2024 Annual Value for Money Assessment

Morningstar Managed Portfolio Service | 30 April 2024

Introduction

Morningstar Wealth have produced this report to provide financial advisers and their clients the results of our annual assessment of the value of our services. The report has been compiled in line with the requirements under Consumer Duty set out by industry regulator, the Financial Conduct Authority. This assessment has been completed against the value for money policy, approved by the Board of Morningstar Investment Management Europe Ltd covering all the Morningstar Managed Portfolio Service ranges.

Empowering Investor Success

It's on all of us to empower investor success and we believe financial advice is the key to doing just that. Over 255,000 financial advisers chose to work with Morningstar Wealth around the world. Morningstar Wealth brings together capabilities from across Morningstar's business, to meet the specific needs of financial advisers, their businesses and clients. Our investment managers have access to the insights from 400+ global Research and Investment Team. This depth of global research enables us to build robust portfolios focused on achieving your clients' goals. Further, we're able to share these insights with you to help your clients confidently face the ups and downs of investment markets; in doing so preventing them making decisions which could have long lasting consequences on their ability to reach their goals.

What can you expect from Morningstar Wealth as your investment management partner?

Supporting you to keep your clients engaged with the quality financial plans you have created for them is at the centre of our adviser service proposition.

Support for Your Business

- Investment solutions that enable you to scale your business
- Access to investment professionals and industry experts
- Marketing and client engagement tools and support

World Class Investment Solutions for Your Clients

- Professionally managed investment solutions
- A focus on delivering smoother more consistent returns makes it easier to stay invested for the long term
- Client friendly investment insights and updates

The Value for Money Assessment

The Assessment Criteria

Each of the portfolio ranges on the following page were assessed on the following criteria:

Quality of Service
An assessment of the range, quality, and value Morningstar Investment Management Europe Ltd provides to the end investors.

Performance
An assessment of the performance of the portfolios relative to each portfolio's objective, policy and performance comparator (where applicable).

Authorised Fund Manager Costs
An assessment of the cost that investors pay to utilise the service.

Economies of Scale
An assessment of whether Morningstar Investment Management Europe Ltd has been able to realise economies of scale and pass these onto investors.

Comparable Market Rates
An assessment of Morningstar Managed Portfolios' portfolio charges compared to similar portfolios managed by other discretionary fund managers.

Comparable Services
An assessment of portfolio charges compared to similar portfolios managed by Morningstar Investment Management Europe Ltd.

Value for Money Summary

For the 2024 annual value for money assessment all the portfolio ranges scored an overall rating of **fair value**.

Portfolio Range	Active	Passive	Blended	Governed	ESG	Income	Int GBP	Int USD
1. Performance	●	●	●	●	●	●	●	●
2 Authorised fund managers costs	●	●	●	●	●	●	●	●
3. Comparable market rates	●	●	●	●	●	●	●	●
4. Quality of service	●	●	●	●	●	●	●	●
5. Economies of scale	●	●	●	●	●	●	●	●
6. Comparable services	●	●	●	●	●	●	●	●

