

Morningstar® DirectSM Getting Started

Morningstar Direct is a global investment analysis platform that unites all of Morningstar's data and institutional research, private and third-party content, rigorous analytics, and productivity tools. The Direct team offers unlimited access to complimentary training methods, including on-site trainings, live sessions, and much more.

To help you get started, below is an outline of the product layout along with additional general information. As you read each user guide chapter, you will find the necessary steps to learn about Morningstar Direct's navigation and functionality.

Outline

- ▶ Product Layout
- ▶ Folder Definitions
- ▶ User Preferences
- ▶ Sending and Sharing Files

Product Layout

Morningstar Direct is organized by folders. After logging in, begin in *Home*. The left navigation for each folder works in a similar fashion. The Main Menu bar at the very top does not change regardless of where you are in the application.

The screenshot displays the Morningstar Direct application interface. The top navigation bar includes 'File', 'New', 'Favorites', 'Tools', 'Help', 'QuoteSpeed', 'Search for', 'In Securities', and 'Go'. The left sidebar contains a 'Home' menu with sub-items: Alerts, Filings, QuoteSpeed, Excel API, Help/Definitions, Morningstar Publications, Content Catalog, Training (Live Sessions/Video, Classroom Training, Did You Know?, Certification), and Feedback. Below this is a 'Research' section with sub-items: Local Databases, Global Databases, Performance Attribution, Performance Reporting, Asset Allocation, Portfolio Management, Portfolio Analysis, Asset Flows, Presentation Studio, and Workspace.

The main content area is titled 'Home' and features several sections:

- Alerts:** A table listing alerts with columns for Alert Title, Security Symbol, and Date. Alerts include 'Morningstar Category Change' for various indices like IVDBX, IVVIX, IVDAK, IBNYX, IVDCX, IBNCX, IBNAX, IBNBX, IVDYX, and IYSYX, all dated 5/31.
- Announcements:** A list of news items with columns for Date and Headline. Recent items include 'HFR Webinar: Quarterly Industry Highlights', 'Service Alert - Retirement of Morningstar Direct versions 3.8 and lower', and 'U.S. Open-end Asset Flows Commentary - July 2012'.
- Markets:** A line chart showing the performance of Morningstar's value index. Below the chart is a table with columns for Value, %Change, and 1-Day, 1-Mo, 2-Mo, 1-Yr, YTD. Key market data includes: Morningstar (3,445), S&P 500 (1,377), Dow Jones (12,928), Nasdaq (2,967), and S&P/TEX (11,646).
- Security Analysis:** A table listing security analysis items with columns for Date and Title. Items include 'Oppenheimer Main Street Select A', 'Oppenheimer Rising Dividends B', 'American Century Small Cap Value R', and 'American Funds Growth Fund of Amer R6'.
- Fund Analyst Category Reviews:** A section for fund analyst category reviews.
- Market Barometer:** A heatmap showing performance across different market segments. The segments are Value, Core, Growth, Large Value, Large Core, Large Growth, Mid Value, Mid Core, Mid Growth, Small Value, Small Core, and Small Growth. The heatmap uses a color scale from red (-1.25) to green (+1.25).

Morningstar® DirectSM Getting Started

1. Go to *Global Databases* and click on a folder to reveal its sub folders -- for example, those listed under Funds/Managed Products on the left where the view in this image defaults to Open End Funds.

The screenshot shows the Morningstar Direct web application interface. The left sidebar contains a navigation menu with 'Global Databases' highlighted. Under 'Global Databases', the 'Funds/Managed Products' folder is expanded, and 'Open End Funds' is selected. The main content area displays a table titled 'Morningstar-defined Universes' with two columns: 'Name' and 'Size'. The table lists various fund categories and their corresponding sizes.

