confidential, non-public information about the Research Group or its Clients to persons outside of the Research Group.
  - Communicating confidential, non-public information about Morningstar, Inc. or its affiliates to anyone outside of Morningstar.
  - Communicating information to Clients that is based solely on rumor or speculation.
  - Buying or selling a publicly traded security while in possession of inside information or tipping such inside information to others.
  - Signing a Client's name to any document, even if the Client gives permission to do so.
  - Instructing the Client to pay them (the Supervised Person) directly for services rendered by the Research Group.
  - Accepting cash or checks payment made payable to the Supervised Person from a Client.
  - Lending money to a Client.
  - Borrowing money or securities from a Client.
  - Settling a Client complaint without following the process described in the Client Complaints section of this Manual.
  - Becoming an employee of or serving as a director of an unaffiliated company without the approval of the compliance team and Morningstar, Inc.'s general counsel (if applicable).
  - Acquiring or deriving personal gain or profit from a business or investment opportunity that

comes to her/his attention as a result of the Supervised Persons' assigned duties.

- For avoidance of doubt, Supervised Persons can acquire a security as a result of reviewing an investment research report produced by the Research Group provided it is done in accordance with the conditions laid out in the "Personal Security Transactions and Holdings" section below.

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## Public Speaking Engagements

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### Background

A public speaking engagement includes participation in a seminar, conference, webinar, radio show, television, videos and any other public forum (including an interactive electronic forum) in which a firm's employee offers an opinion or opinions on one or more securities (e.g., stocks, mutual funds, ETFs).

### Policy

While public speaking engagements are acceptable, it is the Research Group's policy that:

- Supervised Persons adhere to the guidelines set forth in the Professional Responsibilities section above;
- Supervised Persons adhere to the guidelines set forth in their applicable Investment Research Integrity Policy;
- If speaking about a specific security or investment option, Supervised Persons inform the audience:
  - o Of conflicts of interests, either their own or the Research Group that they are aware of (e.g., they own the fund they are speaking about, the company they are speaking about is a Client).
  - The disclosure with respect to a security or investment option owned by the Chief U.S. Market Strategist may be waived upon agreement of the Chief Compliance Officer and the Head of Equity Research.
  - o Where/how the audience can gain access to our published research on the security or securities being spoken about (e.g., available at [www.morningstar.com](http://www.morningstar.com)).
  - o That their presentation should not be used as a basis for making investment decisions.
    - Supervised Persons are not to communicate ratings and opinions that are different from the current published rating or opinion on the security being talked about.
      - Prior to the publishing of investment conclusions and research, analysts that have received prior authorization from (1) the Head of Global Equity Research or relevant Regional Director of Equity Research and (2) Compliance may discuss initial thoughts and reactions to material new information that is released about an issuer or issuer's security to which they are assigned with media outlets that have broad (typically national) distribution. Analysts must obtain separate authorization for each stock, as approval does not automatically apply to all stocks that an analyst covers. Once authorization is granted for an individual stock an analyst need not resolicit approval for subsequent media appearances. Approved analysts must:
        - Not disclose specific changes to their Investment Conclusions but may discuss how the material new information affects their prior, published Investment Conclusions.
        - Make a statement that his/her initial thoughts/reactions are subject to change upon further reflection and/or additional information disseminated in the public domain.
    - Supervised Persons are not to accept individual compensation for participating in a speaking engagement where the Supervised Person's participant is sought out because of his or her association with Morningstar.

### Responsibility

In addition to adhering to the guidelines set forth in the Professional Responsibilities above, Supervised Persons are responsible for ensuring:

- If speaking about a specific security or investment option, to inform the audience of:
  - o conflicts of interests, either their own or the Research Group that they are aware of (e.g., they own the fund they are speaking about, the company they are speaking about is a client of Morningstar Research Services).
  - o where/how the audience can gain access to our published research on the security or securities being spoken about.
  - o their presentation should not be used as a basis for making investment decisions.
  - o their comments are not intended as personalized advice and that they or their financial professional should judge the suitability of the issuer or issuer's security in light of their unique situation
- That they do not communicate a rating or opinion that is different from the current published rating or opinion on the security being talked about.

Supervised Persons are responsible for ensuring:

- Prepared scripts/talking points to be used during the public appearance have been reviewed and approved by the Compliance team.
- The Compliance team is provided final versions of any recorded engagements or transcripts, prior to or at its release to attendees of the event or the public in general.
- For videos that are produced in Morningstar's in-house studio, the Compliance team is given the opportunity to be present during the recording.
- Presentations, handouts, or other materials provided to outside parties in relation to such public statements have been submitted to the Compliance team for review prior to dissemination.

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## Clients' Non-Public Information

### Background

Given its relationship with clients (as well as possible contractual provisions), a registered investment adviser is to ensure client's non-public, confidential information is not provided or made accessible to unauthorized persons.

### Policy

It is the Research Group's policy to protect Client's non-public, confidential information from being given or made accessible to persons who do not need to know or need access to such information to perform their assigned duties.

