

Morningstar Manager Research Integrity Policy

Effective Nov. 18, 2015

We expect the highest ethical behavior from Morningstar analysts. In addition to Morningstar's companywide ethics and trading policies, we expect analysts to abide by the Code of Ethics published by the CFA Institute (<http://www.cfainstitute.org/ethics/codes/ethics/Pages/index.aspx>). Morningstar's Research group also has established its own Policy below, regarding our work with Manager Research clients and the avoidance of conflicts of interest.

Please note this Research 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, News Media 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. In certain jurisdictions, such ratings/investment research is considered a regulated activity and Morningstar must provide it through an appropriately licensed and regulated entity. These entities are subject to certain regulatory requirements, which generally are (i) to refrain from engaging in unfair, coercive, or abusive business practices, (ii) to have an effective program in place to identify and manage conflicts of interest, 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; where discrepancies exist, the policies/procedures of the Morningstar regulated entity supersede this Policy.

Terminology

- *Analyst*: Person primarily responsible for or contributing in a substantial way to the Universally Distributed Research of a specific collective investment scheme.
- *Conflict of Interest*: Situations in which an analyst has a competing professional or personal interest(s) that is inconsistent with its user's interests and/or makes it difficult for an analyst to fulfill his or her duties impartially. Such situations present a possible appearance of impropriety that may undermine the user's confidence in the analyst and Morningstar, even if no unethical or improper act results from the conflict.
- *Universally Distributed Research*: Any research that is distributed through one of Morningstar's software platforms, including, but not limited to, Morningstar Direct, Morningstar Office, Morningstar Adviser Research Centre, Morningstar Advisor Workstation, Morningstar.com, and other global websites, including, but not limited to, global fund reports, stewardship reports, articles, newsletters, white papers, videos, and webinars.
- *Investment Conclusions*: Any universally distributed, analyst-assigned, proprietary Morningstar rating including, but not limited to, Morningstar Analyst Ratings for Funds, 529 Plan Ratings, Target-Date Series Ratings, and Stewardship Grades, including the component scores of those ratings.
- *Investment Analysis*: Any data, quantitative analysis, qualitative analysis, and/or opinions a Morningstar analyst draws upon to support an Investment Conclusion, in published research or in ratings notes drafted in support of published research.
- *Manager Research*: All members of Morningstar's manager research teams who report to the global head of Manager Research.
- *Manager Research Services (Analyst Access)*: A service in which licensing clients may submit questions in advance to Morningstar's manager research analysts for regularly scheduled due diligence conference calls and ad-hoc calls, which the manager research analysts can answer in a telephone conference call or by email. Upon request, Morningstar uses commercially reasonable efforts to make its manager research analysts available to licensing clients from time to time by telephone, email, or other means agreed upon between the parties, for purposes of discussion, rating changes, industry background, and other information.
- *RPS*: Morningstar's report publishing system.

- *Manager Research Clients:* Financial advisors, fund broker/dealer platforms, consultants, institutional investors, portfolio managers, and other parties subscribing to Morningstar Manager Research Services.
- *Other Institutional Clients:* Customers of Morningstar's software products, data offerings, licensing services, and/or clients of the Investment Management group.
- *Issuer-Paid Research:* Research that is specifically commissioned by an asset management group (either independent or captive subsidiary) to be conducted on its behalf by a third-party independent of itself.
- *Ratings Committee:* A committee comprised of Manager Research's most-senior analysts and experts in each asset class, which reviews and vets the conclusions reached by analysts. The purpose of the ratings committee's review process is to ensure the rigor and objectivity of the analyst's Investment Conclusion, to prevent undue influence on the analyst's conclusion by any other party, and to ensure Manager Research is applying its ratings methodologies fairly and consistently.

Protecting the Objectivity of Morningstar Manager Research

Producing the best possible, objective, investor-focused research is the primary goal of Morningstar's research efforts. Morningstar Manager Research provides safeguards against undue influence through the use of its strict policies, ratings committees, team structure, and editing processes.