Name	Size
Global Open-End Funds	172,763
130/30 (Leveraged Net Long)	196
All Europe Open-End Funds	80,850
All Offshore Open-End Funds	47,323
Australia Investment Trusts (Domiciled)	3,168
Austria Open-End Funds (AFS)	27,191
Bahrain Open-End Funds (AFS)	2,537
Belgium Open-End Funds (AFS)	11,099
Brazil Open-End Funds	12,035
Canada Mutual Funds	10,244
Chile Open-End Funds (AFS)	10,791
China Open-End Funds (AFS)	1,421
Denmark Open-End Funds (AFS)	8,482
Enhanced Index Funds	1,269
Finland Open-End Funds (AFS)	14,191
France Open-End Funds (AFS)	28,791
Funds of Funds	22,638
Germany Open-End Funds (AFS)	28,448
Greece Open-End Funds (AFS)	8,172
Hong Kong Open-End Funds (AFS)	5,542
Hungary Open-End Funds (AFS)	3,189
Iceland Open-End Funds (AFS)	1,542
Index Funds	4,778
India Open-End Funds (AFS)	2,937
Indonesia Open-End Funds (AFS)	264
Institutional Funds	20,457
Israel Open-End Funds (AFS)	1,247
Italy Open-End Funds (AFS)	17,325
Japan Open-End Funds (AFS)	4,667
Jordan Open-End Funds (AFS)	732
Kuwait Open-End Funds (AFS)	110
Lebanon Open-End Funds (AFS)	271
Life Cycle Funds	2,894
Lithuania Open-End Funds (AFS)	1,174
Malaysia Unit Trusts (Domiciled)	604
Mexico Open-End Funds (AFS)	2,551
Netherlands Open-End Funds (AFS)	18,716
New Zealand Investment Trusts (Domiciled)	267
Norway Open-End Funds (AFS)	12,652
Oman Open-End Funds (AFS)	740
Pakistan Open-End Funds (AFS)	177
Philippine Open-End Funds (AFS)	133
Poland Open-End Funds (AFS)	4,192
Portugal Open-End Funds (RFS)	15,441
Qatar Open-End Funds (AFS)	722
Saudi Arabia Open-End Funds (AFS)	262
Singapore Open-End Funds (AFS)	3,786
Singapore Restricted Funds	12,252
Slovenia Open-End Funds (AFS)	934
Socially Conscious Funds	3,426

