Morningstar Direct℠
Key Product Enhancements

Q3 2021

We are Committed to Delivering Solutions to Empower Investor Success

1.

Capitalize on Industry Trends

- ESG Commitment Level Data now available for Morningstar Strategies

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2.

Commit and Deliver Value Today

- Morningstar Strategies now available
- Risk Model Components additions and upgrades
- Group Attribution Analysis Reports by ESG Data Points
- New ESG Groupings Added to Asset Flows Module
- Gender Diversity Data Points now available
- Firm Diversity Data Report available in Analytics Lab
- Next Call and Current Yield Data Points Added for Fixed-Income Funds
- New data points for Munis, Securitized, and Corporates
- Historic Supplementary Data Points now automatically Added
- Change Time Periods more Easily

We are Committed to Delivering Solutions to Empower Investor Success *Contd.*

2.

Commit and Deliver Value Today

- Preview Icon now Available in Presentation Studio
- New Risk Model Components in Presentation Studio
- New Option for Model Portfolio Dates in Presentation Studio
- Report Portal list order Enhancement in Presentation Studio
- Version history available in Presentation Studio
- Switch component settings from one component to another in Presentation Studio
- New Chart Menu and Features in Workspace
- New Risk View available in Workspace
- Stock Ownership Analysis notebook available in Analytics Lab
- Firm Diversity Data Report available in Analytics Lab
- Portfolio Manager Performance History notebook available in Analytics Lab

We are Committed to Delivering Solutions to Empower Investor Success *Contd.*

2.

Commit and Deliver Value Today

- Time Series Factor Regression Analysis notebook available in Analytics Lab
- Investment Product Launches notebook available in Analytics Lab
- Historical Credit Quality notebook available in Analytics Lab
- Asset Flows Forecast added to Asset Flow module
- New ESG Groupings Added to Asset Flow module
- New Groupings for Canadian Markets in the Asset Flow module

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3.

Evolve to Meet Customer's Needs

- New Currencies available in Risk Model charts and components
- Credit Rating Updates
- New Managed Investment Report in Report Portal
- U.S. Sustainable Indexes Performance Summary in Report Portal

This Commitment Drives Ongoing Product Development

The following areas in Morningstar Direct feature multiple enhancements; click an icon to jump to that location:

- Risk Model
- Sustainability
- Fixed Income
- Performance Reporting
- Presentation Studio
- Morningstar Research
- Workspace
- Notebooks
- Asset Flows

Risk Model

Development Highlights	Summary	Resources
Morningstar Strategies now available	Risk Model data is now available for strategies covered by Morningstar. This content can be seen via the Risk Model data set, Risk Model charts, and in Presentation Studio. This capability **offers a new perspective on individual strategies and allows for a comparison among similar strategies as well as underlying investment vehicles**.	Video
Risk Model Components additions and upgrades	New table components are available in Presentation Studio for Scenario Metrics and Scenario Trends. These new components **allow you to present the same content in a variety of ways and make it easier for your audience to consume your insights**.	Video Sample Template
New Currencies available	The Risk Model charts and components in Presentation Studio now allow for values to be expressed in Japanese Yen. This **allows subscribers in those regions to present information in the base currency of the investments being shown in the components.**	Video

*Note: To use or access the items marked with *, please install the latest version of the desktop app.*

Sustainability

Development Highlights	Summary	Resources
Group Attribution Analysis Reports by ESG Data Points	Single portfolio equity attribution reports can now be grouped by a number of ESG data points. This **offers a unique analysis of how a manager has positioned a fund relative to such metrics as High ESG Risk vs Low ESG Risk, Carbon metrics**, and more. This means **manager researchers can review how a fund's manager allocated assets from this consideration, and what its impact was to a fund's return**. The same data can also be shown in the Attribution components in Presentation Studio, ensuring your discoveries can be shared with others.	Video
New ESG Groupings Added to Asset Flows Module	EU SFDR Fund Type groupings are now available in the Asset Flows module. Flows and assets indicated in Asset Flows historically are based on today's EU SFDR Fund Types, even though the information didn't exist or apply to the funds prior to today.	Video
ESG Commitment Level Data now available for Morningstar Strategies	Some strategies covered by Morningstar now offer ESG Commitment Level Data, a qualitative value assigned by a Morningstar Analyst. This availability **means clients can now use vehicle level data to see this information, and it offers a new way to compare strategies**.	Video

