

## Investment Research Integrity Policy – Equity Research Group

At Morningstar, we expect the highest ethical behavior from our analysts. Morningstar’s Research group has established the Policy below to ensure the integrity of our research and ratings process with respect to our work with Equity Research clients.

This Investment Research Integrity Policy (“Policy”) is in addition to all other relevant Morningstar policies including, but not limited to, Morningstar’s Code of Ethics, Securities Trading and Disclosure Policy, Social Media Policy, Guidelines for Disclosing Information about Morningstar and Information Security Policies & Standards.

This Policy is applicable to all Morningstar companies that produce ratings and investment research related to issuers or securities. In certain jurisdictions such ratings/investment research is considered a regulated activity and thus must be provided by an appropriately licensed Morningstar regulated entity. These regulated entities are subject to certain regulatory requirements, which generally are (i) to refrain from engaging in unfair, coercive, or abusive business practice, (ii) to have an effective program in place to identify and manage or avoid conflicts of interests, and (iii) to properly secure confidential information. Such Morningstar regulated entities have developed and implemented policies and procedures consistent with the regulatory requirements of that jurisdiction. This Policy is intended to be consistent with those policies and procedures, but where discrepancies exist, the policies/procedures of the Morningstar regulated entity supersede this Policy.

### I. Terms

The following terms used in this Policy have the following meaning:

- *Analyst* – person primarily responsible for or contributes in a substantial way in the Investment Research of a specific issuer or security.
- *Conflict of Interest* – situations where an Analyst has a competing professional or personal interest(s) which are inconsistent with its User’s interests and/or make it difficult for an Analyst to fulfill their duties impartially. Such situations present a possibility of an appearance of impropriety that may undermine User’s confidence in the Analyst and Morningstar, even if no unethical or improper act results from the conflict.
- *Confidential Information* – Material, non-public information about public companies.
- *Investment Conclusion* – includes Fair Value Estimates, Economic Moat, Economic Moat Trend, Uncertainty, Stewardship, Star Ratings, Fair Value Status (Under Review/Active) statements indicating the Analyst’s intention to change any of these ratings or maintain these ratings after material new information has surfaced.

- *Investment Research* -- is written or electronic communication that Morningstar offers to Users or the general public, which presents Investment Conclusions and/or expresses an opinion on the issuer or the issuer's securities. Investment Research can be used on a qualitative ranking methodology or a quantitative ranking and includes:
  - Stock analyst notes -- Retail section; and
  - Company Reports -- Thesis, Valuation, Economic Moat, Uncertainty, Enterprise Risk (Uncertainty), Financial Health & Capital Structure, Stewardship, Valuation.
- *Prospective Client(s)* – potential licensors/subscribers of Investment Research (typically institutional investors).
- *Public Appearance* -- includes participation in a seminar; radio, television, internet or other media interview; social media posts, blogs, webcasts; or other public speaking activity.
- *Research Group* - All members of Morningstar's global equity team that report up through the Global Head of Equity Research.
- *RPS* – refers to Morningstar's report publishing system.
- *Supervisory Analyst* – the person responsible for reviewing and approving an Analyst's Investment Research prior to publication to Users.
- *User* – a subscriber of Morningstar.com or a licensor (and their authorized users) of a Morningstar product or service which allows them to access Investment Research.

## **II. Principals/Practices**

Morningstar expects its Research Group to adhere to the highest ethical standards in performing their duties – namely being independent, objective and free from actual or perceived conflicts. To that end:

### GENERAL

- a. Members of the Research Group are prohibited from explicitly or implicitly pressuring an Analyst to deviate from the documented investment research process or applying improper pressure on the Analyst to change her/his opinions, analysis, fair value estimates or ratings.
  - i. Analysts are to notify their direct supervisor promptly if the above occurs.