### Responsibility

If a Supervised Person has or has the ability to access a Client's non-public, confidential information, that Supervised Person is responsible for maintaining its confidentiality including not sharing or providing access to any person who does not need to have such information to perform their assigned duties.

In addition, to mitigate confidential information from being made available to persons who do not need to know such information to perform their assigned tasks, a Supervised Person is responsible for:

- Taking precautions when providing confidential information through email, fax, or over the phone, which includes using the "PII Secure Tag" in Outlook for emails containing sensitive information.

- Not discussing confidential information in public places, such as elevators, hallways, or at social gatherings.
- Avoiding use of speaker phones in areas where unauthorized persons may overhear conversations.
- Avoiding exposing documents containing confidential information to areas where they may be read by unauthorized persons (e.g., copy machine).
- Storing documents containing confidential information in a secure location when they are not in use.
- Discarding documents that contain confidential information (provided they do not need to be retained under the rules for retention of books and records), ensure that they are discarded and destroyed in a secure manner.
- Locking all electronic devices (computers, phones, tablets, etc.) which may contain confidential information when such devices are not in use and use password protection to unlock such devices.
- Using strong passwords that cannot be easily guessed.
- Refraining from giving passwords to others or saving passwords in a place that can be accessed by others.
- Refraining from using unsecured wireless networks when accessing or using confidential information.

To accomplish this policy, the Research Group is to:

- Limit the number of Supervised Persons with access to confidential information.
- Place servers with confidential information in a secure location and in a controlled environment.
- Limit the number of Supervised Persons that have access to the secure location where servers are maintained.
- Lock access to a system with confidential information if the user fails to enter the correct password within a certain number of tries.
- Require the use of encryption and/or password protection (as available) on electronic devices used to access confidential information.
- Adhere to the Information Security Policies and Standards implemented by the Morningstar, Inc. Information Security Department.
- Adhere to procedures outlined under the Cybersecurity section of this Manual.

Although maintaining the confidentiality of non-public, confidential information is of utmost importance, it does not preclude a Supervised Person from their duty to report any actual or suspected illegal activities by Clients to the Compliance team.

## Gifts and Entertainment

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### Background

A conflict of interest occurs when the personal interests of a person interferes or could potentially interfere with their responsibilities to the firm and its clients.

The overriding principle is that persons should not accept inappropriate gifts, favors, entertainment, special accommodations, or other things of material value that could influence their analysis, opinions, or decision-making or make them feel beholden to a person or firm.

Similarly, persons should not offer gifts, favors, entertainment or other things of value that could be viewed as overly generous or aimed at influencing decision-making or making a client feel beholden to the firm or the supervised person.

Also, there are special rules that govern gifts to elected officials, union official, and labor unions. For example, the Department of Labor requires an “employer,” which includes investment advisers, to file a report each time a gift or business entertainment of the sort described herein is given to a union official or labor organization.

### Definitions

For purposes of this Manual, a gift includes:

- Meals;
- Entertainment;
- Travel/lodging;
- Charitable contributions made on behalf of a Client or prospective Client;
- Gift baskets or perishable items; and
- Logo-stamped promotional items valued **at more than** \$30 in total,

For purposes of this Manual, gifts ***do not*** include:

- Personal gifts, such as a wedding gift, retirement gift, or congratulatory gift for the birth of a child provided that the gift is not in relation to the business of the employer of the recipient.
  - In determining whether the gift is “in relation to the business of the employer of the recipient,” the Compliance team will consider several factors, including the nature of any pre-existing personal or family relationship between the person giving the gift and the recipient, and whether the Supervised Person personally paid for the gift. If the RIA bears the cost of a gift, either directly or by reimbursing the Supervised Person, the gift will be counted towards the \$100 gift limit.
  - Personal gifts should typically be infrequent in nature, reasonable and customary, and not so excessive as to raise questions of impropriety.
- Donations facilitated through crowdsourcing websites or apps to raise funds for a Client or potential Client’s direct or indirect benefit (i.e., a GoFundMe donation for a recently diagnosed condition that will result in large medical bills) as long as the donation does not exceed \$100 per person per year.
- A gift sent to the RIA in general or to a specific department where it is shared (e.g., a fruit basket received during the holidays which is left in the tea-point).
- Any meal or other business entertainment that is not frequent or so excessive as to raise any question of impropriety.
  - For example, a Supervised Person may accept an occasional dinner invitation if the person who extended the invitation attends the dinner and the purpose of the meeting is to discuss legitimate business or establish a business relationship.
- Any food or beverage item(s) provided for a virtual business event (e.g., client appreciation event held over Zoom) provided to attendees where a representative of the Research Group is present, visible onscreen, and available for interaction with attendees throughout the event. (For the avoidance of doubt, a gift certificate for a food or beverage item is considered a gift.) Such items must be intended to be consumed during the event by attendees, cannot be preconditioned on meeting a sales goal, cannot be used for an item that is actually a gift (i.e., a food or beverage item to take home), and the cost and frequency of providing such items must be reasonable so as not to raise any question of propriety.