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Sustainability *(contd.)*

Development Highlights	Summary	Resources
Gender Diversity Data Points now available	Company- and fund-level gender diversity data is now available via new data sets. This filing-based **data reveals the representation of women among a company's executives, directors, and overall AUM for a fund.** Use this data **to determine whether a firm or fund meets the standards required by clients concerned with this perspective when investing**.	Video Toolkit
Firm Diversity Data Report available	Separately, Morningstar recently began collecting surveyed data from asset managers about the diversity within their firms, their outside accreditations in this regard, and the extent to which they exhibit a diverse approach to the vendors they use. This unique content is available in the new Firm Diversity Data Notebook **and offers an instant and detailed look at how an asset management firm approaches this important topic.**	Video

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Fixed Income

Development Highlights	Summary	Resources
Next Call and Current Yield Data Points Added	New calculated fixed income statistics for Next Call and Current Yield are available for fixed-income funds. **This detailed breakdown data further broadens the statistics available** to Morningstar Direct clients and **makes working with these funds easier and more comprehensive**.	Video
Credit Rating Updates	An updated Fixd-Inc Credit Ratings view offers a new look at calculated credit ratings information. Data now shows for broad, intermediate, and a detailed breakdown. This breadth of offerings means **clients can consume the information at the level needed, while making it easy to find the content being sought.**	Video
New data points for Munis, Securitized, and Corporates	New calculated fixed income data points are now available for fixed-income funds. The data offers a different level of granularity than previously available within the Fixd-Inc Core Attributes view, Fixd-Inc Sector Corp Credit view, Fixd-Inc Sector Securtzd view, and the Fixd-Inc Sector US Muni view.	Video

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Performance Reporting

Development Highlights	Summary	Resources
Time Periods now automatically Added	When creating a performance report with an open-ended End Date (such as Last Month End), Morningstar Direct will automatically add new time periods to the report as time passes. Clients no longer need to manually update the report to add these new time periods, saving a significant amount of effort across multiple performance reports during each reporting period.	Video
Change Time Periods more Easily	Clients needing to change time periods on a performance report can now easily do so via a series of controls on the toolbar above the grid view. This convenience saves clients the trouble of needing to manually update each time period individually and does not require the use of a dialog box, further reducing the number of clicks required to see the output desired.	Video

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Presentation Studio

Development Highlights	Summary	Resources
Preview Icon now Available	A preview column with a PDF icon is now available next to each Morningstar template. The preview option **helps clients easily see what a template looks like and the data it contains,**	Video
New Risk Model Components	New table components are available in Presentation Studio for Scenario Metrics and Scenario Trends. These new components **allow you to present the same content in a variety of ways and make it easier for your audience to consume your insights**.	Video Sample Template
New Option for Model Portfolio Dates	When saving a model portfolio in the Portfolio Management module, clients can now enter any date they like, not necessarily a month-end or quarter-end date.	Video

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Presentation Studio *(contd.)*

Development Highlights	Summary	Resources
Report Portal list order Enhancement	When creating or editing a factsheet batch in Report Portal, the Advanced Settings dialog box now offers a *Keep Original Order* **field to allow clients to preserve the order of items saved in the Workspace module.** For example, if the investments in the list for the batch are sorted in alphabetical order in Workspace, then they will also appear in alphabetical order in the Report Portal batch.	Video
Version history available	Version history is now available and allows clients to revert to one of the past 15 versions of a template or report by clicking the Versions icon on the toolbar. This **makes Presentation Studio templates and reports easier to use and efficient.**	Video
Switch component settings from one component to another	In a workbook template, clients can now easily switch from one component to another while retaining all the settings from the original component via a new Convert to option from the right-click menu. For example, you can switch a component from a chart to a table, or a table to a chart. This applies to components from one of the following groupings where tables and charts have similar settings to one another: Performance, Asset Allocation, and Snapshot. This functionality is similar to a feature found in Microsoft Excel® and **makes Presentation Studio easier to use**. For instance, **rather than needing to duplicate settings manually, a component can simply be copied, pasted, and converted.**	Video

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Morningstar Research

Development Highlights	Summary	Resources
New Managed Investment Report	The Managed Investment Report replaced the Global Fund Report (for open-end funds) and the ETF Report. The Managed Investment Report packages the best-in-class managed investment research from Morningstar with the data driving the evaluation of those investments into a single PDF report.	Video
U.S. Sustainable Indexes Performance Summary	A new quarterly report, U.S. Sustainable Indexes Performance Summary, is now available. The report displays performance data for the U.S. Sustainable Indexes.	Q3 2021 Report

