

Release Notes for Morningstar DirectSM

June 24, 2019

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

Overview

- [g Category Changes \(page 2\)](#)
- [g Data Point Changes \(page 4\)](#)
- [g Changes in the Target-Date Series Reports \(page 5\)](#)
- [g New Return Types for Closed End Funds in Presentation Studio \(page 7\)](#)
- [g New in the Morningstar Excel Add-In \(page 10\)](#)

Read on to learn about these upgrades and how they can enhance your use of the application.

Category Changes

This section details changes to categories in several areas around the world, as follows:

- g Category changes outside the United States ([page 2](#)), and
- g Index changes for Morningstar Categories in Canada ([page 3](#)).

Overview

The following table describes the changes to categories outside the United States:

What are the changes to categories outside the United States?

Type of Change	Category
New Morningstar Categories for the following universes: g Worldwide ETF g Europe ETF, and g Canada ETF	g Domicile (other than Canada) g Global Broad Category Group ☞ Note: These categories appear on the Market Summary page.
Brazil: New ANBID Category (Effective May 30, 2019)	ETF - Renda Fixa
Taiwan: New SITCA category	International Equity-ETF-Industries
Spain: New CNMV categories	g FMM a corto plazo de valor liquidativo constante de deuda pública g FMM a corto plazo de valor liquidativo de baja volatilidad g FMM a corto plazo de valor liquidativo variable g FMM estándar de valor liquidativo variable g Renta Fija Euro a Corto Plazo g IIC que replican un índice g IIC con objetivo concreto de rentabilidad no garantizado

Effective June 1, 2019, in the Canadian OE/ETF universe, the primary index (MPT) of the following categories has been replaced with a Morningstar Index:

What are the index changes for Morningstar Categories in Canada?

Category	New Primary Index	Old Primary Index
Asia Pacific ex-Japan Equity	Morningstar Asia Pac xJpn GR CAD	MSCI AC Far East Ex Japan GR CAD
Asia Pacific Equity	Morningstar Asia Pac GR CAD	MSCI AC Far East GR CAD
Canadian Fixed Income	Morningstar Canadian Bd TR CAD	FTSE Canadian GBI CAD
Canadian Equity	Morningstar Canada GR CAD	S&P/TSX Composite TR
Canadian Focused Equity	Morningstar Canada GR CAD	S&P/TSX Composite TR
Emerging Markets Equity	Morningstar EM GR CAD	MSCI EM GR CAD
European Equity	Morningstar Europe GR CAD	MSCI Europe GR CAD
Financial Services Equity	Morningstar Gbl Fin Svc GR CAD	MSCI World/Financials GR CAD
Global Equity	Morningstar Gbl Mkts GR CAD	MSCI World GR CAD
International Equity	Morningstar DM xNA GR CAD	MSCI EAFE GR CAD
Precious Metals Equity	Morningstar Gbl Gold GR CAD	S&P/TSX Global Gold TR CAD
US Equity	Morningstar US Market GR CAD	S&P 500 TR CAD
US Money Market	Morningstar Cash PR USD	USTREAS T-Bill Auction Ave 3 Mon
North American Equity	Morningstar DM Americas GR CAD	MSCI North America GR CAD
Global Small/Mid Cap Equity	Morningstar Gbl Mkts SMID Cap GR CAD	MSCI World Small Cap GR CAD
Greater China Equity	Morningstar China GR CAD	MSCI EM China GR CAD
Energy Equity	Morningstar Gbl Oil&Gas EandP GR CAD	S&P/TSX Capped Energy TR
Global Infrastructure Equity	Morningstar Gbl Eq Infra GR USD	DJ Brookfld Gbl Infra N. American TR CAD


Effective June 1, 2019, in the Canadian OE/ETF universe, the Morningstar index of the following categories has been replaced:

Category	New Morningstar Index	Old Morningstar Index
Canadian Focused Equity	Morningstar Canada GR CAD	Morningstar DM Americas GR CAD
Precious Metals Equity	Morningstar Gbl Gold GR CAD	Morningstar Gbl Bas Mat GR CAD
US Money Market	Morningstar Cash PR USD	—
Energy Equity	Morningstar Gbl Oil&Gas EandP GR CAD	Morningstar Gbl Energy GR CAD

Data Point Changes

The following table describes the new and retired data points in China, the United Kingdom, and Australia:

What are the new and retired data points?