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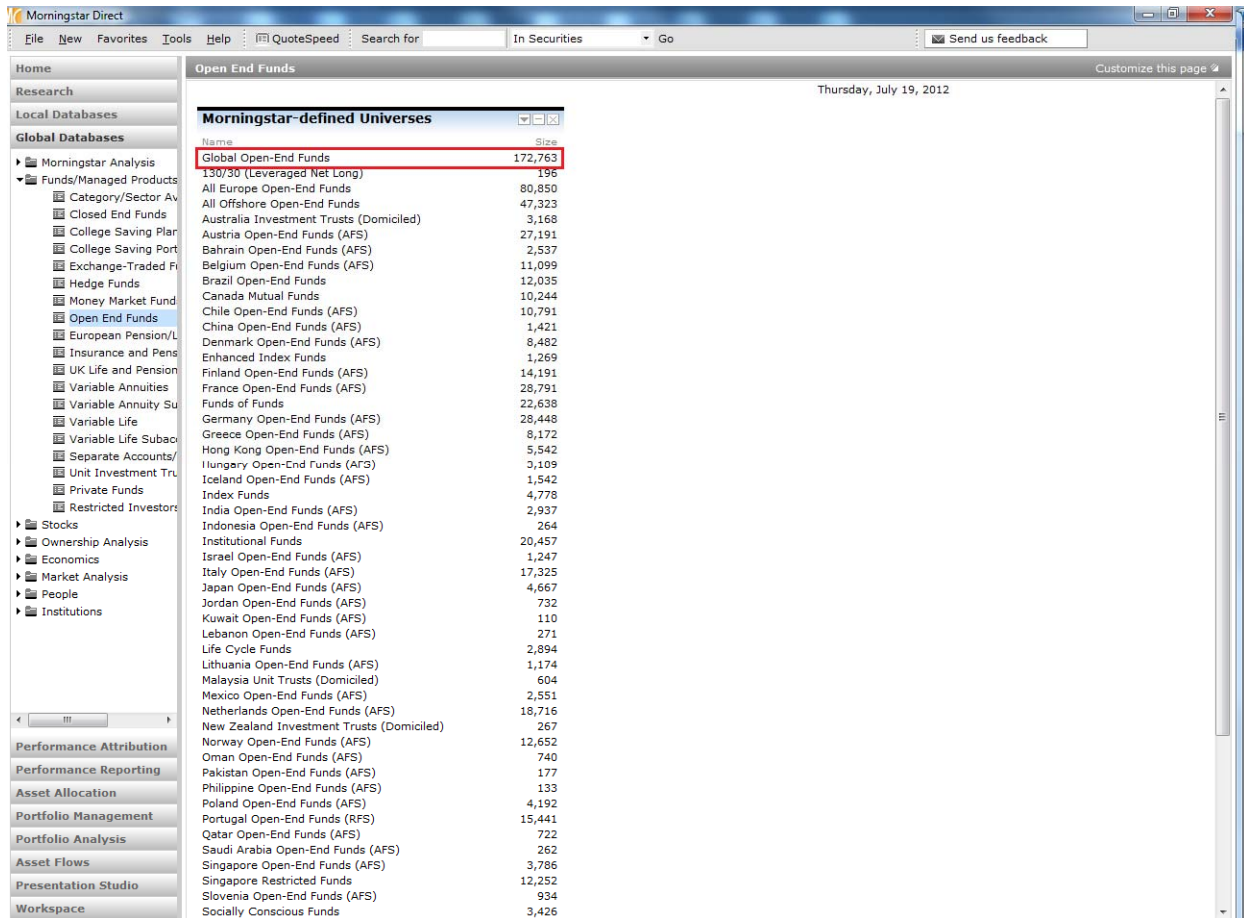
2. Within the *Open End Funds* universe, all the Morningstar-Defined Universes are listed on the right.

The screenshot shows the Morningstar Direct interface. On the left is a navigation menu with categories like 'Home', 'Research', 'Local Databases', 'Global Databases', 'Performance Attribution', 'Asset Allocation', 'Portfolio Management', 'Portfolio Analysis', 'Asset Flows', 'Presentation Studio', and 'Workspace'. The 'Open End Funds' category is selected and highlighted in red. The main content area displays a table of 'Morningstar-defined Universes' with columns for 'Name' and 'Size'. The table lists various fund categories and their corresponding sizes, such as 'Global Open-End Funds' with a size of 172,763 and 'Socially Conscious Funds' with a size of 3,426.

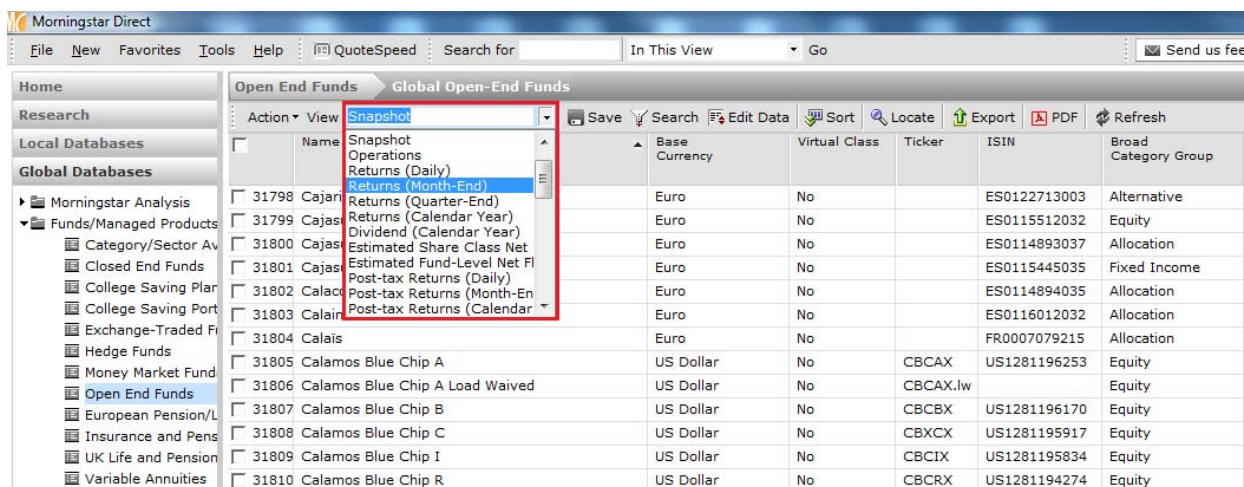
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Morningstar® DirectSM Getting Started