### Policy

It is the Research Group’s policy:

### **Gifts**

- No Supervised Persons may give a gift(s) or cause a gift(s) to be given that in total is more than \$100 per person per calendar year from any person or entity that relates to the Research Group's business (e.g., Client, prospect, vendor).
  - If, unbeknownst to the Supervised Person, a gift is sent to them and the value of that gift is \$100 or more, the Supervised Person, along with their direct manager, must decide to either make the gift available to other Supervised Persons or to donate the gift to a charity.
- No Supervised Persons may accept gift(s) that in total amount to more than \$100 per calendar year per person from any person or entity that relates to the RIA's business (e.g., gifts received from a Client, prospect, vendor).
- No Supervised Person may accept a meal where the person/firm paying for the meal is not present/represented, either in-person or virtually for the duration of the meal.
- No Supervised Person may accept entertainment where the person/firm paying for the entertainment is not present/represented, either in-person or virtually for the duration of the entertainment.
- No Supervised Person may give or offer to give any gift of more than \$100 to Clients, prospective Clients, or any entity that relates to the Research Group's business (and includes representatives of such Clients, prospects, and other entities.)
  - In determining the value of the gift, the higher of the cost or market value is to be used.
  - The \$100 gift limit is exclusive of sales tax, shipping and delivery fees.
- For a gift sent to multiple recipients, the value of the gift is to be pro-rated.
  - For example, if a gift basket valued at \$250 is sent to a Client's marketing department that consists of five employees, each person will be reflected as receiving a \$50 gift.
- Gifts of charitable contributions must be submitted directly to the charitable organization.
- Supervised Persons may not give to or solicit donations for a charitable organization they own or run as part of a gift.

### **Cash**

- No Supervised Person may give or accept cash or cash gifts (e.g., American Express, MasterCard, or Visa gift card) from a Client, prospective Client, or any entity that does business with the Research Group. In order for a gift card to not be considered cash, it must be redeemable for goods or services as a specific retailer.
- Supervised Persons may not accept cash or other items of value intended to be sent to a charitable organization as part of a gift. Supervised Persons should direct the gift giver to send the donation directly to the charitable organization.

### **Entertainment**

- No Supervised Person may provide or accept extravagant or excessive entertainment to or from a Client, prospective Client, or any person or entity that does or seeks to do business with the Research Group.

### **Solicited Gifts**

- No Supervised Person may use her/his position to obtain or seek a gift for themselves or for the Research Group.

### **Gift to Elected Officials, Union Official and Labor Unions**

- Because of the intricacies involved, no Supervised Person may give a gift to an elected official, union official or a labor union without prior approval from the Chief Compliance Officer.



### Exceptions to the Gift Policy

- The Research Group may offer a Client a registration fee waiver to a Morningstar-related conference in the following instances:
  - The Research Group must maintain a documented process for determining which Clients are offered registration waivers (i.e., all “Tier 1” Clients, as defined by Salesforce sales procedures, are offered a waiver.)
  - Clients are only offered one type of registration waiver (i.e., if a free registration, 50% off waiver, or \$100 off waiver is available, the Research Group must determine one of those types for all Clients who are offered a pass.)
  - Compliance must approve the client determination process, list of Clients being offered the waiver, and the waiver type prior to a waiver being offered to a Client.
  - Clients who are offered a registration waiver whose market value is higher than \$100 may not receive any other gift during the year in which the conference took place.

### Responsibility

It is the responsibility of the Supervised Person to report gifts they have received via StarCompliance (compliance software). This documentation, at a minimum, should include:

- Name(s) and employer name
- A description of the gift given
- The higher of cost or market value
- Date the gift was given

It is the responsibility of the Supervised Person to report gifts they have given to Clients or potential Clients via Concur (accounting software used by corporate accounting). This documentation, at a minimum, should include:

- Recipient name(s) and employer name
- A description of the gift given
- The higher of cost or market value
- Date the gift was given

It is the responsibility of the Supervised Person not to use her/his position to obtain or seek to obtain a gift for either themselves or for the Research Group.

It is the responsibility of the Supervised Person to consult with her/his direct manager or the Compliance team if there is any doubt as to whether a gift is appropriate to receive or give.

It is the responsibility of the Supervised Person to obtain approval from the Chief Compliance Officer before giving a gift to an elected official, union official or a labor union.

## Conflicts of Interest

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### Background

A registered investment adviser has a duty to its clients; duty of care, loyalty, honesty and good faith. Compliance with these duties can be supported by avoiding conflicts of interests and, if can't be avoided, fully disclosing material facts concerning the conflict to clients.

In general, conflicts of interests are those situations when the interests of the Supervised Person or the Research Group differs from the interests of the Client. An activity or situation may be found to involve a conflict of interest even though it does not result in any financial loss to a Client(s).

Conflicts of interests may also arise where the Research Group or a Supervised Person have reason to favor the interests of one Client over another (e.g., Clients in which a Supervised Person has a material personal investment in, persons employed by a Client where a Supervised Person is close friends with or they are relatives).