Type of Change	Description of Change
China: New and retired data points	<p>In all China markets, Asset Flow data is quarterly. This is addressed as follows:</p> <ul style="list-style-type: none"> g The data points 1-Mo and QTD have been retired, and g Quarterly data points such as Q4 2018 and Q1 2019 have been added.
UK: New data point Directors	<p>Directors data point:</p> <ul style="list-style-type: none"> g Lists the current directors g Found at the far-right in Snapshot View in Global Closed-End Funds and UK Investment Trust
Australia: New data point Asset Allocation Survey Date	<p>The Australian Asset Allocation is derived from manager-surveyed asset allocation data and is not based on underlying portfolio holdings. When the user preference is set to Asset Class Type=Australia Allocation, in the Asset Allocation view, the new data point Asset Allocation Survey Date is used instead of Portfolio Holdings Date. It is found at the far-right in Asset Allocation view.</p> <p> Note: The Asset Allocation Survey Date matches the data point Surveyed Asset Class(AUS).</p>

Changes in the Target-Date Series Reports

The changes to the Target-Date Series Report are described in the following table:

Chart/Table	Change
Target-Date Funds Risk-Adjusted Returns	Replaced with a performance matrix for each underlying fund using a representative share class. See the example on page 5 .
Equity Allocations, Fixed-Income Allocations	Compare values against peer average instead of other series. See the example on page 6 .
Attribution Analysis	Replaced with visuals showing the selection effect and allocation effect. See the example on page 6 .
Series Holding-Based Style Map	Removed

What has changed in the Target-Date Series Reports?

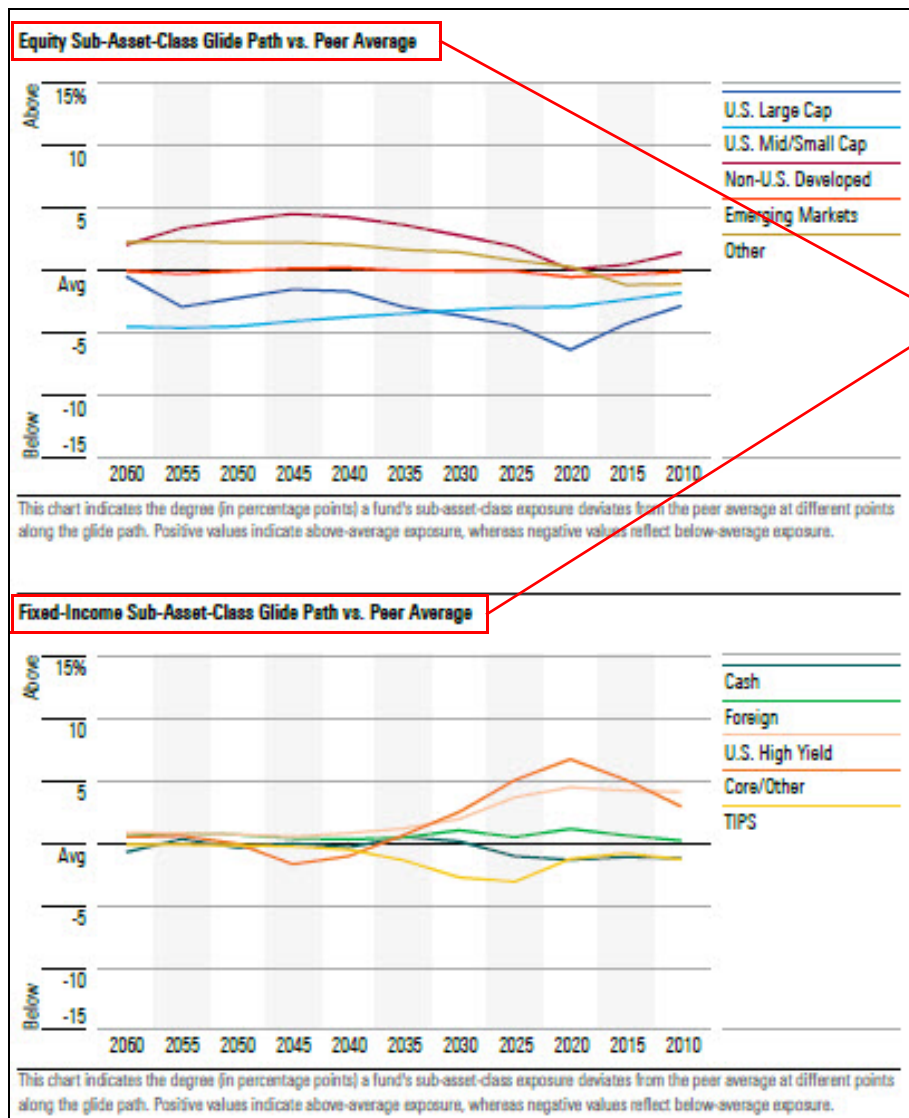
For more information, please read the [Target-Date Fund Series Report Methodology](#).

