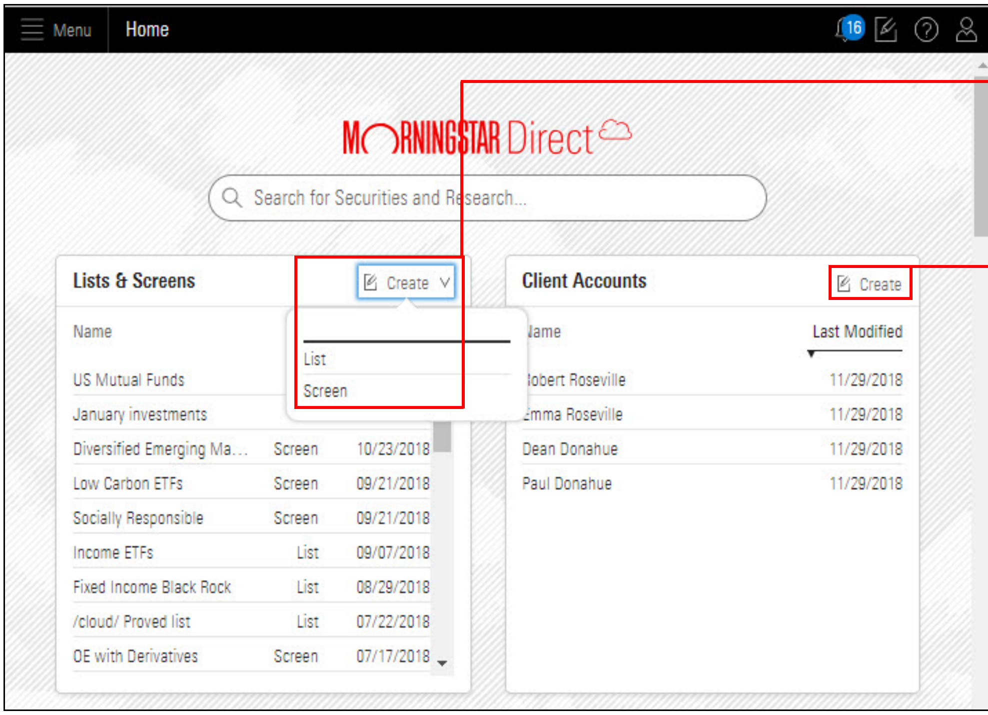
Morningstar Direct℠ Cloud for Wealth Management Release Notes January 15, 2019

Overview

This document describes the new features and enhancements in the Morningstar Direct℠ Cloud for Wealth Management, as follows:

What's new on the Home Page?

On the Home Page, you can now create a list, screen, or client account using the Create icons at the top of the Lists & Screens and Client Accounts widgets.



Click this icon to create a list or screen from the Home Page.

Click this icon to create a client account from the Home page.

How can I use a Primary Prospectus of a fund's equity holdings for the Active Share calculation in the Grid View?

In the Grid View, the primary prospectus benchmark can be used for the Active Share calculation.

The Active Share data point is a comparison between the equity holdings of a fund and a selected benchmark. Typically, an index is used as the benchmark. To calculate Active Share with an index benchmark, index holding data is required. Therefore, you need access to the index holdings in order to view the calculated Active Share result.

Active Share calculation can be used for open-end funds and separately managed accounts meeting the following criteria:

- The Global Broad Category is Equity, and
- At least 85% of the portfolio must be Morningstar Direct Cloud equity holdings.

Most Fund-of-Funds and multi-asset portfolios do not meet the above criteria. Also, index funds do not have this capability.

To learn how to use this feature, please read Working with Custom Column Sets.

What are the new grouping capabilities in the Holdings Analysis component?

The Holdings Analysis component now supports multi-level and custom groupings. For instance, if an account is associated with an investment policy, you can group the holdings by the policy's asset classification. The component supports up to five grouping levels.

These supported groupings are as follows:

- Global Broad Category
- Morningstar Category
- Morningstar Institutional Category, and
- Custom Asset Classification.

  ☞ Note: The custom asset classification is the same as that in allocation components.

To learn how to implement multi-level grouping, please read Working with Model Portfolios.

How can I include a holdings-level fee in Total Portfolio Analysis (TPA)?

