

## **MORNINGSTAR FUNDS TRUST**

### **AUDIT COMMITTEE CHARTER**

#### **I. Audit Committee Membership and Qualifications**

The Audit Committee shall consist of at least three (3) members of the Board of Trustees of the Morningstar Funds Trust and each series thereof (the “Funds”) that are appointed by the Board. The Board may replace members of the Audit Committee at any time and for any reason.

No member of the Audit Committee shall be an “interested person” of the Funds, as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), nor shall any member receive any compensation from the Funds except compensation for service as a member of the Board or a committee of the Board.

Each member and the Chair (as selected pursuant to Section V. below) shall serve until: (i) his or her successor is appointed by the Board; or (ii) such earlier date as the member ceases to be a member of the Board or resigns from the Audit Committee.

All members of the Audit Committee shall be financially literate and at least one member of the Audit Committee shall have accounting or financial expertise, as determined from time to time by the Audit Committee. The Board shall determine annually whether any member of the Audit Committee qualifies as an “audit committee financial expert” (“Financial Expert”) as defined in Item 3 of Form N-CSR under the Investment Company Act. The designation of an Audit Committee member as a Financial Expert does not impose any greater duties or liabilities on that person than the duties and liabilities imposed on that person as a member of the Audit Committee and the Board. The designation of an Financial Expert also does not affect the duties or liabilities of any other member of the Audit Committee or the Board.

#### **II. The purposes of the Audit Committee are:**

(A) to oversee the accounting and financial reporting processes of the Funds and each of its series and its internal control over financial reporting and, as the Audit Committee deems appropriate, to inquire into the internal control over financial reporting of certain third-party service providers;

(B) to oversee the quality and integrity of the Funds’ financial statements and the independent audit thereof;

(C) to oversee the Funds’ compliance with legal and regulatory requirements that relate to the Fund’s accounting and financial reporting, internal control over financial reporting, and independent audits;

(D) to approve, prior to appointment, the engagement of the Funds’ independent auditor and, in connection therewith, to review and evaluate the qualifications, independence and performance of the Funds’ independent auditor; and

(E) to act as a liaison between the Funds’ independent auditor and the full Board.

The independent auditor for the Funds shall report directly to the Audit Committee.

### III. Duties and Powers of the Audit Committee

To carry out its purposes, the Audit Committee shall have the following duties and powers:

(A) to approve prior to appointment the engagement of an auditor to annually audit and provide its opinion on the Funds' financial statements, to recommend to those Board members who are not "interested persons" the selection, retention or termination of the Funds' independent auditor and, in connection therewith, to review and evaluate matters potentially affecting the independence and capabilities of the auditor.

(B) to approve prior to appointment the engagement of the independent auditor to provide other audit services to the Funds or to provide non-audit services to the Funds, its investment adviser or any entity controlling, controlled by, or under common control with the investment adviser ("adviser affiliate") that provides ongoing services to the Funds, if the engagement relates directly to the operations and financial reporting of the Funds;

(C) to establish, to the extent deemed necessary or appropriate by the Audit Committee, as an alternative to the pre-approval of services as set forth in (B) above, policies and procedures for pre-approval of the engagement of the Funds' independent auditor to provide such services;

(D) to consider whether the non-audit services provided by the Funds' independent auditor to the Funds' investment adviser or any adviser affiliate that provides ongoing services to the Funds, which services were not pre-approved by the Audit Committee, are compatible with maintaining the auditor's independence;

(E) to review the arrangements for and scope of the annual audit and any special audits;

(F) to review and approve the fees proposed to be charged to the Funds by the independent auditor for each audit and non-audit service;

(G) to receive and consider reports from the Funds' independent auditor regarding:

- (1) the Funds' critical accounting policies and practices to be used;
- (2) all alternative accounting treatments for policies and practices related to material items that have been discussed with Fund management, including the potential ramifications of use of those treatments and the treatment preferred by the independent auditor;
- (3) any material written communications between the independent auditor and management;
- (4) any required communications promulgated by the U.S. Securities and

Exchange Commission (the “SEC”) and the Public Company Accounting Oversight Board; and

- (5) all non-audit services provided to any entity in the Funds’ investment company complex that were not pre-approved by the Audit Committee or pursuant to pre-approval policies and procedures established by the Audit Committee and associated fees;

(H) to consider information and comments from the independent auditor with respect to, and to meet with the independent auditor to discuss any matters of concern relating to, the Funds’ financial statements, including any adjustments to such statements recommended by the independent auditor, to receive and consider the auditor’s comments with respect to the Funds’ accounting and financial reporting policies, procedures and internal control over financial reporting and management’s response thereto, and to review the independent auditor’s opinion on the Funds’ financial statements;

(I) to consider any reports of difficulties that may have arisen during the course of the audit, including any limitations on the scope of the audit, and management’s response thereto;

(J) to consider the effect upon the Funds of any changes in accounting principles or practices proposed by management or the independent auditor;

(K) to review with the Funds’ principal executive officer and/or principal financial officer, in connection with required certifications on Form N-CSR, any significant deficiencies in the design or operation of the Funds’ internal control over financial reporting or material weaknesses therein and any reported evidence of fraud involving management or other employees who have a significant role in the Funds’ internal control over financial reporting;