The new performance matrix is shown in the following screenshot:

Trailing Returns (%) -- Fund vs. Benchmark and Category										
Fund / Index / Category	Morningstar Rating	1-Year			3-Year			5-Year		
		# Funds in Cat.	Return %	Rank %	# Funds in Cat.	Return %	Rank %	# Funds in Cat.	Return %	Rank %
JPMorgan SmartRetirement® Blend Inc R6	★★★★	157	2.96	77	185	5.53	20	161	4.16	17
S&P Target Date Retirement Income TR USD			3.72			4.70			3.89	6.39
US Fund Target-Date Retirement			3.44			4.79			3.45	6.62
JPMorgan SmartRetirement® Blend 2020 R6	★★★★	263	2.96	65	251	6.73	40	204	5.16	25
S&P Target Date 2020 TR USD			3.94			6.97			5.27	9.50
US Fund Target-Date 2020			3.38			6.57			4.58	9.23
JPMorgan SmartRetirement® Blend 2025 R6	★★★★	241	3.06	60	227	7.65	40	187	5.72	22
S&P Target Date 2025 TR USD			3.90			7.74			5.86	10.32
US Fund Target-Date 2025			3.38			7.51			5.09	10.25
JPMorgan SmartRetirement® Blend 2030 R6	★★★★	252	2.99	60	240	8.57	43	194	6.21	23
S&P Target Date 2030 TR USD			3.82			8.44			6.05	11.04
US Fund Target-Date 2030			3.31			8.34			5.56	10.79
JPMorgan SmartRetirement® Blend 2035 R6	★★★★	236	3.02	53	222	9.17	40	182	6.56	24
S&P Target Date 2035 TR USD			3.86			9.09			6.41	11.65
US Fund Target-Date 2035			3.17			9.13			5.95	11.53
JPMorgan SmartRetirement® Blend 2040 R6	★★★★	252	3.05	49	240	9.85	37	194	6.90	22
S&P Target Date 2040 TR USD			3.59			9.56			6.86	12.05
US Fund Target-Date 2040			3.04			9.54			6.18	11.71
JPMorgan SmartRetirement® Blend 2045 R6	★★★★	236	3.04	49	222	9.87	52	182	6.92	26
S&P Target Date 2045 TR USD			3.46			9.85			6.81	12.34
US Fund Target-Date 2045			2.94			9.92			6.25	12.08
JPMorgan SmartRetirement® Blend 2050 R6	★★★★	252	3.01	47	240	9.89	53	194	6.92	31
S&P Target Date 2050 TR USD			3.41			10.12			6.96	12.50
US Fund Target-Date 2050			2.87			9.94			6.41	12.02
JPMorgan SmartRetirement® Blend 2055 R6	★★★★	236	3.05	48	222	9.82	64	180	6.94	30
S&P Target Date 2055 TR USD			3.37			10.29			7.02	12.64
US Fund Target-Date 2055			2.84			10.10			6.49	12.71
JPMorgan SmartRetirement® Blend 2060 R6	—	224	3.29	34	206	—	—	125	—	10
S&P Target Date 2060+ TR USD			3.50			10.40			7.10	—
US Fund Target-Date 2060+			2.99			10.21			6.30	—
Average Rank				54			46		24	—

