

# Morningstar Investment Management Australia Limited

## Financial Services Guide

ABN: 54 071 808 501  
AFSL: 228986

This Financial Services Guide was  
last updated on 1 August 2017

This Financial Services Guide (FSG) has been prepared and issued by Morningstar Investment Management Australia Limited ("Morningstar") ABN: 54 071 808 501. Morningstar is a subsidiary of Morningstar, Inc., (NASDAQ: MORN). Morningstar is a leading provider of asset allocation, portfolio construction and investment research services with over 35 years' experience in the United States, Australia and other international markets. Morningstar advises and manages funds for superannuation funds, institutions, platform distributors, financial advisers and individuals. Morningstar's disciplined investment approach delivers objective, cost effective and holistic solutions for our clients – helping them reach their financial goals. This long-term, valuation driven approach is underpinned by an emphasis on preserving capital and undertaking comprehensive fundamental analysis of global asset classes and securities."

This FSG is designed to provide you with important information to assist you in determining whether to use any of the financial services provided by Morningstar. This FSG will provide you with information about Morningstar and how we can be contacted; what financial services we are authorised to provide to you; how we are remunerated; and how we manage complaints.

### Who will be providing the financial service to me?

Morningstar Investment Management Australia Limited  
Australian Financial Services Licence Number: 228986

### Principal Place of Business:

Level 36, Australia Square  
264 George Street  
Sydney, NSW 2000

### Postal Address:

Locked Bag 25  
Royal Exchange NSW 1225

### Morningstar Next Individual investors

Phone: 1800 31 65 44  
Email: [support@morningstar.com.au](mailto:support@morningstar.com.au)  
Website: [www.next.morningstar.com.au](http://www.next.morningstar.com.au)

### Morningstar Managed Fund investors

Phone: +61 2 9276 4550  
Email: [AUDistribution@morningstar.com](mailto:AUDistribution@morningstar.com)  
Website: [www.morningstarinvestments.com.au](http://www.morningstarinvestments.com.au)

### Advisers/Institutions/Others

Phone: +61 2 9276 4550  
Website: [www.morningstarinvestments.com.au](http://www.morningstarinvestments.com.au)

### Other documents you may receive

Before you are issued with one of our products or the products we distribute you will receive a Product Disclosure Statement (PDS), a Separately Managed Account (SMA) Disclosure Document or a similar type of document (Disclosure Document). These documents contain information about the particular product to help you make an informed decision about that product. These documents will include information about matters such as:

- ▶ the terms and conditions of the product
- ▶ any associated costs, fees and charges that the product issuer may receive or pay, and
- ▶ any significant benefits and risks.

We may also give you general advice. Please note that to the extent that any of our publications, products or services provide advice, this is general financial product advice only. This means that the advice has been prepared without taking into account your investment objectives, financial situation or needs. Before acting on any advice, you should consider the appropriateness of the advice, as well as any additional warnings, disclaimers or qualifications. If you visit our web site or contact our client services team, you will receive general advice only.

Our publications, products and services should be viewed as an additional investment resource, not as your sole source of information. We recommend you obtain appropriate financial, legal and taxation advice before making any financial investment decision. In addition:

- ▶ you should be aware that past performance does not necessarily indicate a financial product's likely future performance, and
- ▶ if applicable, before making any decision to acquire a particular financial product, you should obtain and carefully consider the relevant product disclosure statement.

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### **What kinds of financial services are you authorised to provide me?**

Morningstar is authorised to provide the following services to you:

(1) financial product advice to retail and wholesale clients on the following types of products:

- ▶ Deposit and non-cash payment products
- ▶ Derivatives
- ▶ Foreign exchange contracts
- ▶ Government debentures, stocks, and bonds
- ▶ Life Insurance
- ▶ Managed funds, including investor directed portfolio services
- ▶ Securities
- ▶ Superannuation accounts

(2) Deal in a financial product by:

(i) Issuing, applying for, acquiring, varying or disposing of the following financial products: Deposit and non-cash payment products

- ▶ Derivatives
- ▶ Managed funds, including investor directed portfolio services

(ii) Applying for, acquiring, varying or disposing of the following financial products on behalf of another person:

- ▶ Deposit and non-cash payment products
- ▶ Derivatives
- ▶ Foreign exchange contracts
- ▶ Government debentures, stocks, and bonds
- ▶ Managed funds, including investor directed portfolio services
- ▶ Securities

(3) Operate the following as a responsible entity:

- ▶ Managed funds which invest in derivatives and financial assets
- ▶ Investor Directed Portfolio Service (IDPS)-like schemes.

Morningstar is a global leader in asset allocation, investment research and portfolio construction.

Morningstar's investment solutions bring together the following core capabilities:

- ▶ asset allocation
- ▶ capital markets research
- ▶ multi-asset portfolio construction
- ▶ behavioural science insights
- ▶ Morningstar, Inc, and its' affiliates equity research
- ▶ security selection

We build portfolios holistically. Morningstar's investment approach and expertise provides flexibility to choose the most suitable investments that work together in achieving a common investment objective.

### **How will I pay for the service?**

If you invest in one of the products we issue or distribute, Morningstar will receive various fees and charges.