If an analyst wishes to assign an Investment Conclusion to an investment vehicle, the Morningstar ratings committees, comprising Manager Research's most-senior analysts and experts in each asset class, review and vet the Conclusions. The purpose of that committee-based review process is to ensure the rigor and objectivity of the analyst's Investment Conclusion; to prevent undue influence on the analyst's Investment Conclusion by any other individual; and to ensure Manager Research is applying its ratings methodologies fairly and consistently. Those methodologies and these ratings committee processes are described in corresponding methodology documents.

All Manager Research employees are responsible for safeguarding the integrity of their work and should report any attempts to inappropriately influence research conclusions and information to their direct supervisor immediately.

To ensure the objectivity of its research staff, Morningstar's Code of Ethics specifically details:

"Most importantly, there must never be any explicit or implied pressure applied by anyone outside the relevant analyst group to influence or change the opinions or conclusions reached in analyses (including editorial content) or research projects."

Members of Manager Research are also 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 his or her opinions, analysis, or qualitative ratings. Analysts are to notify their direct supervisor promptly if the above occurs. Morningstar encourages and expects interaction and debate between an analyst and his or her direct supervisor, which may lead to changes in an analyst's opinions, analysis, or qualitative ratings.

Morningstar will not enter into any Issuer-Paid arrangements or other arrangements to provide manager research.

Manager Research shall not create or implement any compensation, incentive, or advancement schemes that reward analysts or their supervisors for producing non-objective research or inappropriately influencing Investment Conclusions or Investment Analysis.

Analysts are strictly prohibited from plagiarizing.

Analysts may not directly or indirectly offer favorable Investment Conclusion(s) or opinions expressed in Investment Analysis 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/services from Morningstar.

Analysts are to ensure that they properly distinguish facts from opinions within their Investment Analysis and that the analysis is clear and complete and in no way misleading or deceptive. Analysts' supervisors are to diligently review and, where applicable, fact-check analyses and other analyst output for accuracy and objectivity.

Investment Advice

Fund (and equity) research prepared by U.S.-based analysts and distributed within the U.S. marketplace (for example, on Morningstar.com) meets the definition of investment advice as detailed under Section 202(a)(11)(D) of the Investment Advisers Act of 1940, which states:

"Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities; but does not include... (D) the publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation."

That exclusion—called the publisher's exclusion—means the work of the U.S. Manager Research (and equity) analyst teams is not regulated (that is, it resides within Morningstar, Inc. and not the Investment Management group).

Through a Supreme Court ruling, if a firm does not want to register with the U.S. Securities and Exchange Commission as a Registered Investment Adviser, certain conditions must be present:

- The investment advice cannot be tailored to the individual needs of a specific person or group of persons;
- Communications/interactions between Morningstar's U.S. Manager Research (and equity) analysts and users of that research must remain impersonal and not develop into a fiduciary relationship; and
- The output (that is, research) must be of a regular nature.

Practically speaking, those conditions mean:

- 1) ***When communicating with individual investors, Morningstar Manager Research analysts are not permitted to give custom investment advice, which includes advice as to how to manage a specific portfolio.***

Under the publisher's exclusion, Morningstar's U.S. analysts are free to give ratings and recommendations on individual securities.

For example:

- If someone asks a Manager Research analyst whether he or she should buy or sell a fund, stock, bond, or other security, the analyst should respond: "I can't give you specific advice about what to do in your portfolio." But it's acceptable for the analyst to reiterate his or her universally distributed Investment Conclusion or to explain his or her Investment Analysis of the fund, manager, or firm.
- If someone asks an analyst whether fund A is better than fund B, the analyst should respond: "I can't give you specific advice on which fund to choose." It is acceptable for the analyst to reiterate his or her opinion of the strengths, weaknesses, or potential risks of each fund; to reiterate the differences, if any, in the funds' ratings or pillar scores; or describe what type of investor the analyst believes each fund is appropriate for based on his or her understanding of the fund's prospectus and other published materials (including his or her own).

In some markets outside the United States, the Manager Research analysts sit within licensed Morningstar entities which gives them scope to interact and offer specific advice to institutional clients. In Australia and Hong Kong, analysts are free to give ratings and recommendations on individual securities and under their relevant License, can provide specific advice as long as such recommendations are not targeted at any particular individual investor.

For example, in these market if an institutional client asks an analyst whether fund A is better than fund B, the analyst is licensed to provide an opinion/recommendation on the relatives between funds and why one fund may be preferred

for the institutional clients purposes. These opinions must be based on our underlying research.