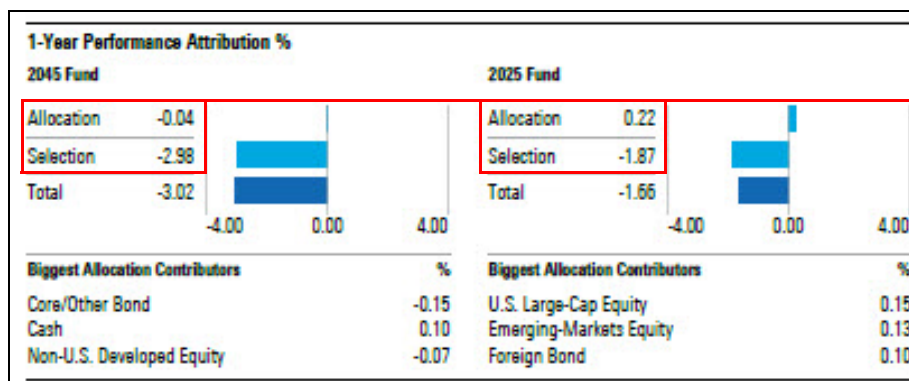
You can now see the performance of each underlying holding.

The new Equity and Fixed-Income Allocations charts are shown in the following screenshots:



Equity Allocations and Fixed-Income Allocations now compare to the peer average.

The new Allocation and Selection Effects are shown in the following screenshot:



You can now see the fund's allocation and selection effects.

New Return Types for Closed End Funds in Presentation Studio

In a performance component for a closed-end fund, the following return types are now available:

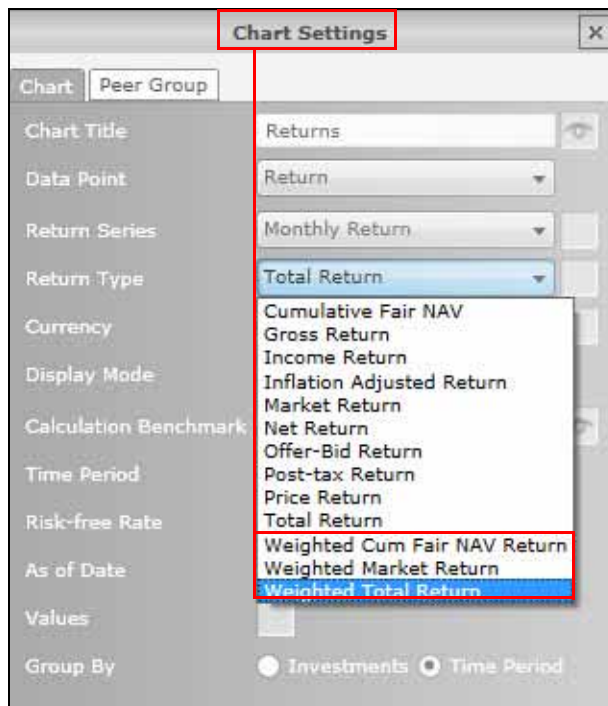
- g Weighted Cum Fair NAV Return
- g Weighted Market Return, and
- g Weighted Total Return.

What are the new return types for closed end funds?

