Workshop Training Guide

Morningstar Direct

Reporting on an ESG fund

MORNINGSTAR Direct

Contents

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Reporting on an ESG fund

Now that you have done your analysis in Morningstar Direct to identify ESG funds, what better way to report on this fund to your internal or external audience than by using Presentation Studio?

You want to create your own factsheet to report on a fund's ESG rating, product involvement and carbon rating using Presentation Studio.

Should you require to distribute those reports to more than 25 people internally, or to an external audience, please talk to your Customer Success Manager or Sales Representative at Morningstar about a distribution licence.

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Exercise 1: Creating a Factsheet from a Template

Presentation Studio allows you to create professional, custom-branded factsheets and presentations, appropriate for all of the audiences you reach.

In this exercise, we will use one of the Morningstar Templates to report on our fund's ESG portfolio.

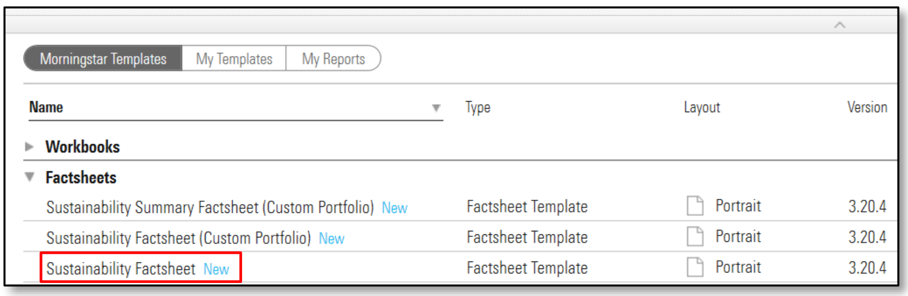
To do so, do the following:

1. From the Presentation Studio landing page, click the **Morningstar Templates** tab.
2. Expand the **Fachsheets** section and double-click on **Sustainability Factsheet**.

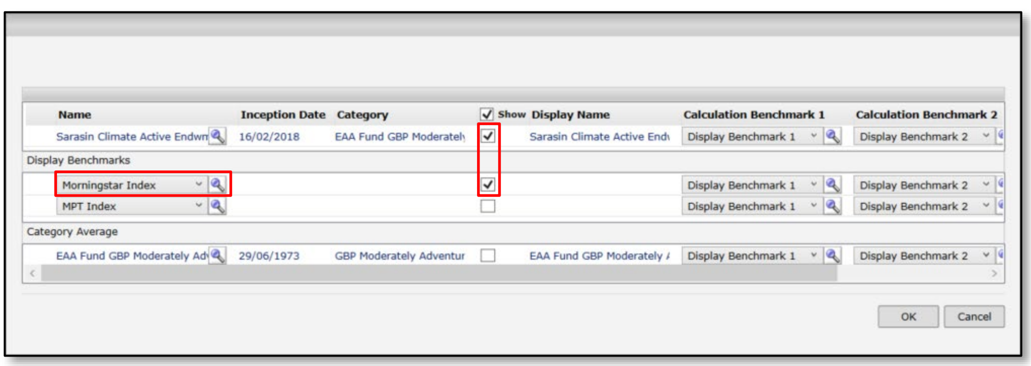
   ☞ <u>**Note:**</u> If you are on an inferior version to the one the template was created with, the template will be greyed out. You can still open it by hovering over the template and clicking the 3 dots, then click **Save As > A Duplicate Copy**. The template will then be saved under the **My Templates** tab and you can then double-click on it to open it.

   ☞ <u>**Note:**</u> By doing so, you can still access the template, but any component from a more recent version will not display.

3. The **Investments: Settings** dialogue box opens.



4. Click on the magnifying glass. The **Find Investment** dialogue box opens.
5. Type **"Sarasin Climate Active Endwmnt A GBP Acc"** and click **Go**.
6. Select the fund and click **OK**.
7. Ensure **Morningstar Index** is selected as **Display Benchmark 1**.
8. Click **OK**.



The report opens.