- ii. Interaction and debate between an Analyst and his or her Supervisory Analyst is expected and may lead to changes in Morningstar's published opinions, analysis, fair value estimates and ratings. To that end, such interaction/debate is not a prohibited activity under (a).
- b. Analysts are prohibited from plagiarizing.
- c. Analysts are not permitted to participate in the negotiations of sales terms with a Prospective Client and matters related to compensation to be received or have been received from a User.
- d. Analyst may not directly or indirectly offer favorable Investment Conclusion(s) or opinions expressed in Investment Research or delay changing an Investment Conclusion(s) or opinion as consideration or inducement for the receipt of business of a Prospective Client or a User procuring additional products/service from Morningstar.
- e. Analysts are to ensure facts within their Investment Research are properly distinguished from the Analysts' opinions and that the information within is clear and complete and in no way misleading or deceptive.

**PUBLISHING AND DISTRIBUTING INVESTMENT RESEARCH**

- a. Analysts must deal fairly and objectively with all Users. Specifically, Analysts and Supervisory Analysts must ensure that Investment Conclusion/Research is disseminated fairly to all Users. To that end,
  - i. No member of the Research Group is permitted to communicate to anyone outside the Research Group the content of upcoming Investment Conclusions or Investment Research, changes to such Conclusions/Research, ***except for***.
    - o Corporate Communications, Morningstar's legal team and the Chief Compliance Officer or relevant local compliance team in connection with a press release.
    - o designers in connection with assigned reports and projects.
    - o With respect to initiation or termination decisions, the intent to initiate or terminate coverage and non-specific dates (for example, by the end of Q1, or in the next few months) may be disclosed outside the Research Group by the Regional Directors of Research and the Global Head of Research. However, no one in the Research Group may disclose the content of upcoming Investment Conclusions or Investment Research or changes to such Conclusions/Research.
  - ii. Investment Conclusion or Investment Research content may not be discussed with anyone outside the Research Group until the Investment Research is set to a status of live in RPS.
  - iii. The Moat Committee agenda and any other internal discussions about Investment Conclusion/Research may not be shared outside of the Research Group.

NOTE: For avoidance of doubt, examples of groups that reside outside of the Research Group and therefore should not be granted access to Investment Conclusions/Research before they are live in RPS include: The institutional sales team, any email list that contains people outside of the Research Group including 'Securities Research Morning Call', Clients, Customers and Prospects.

- b. Analysts are prohibited from comment on non-public news/rumors to an individual User or a selective group of Users.

#### COMMUNICATING WITH USERS

- a. Analysts are to exercise caution when communicating with or responding to questions from Users.
  - i. Analysts are permitted to speak about the Investment Conclusions/Research in terms of discussing or elaborating on methodologies and/or assumptions used, explaining her/his analysis or opinions within the published Investment Research, providing her/his economic views, providing her/his views on the market sector her/him is assigned to or information about the issuer or an issuer's security that has been widely disseminated and in the public domain.
  - ii. Analysts based in jurisdictions where their Morningstar company is not properly registered to provide *advice on securities* (i.e. investment advice) are strictly prohibited from providing personalized investment advice.
    - 1. In this context, personalized investment advice includes advice/recommendations that are tailored to Users specific facts and circumstances and/or investment objectives or needs.
    - 2. If unsure if your Morningstar company is properly registered or if you should be giving personalized investment advice please contact Morningstar's Chief Compliance Officer or relevant local compliance team *prior to* communication with a User.

#### CONSISTENCY BETWEEN AUDIENCES

- a. The Research Group supports multiple audiences and not all Investment Conclusions/Research will be shared with all audiences. The level of depth and detail provided to an audience depends on their service level; however, every audience is to receive consistent Investment Conclusions and Investment Research.
  - i. Investment Conclusions are to be the same for all audiences
  - ii. Changes to Investment Conclusions must be disseminated fairly to all audiences.
  - iii. Analysis and research that suggests a change to any Investment Conclusion may only be published in Investment Research or in support of a change that is published in the Investment Research.
  - iv. Marketing decks and other materials used for in-person or other client specific meetings do not need to be published through RPS, but must be consistent with all published Investment Conclusions and not introduce new, material information that could affect your investment conclusions.