2) *When providing Manager Research Services, Morningstar analysts must deal fairly and objectively with all clients.*

Specifically, Morningstar Manager Research analysts must ensure that they disseminate Investment Conclusions fairly to all audiences. Analysts must disclose and support changes to or initiations of Investment Conclusions in one or more pieces of Universally Distributed Research.

Analysts may not discuss Investment Conclusions with anyone outside of Manager Research until the analyses discussing the Investment Conclusions have been universally distributed:

- Ratings Committee discussions, ratings in process, and any other internal discussions about Investment Conclusions may not be shared outside of Manager Research.
- Examples of groups that reside outside of Manager Research and therefore should not be granted access to Investment Conclusions before they are universally distributed include Investment Management, Morningstar equity researchers, Morningstar sales teams, members of the media, fund companies, fund managers, Manager Research Services clients, Morningstar customers, or prospects.
- Directors in Manager Research may discuss Investment Conclusions as necessary with Morningstar employees in groups outside of Manager Research, but members of those groups are subject to these same restrictions until the analyses discussing the Investment Conclusions have been universally distributed.

3) *Manager Research supports multiple audiences, and not all Investment Analysis will be shared with all audiences.*

The level of depth and detail provided to a client depends on the service level. However, every client will receive consistent Investment Conclusions. It's acceptable to give Manager Research clients more detailed explanations that support universally distributed Investment Conclusions. Analysts also may present ideas to some Manager Research clients in a format other than a published report (access to a conference call, for example) as long as these ideas support universally distributed conclusions. It's not acceptable to give some Manager Research clients a new Investment Conclusion while delaying its release to other Manager Research clients. All clients paying for the same level of service should have access to the same information.

Internal/external presentations, 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 an analyst's Investment Conclusions.

Working with Manager Research Clients and Morningstar's Sales Team

Morningstar has earned a reputation as a source of trusted independent investment research. Investors, advisors, and fund selectors of all types value Morningstar's manager research because it is unbiased and motivated by a desire to serve investors first. Asset managers value Morningstar research partly because it is seen as credible by fund selectors. Morningstar's objectivity and willingness to criticize will inevitably cause some unhappiness, but it ultimately gives the company's praise more meaning.

Morningstar's Code of Ethics highlights the "strict functional separation between the manager research and stock analyst groups (including for this purpose any employee who produces editorial content), on the one hand and the company's sales team on the other."

The Morningstar Code of Ethics states:

"Most importantly, there must never be any explicit or implied pressure applied by anyone outside the relevant analyst group to influence or change the opinions or conclusions reached in analyses (including editorial content) or

research projects. Some institutional clients are contracted to speak with Morningstar analysts; others are not given preferential access to analysts. Sales personnel not specifically charged or engaged with distributing Morningstar analyst research are prohibited from setting up meetings between manager research analysts and current or potential institutional clients. Again, maintaining objectivity and editorial freedom is essential for Morningstar to keep its position of respect in the investment community."

The aim is to prevent Morningstar's commercial relationships with asset managers from influencing coverage decisions, category decisions, and qualitative assessments.

1) Morningstar salespeople will inevitably field questions from asset managers about research matters.

Morningstar's commercial relationships with Other Institutional Clients should not be discussed with analysts below the director level in Manager Research. For Manager Research Services clients, analysts may know the names and research interests of clients, but not the contract terms. Salespeople are prohibited from contacting analysts directly; they should direct queries to local Manager Research heads.

- If a salesperson contacts an analyst directly on behalf of an Other Institutional Client, the analyst should:
 - Ask the salesperson to direct the client to a Director in Manager Research.
 - Forward the salesperson's initial communication to the analyst's Director.
- Analysts should immediately alert their direct supervisor if they feel pressure to change an opinion based on a business relationship.

2) Manager Research's clients may be affiliated with or consult for the fund companies whose products Manager Research rates.

Manager Research clients will likely include investment advisors, broker/dealer fund platforms, and investment consultants, including those within Morningstar's Investment Management group. These clients may use or sell funds offered by asset managers that Manager Research rates or provide consultation, distribution, or other services to those asset managers. Manager Research is not an investment advisor or a consultant providing any type of management, marketing, or distribution services or advice to clients. The Manager Research analysts provide fund-, strategy-, and firm-level analyses that serve investors first.