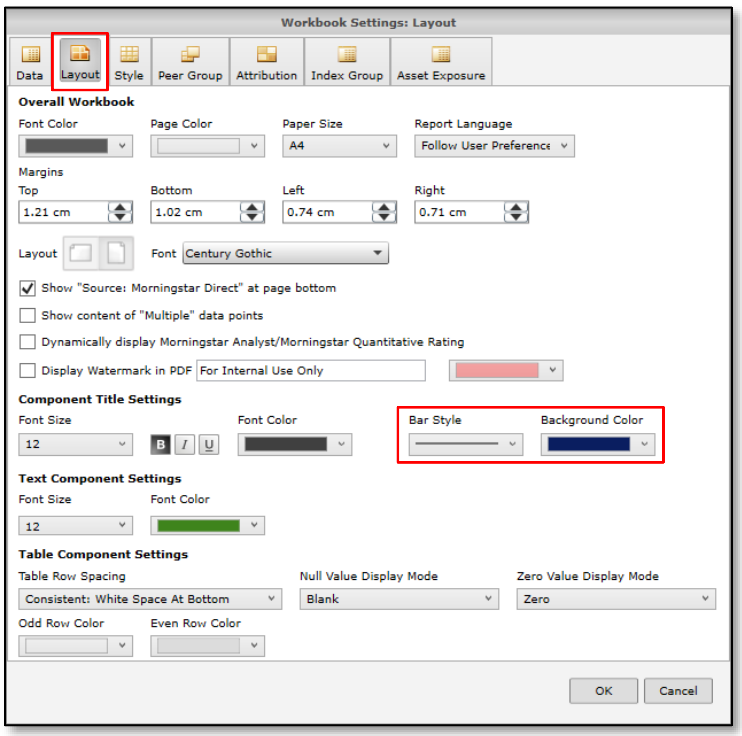
Exercise 2: Formatting a Report

Once the report is loaded on screen, let's apply some changes to its formatting. Keep in mind that Morningstar Templates are saved in base currency, so you should always check the settings.

This template does not have any performance data, but it's always worth your while to set the currency of your choice in case you decide to add charts or tables making use a currency.

To work with settings, do the following:

1. From the **Home** tab, click **Workbook**.
2. Under the **Data** tab, set the currency to **Euro**.
3. Click the **Layout** tab.
4. Under **Component Title Settings**, set the **Bar Style** to a thin line and the **Background Colour** to dark blue (1st colour from the top).



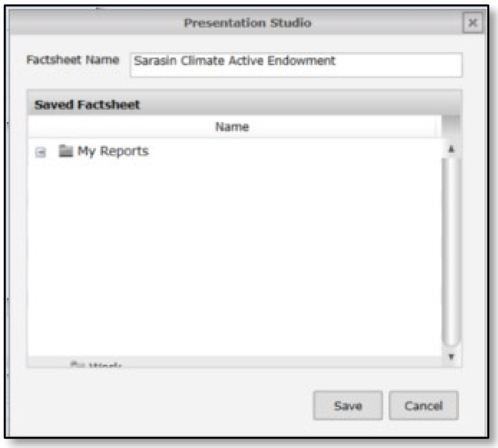
5. Click **OK**.

Your changes are applied to the report.

Exercise 3: Saving a Report

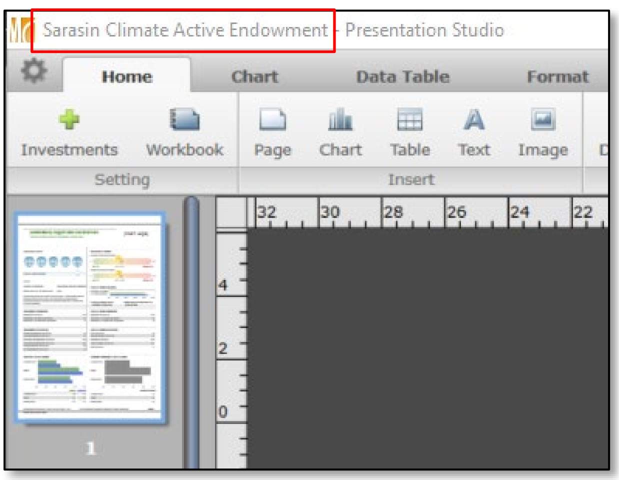
Before making further modifications, let's save the report. To do so, do the following:

1. Click the **Gear** icon to the left of the **Home** tab.
2. Click **Save**. The **Save As** dialogue box opens.
3. Type **"Amundi Global Ecology ESG"**.
4. Click **Save**.