### Policy

It is the Research Group's policy that Supervised Persons ***may not***:

- favor one Client over another similarly situated Client.
- use the knowledge of an unpublished change (e.g., change in a fair value estimate, qualitative rating, or analyst's opinions or an investment recommendation(s) yet to be given to a Client) to profit personally, directly or indirectly, because of such knowledge, including by purchasing or selling such securities.
- Recommend a security without disclosing to an appropriate designated person (e.g., Senior Management) and Client that they have a material beneficial ownership, business or personal relationship, or other material interest in the issuer or its affiliates.
- Negotiate or make decisions regarding the Research Group's use of a vendor or supplier without disclosing to an appropriate designated person (e.g., Senior Management) that they have a material beneficial ownership, business or personal relationship, or other material interest in such vendor or supplier.

It is the Research Group's policy to disclose its conflicts of interests in Form ADV Part 2 and 3.

### Responsibility

All Supervised Persons are responsible for complying with the above policies and to perform their assigned duties consistent with the duty of care, loyalty, honesty and good faith.

The Compliance Department is responsible for ensuring all reported conflicts of interests are disclosed in Form ADV Part 2 and 3.

## Personal Security Transactions and Holdings

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### Background

The personal security records required under Rule 204A-1 are intended as a means of bringing inappropriate trading practices to light. It requires, among other things, an *access person* to report to the Compliance team a list of *reportable securities* in which he or she has a *beneficial ownership* and report *transactions* in *reportable securities* to the Compliance team. This section of the Code of Ethics applies to *access persons* and his/her *immediate family*. (*Italicized terms* are defined below.)

As the Research Group is part of the Morningstar, Inc. family of companies, this section of the Manual is to be read together with Morningstar, Inc.'s global policies and procedures, including but not limited to the Personal Trading section in Morningstar, Inc.'s Investment Research Integrity Policies for the Equity Research Group and the Manager Research Group (each an "Integrity Policy"), as applicable. To the extent there are discrepancies between Morningstar, Inc.'s policies and procedures and this Manual, this Manual will take precedence in relation to the Research Group. Certain terms in this section may be defined in the applicable Integrity Policy.

## Definitions

The definitions noted below are specific to this section of the Manual.

- *Access person* is (i) an officer of the Research Group, (ii) a person who makes or participates making an investment recommendation, and (iii) a person who has access to the Research Group's recommendations prior to dissemination to the public and/or Clients.
  - o In addition to written analysis where a reasonable person would view as a 'call to action' (buy, sell, hold), Research Group's investment recommendations include fair value estimate, analyst-driven ratings for stocks, funds, ETFs, or other investment products, and usage of terms such as 'undervalued/overvalued' or consider buy/sell/hold.
  - o At the discretion of the Compliance team, other employees of the Research Group, other Outsourced Persons, consultants, independent contractors, or interns used by the Research Group and whose duties may expose them to above information may be considered *access persons*.
- *Beneficial ownership* is where an *access person* has the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction.
  - o Generally, this includes *reportable securities* owned by immediate family members residing in your home (e.g., a *reportable security* held in an account that is under your spouse or partner's name), investment club accounts, or other accounts where you can influence trading decisions.
- *Digital Assets* are assets that are issued and/or transferred using distributed ledger or blockchain technology, including, but not limited to, *Digital Currencies* and *Digital Coins or Tokens*. A particular *Digital Asset* may or may not meet the definition of a "security" under U.S. federal securities laws, depending on its facts and circumstances. Examples of *Digital Assets* registered with the SEC as securities include, but are not limited to, INX Ltd.'s INX Token, Blockstack PBC's Stacks token, and the Arca U.S. Treasury Fund's ArCoin digital shares.
- *Digital Coins or Tokens* – A *Digital Asset* received as part of an *Initial Coin Offering* or through a secondary market that offers rights or interests in a business or project. *Digital Coins or Tokens* may or may not be securities, depending on the facts and circumstances of the particular asset. For example, a *Digital Coin or Token* that represents a participation interest in a book-of-the-month club that is designed to help the club's operators fund the future acquisition of books and facilitate their distribution to coin/token holders may not be a security. However, a *Digital Coin or Token* that represents an interest in a yet-be-built publishing house may be deemed a security, especially if the secondary market trading potential and the potential for increase in value of the coins/tokens is emphasized.
- *Digital Currencies* are virtual representations of value that are designed to enable purchases, sales, or other financial transactions. *Digital Currencies* are intended to provide many of the same functions as long-established currencies but do not have the backing of a government or other body. May also be referred to as "virtual currencies" or "cryptocurrencies." Bitcoin is an example of a *Digital Currency*.
- *Initial Coin Offering* – A method of raising capital for a business or project where individual investors typically exchange currency (such as U.S. dollars or *Digital Currencies*) for *Digital Coins or Tokens*.
- *Reportable securities* are:
  - o Stocks
  - o Municipal or Corporate Bonds
  - o Derivatives (e.g. options, futures)
  - o *Digital Assets* registered with the SEC as securities and all *Digital Coins or Tokens*
  - o Closed-end funds
  - o Exchange Traded Products (e.g. ETFs, ETNs)

