

ESG Portfolio Range

Our solution to sustainable investing

Overview

ESG (Environmental, Social & Governance) concerns are increasingly important considerations for clients and the financial advice process. With our ESG portfolio range, you can offer your clients investment options that achieve their financial goals in a way that aligns with their ESG preferences and values. Our long-term approach incorporates ESG factors into the investment process. From **avoiding negative outcomes to advancing positive ones**, our portfolios are flexible enough to fit into the ever-evolving investors' goals.

Morningstar Investment Management partnered with your adviser to help you achieve your goals. Our portfolios can help you:

Grow your wealth sustainably—Make your money work in a positive way with a lasting impact on our planet.

Be flexible and adaptable—Use active and passive investment vehicles where we have the highest conviction.

Minimize costs—Returns are uncertain but cost is not. We focus on lowcost funds and only invest where there is a positive trade-off between cost and returns.

Sustainable investing credentials



Limit ESG risk

These portfolios have an enhanced risk management process focused on ESG issues. Using Morningstar research, we identify and mitigate ESG-related risks that may impact future investment returns.



Low carbon footprint

The portfolios invest in companies that are aligned with the transition to a low-carbon economy.



Avoiding harm

We use funds that screen out the most harmful sectors to the environment or society: no tobacco manufacturing, no small arms, and no thermal coal.

Our focus on lowering ESG risk tends to mean we can also have zero or negligible exposure to adult entertainment, controversial weapons, fur & specialist leather, gambling, GMO, palm oil, and pesticides.

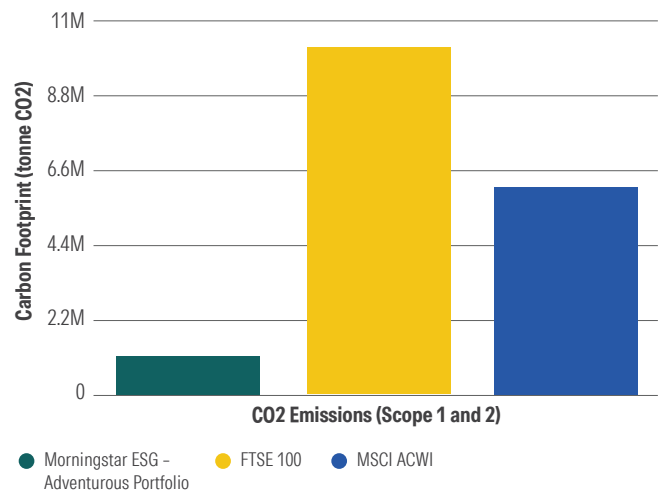
Additionally, we monitor the portfolios to avoid companies with poor business ethics (violators of the United Nations Global Compact).



Invest toward a better future

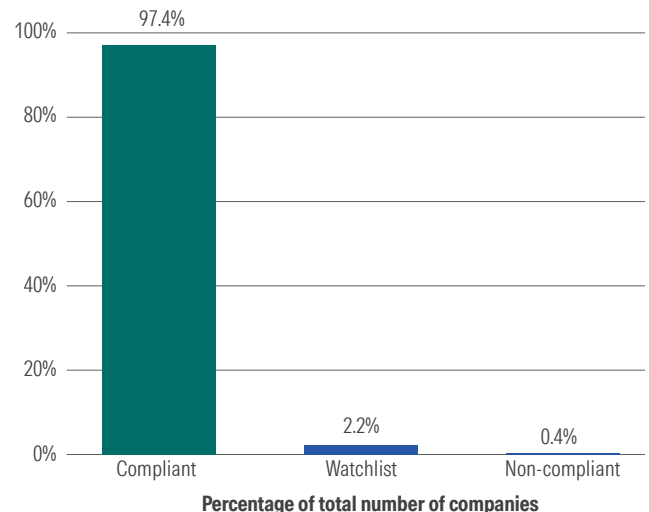
The portfolios invest in funds and sectors that support the UN Sustainable Development Goals when they also offer attractive investment returns. Additionally, the portfolios hold several positive impact funds that seek to make a measurable positive impact to the world alongside financial returns.