Save your report

You know the report is saved when the title appears on the title bar at the top of the window.



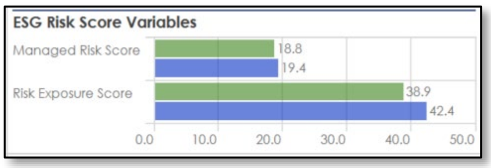
Exercise 4: Modifying a Chart

We now want to apply certain changes to the first page:

- Insert a single legend for all charts in the footer
- Remove the legend from chart components
- Display values on the 3 bar charts components present on the page
- Remove the tables at the bottom of the page

To proceed, do the following:

1. Click the **ESG Risk Score Variables** chart.
2. Right-click on the chart and click **Show Values**.
3. Right-click on the chart again and click **Legend > Off** to hide it.



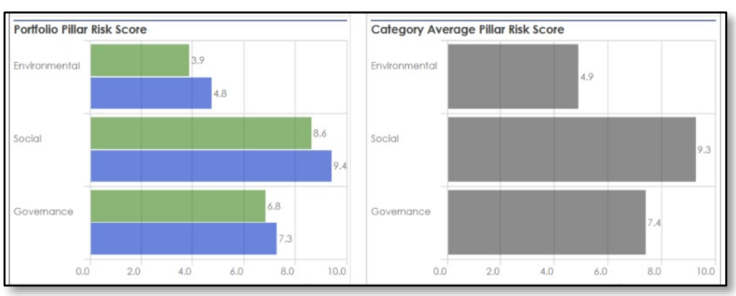
Let's now add values to the other chart components.

1. Click the **Portfolio Pillar Risk Score** chart.
2. Right-click the chart and click **Show Values**.
3. Click the **Category Average Pillar Risk Score** chart.
4. Right-click the chart and click **Show Values**.

Exercise 5: Deleting Tables

Now that the data is visible in the chart, we can remove the tables below.

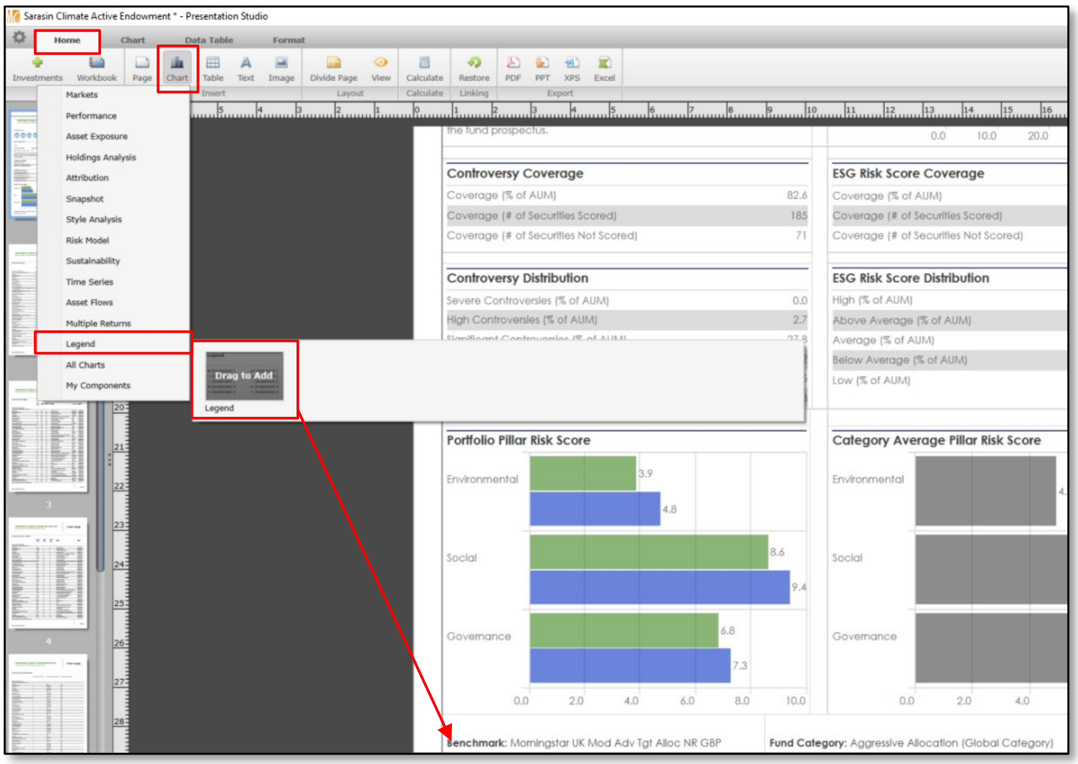
5. Click each table and press **Delete** on your keyboard.
6. When prompted, click **Yes** to delete a component.
7. You can then delete the remaining empty spaces.



