

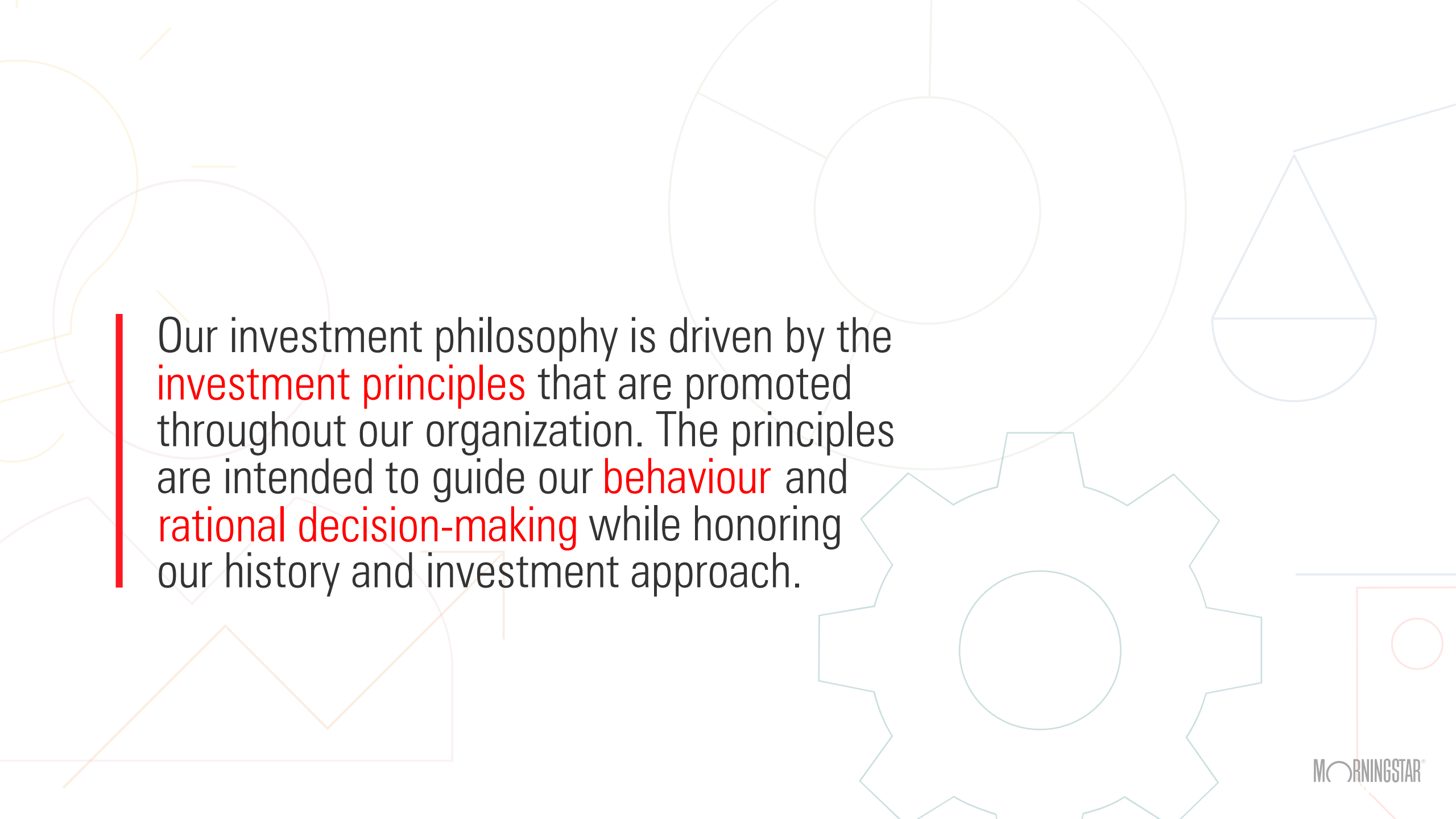
MORNINGSTAR®



Investment Principles

Morningstar's Investment
Management Group



The background features a collection of faint, light-colored geometric shapes. There are several overlapping circles in shades of yellow, green, and blue. A large, light blue gear is positioned in the lower right quadrant. A blue triangle is located in the upper right. A red square is partially visible in the bottom right corner. A vertical red line is on the left side of the text block.