1. Morningstar's Compliance Department may request marketing decks and other materials used for in-person or other client specific meetings to be submitted to him/her (or a designee) for review.
  - Morningstar's Compliance Department may request that such review be done prior to use.
  - Any comments made to the materials are to be addressed.

#### PUBLIC APPEARANCES

- a. Topics discussed at Public Appearances are to be educational/informative.
  - i. Analysts are permitted to:
    1. speak about the published Investment Conclusions/Research of an issuer or issuer's security they are assigned to.
    2. discuss or elaborate on our methodologies and/or assumptions used,
    3. explain her/his analysis or opinions within the published Investment Research,
    4. provide her/his economic views,
    5. provide her/his views of the market sector she/he is assigned to; or
    6. discuss information about the issuer that has been widely disseminated in the public domain.
  - b. Prior to the publishing of investment conclusions and research, analysts may discuss their 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.
    - i. Analysts should not disclose specific changes to their Investment Conclusions but may discuss how the material new information effects their prior, published Investment Conclusions.
    - ii. Analysts should make a statement that her/his initial thoughts/reactions are subject to change upon further reflection and/or additional information disseminated in the public domain.
  - c. Analysts are prohibited from providing personalized advice or being perceived as doing so during a public appearance.
    - i. Analysts should remind audience members that their comments are not intended personalized advice and that they or their financial professional should judge the suitability of the issuer or issuer's security in light of their own unique situation.

#### CONFIDENTIALITY

- a. If a member of the Research Group possesses Confidential Information, she/he may only share it with other members of the Research Group who need to know such information in order to perform her/his duties and responsibilities.
  - i. Research Group may not share confidential information with anyone outside the Research Group unless authorized in writing by the Global Head of Equity Research and Morningstar's Chief

Compliance Officer. Research Group may share Confidential Information to Morningstar, Inc.'s legal and compliance department in connection with a legal or regulatory matter.

- b. Analysts that are exposed to material non – public information relating to a security, must contact Compliance immediately. Compliance will investigate the issue, and if necessary, request for the security to be placed “under review” until the matter is resolved. The analyst must not disclose the material non-public information and must keep the matter confidential.

### PERSONAL TRADING

The rules in this Section apply to members of equity research group and their immediate family.

Internal Disclosure of Holdings. A new member of an equity research group must provide Morningstar's Compliance department or, outside the United States, as otherwise directed by the Compliance department, within ten business days of his or her date of hire a list of all of his or her and his or her immediate family's investment holdings and the brokerage firms they have accounts with. Investment holdings include, but are not limited to, stocks, bonds, options, ETFs, hedge funds, closed-end funds, and any managed or separate account programs he or she or his or her immediate family members participate in. This information is to be submitted in such form and in such manner (which may include via a web-based system) as shall be specified by the Compliance department. Access to an individual's information is limited to that individual and the Compliance department.

Trade Information. Members of an equity research group and their immediate family members must submit brokerage account trade information in such form and in such manner (which may include, among other things, a direct electronic data feed from a brokerage firm or direct delivery of duplicate hard-copy trade confirmations) as shall be specified by the Compliance department. This applies to any accounts, including purchases made within the brokerage window of Morningstar's 401(k) plan or similar retirement plans outside of the United States, where the equity analyst or his or her immediate family member has beneficial ownership.

Morningstar Equity Analysts Cannot Own Securities Issued By Companies They Cover. Subject to the limited exceptions described in the next paragraph, an equity analyst and his or her immediate family members may not own any security of a company on the analyst's coverage list or any of that company's close competitors. Notwithstanding anything else contained in this section to the contrary, the requirements of this rule apply 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.

The restriction with respect to a covered company may be waived upon agreement of the Head of Global Research, Head of Global Equity and Global Chief Compliance Officer based on finding that the company is large, liquid and well- covered, and that there is an absence of suitable alternative companies within the analyst's local market.

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 Global Chief Compliance Officer based on a finding that the analyst's coverage is not reasonably likely to influence the price of the competitor's securities.