Exercise 6: Adding the Legend component

Finally, let's add a legend at the bottom of the page. We can replace the field where the benchmark is indicated with the Legend component.

1. From the Home tab, click **Chart > Legend >** drag and drop the Legend component onto the text field indicating the benchmark name.



The legend now appears in that box. It's a very useful feature when using several charts to gain space, but make the report also look less cluttered.

Exercise 7: Moving a Page

Page 2 of this template displays the top 50 holdings with their positions and various information such as their sector, Star Rating, Market Cap and various ratios.

We do want to keep this page and will move it to the end of the report.

1. On the left-side navigation panel, click on page 2
2. Drag it down to the end of the report.

This has now become the 8th page of the report.

Exercise 8: Sorting

The following 3 pages (now pages 2 to 4) display the top 50 holdings with the following information:

- ESG Risk Score – the degree to which a company's economic value may be at risk driven by materially relevant ESG factors
- ESG Risk Exposure Score – the degree to which a company is exposed to risk driven by environmental, social of governance issues
- ESG Managed Risk Score – asset-weighted average which measures the degree to which a company effectively manages risk driven by ESG issues
- ESG Pillar Scores
- Controversy Scores

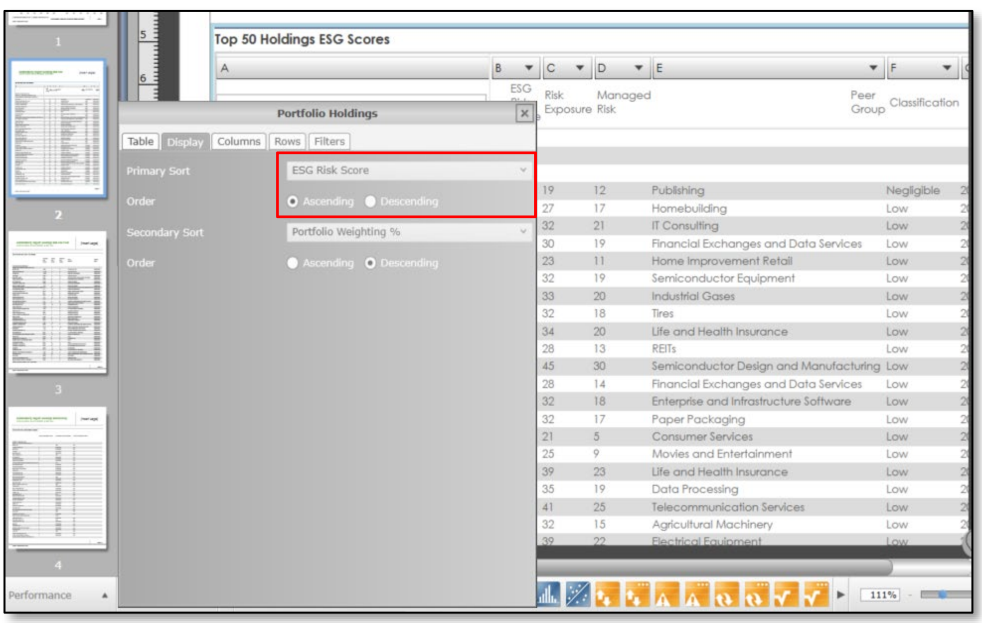
This data is part of the Company-level ESG data add-on and required additional licensing to be displayed and exported in Presentation Studio reports.

