The Morningstar Global Fund Report is a seven-page report that offers the most relevant data and analysis surrounding a fund. Central to this report is the Morningstar Analyst Rating, which evaluates funds on five key pillars, considering both numeric as well as qualitative factors. This approach puts only partial weight on past performance and backward-looking risk measures and does not dismiss funds that have underperformed or have limited track records. It will also be more responsive to significant changes at a fund or parent organization.
Occasional rocky stretches, but strong long-term results.

**Analyst View**

*Morningstar Analyst, CFA*
Senior Mutual Fund Analyst

**Morningstar Analyst Rating**

Silver

**Morningstar Pillars**

- Process | Page 2-3 † Positive
- Performance | Page 4 † Positive
- People | Page 5 † Positive
- Parent | Page 6 Neutral
- Price | Page 7 Neutral

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

**Process**

- Full Manager Change
- Partial Manager Change
- Bear Market

**Morningstar Rating**

★ ★ ★ ★ ★

**Style Map**

- Deep Value
- Core Value
- Core Growth
- High Growth

**Regional Exposure**

- Americas 77.1%
- Europe & Africa 12.7%
- Asia & Australia 10.2%

**People**

- Fund Manager 07/96
- Fund Comanager 12/96
- Total Named Managers 2

**Performance 05/31/12**

- Growth of 10,000 Value Ret
- Annualized USD %
  - Fund 15,273 4.15
  - Category 12,961 2.52
  - Index 14,669 3.73

**Quarterly Rank in Category**

- Percentile Rank in Category 4.96 %
- +/- Category 1.11
- +/- Index -0.39

**Process**

- Super Sector
  - Defensive
  - Sensitive
  - Cyclical

**Expense Ratio**

- Price %

May 21, 2012 | Mutual Fund has ebbed and flowed, but it can reward the patient.

After landing in the category’s basement in 2011, this fund made up some ground in early 2012. Financial picks that hurt last year recovered, fueling the fund’s 16.5% first-quarter gain. A jittery market in recent months has erased some of those gains, however. The fund has historically performed worse than largeblend peers in down markets, with its contrarian nature and significant stake in foreign equities (nearly a third of assets) going hand in hand with heightened volatility.

Nonetheless, longtime manager Fund Manager is not shying away from controversial holdings. Earlier this year he bought Chesapeake Energy CHK, whose stock price has since plunged further on liquidity concerns and corporate governance problems. Holdings like that often lead to rocky stretches for the fund, but they reflect how Manager has invested for decades. He looks for companies trading at a 25% discount to their estimated intrinsic values and often buys more on further declines. For instance, he added to Japanese trading firm Itochu in the aftermath of last year’s tsunami, pleased it had half of its business tied to fast-growing economies outside the country. The stock is up double digits for the past year through mid-May.

While venturing overseas and seeking lesser-known names across the market-cap spectrum have long defined this fund, Manager also finds value in more established names. He bought Microsoft MSFT in late 2011 (the third time he’s owned it in his career), saying it’s cheap, has a reasonable yield, and can improve margins.

Manager has successfully implemented this strategy for years, with the fund’s rolling three-year returns since his 1996 start date landing in the category’s top quartile 73% of the time. Unfortunately, shareholders haven’t captured all those gains: The fund’s dollar-weighted returns are significantly worse than its total returns. Patient investors willing to deal with some volatility should do well.
Morningstar has conducted qualitative, analyst-driven research on funds since 1986. An essential complement to our database of investment information and our suite of quantitative research tools, such as the Morningstar Rating™ and the Morningstar Style Box™, Morningstar fund analysis has always had a focus on helping the user make better investment decisions.

### A Morningstar Analyst Rating™

The Morningstar Analyst Rating is a forward-looking assessment that reflects our analysts’ opinions about a fund’s long-term potential for superior risk-adjusted performance. Each fund’s strengths and weaknesses are measured across five key pillars: Process, Performance, People, Parent, and Price. Using these assessments, a fund is then assigned one of the five Analyst Ratings: Gold, Silver, Bronze, Neutral, and Negative. This rating is based on the rigorous assessment of a fund using both quantitative and qualitative inputs along with insights gleaned directly from manager interviews by a Morningstar fund analyst. The final Analyst Rating assignment is made in conjunction with the relevant asset-class ratings committee, which is composed of senior analysts and directors. The Analyst Rating does not express a view on a given asset class or peer group; rather, it seeks to evaluate each fund within the context of its objective, an appropriate benchmark, and peer group.