● Fair value ● Action required to improve ● Fails to deliver fair value

Funds and Portfolios Built for a Range of Client Objectives

Portfolio Range and Detail	Equity Range	Timeframe	DFM Fee*	Fund Costs**	Platforms
Active					
Morningstar Cautious Active Portfolio	5–30%	3+ years	0.30%	0.34%	19
Morningstar Moderately Cautious Active Portfolio	30–50%	5+ years	0.30%	0.42%	19
Morningstar Moderate Active Portfolio	50–70%	7+ years	0.30%	0.49%	19
Morningstar Moderately Adventurous Active Portfolio	70–90%	7+ years	0.30%	0.59%	19
Morningstar Adventurous Active Portfolio	85–100%	10+ years	0.30%	0.65%	19
Passive					
Morningstar Cautious Passive Portfolio	5–30%	3+ years	0.20%	0.15%	19
Morningstar Moderately Cautious Passive Portfolio	30–50%	5+ years	0.20%	0.15%	19
Morningstar Moderate Passive Portfolio	50–70%	7+ years	0.20%	0.16%	19
Morningstar Moderately Adventurous Passive Portfolio	70–90%	7+ years	0.20%	0.16%	19
Morningstar Adventurous Passive Portfolio	85–100%	10+ years	0.20%	0.16%	19
Income					
Morningstar Moderately Cautious Income Portfolio	30–50%	5+ years	0.30%	0.33%	18
Morningstar Moderate Income Portfolio	50–70%	7+ years	0.30%	0.42%	18
Blended					
Morningstar Blended Cautious Portfolio	5–30%	3+ years	0.20%	0.28%	9
Morningstar Blended Moderately Cautious Portfolio	30–50%	5+ years	0.20%	0.30%	9
Morningstar Blended Moderate Portfolio	50–70%	5+ years	0.20%	0.31%	9
Morningstar Blended Moderately Adventurous Portfolio	70–90%	7+ years	0.20%	0.34%	9
Morningstar Blended Adventurous Portfolio	85–100%	10+ years	0.20%	0.34%	9
ESG					
Morningstar Cautious ESG Portfolio	5–30%	3+ years	0.25%	0.17%	11
Morningstar Moderately Cautious ESG Portfolio	30–50%	5+ years	0.25%	0.21%	11
Morningstar Moderate ESG Portfolio	50–70%	7+ years	0.25%	0.26%	11
Morningstar Moderately Adventurous ESG Portfolio	70–90%	7+ years	0.25%	0.32%	11
Morningstar Adventurous ESG Portfolio	85–100%	10+ years	0.25%	0.36%	11

Source: Morningstar Investment Management Europe Limited as of 08/01/24.
* DFM fee is not subject to VAT.
** Underlying fund costs are indicative only, based on the portfolio composition as at 01/08/24. All underlying fund costs are subject to change
*** The OCF is the estimated yearly cost for investing in the fund and includes the Annual Management Charge (AMC).

Funds and Portfolios Built for a Range of Client Objectives

Portfolio Range and Detail	Equity Range	Timeframe	DFM Fee*	Fund Costs**	Platforms
Governed Growth					
Cautious Governed Growth Portfolio	5–30%	3+ years	0.15%	0.28%	1
Moderately Cautious Governed Growth Portfolio	30–50%	5+ years	0.15%	0.30%	1
Moderate Governed Growth Portfolio	50–70%	7+ years	0.15%	0.31%	1
Moderately Adventurous Governed Growth Portfolio	70–90%	7+ years	0.15%	0.34%	1
Morningstar Adventurous Governed Growth Portfolio	85–100%	10+ years	0.15%	0.34%	1
Governed Income					
Moderately Cautious Governed Income Portfolio	30–50%	5+ years	0.15%	0.36%	1
International (GBP)					
International Cautious Growth Portfolio	5–30%	3+ years	0.25%	0.21%	3
International Moderately Cautious Growth Portfolio	30–50%	5+ years	0.25%	0.25%	3
International Moderate Growth Portfolio	50–70%	5+ years	0.25%	0.26%	3
International Moderately Adventurous Growth Portfolio	70–90%	7+ years	0.25%	0.27%	3
International Adventurous Growth Portfolio	85–100%	10+ years	0.25%	0.30%	3
International (USD)					
International Cautious Growth Portfolio	5–30%	3+ years	0.25%	0.24%	2
International Moderately Cautious Growth Portfolio	30–50%	5+ years	0.25%	0.26%	2
International Moderate Growth Portfolio	50–70%	5+ years	0.25%	0.27%	2
International Moderately Adventurous Growth Portfolio	70–90%	7+ years	0.25%	0.28%	2
International Adventurous Growth Portfolio	85–100%	10+ years	0.25%	0.28%	2

Portfolio Range and Detail	Equity Range	Timeframe	Ongoing Charge Figure (OCF)***	Platforms
Multi Asset Funds				
CG Morningstar Multi Asset 20 Fund A Acc	10–30%	3+ years	0.60%	18
CG Morningstar Multi Asset 40 Fund A Acc	30–50%	5+ years	0.60%	18
CG Morningstar Multi Asset 60 Fund A Acc	50–70%	7+ years	0.60%	18
CG Morningstar Multi Asset 80 Fund A Acc	70–90%	7+ years	0.60%	18

Source: Morningstar Investment Management Europe Limited as of 08/01/24.
* DFM fee is not subject to VAT.
** Underlying fund costs are indicative only, based on the portfolio composition as at 01/08/24. All underlying fund costs are subject to change
*** The OCF is the estimated yearly cost for investing in the fund and includes the Annual Management Charge (AMC).

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