These return types can be set as described in the following table:

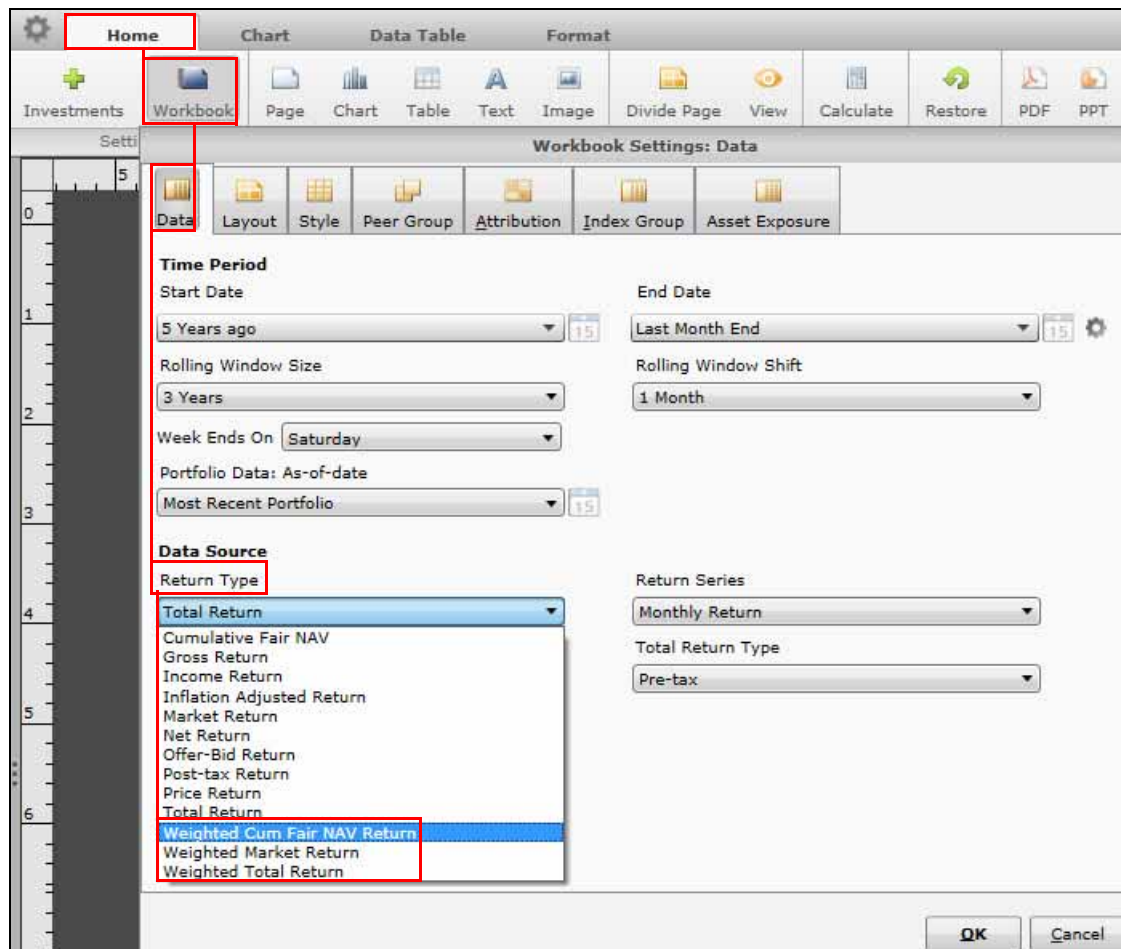
Setting	Effect
At the component level	Only the selected component's return type is affected.
At the workbook level	The return type of all performance components (including those already in existence) in that particular workbook are affected.
At the application level	The return type of all performance components throughout the application (including those already in existence) are affected.