- Hedge Funds
- REITs
- Morningstar restricted stock units (at the time the units vest)
- Private Placements
- Open-end mutual funds (**only** if the Research Group is the fund's investment adviser or sub-adviser)
- Collective investment trusts (**only** if the Research Group is the CIT's investment adviser or sub-adviser)
- Transactions include the purchase, sale, donation, or other related activities involving shares of a security or investment product or coins, tokens, shares, or other unit of ownership of a *Digital Asset*. Certain purchases or sales listed below that are not direct by the *access person* at the time of execution are exempt from the definition of a *transaction*:
  - Dividends or capital gains reinvestments made as part of an automatic reinvestment plan.
  - Regular periodic purchases or withdrawals made automatically in accordance with a previously established predetermined schedule and allocation (an "automatic investment plan").
- An *access person's immediate family* consists of her/his spouse or live-in partner, each family member residing in the *access person's* household, and any other person or entity whose investment activity is influenced by the *access person*.

## Policy

It is the policy of the Research Group that all Supervised Persons are considered *access persons*.

It is the policy of the Research Group that *access persons* and their *immediate family* members may only maintain accounts containing *reportable securities* at brokers approved by the Compliance team, unless such *reportable securities* are held in accounts over which the *access person* and/or their *immediate family* member does not have any control or influence over purchase or sale of *reportable securities* (e.g., an account managed by a financial professional who has discretion over the account's trading activities, commonly known as a "managed account.") **Exceptions to this policy must be approved by the Compliance team.**

In order to take advantage of the managed account exception, *access persons* must provide the Compliance team with a signed statement from the account manager, on their letterhead, certifying that the account owner(s):

- does not control or influence trading activity,
- will not be informed of trades before they are made, and
- can only raise or invest cash in the account.

In addition, the letter should include the:

- name of the firm managing the account,
- broker or custodian holding the account,
- account number,
- account's registration, and
- owner(s) of the account.

Signed statements are not required for accounts managed through the Morningstar Managed Portfolios program.

Employees may obtain the current list of approved brokers from the Compliance team by sending a request to [complianceemail@morningstar.com](mailto:complianceemail@morningstar.com). New *access persons* of a RIA must comply with this policy within 30 days of association with the RIA.

It is the policy of the Research Group for *access persons* to report to the Compliance team holdings and *transactions in reportable securities*.

It is the policy of the Research Group that *access persons* obtain written approval from the Chief Compliance Officer, or their designee, prior to participating in an initial public offering ("IPO") or *Initial Coin Offering* or similar presale of *Digital Coins or Tokens* ("ICO") or investing in a private placement (which includes hedge funds).

- Electronic requests to the Chief Compliance Officer, or their designee, for IPO, ICO, or private placement *transactions* are to be made through the compliance reporting system.

It is the policy of the Research Group that *access persons* who report up through the **Head of Equity Research** ("*Equity Analysts*") and their *immediate family* are:

- prohibited from owning a security that the *Equity Analyst* covers and the close competitors of the companies they cover.
  - The restriction with respect to securities of a close competitor may be waived upon agreement of the Head of Global Research, Head of Global Equity and relevant Chief Compliance Officer based on a finding that ownership of such securities would unlikely be perceived by clients as a conflict of interest.
- Prohibited from owning a security or managed product whose investment objective is to track a sector or industry that *Equity Analyst* covers.
  - The restriction with respect to securities whose investment objective is to track a sector or industry that the analyst covers may be waived by the Global Head of Research, Global Head of Equity Research and the Global Chief Compliance Officer based on a finding that the analyst's covered companies and close competitors collectively comprise a very small share of the managed product's underlying portfolio (typically less than 20%).
- prohibited from directing or influencing any transaction in a security that is on the *Restricted Stocks For All Equity Analysts and MIM US* list ("Restricted List for Equity Analysts"). The *Restricted List for Equity Analysts* is continuously updated in real time and is available on the Pond on the Toolkit tab, under the Legal/Compliance section, by clicking the link for "Restricted Stock for all Equity Analysts and MIM US." Employees must be logged into Morningstar's VPN to access the Restricted List.

It is the policy of the Research Group that *Supervisory Analysts*, as defined in the Investment Research Integrity Policy – Equity Research Group, and their *immediate family* members may not own any security of a company where they are responsible for the review and approval of an *Equity Analyst's* investment research prior to publication.:

- The restriction with respect to securities may be waived upon agreement of the Head of Global Equity Research and the relevant Chief Compliance Officer based on a finding that ownership of the securities would unlikely be perceived by clients as a conflict of interest.

It is the policy of the Research Group that *access persons* who report up through the **Head of Manager Research** ("*Manager Research Analysts*") and their *immediate family* are prohibited from holding/*transacting* in securities issued by publicly traded companies that derive a material portion of their revenue from managing mutual funds and which are included on a list of such companies made available via the Pond.