The Morningstar Rating for funds (the star rating) remains a purely quantitative measure based on risk-adjusted past performance, and it is distinct from the Analyst Rating. In fact, Morningstar analysts may apply an Analyst Rating of Neutral or Negative to a 5-star fund, or conversely, a positive Analyst Rating to a fund that earns a low number of stars.

**Analyst Rating Scale**

- **Gold** Best-of-breed fund that distinguishes itself across the five pillars and has garnered the analysts’ highest level of conviction.
- **Silver** Fund with notable advantages across several, but perhaps not all, of the five pillars—strengths that give the analysts a high level of conviction.
- **Bronze** Fund with advantages that outweigh the disadvantages across the five pillars and with sufficient level of analyst conviction to warrant a positive rating.
- **Neutral** Fund that isn’t likely to deliver standout returns but also isn’t likely to significantly underperform, according to the analysts.
- **Negative** Fund that has at least one flaw likely to significantly hamper future performance and that is considered by analysts an inferior offering to its peers.

### B Morningstar Pillars

The Morningstar Analyst Rating is based on an analyst’s assessment of a fund in five critical areas: Process, Performance, People, Parent, and Price. Morningstar analysts assign a positive, neutral, or negative rating to each of the five pillars to help investors understand how a fund stacks up in the key areas underpinning their broad assessment and rating assigned.

#### Process: Approach

The first of the five pillars of the Analyst Rating, Process, is divided into two components—Approach and Portfolio. The Process: Approach page highlights the fund management team’s general approach to investing and describes the team’s philosophy and process for making investment decisions. It also provides an overview of a fund’s portfolio by compiling data about its holdings into a series of aggregate style, asset class, and regional statistics. Data is shown in context, relative to a fund’s category peers, index, and its own past. Note: Mutual funds are required to disclose holdings at least quarterly. In some cases, the portfolio date for a fund will be different from the date of the performance statistics.

#### Process: Portfolio

The second component of the Process pillar is Portfolio. This page provides analyst insight into the fund’s most-recent portfolio, highlighting recent shifts in the portfolio composition and how its holdings compare with the underlying composition of the fund’s category index. It also lists the largest common holdings and largest distinct holdings, helping investors to see how differentiated a fund is from its benchmark.

#### Performance

The second pillar of the Analyst Rating is Performance. This page provides the analyst’s take on the fund’s recent performance and places it in context with its longer-term performance trends. It also includes multiple return and risk measures that analyze the fund’s performance on both an absolute and relative basis.

#### People

The third pillar of the Analyst Rating is People. This page provides Morningstar’s take on the fund’s portfolio managers, as well as the analysts who support their efforts. Do they have advantages over their peers? Have they demonstrated their expertise and skill? Also included is information about the managers’ ownership of fund shares to reveal if the fund’s managers “eat their own cooking.” Studies by Morningstar have shown that manager ownership is directly correlated to fund performance.

### Parent

The fourth pillar of the Analyst Rating is Parent. This page provides Morningstar’s take on the fund’s parent company with an analysis of the firm’s stewardship practices and how it has treated shareholders in the past. Manager turnover at the firm, the investment culture, quality of research, ethics, fund board directors, and SEC sanctions all factor into the parent evaluation to determine whether or not a firm consistently puts investor interests first. For firms evaluated under Morningstar’s Stewardship Grade™ for funds methodology, the grade directly informs the Parent rating, with A and B stewards receiving a Positive pillar score, C stewards a Neutral score, and D and F stewards a Negative score.

#### Price

The final pillar of the Analyst Rating is Price, and it refers to the cost of purchasing and owning the fund, not its actual net asset value. This page provides a broader understanding of the fund’s fees by showing absolute, relative, and historical fee metrics. Fees and investment costs are important because costs are one of the strongest predictors of future performance—the lower its costs, the better a fund tends to perform. This report includes several new data points, including the Fee Level relative to the fund’s peer group and brokerage commission costs as a percentage of assets.
**Mutual Fund A**