3. Click on a *file* to access its content in the grid view. For this example, click *Global Open-End Funds*.



4. In the grid view, go to the *View drop down* and toggle to any pre-defined data points to populate the list. See the Custom Data Sets and Calculations chapter for more detail.



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Folder Definitions

Home

The Home page contains many “apps” that help users stay informed of product updates, training, definitions, data, market commentary, research updates, and more.

- ▶ Access *Excel API* from this location as well where you can learn how to retrieve data points from the Morningstar databases and load them into Microsoft Excel for further calculation, formatting, or charting. Take advantage of the thousands of widely used data points available for each investment type.

Research Reports

Use the Research folder to access equity, credit, and alternative investment research reports.

Local Databases

Local Databases provide access to Morningstar’s fund databases specific to the local country specified in User Preferences - Open End Funds, Separate Accounts, Exchange-Traded Funds, Stocks, Variable Annuity Products, Stocks and much more.

Global Databases

Global Databases provide access to Morningstar’s fund databases across all countries - Open End Funds, Separate Accounts, Exchange-Traded Funds, Stocks, Variable Annuity Products, Stocks and much more.

Performance Attribution (Equity and Total Portfolio Attribution)

Learn how to create an *equity attribution* report of your portfolio or your competition's portfolio to decompose the excess return and identify the impact of investment decisions. Learn how to produce a *total portfolio attribution* report to identify excess return based on asset allocation and manager selection.

Performance Reporting

Learn how to streamline and simplify your performance reporting process for various investments across multiple asset classes and custom groups. Select peer groups, specify performance periods, and customize benchmarks to monitor your results. Use the scorecard to conduct further analysis by creating custom grades to calculate overall scores of your list of investments.

Asset Allocation

Learn how to use the asset allocation tool to create optimal asset allocation policies for specific investment goals. Develop asset class assumptions, identify your target portfolio(s), and forecast future performance.

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Portfolio Management

Learn how you can use the portfolio management workspace to build model portfolios and import private investments.

Portfolio Analysis

Use real-time portfolio analysis to help monitor your portfolio and make better investment decisions.

Asset Flows

Take advantage of comprehensive, worldwide asset flow data to assess investor trends and perform competitive analysis, develop new products, and market managed investment products. Start with aggregated data, drill down to specific findings, and export data for further analysis.

Presentation Studio

Learn how to easily create professional, custom-branded fact sheets and presentations, incorporating your company's logos, colors, fonts, and custom disclaimers. Start with pre-built Morningstar templates or design your own, using data from Morningstar's database or your imported proprietary investment data. Save your report as Adobe PDF documents or Microsoft Powerpoint files for easy sharing and distribution.

