

Financial Reporting Council Stewardship Code Statement

Morningstar Wealth
June 2025

Key Takeaways

- This document sets out the approach of Morningstar Investment Management Europe Limited and Smart Investment Management Limited (collectively, 'Morningstar Wealth UK') regarding the UK Financial Reporting Council's Stewardship Code ("the Code").

For Financial Professionals Only

Morningstar Investment Management Europe Limited and Smart Investment Management Limited (Morningstar Wealth UK)

Morningstar Investment Management Europe Limited ("MIME") and Smart Investment Management Limited ("SIM") are subsidiaries of Morningstar Investment Management LLC and indirect subsidiaries of Morningstar Inc., a global financial services firm, based in Chicago, Illinois, USA.

MIME and SIM are both authorised and regulated by the Financial Conduct Authority ("FCA"). The registered office of MIME and SIM is 1 Oliver's Yard, 55-71 City Road, London, EC1Y 1HQ.

Morningstar Wealth UK provides additional financial services through Morningstar Wealth Administration Limited and Morningstar Wealth Retirement Services Limited. However, for the purposes of this document and related FCA rule requirements, reference to Morningstar Wealth UK refers only to the activity of managing investments through MIME and SIM.

Morningstar Wealth UK – Services, Products and Activities

Morningstar Wealth UK offers discretionary investment management services, managing portfolios and regulated funds. Morningstar Wealth UK also provide portfolio construction and asset allocation services and investment advisory solutions.

Morningstar Wealth UK serve two core segments:

- Retail intermediaries and adviser firms using managed portfolios, or funds, to support client outcomes, under agent as client arrangements.
- Institutional and enterprise clients, including platforms, wealth managers, and pension providers, who integrate managed portfolios and investment insights into their offerings.

Code Application – Morningstar Wealth UK

Morningstar Wealth UK clients are provided with investment management services and comprise professional clients and eligible counterparties which are not natural persons. Accordingly, Morningstar Wealth UK is required to describe commitment to the Code, or an alternative strategy.

Code Commitment – Morningstar Wealth UK

Morningstar Wealth UK follows an alternative investment strategy, described further in the following section, and therefore does not directly commit to observing the Code. However, it does support and appreciate the Code's aims.

Morningstar Wealth UK will not generally exercise voting rights, due to the nature of its service provision and offered products. Should Morningstar Wealth UK be required to exercise discretion to vote for, or against, a particular proposal, Morningstar Wealth UK will vote in a manner consistent with its clients' best interests.

Alternative Investment Strategy – Morningstar Wealth UK

Morningstar Wealth UK invests in listed companies, via third-party passive and active funds and exchange traded funds and, as such, does not have voting rights and does not engage directly with listed companies.

Morningstar Wealth UK's engagement with third party fund houses is aimed at enhancing value for clients and improving outcomes, in line with Morningstar's mission to empower investor success and our investment principles. Morningstar Wealth UK selects fund and ETF providers that meet stringent selection criteria and seeks to engage with providers to enhance client total portfolio investment outcomes.

Morningstar Wealth UK strives to support investors reaching their goals, in keeping with Morningstar's mission. It seeks to adhere to this mission by applying Morningstar's investment principles through a valuation-orientated investment process resulting in holistic investment strategy that has valuation at its core and a risk framework that ensures the process remains robust and repeatable.

This approach reflects Morningstar Wealth UK's commitment to the responsible allocation, management and oversight of capital that is needed to deliver long-term sustainable value for clients.

The Morningstar Wealth UK investment strategy is guided by 3 principles:

- (1) Putting investors first;
- (2) Taking a fundamental approach; and
- (3) Believing that price matters.

Putting investors first means designing and managing diversified product offerings with investor objectives at the forefront. Having a fundamental approach means carrying out rigorous research to make decisions, as Morningstar Wealth UK seeks to understand what drives the return and risk of each investment. Believing that price matters highlights Morningstar Wealth UK's effort to control costs as this is key to helping investors build wealth by keeping more of what they earn.

Source: Morningstar Wealth, as of 9 June 2025.

Disclosures

Since its original publication, this piece may have been edited to reflect the regulatory requirements of regions outside of the country it was originally published in.

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About the Morningstar Investment Management Group

Morningstar's Investment Management group, a leading provider of discretionary investment management and advisory services. Guided by seven investment principles, the group is committed to focusing on its mission to design portfolios that help investors reach their financial goals. The group's global investment management team works as one to apply a disciplined investment process to its strategies and portfolios, bringing together core capabilities in asset allocation, investment selection, and portfolio construction.

In addition to advisory services, the group's investment professionals build and manage model portfolios for financial advisors North America, EMEA, and Asia-Pacific to create strategies that incorporate a wide variety of investment objectives.

*Includes assets under management and advisement for Morningstar Investment Management LLC, Morningstar Investment Services LLC, Morningstar Investment Management Europe Ltd., Morningstar Investment Management Australia Ltd., Ibbotson Associates Japan, Inc., Morningstar Investment Management South Africa (PTY) LTD, and Morningstar Investment Consulting France all of which are subsidiaries of Morningstar, Inc. Advisory services listed are provided by one or more of these entities, which are authorized in the appropriate jurisdiction to provide such services.

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