**ABCDX**

**Process: Approach**

**Equity Style Box**

- **Market Cap**
  - Giant/Large: 81.6%
  - Mid: 17.3%
  - Small/Micro: 1.1%
- **Avg Market Cap Bil USD**: 33.0%
- **Value Measures**
  - Price/Prospect. Earnings: 10.5%
  - Price/Book: 1.4%
  - Price/Sales: 0.8%
  - Price/Cash Flow: 4.5%
  - Dividend Yield: 1.8%
- **Growth Measures**
  - Long-Term Earnings %: 10.3%
  - Historical Earnings %: 14.2%
  - Sales %: -10.3%
  - Cash Flow %: 3.5%
  - Book-Value %: 0.0%
- **Style Box Factors**
  - Fund: 3-Year Average
  - Category Average
  - Index Proxy
  - Zone: 75% of fund's equity holdings
  - Centroid: Weighted average of equity holdings

**Economic Moat**

- **Moat Rating**
  - Wide Moat: 15.9%
  - Narrow Moat: 48.8%
  - No Moat: 35.3%
  - Coverage Ratio: 81.2%
- **Key Ratios**
  - Net Margin %: 12.4%
  - ROA %: 6.9%
  - Debt/Total Capital %: 43.6%
  - ROE %: 22.1%

**Equity Sector Breakdown**

- **Sectors**
  - Defensive: 13.0%
  - Consumer Defensive: 1.9%
  - Healthcare: 10.7%
  - Utilities: 0.4%
  - Sensitive: 49.3%
  - Communication Serv.: 2.7%
  - Energy: 9.9%
  - Industrials: 23.0%
  - Technology: 13.7%
  - Cyclical: 37.8%
  - Basic Materials: 1.1%
  - Consumer Cyclical: 18.3%
  - Financial Services: 18.4%
  - Real Estate: 0.0%

**Regional Exposure**

- **Top 5 Countries**
  - United States: 72.9%
  - Japan: 6.8%
  - Israel: 3.9%
  - Canada: 2.6%

**Asset Allocation**

- **Current Allocation**
  - Developed: 95.7%
  - Emerging: 4.3%
- **3-Year Average**
  - U.S. Equities: 70.7%
  - Non-U.S. Equities: 26.3%

**Morningstar Global Fund Report | Print Date: June 18, 2012 | FINRA Members: For internal use or client reporting purposes only.**
Mutual Fund A

ABCDX

Process: Portfolio

Similarity to Index Proxy 06/15/12

Index Proxy Overlap

<table>
<thead>
<tr>
<th>Fund</th>
<th>Index Proxy</th>
<th>Fund Overlap With Index Proxy</th>
<th>Holdings Overlap</th>
<th>Asset Overlap</th>
</tr>
</thead>
<tbody>
<tr>
<td>87</td>
<td>977</td>
<td></td>
<td>54</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

Circle size represents number of holdings.