- Such publicly traded companies will be identified on the *Restricted List for Manager Research Analysts*. The *Restricted List for Manager Research Analysts* is updated on a periodic basis and is available on the Pond on the Toolkit tab, under the Legal/Compliance section, by clicking the link

for “Restricted List for Manager Research Analysts.” Employees must be logged into Morningstar’s VPN to access the list.

### Responsibility

*Access persons* (i.e., all *Supervised Persons*) are responsible for complying with following reporting requirements:

- **Initial Report**—Within ten calendar days of becoming an *access person* (e.g., ten calendar days from hire date), she/he is responsible for providing Compliance (via the compliance trade reporting system) with an accurate and complete list of all *reportable securities* that she/he has a *beneficial ownership* in that are not held in managed accounts.
- **Quarterly Report** —Within 30 calendar days after a calendar quarter end, or such earlier date as may be specified by the Compliance team, each *access person* is responsible for ensuring all *transactions* in *reportable securities* made during the prior calendar quarter (with the exception of those held in managed accounts) are reflected in the compliance reporting system.
  - For the avoidance of doubt, purchases and sales made in connection with the initiation, modification, or termination an automatic investment plan are required to be reported on the Quarterly Report. Only predetermined periodic purchases and sales made as part of an established automatic investment plan are excluded from the definition of a *transaction*.
  - Dividends and capital gains that are automatically reinvested do not need to be reported on the Quarterly Report.
- **Annual Report**—Within 30 calendar days after the calendar year-end, or such earlier date as may be specified by the Compliance team, each Supervised Person is responsible for ensuring holdings reflected within the compliance reporting system is an accurate and complete listing of all *reportable securities* in which she or he has a *beneficial ownership* as of the calendar year-end, with the exception of those held in managed accounts.
  - For the avoidance of doubt, *access persons* are required to update their holdings in all *reportable securities*, including those holdings that are part of an automatic dividend or capital gain reinvestment plan or an automatic investment plan.

The Compliance team has the right to request from a Supervised Person duplicate trade confirmations or account statements for a given period.

It is the responsibility of *access persons* to ensure accounts containing *reportable securities* are held with an approved broker.

It is the responsibility of *access persons* to obtain and provide the Compliance team with a certification letter from their broker or adviser if they wish to take advantage of the managed account reporting exemption.

It is the responsibility of *access persons* to obtain written approval from the Chief Compliance Officer or their designee prior to participating in an initial public offering (“IPO”) or *Initial Coin Offering* (“ICO”) or investing in a private placement (which includes hedge funds).

- Such pre-approval can be sought by providing the Compliance team via StarCompliance certain information including, but not limited to:
  - Name of the issuer/security.
  - Amount intended to be invested.
  - Brief explanation of how you came about this opportunity.

It is the responsibility of *Equity Analysts* and their *immediate family* members to not hold or *transact* in a security that the *Equity Analyst* covers or the close competitors of the security they cover. It is the responsibility of

*Supervisory Analysts* and their *immediate family* members not to hold or *transact* in a security of a company where the *Supervisory Analyst* is responsible for the review and approval of an *Equity Analyst's* investment research prior to publication

- In this context, 'hold or *transact* in a security' includes equity or debt securities and applies to each security that derives its value from a security issued by the company, such as puts, calls, or other derivatives (without regard to the issuer of the put, call, or other derivative).
- While the restriction applies to the individual *Equity Analyst* and *Supervisory Analyst*, her/his direct manager, their managers and Senior Management must be mindful that if they own a security and seek to influence the covering analyst's work with respect to the issuer, their motivation may be called into question and they may need to demonstrate that they were not promoting personal interests at the expense of the integrity of the analysis.
- An *Equity Analyst* and his or her *immediate family* may not own a security or managed product whose investment objective is to track a security or industry that the *Equity Analyst* covers. Otherwise, *Equity Analysts* and their *immediate family* can invest in a security or managed product that has a position in one or more of the companies an *Equity Analyst* covers or its close competitors.
  - Exceptions may be made in cases where the *Equity Analyst's* covered companies and close competitors collectively comprise a very small share of the managed products underlying portfolio, typically less than 20%. Such exemptions must be approved in advance by the Global Head of Research, the Head of Global Equity Research, and the Global Chief Compliance Officer.
- If an *Equity Analyst* is assigned a company that he or she previously did not cover, and that *Equity Analyst* owns any security issued by that company or any close competitor, the *Equity Analyst* must sell the security before initiating coverage.
  - In this context, "initiating coverage" is when the analysis process begins.
    - At the discretion of the Compliance team, exceptions to the above can be made.
  - If any member of the *Equity Analyst's immediate family* owns any security issued by the company or any close competitor, the immediate family member *will have six months* from the date the company was assigned to the *Equity Analyst* in which to sell that security.
  - Notwithstanding anything else contained in this policy to the contrary, the requirements of this provision applies to securities in a "blind" trust, separately managed account, wrap account or similar arrangement and also to the purchase or sale of securities made through an automatic investment plan.