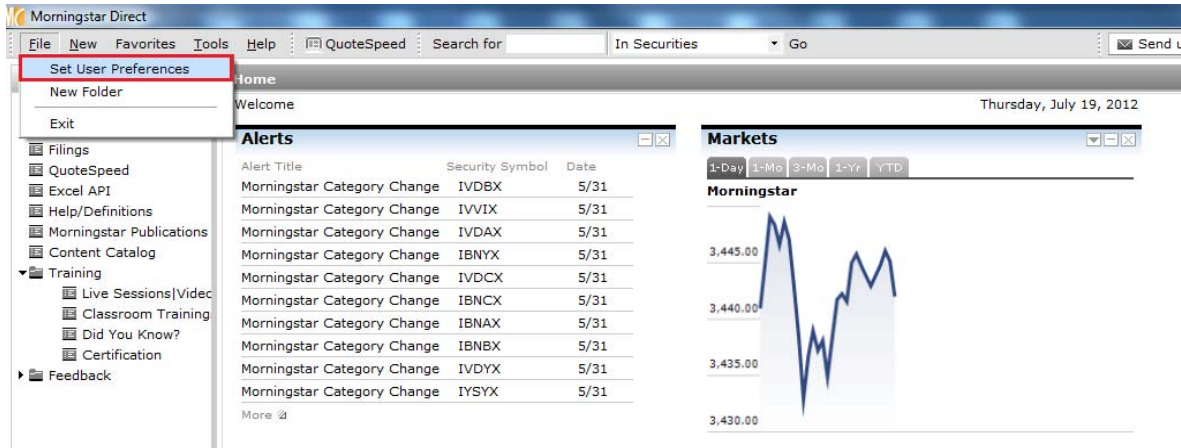
Workspace

Workspace is the electronic file cabinet for Morningstar Direct. Build data sets directly from this area or modify information in the local or global databases to be stored in Workspace. File management capabilities such as sending, sharing, and renaming files are also available in this location.

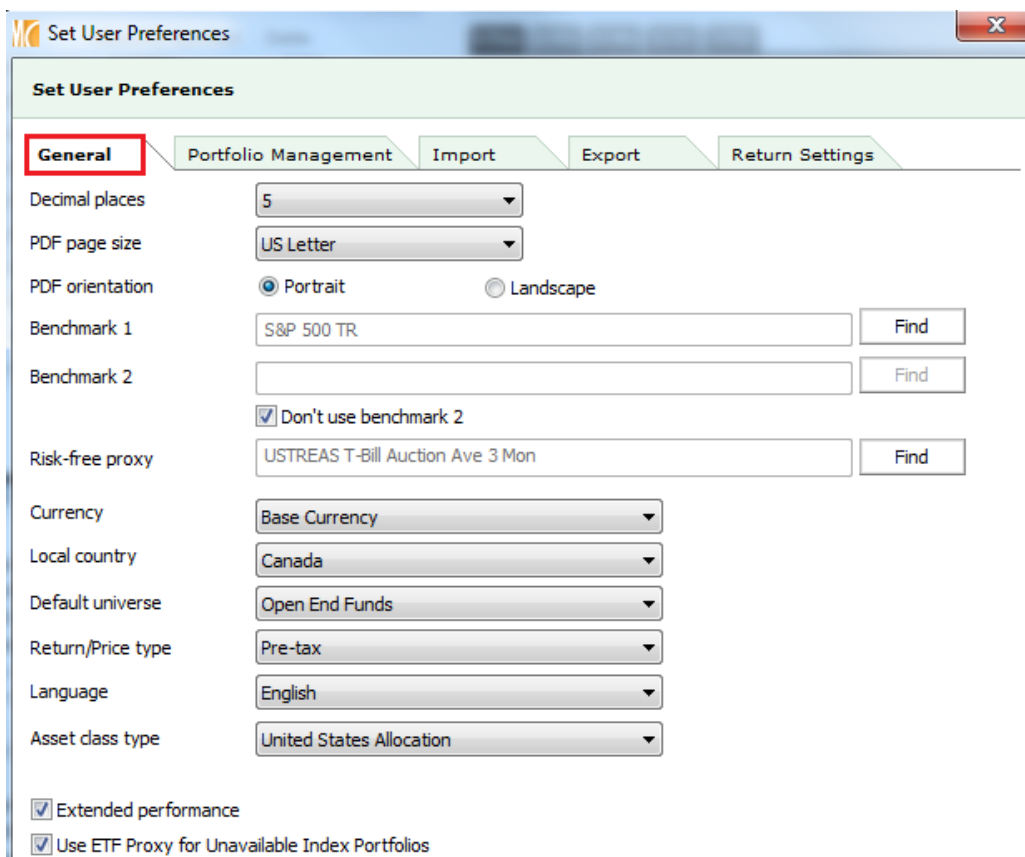
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User Preferences