Our fees are based on a percentage of assets under management, known as a management fee. If you invest in our managed funds, the management fee is accrued daily in the unit price of the fund. Morningstar recovers its management fees from the managed funds on a monthly basis. If you invest in our managed account model portfolios via a platform, the management fee is typically calculated monthly in arrears based on the daily value of your account with the platform and the particular model portfolio selected. It is deducted directly from your platform account and paid to us by the platform.

Morningstar may charge performance fees. These fees are payable if we meet specific investment performance targets. Transaction costs may also be payable.

The details of fees and charges are set out in the relevant Product Disclosure Statement or SMA Disclosure Statement. If you would like a copy of these documents please go to our website or contact us on the contact details on page 1.

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### **How are Morningstar employees and authorised representatives paid?**

All employees of Morningstar receive a salary and are able to participate in any bonus or sales commission plan relevant to their role, as offered by Morningstar from time to time at its discretion. Certain employees may also receive Restricted Stock Unit Grants in Morningstar, Inc. that are vested over a defined period. These grants are not performance-based but aim to retain key employees. Authorised representatives are paid as consultants in accordance with the particular services they provide.

### **Do you receive remuneration, commission, fees or other benefits in relation to providing the financial services to me and how is that commission calculated?**

As mentioned, we will receive a management fee from you in relation to your assets under management or advisement. We may also receive performance fees.

Morningstar regularly reviews all gifts, benefits and entertainment received to ensure adherence with internal policy requirements and legal requirements.

To the extent that any income we receive in respect of, or attributable to, the services that we provide you, as at the date of this FSG we cannot ascertain the amount that we reasonably expect to receive.

Morningstar may pay external parties who refer clients to us in connection with the financial services to which this FSG relates. The payment could be a single one-off payment or a percentage of the total amount revenue generated by their referral.

Except as stated in this FSG, Morningstar (including its related companies, associates and directors) does not accept payment or commissions from fund managers or any other product issuers in relation to, or that is attributable to, the services that we provide to you.

If you wish to receive further particulars about remuneration and related benefits that we are required to disclose to you, please contact us within a reasonable period of time after you receive this FSG and before any financial service identified in this Guide is provided to you.

### **Do we have any relationships or associations with issuers of financial products that might be capable of influencing us in providing our services?**

Morningstar may enter distribution agreements with financial product issuers where Morningstar promotes and distributes the financial products they issue.

Morningstar may also be the responsible entity or model manager for financial products.

Where this occurs, Morningstar must ensure that when providing a financial service our interests are not placed ahead of a client's interests so as to have an adverse affect on the client or a financial service the client receives. Morningstar must ensure the financial services it provides are:

- ▶ delivered in accordance with its' conflict of interest policies, including disclosure to clients about conflicts of interest that may have a material affect on the financial service the client receives; or an investment decision the client may be considering;
- ▶ based solely on the merits of the financial service being provided and not based on any other relationship that Morningstar or its Representatives may have with that person or financial product (as the case may be); and
- ▶ not made in order to affect the trading price of a financial product.

### **How do you manage potential conflicts of interest?**

Morningstar has an associated business, Morningstar Australasia Pty Ltd, which provides clients with financial product data, indexes and information, research reports and general financial product advice through newsletters, other publications websites, data feeds and software products.

Morningstar Australasia Pty Ltd does not undertake or publish qualitative analyst research on Morningstar's investment products.

Our employees and authorised representatives are guided by our Code of Ethics and our related conflicts of interest policies including our Securities Trading and Disclosure Policy, where appropriate, which includes procedures for managing potential conflicts of interest for employees trading in financial products.

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Our employees may from time to time receive nominal gifts/ hospitality from clients and/or product providers. We have strict guidelines in place as to the circumstances and extent to which our employees may accept any such gifts/hospitality. The Morningstar Gifts Policy does not permit the receipt of gifts that are individually substantial, or cumulatively substantial. These gifts would be identified by monitoring of the gifts register by the Compliance Department.

### **What information do you maintain in my file and can I examine my file?**

The privacy of your personal information is important to us. Any personal information we collect such as your name, address, phone, and email details is handled in accordance with our Privacy Policy. Our Privacy Policy outlines how we comply with the requirements of the Privacy Act 1988. A copy of the Privacy Policy can be obtained by visiting our website. You can access personal information in accordance with our Privacy Policy.

### **Does Morningstar have professional indemnity insurance?**

Yes. Morningstar holds a professional indemnity insurance policy in accordance with its obligations under section 912B of the Corporations Act 2000.

### **Who can I contact if I have a complaint about the provision of the financial services to me?**

If you are not satisfied with our service please contact the Complaints Manager using the contact details on page 1. We will seek to resolve your complaint promptly and fairly.

If your complaint is not resolved to your satisfaction you have the right to contact the Financial Ombudsman Service (FOS). FOS is an external dispute resolution scheme authorised to deal with complaints in relation to the financial services industry. FOS's contact details are:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Telephone: 1300 78 08 08  
Fax Number: 03 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Internet: [www.fos.org.au](http://www.fos.org.au)

This Publication is a Financial Services Guide for the purposes of section 941A of the Corporations Act to the extent that the recipient of the services described in this document is a retail client as defined by the Corporations Act; and is issued subject to the laws of the state of NSW and the Commonwealth of Australia and all matters arising from it or its use shall be subject to the exclusive jurisdiction of the Courts of NSW.

Website: [www.fos.org.au](http://www.fos.org.au)