Select a return type at the component level (Chart Settings or Table Settings) as shown in the following screenshot:

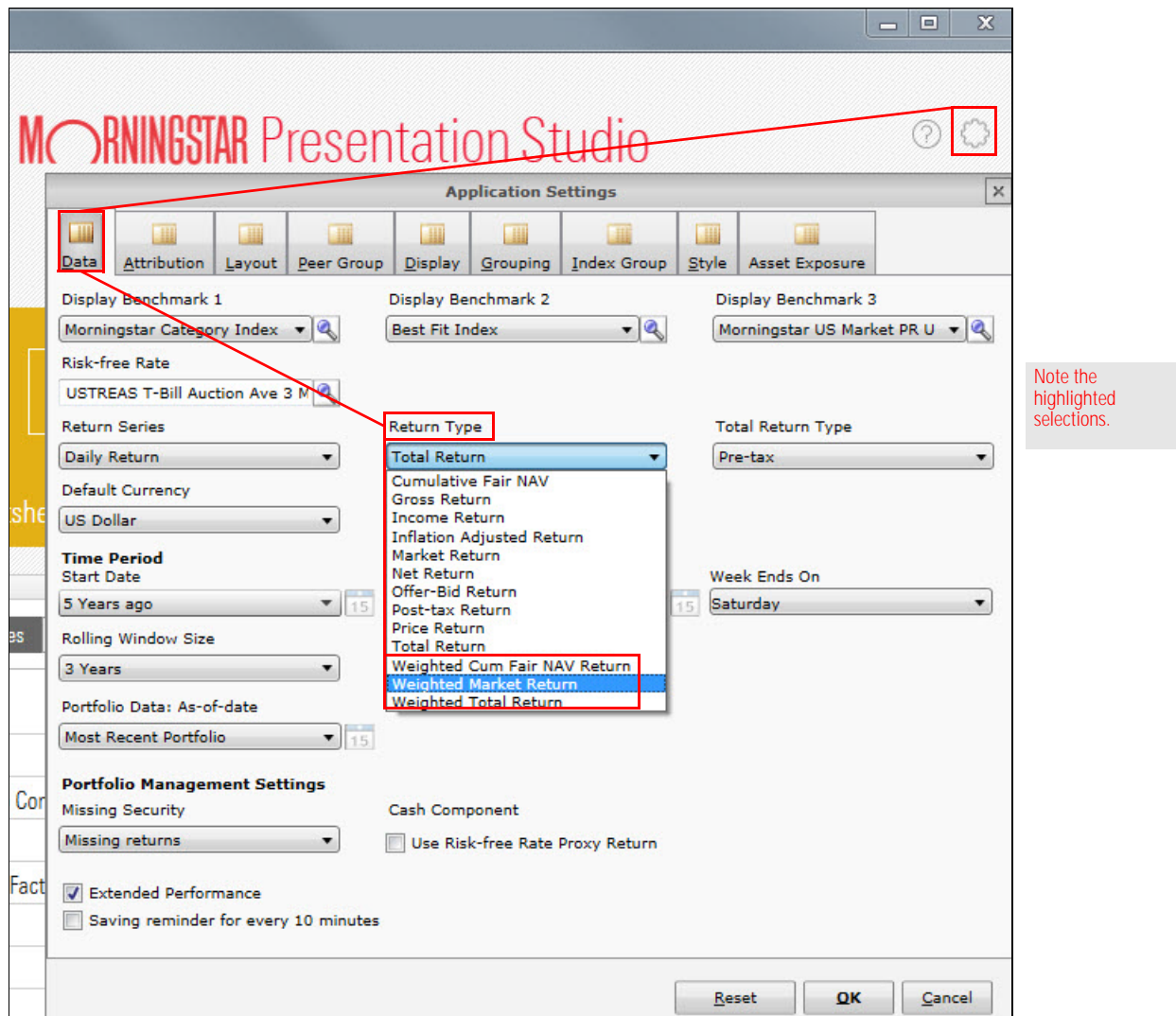


Note the highlighted selections.

Select a return type at the workbook level as shown in the following screenshot:



Select a return type at the application level (on the Presentation Studio home page) as shown in the following screenshot:



New in the Morningstar Excel Add-In

This section describes the changes to the features of the Morningstar Excel® Add-In.