In this exercise, we are assuming that you do have access to the Company-level ESG data add-on. If you do not, the data will be blank, and you can delete the pages as required.

We want to use the sorting option on those pages to order holdings by their risk exposure, peer group, and finally controversy level.

To do so, do the following:

1. From the left navigation panel, select page 2.
2. Click on the table to activate the Table Settings.
3. Click on **Table Settings**. The **Portfolio Holdings** menu opens.
4. Click the **Display** tab.
5. Using the **Primary Sort** drop-down menu, select **ESG Risk Score**.
6. Set the **Order** to **Ascending**.

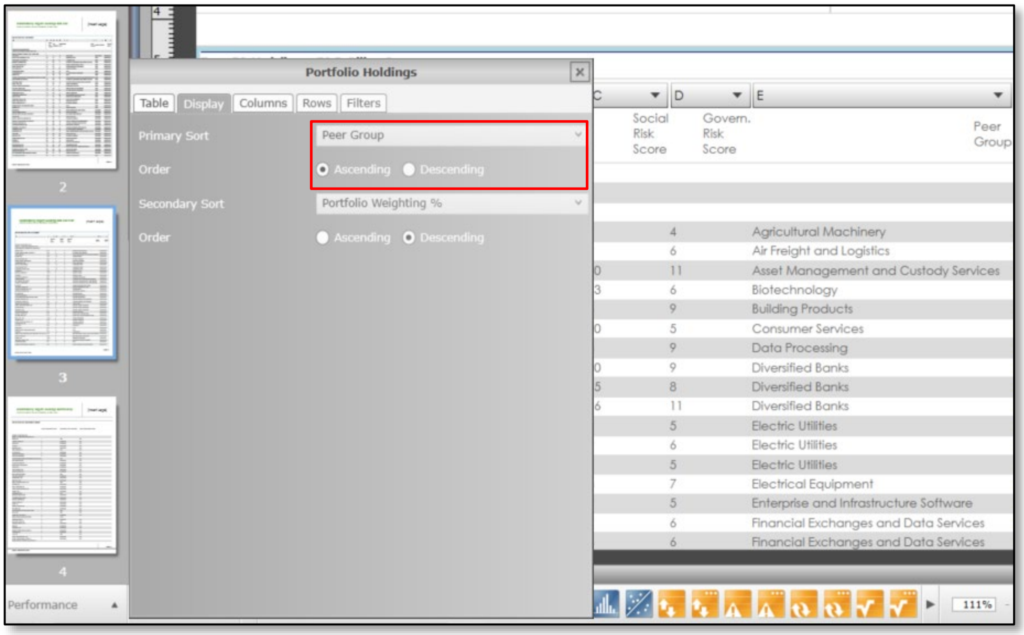


By doing so, note how the **Classification** column is sorting the holding from **Negligible** to **Severe**.

We can now apply the same procedure to page 3 to sort the holdings by peer group.

Do the following:

1. From the navigation panel on the left, select page 3.
2. Click on the table to activate the Table Settings.
3. Click on **Table Settings**. The **Portfolio Holdings** menu opens.
4. Click the **Display** tab.
5. Using the **Primary Sort** drop-down menu, select **Peer Group**.
6. Set the **Order** to **Ascending**.