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Workspace

Development Highlights	Summary	Resources
New Chart Menu and Features	New layout for Interactive web charts menu brings the web chart capabilities in line with the existing interactive charts for these items and will allow the current chart to be retired in November without any loss in functionality for clients.	Video
New Risk View Available	As a complement to the Risk - Total Return (Quarter End) view, a new view named Risk - Gross Return (Quarter End) is now available.	Video

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Morningstar Notebooks

Development Highlights	Summary	Resources
Stock Ownership Analysis	This notebook allows a user to specify a set of up to 10 stock(s) and view ownership of that stock for a specific universe of funds that they define either via criteria, list or individual selection. Users can **conduct equity ownership analysis** on a specific lineup of funds to **obtain insight into managers who recently established or divested their position in a selected stock.**	Video
Firm Diversity Data Report	For a selected asset management company, this notebook shows the firm's diversity makeup within its owners, board members, employees, company policies and hired vendors. For example, how many female portfolio managers does an asset management firm have? Many asset owners and wealth managers review a manager's diversity profile as part of their selection or due diligence process. In turn, asset managers are being asked to supply the information to meet that demand. Generally, this is brand new data that has not previously been available in Morningstar Direct. Specifically for asset owners, previously they had to email each asset manager they work with separately. Now, they can simply login to Direct to view this information. **Users can track an asset management firms' diversity makeup to add transparency and make it easier for asset owners to access this information and select firms that meet their diversity needs.**	Video FAQ
Portfolio Manager Performance History	For a selected portfolio manager, this notebook lists all funds the manager has managed over their career, alongside the performance data of those funds during his/her tenure. It **maps the history of a portfolio manager's career and performance data of those funds during their tenure to aid in manager selection**.	Video

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Morningstar Notebooks (Contd.)

Development Highlights	Summary	Resources
Time Series Factor Regression Analysis	This notebook is a multiple regression tool that decomposes returns into factor exposures, using the Fama-French model, to derive an investments alpha and beta exposures through time. It **breaks down returns into factor exposures to derive an investment's alpha and beta exposures to enable performance analysts at asset management firms to monitor their lineup.**	Video
Investment Product Launches	This notebook identifies new fund launches within the specified time period and country of sale. The data can be aggregated along several dimensions and shows detailed information about fund groups such as environmental, social, and governance (ESG) funds, exchange-traded funds, and index funds **making it easier to keep track of new fund launches.** Wealth managers who wish to keep tabs on new fund offerings and analysts producing reports on trends in new fund launches, especially find this notebook valuable.	Video
Historical Credit Quality	With this notebook asset owners and wealth managers can review their fund's credit quality compared with other funds. It **helps understand whether a fund has been conservative or aggressive in terms of credit risk over time, as compared with other funds in its category.** Clients can select a fund and view its historical credit exposure as compared with the category median. This notebook is uses surveyed credit quality data from asset managers.	Video

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Asset Flows

Development Highlights	Summary	Resources
Asset Flows Forecast added to Asset Flow module	Clients now have access to a fund flow model that helps decompose the reasons why funds grow (or shrink) and then can use such findings to forecast future growth rates. This new Asset Flows Forecasts capability is now available in the Asset Flow module free of cost and it **offers significant value to asset management firms needing simple, intuitive, proven ways to compare funds based on flow data**. Asset Flow Forecasts **allows Morningstar Direct clients to do the following:** • Gain insights on market trends • Drive asset retention and growth • Identify predictive factors for success • Determine where to focus resources, and • Monitor sales activities and strategies.	Video FAQs Quick-Start Guide
New ESG Groupings added to Asset Flow Module	EU SFDR Fund Type groupings are now available in the Asset Flows module. Flows and assets indicated in Asset Flows historically are based on today's EU SFDR Fund Types, even though the information didn't exist or apply to the funds prior to today.	Video
New Groupings for Canadian Markets	Several changes are now in place for Canadian open-end funds, both in the Asset Flows module, and the Global Databases module. First, in the Asset Flows module, all Canada open-end fund markets now reflect information at the share class level. Additionally, the following new groupings are available for these markets: Total Return Quartiles, and Volatility Quartiles. Finally, in the Local Databases and Global Databases modules, when the Canada Mutual Funds subuniverse is selected, the funds shown will reflect those investments where Domicile = Canada.	Video

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