It is the responsibility of *Equity Analysts* and their immediate family not to execute *transactions* in any security contained on the *Restricted List for Equity Analysts*.

- *Equity Analysts* are responsible for checking the *Restricted List for Equity Analysts* prior to making a *transaction* and are also responsible for checking the *Restricted List for Equity Analysts* on behalf of their *immediate family* members.

It is the responsibility of *Manager Research Analysts* and their *immediate family* not to own a security of a publicly traded company contained within the *Restricted List for Manager Research Analysts*.

It is the responsibility of *Manager Research Analysts* and their *immediate family* not to execute *transactions* in any security contained on the *Restricted List for Manager Research Analysts*.

- *Manager Research Analysts* are responsible for checking the *Restricted List for Manager Research Analysts* prior to making a *transaction* and are also responsible for checking the *Restricted List for Manager Research Analysts* on behalf of their *immediate family* members.



It is the responsibility of the Compliance team to maintain a current list of approved brokers.

### Violations

Violations of this section are handled by Senior Management with input from the Compliance team on a case-by-case basis. The type, severity, and frequency of violations are considered when determining a proper course of action. Those determined to be “material” include intentional, serious, and/or repeated violations where the *access person* knew or should have known his or her activity was in breach of the Research Group’s Code of Ethics.

In general,

- the first material violation will include a written notification to the Supervised Person and a requirement that they re-read the Code of Ethics.
- A second material violation will include written notification to the Supervised, a requirement to re-read the Code of, and any additional requirements or conditions deemed appropriate on the Supervised Person’s personal trading.
- Any subsequent material violations by the Supervised Person will be handled in accordance with the severity of the violations as determined by Senior Management and may include preclearance of any personal trade by the Supervised Person including their immediate family going forward, disgorgement of profits, recording of the violations in the Supervised Persons employment records (e.g., performance evaluations) and/or outright prohibition of personal investing by that Supervised Person.

## Insider Trading

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### Background

Investment advisers may have access to material information that has not been publicly disseminated. To combat misuse of this information by advisers, their employees, or affiliates, through insider trading or otherwise, Congress added Section 204A to the Advisers Act, requiring an investment adviser to adopt policies and procedures to preserve the confidentiality of information and prevent possible insider trading.

The term “insider trading” is generally considered to include both the use of *material, nonpublic information* to trade securities and the communication of material, nonpublic information to others. Also,

- information is *material* if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision or public dissemination of such information will likely affect the market price of the security.
- positive or negative information may be *material*.
- *material* information is not limited to historical facts, may also include future events, projections and forecasts.
- information is *nonpublic* if it has not been disseminated in a manner making it available to investors generally and investors have had an opportunity to absorb the information.
- as a rule, information is not considered public until it is considered absorbed and evaluated by the investment market after completion of the second trading day after the information is released to the public.
- SEC’s historical position is that the term *material nonpublic information* relates not only to issuers but also to the adviser’s investment recommendations and client securities holdings and transactions.

### Policy

It is the policy of the Research Group to strictly prohibit Supervised Persons from trading securities while in possession of *material, nonpublic information about that company or security and other securities whose market price is likely to react similarly when the material, nonpublic information becomes public (i.e. shadow trading)*.



It is the policy of the Research Group to strictly prohibit Supervised Persons from communicating (i.e., tipping) *material nonpublic information* to persons who are not Supervised Persons.

- Exception includes communication with the Chief Compliance Officer, Compliance team, and/or Morningstar, Inc.'s Legal team.

### **Responsibility**

It is the responsibility of Supervised Persons to not trade in a security of a company while in possession of *material, nonpublic information* about that company.

It is the responsibility of Supervised Persons to not communicate *material, nonpublic information* to persons who are not a Supervised Person.

- Exception includes communication with the Chief Compliance Officer, Compliance team, and/or Morningstar, Inc.'s Legal team.

It is the responsibility of Supervised Persons to immediately notify her/his manager and the Compliance team that they are in receipt of non- Research Group *material, nonpublic information*.

## **Outside Activities**

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### **Policy**

It is the Research Group's policy for its Supervised Persons not to engage in outside activities that presents a real or perceived conflict of interest.

### **Responsibility**

It is the responsibility of the Supervised Person to obtain written approval from the Compliance team before engaging in any *outside activity* that involves (i) a Client or (ii) having discretion to invest and/or participate in investment decisions, or related investment matters whether compensated for the activity or not. Such approval may be obtained by submitting the appropriate "Outside Activity" form through the compliance reporting system.

For the avoidance of doubt,

- o *Outside activity* is any activity that is not part of a Supervised Person's assigned duties or a Morningstar sponsored activity.
- o Involvement in social, religious, educational, charitable, civic, or fraternal organization that does not involve the Supervised Person being involved the organization's investment matters does not require written approval from the Compliance team.
- o Obtaining general counsel's approval under the Morningstar, Inc. Code of Ethics for an outside activity does not take the place of obtaining compliance's approval under this Compliance Manual's policies and procedures, and vice versa.