Manager Research analysis must be generated independently of any business relationships Morningstar maintains. As a result, Manager Research:

- Issues ratings and grades using the same methodologies regardless of the distribution channel or the end user.
- Does not rate any product in which another group within Morningstar has a management or decision-making role.
- Does not accept Issuer-Paid Research engagements or other arrangements to provide fund-, strategy-, or firm-level research.

Although Morningstar cannot police or dictate what Manager Research clients can or cannot do, Manager Research clients that in turn serve financial services firms or asset managers that Manager Research covers should not:

- Disclose their end-client relationships with Morningstar analysts, except with directors where necessary in the normal course of business.
- Provide their end-clients with preferential or unmediated access to Manager Research analysts. Manager Research analysts should immediately alert their manager if Manager Research clients attempt to reach out directly to them on behalf of their end clients.

3) Manager Research has sole discretion on whether or not to cover an investment.

Manager Research's goal is to help investors make better decisions. Manager Research is constantly evaluating its coverage list to ensure sufficient and relevant breadth and depth, and reviews queries for coverage on an ongoing basis. Morningstar's coverage is subject to change, and while the Manager Research team will review queries for coverage from Manager Research clients, the team reserves the right to initiate or suspend coverage on any funds or firms. Morningstar is dedicated to covering the funds/strategies most relevant to investors, including those of significant investor interest or those the Manager Research team believes to have investment merit.

Analysts are free to take/listen to input from their users (including internal users such as Morningstar's Investment Management group) as to what fund(s) to add to or drop from the coverage list or a report(s) that they deemed would be useful as a supplement to the published research.

- While analysts are free to receive such input, analysts are prohibited from agreeing to the user's request or providing output in response to a user's request on their own.
- Analysts must promptly forward all requests to his or her direct supervisor.
- All decisions about whether or not to accept the user's request will be determined by the global head of Manager Research or his or her designee, including a committee that he or she has established to evaluate user requests.
- Morningstar will universally distribute any such user-requested research.

Avoiding Personal Conflicts of Interest

If for any reason analysts think they may not be able to provide an objective opinion on a security, they should alert their supervisor and be removed from that coverage assignment, as well as any oversight to the ratings process.

Examples of conflicts of interest that could preclude an analyst from covering a security could include the following:

- The analyst or someone in his or her family has a personal or business relationship with someone at the company.
- The analyst has worked for that company or interviewed for a position at that company within the past five years.
- The analyst has received a favor or the offer of a favor from a company (for example, a corporate manager offers to write a recommendation for an MBA program or approaches the analyst about a potential job opportunity).

In addition, analysts are prohibited from:

- Accepting gifts, including dinners, transportation, or lodging, worth more than \$100 without supervisor approval.
- Publishing Morningstar research on their own websites, blogs, and so on, without written permission.

Morningstar's Ethics Policy forbids employees from competing with Morningstar unless the employee has the necessary approval. This applies to, among other things, managing money for a fee. Manager Research analysts must disclose to their manager and to Human Resources any arrangement that involves managing money for other people outside of their immediate family, even if that arrangement does not involve a fee.

Addressing Violations of This Policy

If a violation occurs, Morningstar will immediately correct and republish any applicable Investment Conclusions in Universally Distributed Research.

If a member of the Manager Research team observes or is made aware of unethical behavior of another member of the team, including behavior contrary to this Policy, that member should immediately notify his or her direct supervisor or the global head of Manager Research if the direct supervisor is not available.

If the reporting member's direct supervisor is exhibiting such conduct, he or she must immediately notify the global

head of Manager Research or the Global Chief Compliance Officer.

If the reporting member is uncomfortable speaking directly to his or her direct supervisor, the global head of Manager Research, or the global Chief Compliance Officer, he or she may use the confidential 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>.

I, _____, have received and read a copy of the document, "Morningstar Manager Research Integrity Policy," dated Nov. 18, 2015. I hereby certify and agree to comply with the requirements and procedures specified in this document. I understand that my failure to observe and comply may subject me to discipline by Morningstar, or any of its subsidiaries, up to and including discharge.

Employee Signature

Print Name

Date