Overview

In this section, you will learn about the following:

- g How to access the new features ([page 10](#))
- g New sectors in AIC ([page 10](#))
- g Data point changes ([page 11](#))
- g Category changes outside the United States ([page 11](#))
- g Index changes for Morningstar Categories in Canada ([page 12](#))
- g Changes to the Global Risk Model ([page 13](#))
- g How the new Equity Market risk factor affects your data ([page 13](#)), and
- g How to access quarterly risk factor exposure ([page 13](#)).

To access the new features, install the latest version of the Morningstar Excel Add-In, as follows:

How do I access the new features?

1. In a web browser, navigate to the [Morningstar Excel Add-In home page](#).
2. On the Morningstar Excel Add-In page, under **Downloads**, locate the latest version and click the **Download** button. A window opens.
3. Click the Download button for one of the following:
 - g Executable package (.exe)
 - g Windows Installer (.msi), or
 - g Zipped files (.zip).
4. In the window, follow the instructions for the download you selected. The Morningstar Setup Wizard opens Excel.
5. In Microsoft Excel, you may see a Security Warning reading "Macros have been disabled." Click **Enable Content**.
6. In the Setup Wizard window, click **Close**. Excel opens.

The following sectors have been added to Association of Investment Companies (AIC):

What sectors have been added to AIC?

- | | |
|----------------------------------|-----------------------------|
| g Asia Pacific | g Property - UK Commercial |
| g Asia Pacific Income | g Property - UK Healthcare |
| g Asia Pacific Smaller Companies | g Property - UK Residential |
| g Debt - Direct Lending | g Royalties |
| g Debt - Loans & Bonds | g Technology & Media |
| g Debt - Structured Finance | g Property - Debt |
| g Growth Capital | |

The data point changes are described in the following table:

Data Point	Change
Market_Ret_Annlzd_2Yr_Daily	Currency conversion for Market_Ret_Annlzd_2Yr_Daily of Chinese Yuan Renminbi to USD was correct in the Morningstar Excel Add-In, but not in Morningstar Direct. This problem has been resolved.
Historical Morningstar Sustainability Ratings	The frequency for the data point was has been changed from Daily to Monthly, Quarterly, and Yearly.

What data points have changed?

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Type of Change	Category
Taiwan: New SITCA category	International Equity-ETF-Industries
Spain: New CNMV categories	<ul style="list-style-type: none"> g FMM a corto plazo de valor liquidativo constante de deuda pública g FMM a corto plazo de valor liquidativo de baja volatilidad g FMM a corto plazo de valor liquidativo variable g FMM estándar de valor liquidativo variable g Renta Fija Euro a Corto Plazo g IIC que replican un índice g IIC con objetivo concreto de rentabilidad no garantizado
Brazil: New ANBID Category (Effective May 30, 2019)	ETF - Renda Fixa

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Energy Equity	Morningstar Gbl Oil&Gas EandP GR CAD	Morningstar Gbl Energy GR CAD

In this release, the Global Risk Model has been updated to enable the following new features:

- g Equity Market Risk Factor, and
- g Quarterly Risk Factor Exposure data.

The updated Global Risk Model is included when you install the newest version of the Morningstar Excel Add-In. See [How do I access the new features? on page 10](#).

What has changed in the Global Risk Model?

The new Equity Market Risk Factor improves the data surfaced by various Sector and Region factors via the following:

- g approximates the overall equity market return
- g roughly measures the overall equity market return over the designated time period
- g makes the Region and Sector factors more accurate and less correlated to each other, and
- g strongly correlates with a broad-based market index (FTSE All World Index for the global equity model).

How does the Equity Market Risk Factor affect my data?

For more information, please read the [Morningstar Risk Model Methodology](#).

The updated Risk Model also supports quarterly Risk Factor Exposure data.

How do I access quarterly risk factor exposure data?

Note the highlighted selections.