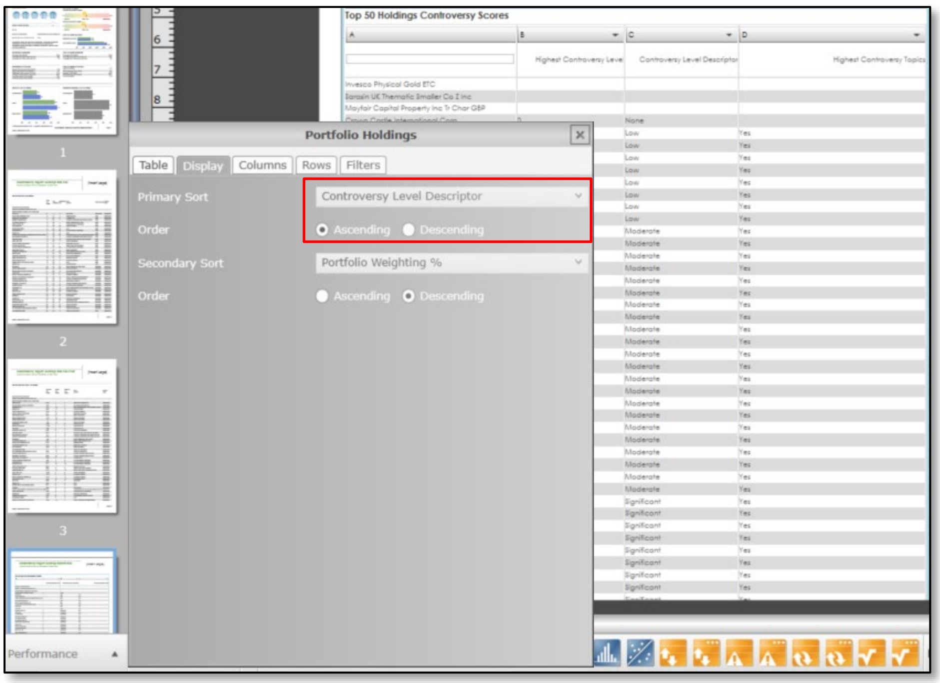


The holdings are now sorted by **Peer Group**.

We can now apply the same procedure to page 4 to sort the holdings by controversy level.

Do the following:

1. From the navigation panel on the left, select page 4.
2. Click on the table to activate the Table Settings.
3. Click on **Table Settings**. The **Portfolio Holdings** menu opens.
4. Click the **Display** tab.
5. Using the **Primary Sort** drop-down menu, select **Controversy Level Descriptor**.
6. Set the **Order** to **Ascending**.
7. Click the **Gear** icon to the left of the **Home** tab.



The holdings are now sorted by **Controversy Level Descriptor** from **None** to **Severe**.

Exercise 9: Product Involvement

We will now apply modifications to the Product Involvement page (page 5). We want to simplify the page to compare the fund and benchmark only, and we want to add intentional attributes to check if the fund manager is employing any exclusions from those products, allowing to check this information against the Product Involvement data.

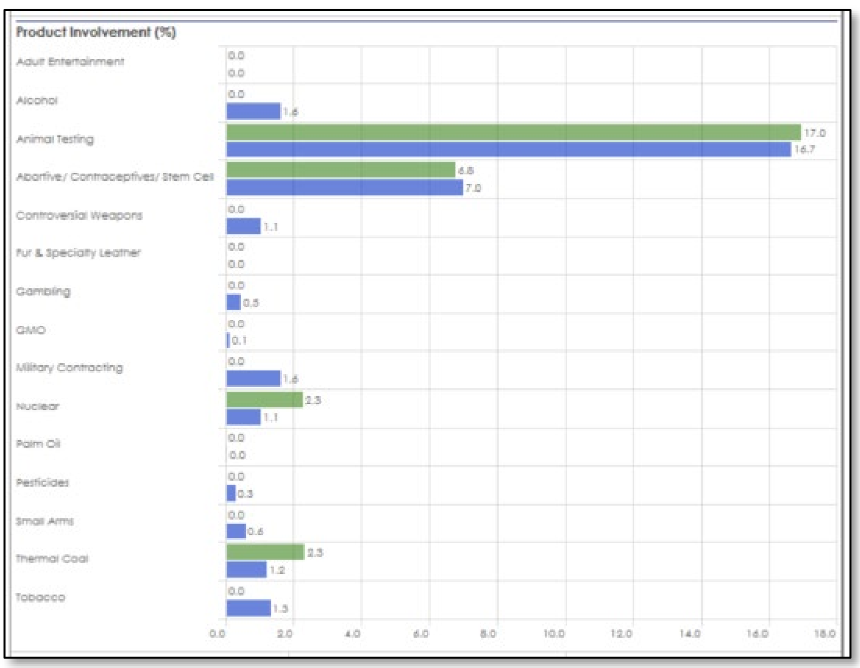
To do so, do the following:

1. From the left navigation panel, click page 2.
2. Click the **Category Average chart** to the right to select it.
3. Right-click the chart and click **Delete**.
4. When prompted, click **Yes** to confirm the deletion.
5. Click the empty space where the chart was.
6. Right-click and click **Delete** to remove this space.
7. Click the **Benchmark (%) chart** and repeat steps 3 to 6.

We will now display the benchmark on the remaining chart.

8. Click the chart to select it.
9. From the **Chart** tab, click **Investments**.
10. Under the **Show** column, select the checkbox corresponding to the benchmark.
11. Click **OK**.
12. Right-click on the chart and click **Show Values**.
13. Click **Chart Settings** and change the chart title to **Product Involvement (%)**.
14. Set the **Font Size** to **10** from the Chart tab at the top.

You are now successfully comparing the fund versus the benchmark and displaying their product involvement %.



Next, we want to modify the tables below to display the fund's product involvement on the left, and intentional attributes on the right.

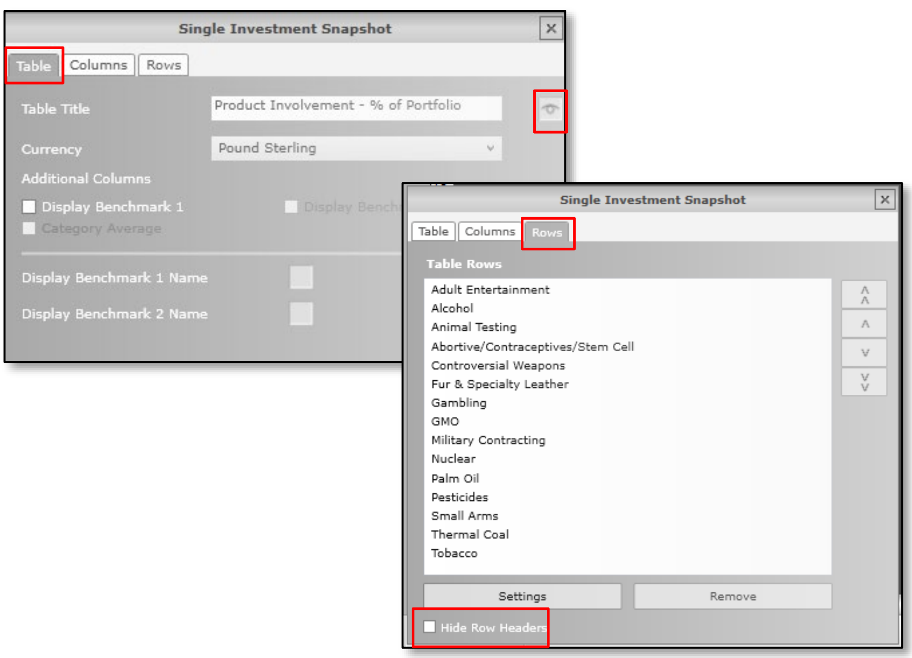
Do the following:

1. Click the middle table (benchmark product involvement) to select it and press the **Delete** key on you keyboard top remove it.
2. When prompted to confirm the deletion, click **Yes**.
3. Press the **Delete** key on your keyboard again to remove the empty space.
4. Place the mouse over the space separating the left and right tables and drag it to the middle of the page.

Note that on the left side, we have the number of holdings and the percentage in each product. We will now remove the number of holdings and modify the table to display the appropriate title.