Holdings fee is a new component setting in the Total Portfolio Attribution component. In an individual holding or all holdings, you can select from the following options:

- Annual Report Gross Expense Ratio
- Annual Report Net Expense Ratio
- Prospectus Gross Expense Ratio
- Prospectus Net Expense Ratio, and
- Custom.

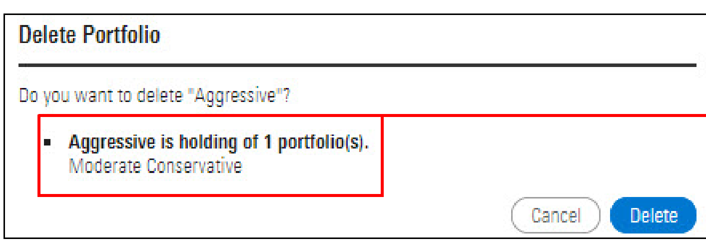
For more information, please read Working with Model Portfolios.

What happens when I delete a child portfolio object (or one of its holdings)?

A portfolio object can include other portfolio objects as holdings. Suppose you added a model portfolio named Aggressive to a model portfolio named Conservative, then saved it as Moderate Conservative. The two model portfolios have the following relationship:

- Moderate Conservative is the parent, and
- Aggressive is the child.

You can delete a child (Aggressive) from a parent (Moderate Conservative). However, When you try to delete a child (Aggressive) (or holdings within a child), a message opens, requiring confirmation before continuing.

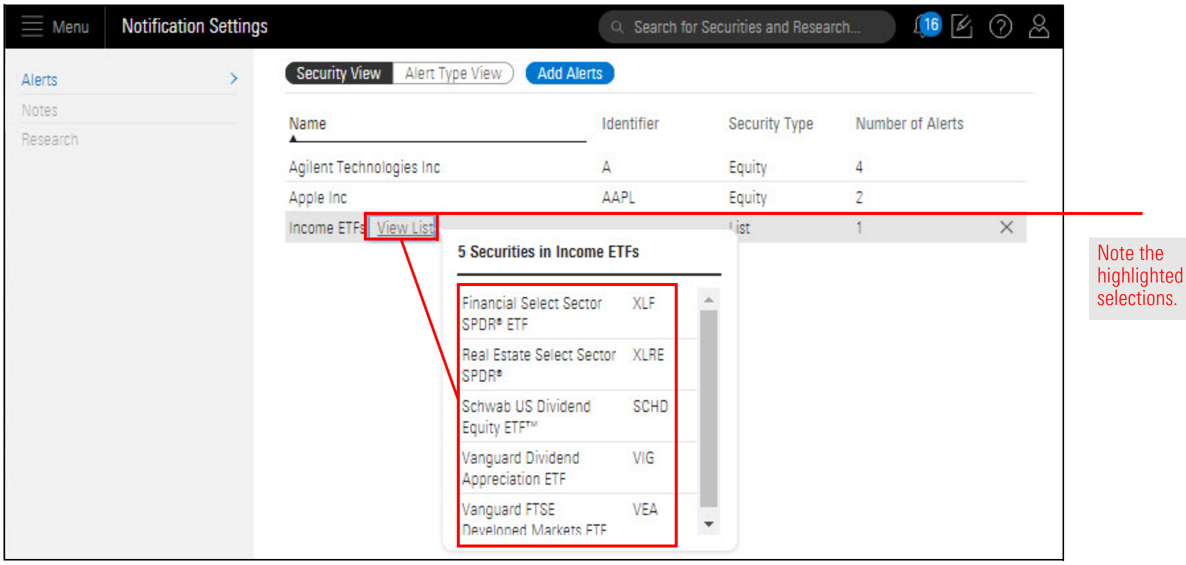


A portfolio object can be a child to many objects. The message lists all parents for the child you are about to delete.

If you click Delete, the Aggressive model portfolio is deleted from your system and from all portfolio objects (parents) it is held by.

How can I view the securities of a list set up for alerts?

When considering changing a list's alert settings, it can be helpful to know the list's contents before proceeding. On the Notification Settings page, you can now display the holdings in an alert-enabled list.



For more information, please read Setting Alerts for Investments.