Portfolio Holdings 03/31/12

Current Portfolio Date 03/31/12

Previous Portfolio Date 02/29/12

<table>
<thead>
<tr>
<th>Top 10 Holdings</th>
<th>Country</th>
<th>Assets % 03/31/12</th>
<th>Assets % 02/29/12</th>
<th>Proxy % 03/31/12</th>
<th>First Bought</th>
<th>Days Trading</th>
<th>Morningstar Rating for Stocks</th>
<th>Economic Moat</th>
<th>Sector</th>
<th>1-Yr Total Ret %</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPMorgan Chase &amp; Co</td>
<td>USA</td>
<td>5.24</td>
<td>5.23</td>
<td>1.02</td>
<td>09/10</td>
<td>&lt;1</td>
<td>Narrow</td>
<td>Financial Services</td>
<td>-11.31</td>
<td></td>
</tr>
<tr>
<td>Ford Motor Co</td>
<td>USA</td>
<td>4.91</td>
<td>4.85</td>
<td>0.28</td>
<td>03/07</td>
<td>1</td>
<td>None</td>
<td>Consumer Cyclical</td>
<td>-20.53</td>
<td></td>
</tr>
<tr>
<td>Dow Chemical Co</td>
<td>USA</td>
<td>3.94</td>
<td>3.80</td>
<td>0.28</td>
<td>01/10</td>
<td>2</td>
<td>None</td>
<td>Industrials</td>
<td>-2.11</td>
<td></td>
</tr>
<tr>
<td>Teva Pharmaceutical Industries Ltd ADR</td>
<td>ISR</td>
<td>3.75</td>
<td>3.72</td>
<td>—</td>
<td>06/05</td>
<td>2</td>
<td>Narrow</td>
<td>Healthcare</td>
<td>-21.53</td>
<td></td>
</tr>
<tr>
<td>Microsoft Corporation</td>
<td>USA</td>
<td>3.19</td>
<td>3.14</td>
<td>1.63</td>
<td>09/11</td>
<td>&lt;1</td>
<td>Wide</td>
<td>Technology</td>
<td>29.65</td>
<td></td>
</tr>
<tr>
<td>Citigroup Inc</td>
<td>USA</td>
<td>2.81</td>
<td>2.53</td>
<td>0.60</td>
<td>05/11</td>
<td>&lt;1</td>
<td>Narrow</td>
<td>Financial Services</td>
<td>-25.39</td>
<td></td>
</tr>
<tr>
<td>Mitsubishi UFJ Financial Group, Inc.</td>
<td>JPN</td>
<td>2.69</td>
<td>3.07</td>
<td>—</td>
<td>12/09</td>
<td>1</td>
<td>None</td>
<td>Financial Services</td>
<td>3.26</td>
<td></td>
</tr>
<tr>
<td>United Continental Holdings Inc</td>
<td>USA</td>
<td>2.58</td>
<td>2.47</td>
<td>0.05</td>
<td>05/10</td>
<td>3</td>
<td>None</td>
<td>Industrials</td>
<td>-1.54</td>
<td></td>
</tr>
<tr>
<td>Itochu Corp.</td>
<td>JPN</td>
<td>2.54</td>
<td>2.63</td>
<td>—</td>
<td>01/10</td>
<td>4</td>
<td>—</td>
<td>Industrials</td>
<td>7.74</td>
<td></td>
</tr>
<tr>
<td>Chesapeake Energy Corp</td>
<td>USA</td>
<td>2.36</td>
<td>2.53</td>
<td>0.09</td>
<td>02/11</td>
<td>&lt;1</td>
<td>Narrow</td>
<td>Energy</td>
<td>-35.85</td>
<td></td>
</tr>
</tbody>
</table>

Change since last portfolio: Increase Decrease New

New Holdings Largest Purchases % Assets Sector

| Glencore International PLC | 0.59 | % | | |
| Dunkin Brands Group Inc | 0.49 | % | | |
| Cheniere Energy Inc | 0.39 | % | | |
| Yandex NV | 0.28 | % | | |
| Equinix, Inc. | 0.28 | % | | |

Eliminated Holdings Largest Sales % Assets Sector

| Suncor Energy Inc | 0.53 | % | | |
| Wells Fargo & Co | 0.50 | % | | |
| Daiichi Sankyo Co., Ltd. | 0.25 | % | | |
| Barrick Gold Corporation | 0.24 | % | | |
| Sony Corporation ADR | 0.23 | % | | |

Largest Position Changes Current % Prior %

| JPMorgan Chase & Co | 5.24 | 5.23 |
| Apple, Inc. | 2.25 | 2.67 |
| AutoZone Inc | 1.07 | 0.52 |
| Goldman Sachs Group Inc | 0.74 | 1.63 |
| Glencore International PLC | 0.59 | 0.00 |

Index Proxy Overlap

This figure shows what percent of a fund's holdings is shared with its prospectus benchmark. A larger shaded, overlapping area in the circle labeled “Fund” indicate more shared holdings. A smaller number of shared holdings can indicate a more active manager. Note that this figure does not account for asset overlap, which is shown in the data table on the right of the image.

First Bought Date

First Bought Date is the first portfolio date when a stock has continuously been in the portfolio. If the First Bought Dates of most of a fund’s stock holdings are recent, this can be a measure of high turnover within a portfolio. Note that this data point does not show the first time a fund has ever purchased a particular stock. For instance, if Mutual Fund A buys Ford Motor Company in January 1995, sells it in January 2005, buys it again in January 2007, and has held it since, First Bought Date will show January 2007 as the stock’s First Bought Date.

Days Trading

Days Trading is a measure of fund portfolio liquidity. Morningstar calculates Days Trading by dividing the number of shares of a stock by its average daily trading volume. Higher Days Trading can indicate that a fund will have difficulty unwinding its position in a stock.