Any security purchased upon the grant of a waiver permitted by this section must be held for at least

six months. While the analyst holds the security, all of his or her reports regarding the company or concerning the competitor, as the case may be, must disclose that the analyst holds securities issued by the company or competitor.

While the restrictions contained in this section of this policy apply to equity analysts with respect to companies on their coverage lists and the competitors of those companies, all other members of the equity research group (including

those who manage or supervise equity analysts) 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 Morningstar's analysis.

**New Coverage.** Subject to the exceptions described in the preceding section, if an equity analyst is assigned a company that she or he previously did not cover, and that analyst owns any security issued by that company or any close competitor, the analyst must sell the security before initiating coverage. In addition, but subject to the exceptions described in the preceding section of this policy, if any member of the analyst's immediate family own 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 analyst in which to sell that security. Notwithstanding anything else contained in this policy to the contrary, the requirements of this rule apply 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.

**The Restricted List.** Members of an equity research group and their immediate family members may not execute transactions in any security issued by a company contained on Morningstar's Restricted List. Members of the equity research group are responsible for checking the Restricted List prior to making a transaction and are also responsible for checking the Restricted List on behalf of their immediate family members. If an equity analyst does not have access to the Restricted List he or she must contact the Compliance department prior to the execution of the trade. If a member of the Compliance department is unavailable, the equity analyst must leave a message indicating the security to be purchased or sold. Please note, the Restricted List is updated throughout each business day. Therefore, it is important that the list be reviewed immediately prior to making a transaction. The Restricted List is available on The Pond. Any member of an equity research group who is unable to access the Restricted List because of telecommuting arrangements or technical problems is still responsible for determining whether or not a particular security is on the Restricted List prior to making any transactions.

**Trades in Securities that Track a Sector or Industry.** If an equity analyst or a member of his or her immediate family wishes to buy or sell a security whose investment objective is to track a sector or industry that the analyst covers, the trade must be consistent with the opinion he or she is publishing. For example, if the equity analyst's current published analysis indicates that he or she is bullish on the semiconductor sector, trades in an ETF, hedge fund, or closed-end fund whose investment objective is to track the semiconductor sector must be purchases. A transaction that is contrary to this rule may be executed if there is an unanticipated significant change in the personal financial situation of the employee or immediate family member and a request to make the transaction has been approved in advance by the Global Head of Research, Head of Global Equity and the Global Chief Compliance Officer.

### **III. CFA Institute**

In addition to this Policy and the principles stated therein and the other Morningstar's policies including, but not limited to, Morningstar's Code of Ethics, Securities Trading and Disclosure Policy, Social Media Policy, Guidelines for Disclosing Information about Morningstar and Information Security Policies & Standards, member of the Research Group are expected to abide by the Code of Ethics published by the CFA Institute, along with the CFA Institute's Standards of Practice Handbook CFA Institute Code of Ethics and Standards of Professional Conduct. Copies are available here:

<http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>



#### **IV. Addressing Violations of this Policy**

If a member of the Research Group observes or is made aware of unethical behavior of another member of the

Research Group including behavior contrary to this Policy, that member should notify their direct supervisor immediately or the Global Head of Equity Research if the direct supervisor is not available. If the reporting member's direct supervisor is exhibiting such conduct, the Global Head of Equity Research or Morningstar's Chief Compliance Officer or relevant local compliance team should be immediately notified.

If the reporting member is uncomfortable speaking directly to their direct supervisor (or Global Director or Chief Compliance Officer), they may use the confidential hot-line called Morningstar Ethics Hotline to report such behavior. The Morningstar Ethics Hotline is available 24 hours a day, seven days a week at <https://www.integrity-helpline.com/morn.jsp>.

**Morningstar, Inc.**

**Investment Research Integrity Policy**

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I, \_\_\_\_\_, have received and read a copy of the Investment Research Integrity Policy (“Policy”) dated [DATE], and understand its terms and provisions. I hereby certify and agree to comply with the principles and requirements stated within in all respects.

I understand that my failure to observe and comply with the terms and provisions contained in the Policy may subject me to discipline by Morningstar, up to, and including, discharge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date