## **Confidential Information**

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### **Policy**

It is the policy of the Research Group for Supervised Persons not to disclose confidential information concerning the Research Group's, Morningstar, Inc. or Morningstar, Inc.'s affiliates ("Morningstar's Family of Companies") to anyone outside of Morningstar, Inc. and its subsidiaries without the prior approval of the Compliance team.

**Responsibility**

Supervised Persons are responsible for protecting the confidential information of Morningstar's Family of Companies.

- Supervised Persons may disclose, after publication, information contained within Morningstar, Inc.'s 10-Q, 10-K, or 8-K.
- Any request for information that is not generally released in the normal course of business, should be referred to the Chief Compliance Officer for determination as to whether such request will be fulfilled.

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## Requests from or Visits by Regulatory Authorities

**Policy**

It is the Research Group's policy that all contacts, inquiries, or requests— written or oral—for information or documents by a governmental or self-regulatory authority (e.g., SEC, DOL, FINRA), are to be reported immediately to the Chief Compliance Officer.

- In the case of telephone requests, the Supervised Person receiving the request should obtain the name, agency, address, and telephone number of the representative making such request.

**Responsibility**

All Supervised Persons are responsible for reporting any regulatory inquiries to the Chief Compliance Officer.

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## Subpoenas or Other Legal Process

**Policy**

It is the Research Group's policy that only Senior Management may accept a subpoena or other legal process related to the Research Group.

- If service is attempted upon a person who is not Senior Management, he or she must immediately contact Senior Management, the Legal team, or the Chief Compliance Officer.

**Responsibility**

All Supervised Persons are responsible for adhering to the policy described above.

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## Reporting Violations

**Background**

Rule 204a-1 of the Advisers Act requires all employees of an investment adviser to report promptly any violations of the firm's Code of Ethics that occurred or are about to occur to either to the compliance department or to a third party designated by the firm.

In addition, the Dodd-Frank Act contains provisions with respect to whistleblowers who report fraudulent activities at financial services firms. Section 922 of the Dodd-Frank Act provides that the SEC will pay awards to eligible whistleblowers that voluntarily provide the SEC with original information that leads to a successful

enforcement action yielding monetary sanctions of over \$1 million. An “eligible whistleblower” is someone who possesses a reasonable belief that the information he or she is providing relates to a securities law violation that has occurred, is ongoing, or is about to occur, and who provides that information in the manner as required under Section 21F(h)(1)(A) of the Securities Exchange Act of 1934. The Dodd-Frank Act also expressly prohibits retaliation by employers against whistleblowers and provides them with a private cause of action if they are discharged or discriminated against by their employers in violation of the Dodd-Frank Act.

### **Policy**

It is the policy of the Research Group for Supervised Persons to alert the Chief Compliance Officer immediately of any actual or suspected violations of applicable securities laws, Code of Ethics, or any other suspected wrongdoings.

- The Compliance team will, to the extent reasonably possible, keep confidential (i) the identity of the reporting employee, (ii) the information provided, and (iii) any subsequent discussions or actions in response to the reporting employee’s notification. During any investigation, however, the Chief Compliance Officer and Compliance team may find it necessary to share information with others on a “need to know” basis.

It is the policy of the Research Group to prohibit any form of intimidation or retaliation against any Supervised Person that brings any actual or potential violations of Supervised securities laws, Code of Ethics, or suspected wrongdoings to the attention of a Compliance team member or to the SEC directly under its whistleblowing program.

### **Responsibility**

All Supervised Persons are responsible for alerting the Chief Compliance Officer and/or Compliance team immediately upon becoming aware that the Research Group or any of its Supervised Persons has committed or is about to commit a:

- violation of any securities laws;
- violation of any federal or state law (other than securities laws);
- breach in the Research Group’s fiduciary duty arising under any federal or state laws;
- Code of Ethics violation; or
- An act of wrongdoing such as, but not limited to, bribery, theft, falsifying documents, destroying/deleting documents or lying to regulators.
  - o Such notification should be in writing and include documentation supporting the evidence of the violation.
  - o In lieu of notifying the Chief Compliance Officer directly, notifications can be sent using the Global Compliance website ([www.integrity-helpline.com/morn.jsp](http://www.integrity-helpline.com/morn.jsp)) or by calling 1-800-555-8316.
  - o Although Supervised Persons are encouraged to report violations as outlined above, Dodd Frank does not require that violations be reported internally prior to reporting such violations to the SEC.

Supervised Persons are not to intimidate or retaliate against a fellow employee who has reported to the Chief Compliance Officer or the SEC evidence of a material violation or any other suspected wrongdoing that occurred or is about to occur.

- The manager of the Supervised Person who reported the improper activities will monitor to ensure that the employee is not retaliated against due to his or her reporting of the improper activities.
- Managers are responsible for periodically communicating to their direct reports the firm’s prohibition from intimidating or retaliating against an employee who alerted the Chief Compliance Officer or the SEC directly regarding potential violations.