Our investment philosophy is driven by the **investment principles** that are promoted throughout our organization. The principles are intended to guide our **behaviour** and **rational decision-making** while honoring our history and investment approach.

Our investment principles



We put
investors first



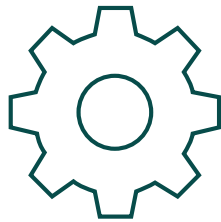
We're
independent-minded



We invest for
the long term



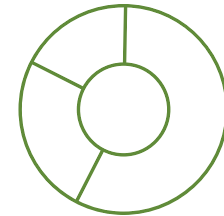
We're valuation-driven
investors



We take a
fundamental approach



We strive to
minimise costs



We build portfolios
holistically



we put investors first

We believe the firms that put investors first win in the long term because their investors win.

Since 1984, Morningstar, Inc. has been helping investors reach their financial goals. Our fiduciary duty to our principals is paramount.



As we become a Fiduciary Society, our corporate and financial system will finally place first the interests of investors."

Jack Bogle



we are independent-minded

To deliver results, we think it's necessary to invest with conviction, even when it means standing apart from the crowd.

Our research shows that making decisions based on fundamental analysis, rather than short-term factors and sentiment, delivers better long-term investment results.



It is impossible to produce superior performance unless you do something different from the majority."

Sir John Templeton



we invest for the long term

Taking a patient, long-term view helps people ride out the market's ups and downs and take advantage of opportunities when they arise.

Investing with a multi decade horizon aligns with investors focus on increasing their purchasing power over their lifetimes. The long term is the only period where fundamental, valuation driven investing works.



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In fact, when we own portions of outstanding businesses with outstanding managements, our favorite holding period is forever.

Warren Buffett



we are valuation driven investors

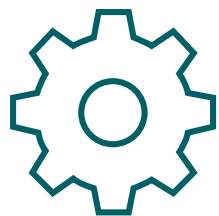
Anchoring decisions to an investment's fair value - or what it's really worth - can lead to greater potential for returns.

Valuation-driven investing through a long-term focus on the difference between price and intrinsic value enables investors to get more than they're paying for.



All intelligent investing is value investing — acquiring more than you are paying for. You must value the business in order to value the stock.

Charlie Munger



we take a fundamental approach

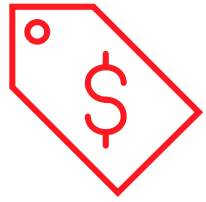
Powerful research is behind each decision we hold, and we understand what drives each investment we analyze.

Fundamental investing incorporates a focus on the future earnings of an investment and not its prospective price change.



Know what you own, and know why you own it.

Peter Lynch



we strive to minimise costs

Controlling costs helps investors build wealth by keeping more of what they earn.

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- Investment returns are uncertain, but costs are not.
 - Lower costs allow investors to keep more of their returns.



You can't control what markets can do, but you can control the costs you pay. The less you pay to the purveyors of investment services, the more there will be for you.

Burton Malkiel



we build portfolios holistically

To help manage risk and deliver better returns, truly diversified portfolios combine investments with different underlying drivers.

- Portfolios should be more than the sum of their parts.
- True diversification can have a powerful impact on a portfolio's risk-adjusted returns - but simply holding more investments isn't the same as true diversification.

“

Intelligent diversification means not just investing in a bunch of different things, but in things that respond differently to the same factors. In a well-diversified portfolio, something that negatively influences investment A might have a positive and offsetting influence on investment B.

Howard Marks

Investment Principles Summary



we

strive to **build investor-centric** portfolios that are **different** from consensus by taking **long-term** positions anchored in-depth **valuation** work and informed by a **fundamental** understanding of underlying economic and corporate drivers of the investment while considering a portfolio's risk and return characteristics **holistically**.

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