The Process pages depicted here are for the Equity report. The Fixed Income report shows the portfolio’s credit quality, interest-rate sensitivity, income statistics, and fixed income sector break downs. The Allocation report shows a combination of both Equity-related and Fixed Income-related portfolio metrics.
Mutual Fund A
ABCDX

Performance

Morningstar Rating and Risk 05/31/12

<table>
<thead>
<tr>
<th>Period</th>
<th>Load-Adj Return</th>
<th>Morningstar Rating</th>
<th>Morningstar Risk vs Cat</th>
<th>Morningstar Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Years</td>
<td>4.67</td>
<td>Low</td>
<td>Above Avg</td>
<td>★</td>
</tr>
<tr>
<td>5 Years</td>
<td>-8.83</td>
<td>Low</td>
<td>High</td>
<td>★</td>
</tr>
<tr>
<td>10 Years</td>
<td>4.79</td>
<td>Above Avg</td>
<td>High</td>
<td>★ ★★</td>
</tr>
</tbody>
</table>

Overall Rating ★★☆

3-Year Return and Risk Analysis 05/31/12

<table>
<thead>
<tr>
<th>Total Return %</th>
<th>Fund</th>
<th>Category</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Return/Risk Analysis 05/31/12

| Standard Deviation | 19.40 | 16.96 | 16.42 |
| Sharpe Ratio       | 0.42  | 0.80  | 0.95  |
| R-Squared           | 92.99 | 96.82 | —     |
| Beta               | 1.17  | 1.04  | —     |
| Alpha              | -9.46 | -2.39 | —     |

Rolling Returns (Annualized) 05/31/12

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Ret %</th>
<th>Investor Ret %</th>
<th>% Rank in Cat</th>
<th>Cat Ret %</th>
<th>Index Ret %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-13.29</td>
<td>-15.13</td>
<td>96</td>
<td>-4.39</td>
<td>-1.23</td>
</tr>
<tr>
<td>3</td>
<td>6.66</td>
<td>9.32</td>
<td>97</td>
<td>12.75</td>
<td>15.28</td>
</tr>
<tr>
<td>5</td>
<td>-3.75</td>
<td>-5.48</td>
<td>85</td>
<td>-1.93</td>
<td>-0.75</td>
</tr>
<tr>
<td>10</td>
<td>5.39</td>
<td>1.64</td>
<td>6</td>
<td>3.52</td>
<td>4.52</td>
</tr>
</tbody>
</table>

Tenure 07/96 Inception 07/96 Rolling Returns Summary 05/31/12

| Max Drawdown (%) | 56.23 | -50.79 | -51.13 |
| Peak Date        | 11/07 | 11/07  | 11/07  |
| Valley Date      | 02/09 | 02/09  | 02/09  |
| Max Drawdown (Months) | 16.00 | 16.00  | 16.00  |

Morningstar Rating The Morningstar Rating for funds provides a quick assessment of a fund’s past risk- and load-adjusted performance relative to its category peers. Funds are rated for the trailing three-, five-, and 10-year periods, and these ratings are combined to produce an overall rating. The Morningstar Rating for funds is completely quantitative and based solely on each fund’s past risk-adjusted performance.

History The History graph provides performance details for the current year and up to 10 previous years. It includes the fund’s rolling 12-month historical returns. Income Return is the portion of total return attributed to distributions, assuming that the investor incurs no transaction fees, pays no taxes at the time of distribution, and reinvests all distributions paid during the period. The graph also notes any full or partial manager changes.

Trailing Returns This section highlights Morningstar Investor Returns™ (also known as dollar-weighted returns). Investor Returns measure how the average investor fared in a fund during each time period by incorporating the impact of cash inflows and outflows from purchases and sales. Tenure return is a point-to-point calculation, with the start date being the start date of the longest-tenured manager on the fund. When compared, these values provide insight into the relative performance of a fund under current management and over its lifetime.

Rolling-Returns Summary Rolling returns offer a useful lens into a fund’s full return history and can help investors see through the haze caused by the latest data. For example, a fund’s current trailing three-year return measures one discrete period. With rolling returns an investor can look back over a much longer period to see how a particular fund stacked up in every three-year period throughout its relevant history, encompassing a wider range of market environments. The Rolling-Returns feature provides a quick look at the dispersion of rolling 36-month returns and show often the fund landed in each of its category’s quartiles. The statistics are survivorship-bias-free, using the rank against category peers as of the historical date.

3-Year Performance Attribution Performance-attribution analysis compares the fund’s return with that of its category index and attributes the excess return to decisions in the investment-management process and other factors. Attribution statistics are not available for some Morningstar categories.
Mutual Fund A
ABCDX

People

Experience and Asset Load

This graph plots manager tenure on the horizontal axis, against total assets under management for each individual manager on the vertical axis. It provides a quick snapshot of an individual manager’s fund management experience.