Reducing your carbon footprint



Source: Morningstar Direct. 31/12/2021.

Compliance of our portfolios with UN Global Compact



Source: Sustainalytics. 31/12/2021. For more information about the UN Global Compact and the UN Sustainable Development Goals please visit <https://www.unglobalcompact.org/> and <https://sdgs.un.org/goals>

Who is Morningstar Investment Management?

Morningstar Investment Management Europe Ltd (MIME) was formed in 2013 and is part of the Morningstar Investment Management group (MIM), which offers investment advisory services around the world, providing research-driven, innovative, and independent investment solutions to the local market. The MIM group consists of around 100 investment professionals and their proven track record has resulted in global assets under management exceeding \$260bn as of September 2021.

MIM unites the strengths of Morningstar, Inc. with more than three decades of investment experience to help advisers empower investors to meet their financial goals. Our investment professionals in London, France, South Africa, and in the wider MIM group use their knowledge of local markets to help design and manage investment solutions.

Additionally, our work draws on the research, data, and analysis from Morningstar, Inc who has been serving investors globally since 1984. Morningstar, Inc is known industry wide as a trusted source of independent investment information. What sets Morningstar, Inc apart from other companies is that they offer independent investment management services, software, data, research, and ratings; and they combine and deliver them all in the best way for their clients.

These Portfolios are for UK Investors with the following objectives and characteristics:



Sustainable investing—The portfolios are suitable for investors looking to integrate Environmental, Social, and Governance factors into the way their money is invested.



Capital growth—The portfolios are designed to be held for at least 3 years rising to 10 at the higher investment risk end of the range. They are suitable for people seeking to maximise the potential reward for a given level of risk.



Sound risk management—The portfolios are built for your risk tolerance, where we define risk the same way you do; “a permanent loss of capital that can’t be recovered in the investor’s timeframe”.



Knowledge and experience—The portfolios are suitable for all retail investors from those with basic knowledge up to advanced investors.

Key Facts

Portfolios	Cautious	Moderately Cautious	Moderate	Moderately Adventurous	Adventurous
Equity range	5-30%	30-50%	50-70%	70-90%	85-100%
Time horizon	3+ years	5+ years	5+ years	7+ years	10+ years

Source: Morningstar Investment Management Europe Limited as of 8th January 2024.

What you need to consider

It is important to note that investments in securities involve risk and will not always be profitable. Morningstar Investment Management Europe Limited does not guarantee that the results of its investment decisions or the objectives of the portfolio will be achieved. Morningstar Investment Management Europe Limited does not guarantee that negative returns can or will be avoided in any of its portfolios. An investment made in a security may differ substantially from its historical performance and as a result, portfolios may incur a loss. Past performance is not a guide to future returns. The value of investments may go down as well as up and investors may not get back the amount invested.

Exchange Traded Funds:

These portfolios can contain Exchange Traded Funds (ETFs) which on some investment platforms will attract additional transaction charges. The charges may vary across the investment platforms on which our Managed Portfolios are available. We do not impose a minimum to open a new account; however, we suggest for those using platforms which do charge additional ETF transaction costs that a £20,000 minimum account size be maintained. Please contact the platform for further details on their charges.

To find out more:

For more information on the portfolios including their strategy, fees, product features, benefits and risks, please speak to your adviser.

Morningstar's Investment Management Group

Morningstar's Investment Management group comprises Morningstar Inc's registered entities worldwide, including the United Kingdom. Morningstar Investment Management Europe Limited is authorised and regulated by the Financial Conduct Authority to provide services to professional clients and is the entity providing the discretionary management services. Registered address: 1 Oliver's Yard, 55-71 City Road, London, EC1Y1HQ. Morningstar Managed Portfolios are intended for citizens or legal residents of the United Kingdom. These portfolios can only be made available through the use of investment advisers appropriately authorised and regulated by the Financial Conduct Authority.