Morningstar Select Equity
International Equity ADR Portfolio

The International Equity ADR Portfolio is designed for investors who:

- Seeks exposure to undervalued stocks outside of the U.S.
- Want to diversify their portfolio with firms that mainly operate outside of the U.S.
- Are looking to invest in undervalued securities that may be out of favor
- Appreciate that fundamental improvements can take time to be reflected in prices
Key Facts of This Portfolio

International Equity ADR seeks to invest in undervalued foreign companies that we believe have underappreciated competitive advantages or improving industry dynamics.

<table>
<thead>
<tr>
<th>Equity Style</th>
<th>Large-Cap Value</th>
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<tbody>
<tr>
<td>Minimum Investment</td>
<td>$75,000</td>
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<td>Benchmark</td>
<td>MSCI ACWI ex USA</td>
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<td>Number of Holdings</td>
<td>20-70</td>
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<td>Inception Date</td>
<td>11/05/2007</td>
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Why Invest in This Portfolio?

- **Non-U.S. Focus**
  We invest in companies outside of the United States, to help provide diversification to U.S.-centric investors.

- **Established Economic Moat**
  We believe companies with sustainable competitive advantages should be able to improve their competitive position in a variety of economic environments.

- **Not Overpaying for Growth**
  We seek to buy stocks trading at sizable discounts to our estimates of intrinsic value.

International Equity ADR Portfolio Design

The International Equity ADR Portfolio takes a concentrated, best-ideas approach, usually holding 20–70 stocks. It is structured as a Separately Managed Account (SMA).

- **Discounted Valuations**
  We look for stocks trading at bargain prices, including shares of firms that are out-of-favor, ignored, or misunderstood by the market.

- **Unconstrained Approach**
  We are willing to go anywhere outside the U.S. to invest in some of our best ideas.

- **Capital Cycle Focus**
  We strive to invest in industries and regions where we believe there will be improving profits and returns.

- **Shareholder-Oriented Management**
  Our preference is to invest in well-capitalized, high-quality firms with shareholder-oriented management teams.

- **Concentrated and Diversified**
  We favor a concentrated portfolio investing in our highest convictions, while gaining diversification across geographies, industries, and sectors.
To Learn More, Talk to Your Financial Advisor

mp.morningstar.com

The International Equity ADR Portfolio is one of Morningstar’s Select Equity portfolios, a series of offerings thoughtfully designed to help today’s investors achieve their long-term goals.