(L) to serve as a Qualified Legal Compliance Committee (“QLCC”) pursuant to Section 205.2 of the Rules of Practice of the SEC; in that capacity, the Audit Committee shall have adopted written procedures for the confidential receipt, retention and consideration of any report of evidence of material violation by the Funds or by any officer, trustee, employee, or agent of the Funds of an applicable U.S. federal or state securities law, a material breach of fiduciary duty arising under U.S. federal or state law, or a similar material violation of any U.S. federal or state law, and shall have the authority and responsibility:

- (1) to inform the Funds’ Chief Legal Officer (“CLO”), if any, and the Funds’ Chief Executive Officer (“CEO”) of any report of evidence of a material violation (except where the attorney reporting such evidence has stated that he or she believes that it would be futile to report such evidence to the CLO and CEO);
- (2) to determine whether any investigation is necessary regarding any report of evidence of a material violation by the Funds, its officers, Trustees, employees or agents, and if it determines an investigation is necessary or appropriate, to:

- (a) notify the Board;
  - (b) initiate an investigation, which may be conducted either by the CLO or by outside attorneys, as the Audit Committee acting in its discretion may determine, which outside attorneys may include counsel to the Funds and independent counsel to the disinterested Trustees; and
  - (c) retain such additional expert personnel as the Audit Committee deems necessary;
- (3) at the conclusion of any such investigation:
  - (a) to recommend that the Funds implement an appropriate response to evidence of a material violation; and
  - (b) to inform the CLO, the CEO, and the Board of the results of any such investigation and the appropriate remedial measures to be adopted; and
- (4) to take all other appropriate action, including:
  - (a) adoption of any other procedures considered appropriate in its capacity as QLCC; and
  - (b) notification of the SEC, if it deems appropriate, in the event the Funds fail in any material respect to implement an appropriate response that the Audit Committee, acting as the QLCC, has recommended the Funds to take.

(M) to investigate reports of improprieties or suspected improprieties in connection with the Funds' accounting or financial reporting that are brought to the attention of the Audit Committee;

(N) to discuss in a general manner, as either part of the full Board or in the Audit Committee, the Funds' processes with respect to risk assessment and risk management;

(O) to report its activities to the full Board on a regular basis and to make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate; and

(P) to perform such other duties and functions and have such powers as may be necessary or appropriate in the efficient and lawful discharge of the purposes, duties and powers provided in the Charter.

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of conducting the audit and

rendering their audit report, the authority to retain and compensate special counsel and other experts or consultants as the Audit Committee deems necessary, and the authority to obtain specialized training for Audit Committee members, at the expense of the Funds or series, as appropriate.

The Audit Committee may delegate any portion of its authority, including the authority to grant pre-approvals of audit and permitted non-audit services, to a subcommittee of one or more of its members. Any decisions of such a subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next regularly scheduled meeting.

#### IV. Role and Responsibilities of the Audit Committee

The function of the Audit Committee is oversight; it is management's responsibility to maintain appropriate systems for accounting and internal control over financial reporting, while the Fund Accountant is responsible for: (1) the preparation, presentation and integrity of the Funds' financial statements; (2) the maintenance of appropriate accounting and financial reporting principles and policies; and (3) the maintenance of internal control over financial reporting and other procedures designed to assure compliance with accounting standards and related laws and regulations. The independent auditor is responsible for planning and carrying out an audit consistent with applicable legal and professional standards and the terms of its engagement letter. Nothing in this Charter shall be construed to reduce the responsibilities or liabilities of the Funds' service providers, including the independent auditor and the Fund Accountant.

Although the Audit Committee is expected to take a detached and questioning approach to the matters that come before it, the review of a fund's financial statements by the Audit Committee is not an audit, nor does the Audit Committee's review substitute for the responsibilities of the Funds' management for preparing, or the independent auditor for auditing, the financial statements. Members of the Audit Committee are not full-time employees of the Funds and, in serving on this Committee, are not, and do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures.

#### V. Operations of the Audit Committee

The Audit Committee generally shall operate as follows:

(A) The Audit Committee shall select one of its members to be the Chair and may select a Vice Chair.

(B) The Audit Committee shall meet on a regular basis and at least three (3) times annually and is empowered to hold special meetings as circumstances require. The Chair or a majority of the members shall be authorized to call a meeting of the Audit Committee and send notice thereof.

(C) The Audit Committee may meet in person or telephonically, and may act by written consent, to the extent permitted by law and by the Funds' bylaws.

(D) The Audit Committee shall have the authority to meet privately and to admit non-members individually by invitation.

(E) The Audit Committee shall regularly meet, in separate executive sessions, with the independent auditor. The Audit Committee also shall meet, as it deems appropriate, with representatives of Fund management, officers or internal auditors for the Funds' investment adviser or any adviser affiliate, or with any other person assisting with the internal audit function for the Funds.

(F) A majority of the members of the Audit Committee shall constitute a quorum for the transaction of business at any meeting of the Audit Committee. The action of a majority of the members of the Audit Committee present at a meeting at which a quorum is present shall be the action of the Audit Committee.

(G) The Audit Committee shall prepare and retain minutes of its meetings and appropriate documentation of decisions made outside of meetings by delegated authority.

The Board shall adopt and approve this Charter and may amend it on the Board's own motion. The Audit Committee shall review this Charter at least annually and recommend to the full Board any changes the Audit Committee deems appropriate.

Adopted: March 2018