

Morningstar OfficeSM Cloud

Release Notes November 7, 2018

This document describes the new features and enhancements in Morningstar OfficeSM Cloud, as follows:

- ▶ [What has changed in the Morningstar Report for a fund? \(page 1\)](#)
- ▶ [What happens to alerts when I delete a list? \(page 1\)](#)
- ▶ [How can I filter Morningstar Manager Research alerts? \(page 1\)](#)
- ▶ [How can I identify which funds disclose their intention to include or exclude ESG impacts in their investment process? \(page 2\)](#)
- ▶ [Why can't I access Historical Sustainability Ratings? \(page 3\)](#)
- ▶ [What's new in importing a list? \(page 3\)](#)
- ▶ [How can I locate a report in the Reports section? \(page 4\)](#)
- ▶ [As an advisor, how can I track a client's status in the Client Web Portal \(CWP\)? \(page 4\)](#)
- ▶ [Why isn't client report generation working? \(page 4\)](#)
- ▶ [What has changed in the Morningstar Style Box? \(page 4\)](#)

In the Morningstar Report for a fund, the Sustainability section (found in the Portfolio grouping) now reflects the recent changes to the Morningstar Sustainability Rating methodology. To learn more, please read the [Morningstar Sustainability Rating Methodology](#).

With this release, when you delete a list with attached alerts, or when a list with alerts is unshared with you, the alerts are also removed.

You can now filter Morningstar Manager Research alerts by date and securities via the Alerts page in Morningstar Research. To learn more about this feature, please read the [Leveraging Morningstar Research exercise guide](#).

Overview

What has changed in the Morningstar Report for a fund?

What happens to alerts when I delete a list?

How can I filter Morningstar Manager Research alerts?

To reveal a fund’s intention to incorporate specific areas of ESG impact or exclude certain industries in their investment strategy, new data points have been added. These data points can be used to build a screen or a custom column set in the Grid View. The new data points are listed in the following table:

 Note: Funds can disclose multiple attributes at once.

How can I identify which funds disclose their intention to include or exclude ESG impacts in their investment process?

This broad grouping...	Includes these data points...
Sustainable Investment - ESG Fund	ESG Fund - Overall
	ESG Incorporation
	ESG Engagement
Sustainable Investment - Environmental Sector	Environmental Sector - Overall
	Renewable Energy
	Water-Focused
	General Environmental Sector
Sustainable Investment - Impact Fund	Impact Fund - Overall
	Gender and Diversity
	Low Carbon/Fossil-Fuel Free
	Community Development
	Environmental
	Other Impact Themes

This broad grouping...	Includes these data points...
Employs Exclusions	Uses Norms-Based Screening
	Excludes Abortion/Stem Cells
	Excludes Adult Entertainment
	Excludes Alcohol
	Excludes Animal Testing
	Excludes Controversial Weapons
	Excludes Fur & Specialty Leather
	Excludes Gambling
	Excludes GMOs
	Excludes Military Contracting
	Excludes Nuclear
	Excludes Palm Oil
	Excludes Pesticides
	Excludes Small Arms
	Excludes Thermal Coal
Excludes Tobacco	
Excludes Other	
Excludes - Overall	

The Historical Sustainability Ratings were removed from view in Morningstar Cloud on October 29th. They were originally added to the product in July 2018. We plan to re-introduce this historical data set across our products in the future; the delivery date for this offering is not yet set as we anticipate further updates to our methodology after the adoption of Sustainalytics' new ESG Corporate Risk Rating in 2019.

Why can't I access Historical Sustainability Ratings?

You can now import a list without leaving your workflow by using the following new capabilities:

- ▶ Drag-and-drop files to import.
- ▶ View and complete unfinished imports, and
- ▶ Launch import from the Investment workbook.

What's new in importing a list?

To learn how to use these features, please read [Importing an Investment List](#).

You can now filter reports in the Reports section.

To learn more, please read [Working with Clients and Accounts](#).

In CWP, client status is now displayed as follows:

- ▶ Invitation Sent
- ▶ Disabled, or
- ▶ Enabled.

To learn more, please read [Using the Client Web Portal](#).

Client report generation has been temporarily removed from the CWP settings. It will become available again when improvements to the report have been completed.

A data processing issue occurred, related to the Equity Style Box for Portfolios during the period April 30, 2018 through September 29, 2018. Analysis of the issue showed no material impact to portfolios or their style boxes.

The issue involved long-term projected earnings growth for stocks, which is one of the inputs to the Morningstar Style Box. Because of this data point's relatively long-term and stable nature, and because changes to this data point are diffused across multiple portfolio holdings, impact analysis by Morningstar showed no material change to portfolio style box assignments during this period (although some change may be seen in a few cases).

Changes to long-term projected earnings growth (LTEG) may be displayed as a delay in movement in the style box assignment change for the fund as shown in the following table:

Portfolio Date	Style Box Assignment (Old Data)	Style Box Assignment (Corrected Data as of 6/30/2018)
3/31/2018	Small Value	Small Value
6/30/2018	Small Value	Small Blend
9/30/2018	Small Blend	Small Blend

How can I locate a report in the Reports section?

As an advisor, how can I track a client's status in the Client Web Portal (CWP)?

Why isn't client report generation working?

What has changed in the Morningstar Style Box?

This is most likely to occur in the following areas:

Type of Fund	Impact
Funds holding smaller-cap stocks	These stocks generally have lower sell-side analyst coverage. Analysts adding or dropping coverage often have a greater affect on consensus estimates, particularly when the consensus is comprised of a single analyst (a common occurrence in the coverage of smaller-cap firms).
Funds with higher concentrations in energy and communications stocks	During the period in question, volatile energy prices resulted in more changes to LTEG expectations for energy-related stocks. Communication stocks tend to have smaller market capitalizations. Impact analysis by Morningstar showed a greater effect on the energy sector and Canadian funds (which have a higher percentage of energy holdings).

Please contact your Custom Relationship Manager with questions.