Management Team

Statistics are shown here about the number, tenure, and investments of portfolio managers. Mutual funds are required to disclose in their Statement of Additional Information how much money each portfolio manager has invested in the fund. The largest disclosure category is “more than $1 million.” The 5-Year Manager-Retention Rate measures what percentage of a firm’s portfolio managers stayed with the firm during the past five calendar years.

Fund AUM

This number represents the total amount of open-end fund assets that the manager currently runs. Note that this does not include separate accounts, which can be a substantial amount of assets.

Tenure Ret % and Index Ret %

Tenure Return % is the annualized return of the fund since the manager started running the strategy. This is useful to compare with Index Return %, which measures the relevant index’s annualized return in the same time period.
Mutual Fund A
ABCDX

Parent

Morningstar Category
US OE Large Blend
Category Index
Russell 1000 TR USD

Flows and Growth
United States

Flows and Growth Graph shows quarterly net flows and the firm's asset growth rate, along with annual total net assets and industry market share. This information illustrates the movement of money into and out of the firm's funds over time, which can be particularly illustrative in times of market volatility.

Fund Family Details
This section provides aggregate data for all of the firm's mutual funds in terms of the Morningstar Rating, Fee Quintile Breakdown, Manager Tenure, and Manager Ownership. The Morningstar Rating Breakdown may show that a firm's funds tend to perform well or poorly on a risk-adjusted basis versus category peers. Shops with ratings clustered around 3 stars may be more index-focused or risk-averse. The Success Ratio shows the percentage of the firm's mutual funds that have a three-year Morningstar category rank of less than 50, capturing the percentage of funds with category median-beating performance during the time period.

The Fee Quintile Breakdown shows if the firm's funds are expensive or cheap within their Morningstar Fee Quintile groups. Morningstar research has shown a strong correlation between low-cost funds and investor success. Likewise, funds with both a long Manager Tenure and high Manager Ownership levels are likely, on average, to be more successful than funds without these traits.
Mutual Fund A
ABCDX

Price

The fund could be cheaper given its size.

Price Pillar  Neutral

May 21, 2012 | About half of the fund’s assets reside in share classes priced below average relative to similarly sold peers, including the A shares, which hold the greatest chunk of assets as of April 2012. Other share classes, including I and C, are priced just average relative to their respective peers. However, expenses could stand to be much lower considering the fund’s size, which stood at nearly $13 billion as of April. Several actively managed broker-sold funds sport lower expense ratios despite having smaller asset bases. At this asset level, the fund has exceeded its last break point for management fees, which means those are unlikely to drop further even if assets grow.

Expense History
This time-series graph of expense ratio against fund size shows the relationship between the fund’s price and its assets under management. Ideally, as assets increase, expenses should decrease because of economies of scale in running the strategy.

Expense Breakdown
This table lists the Net Expense Ratio from the fund’s most recent annual report and most recent prospectus. It also breaks down several expense components and includes brokerage commission as a percentage of net assets with the category average provided for context.

Fee Level
This section puts the expenses of the fund in context by showing the range of fees charged by its peers. An overall Fee Level for the fund is shown, along with breakpoints for five quintiles of fee levels for the fund’s peer group. Morningstar defines fee level peer groups by combining some categories with similar expected expenses, such as large value, large blend, and large growth, then segmenting the category group by distribution class of front-load, deferred-load, level-load, no-load, or institutional to provide more-relevant fee comparisons.
Global Fund Reports

For more than 25 years, Morningstar analysts have been providing independent, qualitative written research on mutual funds. The research aims to provide insights into funds’ sustainable advantages and forward-looking perspective into how they might behave in a variety of market environments, helping investors choose superior funds, maintain realistic performance expectations, and manage their portfolios more wisely.

Morningstar Analyst Rating™

The Morningstar Analyst Rating for funds is based on the analyst’s conviction in the fund’s ability to outperform its peer group and/or relevant benchmark on a risk-adjusted basis over the long term.

The Five Pillars: Unified Global Methodology

People
How talented are the fund’s managers?

Process
What is the strategy, and how does that translate into the portfolio?

Parent
What priorities prevail at the firm? Stewardship or salesmanship?

Performance
Why did the fund behave a certain way in different markets?

Price
Is the fund a good value proposition compared to similar funds sold through similar channels?

Fund Coverage Around the Globe

100+ Analysts, 4000+ Funds.

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