1. Global Settings in the File menu define settings on the application level. Go to File and click *Set User Preferences*.



2. Go to the *General* tab to change the default data universe, PDF page size, PDF orientation, benchmarks, risk-free proxy, and more.



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3. Go to the *Portfolio Management* tab to set performance calculation return types as well as defining settings for Accounts and Reports.

The screenshot shows a window titled "Set User Preferences" with a close button in the top right corner. The window has a green header bar with the title "Set User Preferences". Below the header is a tabbed interface with five tabs: "General", "Portfolio Management" (highlighted with a red box), "Import", "Export", and "Return Settings".

The "Portfolio Management" tab contains three sections:

- Performance calculation Default Return Types**
 - Missing Security: Zero return (dropdown)
 - Closed End Funds: Total return (dropdown)
 - ETFs: Total return (dropdown)
 - Cash Component: Use Risk-Free Proxy Return
- Account Setting**
 - Show Liquidated Holding:
 - Capital flow Limit for TWR Calculation (%): 10 (text input)
 - Tax lot methods: Morningstar Default Tax Lot Method Settings (dropdown)
 - Transaction: Morningstar Default Transaction Settings (dropdown)
- Report Settings**
 - Report Setting: Morningstar Default Report Settings (dropdown)
 - Add Logo to Cover Page: [text input] [Find button]
 - Add Logo to Footer: [text input] [Find button]

Morningstar® DirectSM Getting Started

4. Go to the *Import* tab to set the default price source for imported security performance calculations. Select security matching filter settings and position account automated import settings relevant to custodian templates for import automation.

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Choose your default price source setting for imported security performance calculations:

Price Source Use Morningstar Prices Use Imported Prices

Choose your imported portfolio default general settings

Rebalancing frequency: Monthly (dropdown menu)

Rebalancing based on: Calendar Period End (dropdown menu)

Performance calculation start date: Earliest Common (dropdown menu)

Choose your investment matching filter settings

Investment Matching Filters:

Auto-Select Representative Performance Stream Investments
Note: This option will exclude virtual fund class investments.

Choose your Account Automated Import Settings

Schedule Batch Job:

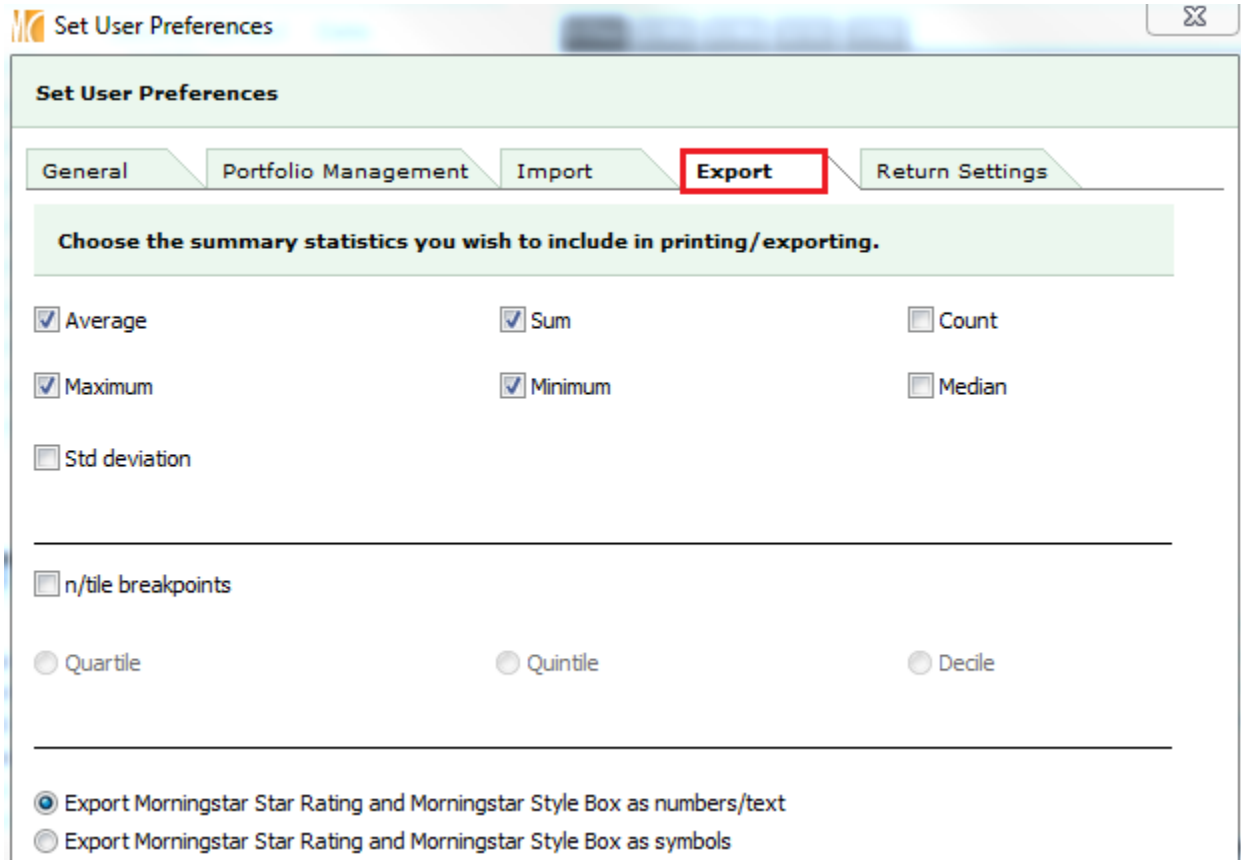
Create Batch Job:

Choose your Custom Database Settings

Custom Database Append New Entries Overwrite Full Database

Morningstar® DirectSM Getting Started

5. Go to the *Export* tab to customize the summary statistics settings applicable to exporting data from Morningstar Direct to Microsoft Excel. Also, settings for exporting Morningstar Star Ratings and Morningstar Style Boxes as numbers/text can be defined.



The screenshot shows the 'Set User Preferences' dialog box with the 'Export' tab selected. The dialog has a title bar with the text 'Set User Preferences' and a close button. Below the title bar is a tabbed interface with five tabs: 'General', 'Portfolio Management', 'Import', 'Export', and 'Return Settings'. The 'Export' tab is highlighted with a red border. Below the tabs is a green header bar with the text 'Choose the summary statistics you wish to include in printing/exporting.' Below this header are several checkboxes and radio buttons for selecting summary statistics and export options. The 'Export' tab is highlighted with a red border.

Set User Preferences

General Portfolio Management Import **Export** Return Settings

Choose the summary statistics you wish to include in printing/exporting.

Average Sum Count

Maximum Minimum Median

Std deviation

n/tile breakpoints

Quartile Quintile Decile

Export Morningstar Star Rating and Morningstar Style Box as numbers/text

Export Morningstar Star Rating and Morningstar Style Box as symbols

Morningstar® DirectSM Getting Started

6. Go to the *Report Settings* tab to choose a default return type applicable to custom calculations within each universe.

The screenshot shows a web application window titled "Set User Preferences". The window has a blue header bar with the Morningstar logo and the title. Below the header, there is a green bar with the text "Set User Preferences". The main content area has a light green background and contains several tabs: "General", "Portfolio Management", "Import", "Export", and "Return Settings". The "Return Settings" tab is highlighted with a red border. Below the tabs, there is a section titled "Default Return Type Mapping" with a sub-header "Return type". Below this, there are several rows, each with a label and a dropdown menu. The labels are: "Open-End Fund", "Exchange-Traded Fund", "Closed-End Fund", "Separate Account", "Stock", "VA Subaccount", "Insurance Product Fund", "Hedge Fund", and "Index". The dropdown menus are currently set to "Total Return", "Total Return", "Total Return", "Gross Return", "Market Return", "Total Return", "Total Return", "Total Return", and "Market Return" respectively. Below the dropdown menus, there is a "Reset" button. Below the "Default Return Type Mapping" section, there is a section titled "Date Setting" with a label "Week Ends On" and a dropdown menu set to "Saturday".

Return type
Open-End Fund
Exchange-Traded Fund
Closed-End Fund
Separate Account
Stock
VA Subaccount
Insurance Product Fund
Hedge Fund
Index

Reset

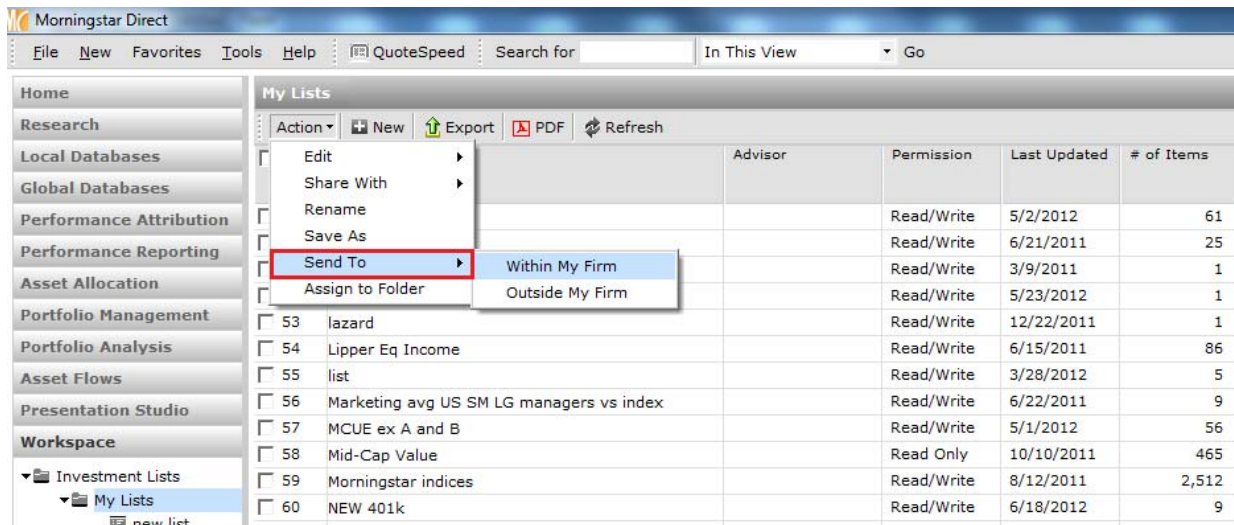
Date Setting

Week Ends On

Morningstar® DirectSM Getting Started

Sending and Sharing Files

1. In Morningstar Direct, files can be sent or shared with other Morningstar Direct users. These files can be sent or shared from various locations such as Workspace, Presentation Studio, Performance Attribution, Performance Reporting, and more. Sending a file means that the recipient receives a copy of the file. Any changes made by the original user will not be reflected in the recipient's version.



2. Sharing a file means that the recipient has read/write access to the shared file. Any changes made by the original user or by the recipient are reflected in this shared file. Read-only access is also an option to limit editing rights to only the original user.