1. Click the left table and press the **Delete** key on your keyboard to remove it.
2. When prompted to confirm the deletion, click **Yes**.
3. Press the **Delete** key on your keyboard again to remove the empty space.
4. Click the column with the percentages to select it.
5. Click **Table Settings** and from the **Table tab** click the checkbox to display the title.
6. Click the **Rows tab**.
7. Deselect the checkbox for **Hide Row Headers**.
8. From the Data Table toolbar, click **Align** and select **Left**.
9. Place the cursor at the end of a row on the 1st column and resize to the right.
10. Once you are done, you can now individually click and delete each of the items above the table.

You are now successfully displaying the fund's product involvement data.



Exercise 10: Modifying a Table

Let's now work with the table to the right of our page to find out if the fund manager intends to avoid investments in companies that derive a significant percentage of their revenue from the gambling and tobacco industries.

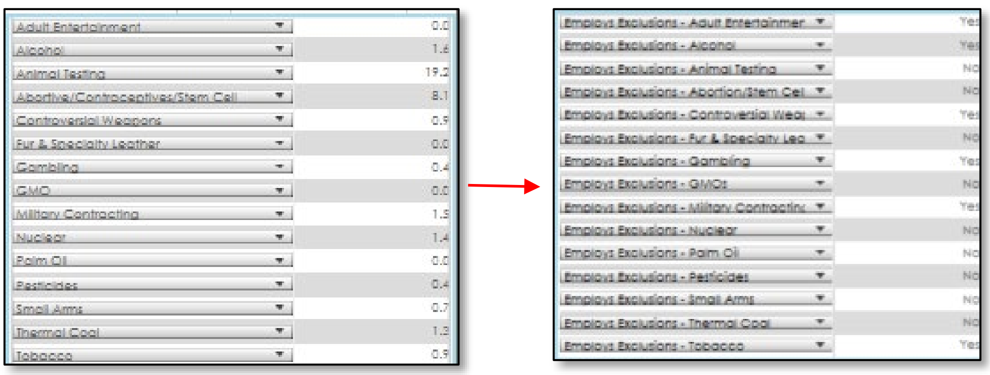
In order to display this information, we will change each row to select the appropriate data points.

To proceed, do the following:

1. Click the table to the right to select it. The individual drop-down menus activate.
2. Click **Adult Entertainment** and change the drop-down menu under **Find By** from **Snapshot** to **Intentional Attributes: Employs Exclusion**.
3. Under the new selection of data points, click **Employs Exclusions – Adult Entertainment** to select it.
4. Click **Add** or double-click on it.

The data point is now displayed in the table.

5. Repeat the same procedure for each individual row until you have replaced all data points.



We can now add the title to this table and shorten the labelling for each data point. Once this is done, we will save this as our own custom component, enabling us to use it in other reports.

To proceed, to the following:

1. Click the column with the percentages to select it.
2. Click **Table Settings** and from the **Table tab** click the checkbox to display the title.
3. Change the title to **Employs Exclusions**.
4. Click the **Rows tab**.
5. Double-click on the 1st row. The Settings window opens.
6. Under **Display Name**, remove everything before the word **Adult**.
7. Click **OK** to validate.
8. Repeat the same procedure for each row.
9. Once you are done, you can now individually click and delete each of the items above the table.

You have now successfully updated the right table with the exemptions.

We notice that the fund manager is listing exemptions on tobacco and the Product Involvement table shows that 0.0% is invested in this product.

Exercise 11: Saving Customised Components

Now that we have configured this table, we can now save it as our own custom component. This will enable us to reuse this table in another Presentation Studio report.

To proceed, do the following:

1. Right-click on the newly configured table.
2. Click **Save to My Components**.
3. Name it **Exemptions** and click **Save**.

The component is now saved to your customer components section. You can access customised saved components by doing the following:

1. From the bottom-left corner of the report window, click Performance and switch the components section to My Components.
2. From there, you can click and drag the saved components to a specific space on the page.
3. You can also right click on a component icon to share or send to another Morningstar Direct user or delete the component.

Let's now add the Legend component again in the bottom-left corner of the page.

1. From the Home tab, click **Chart > Legend >** drag and drop the Legend component onto the text field indicating the benchmark name.
2. Click the **Gear** icon and click **Save** to save the report.

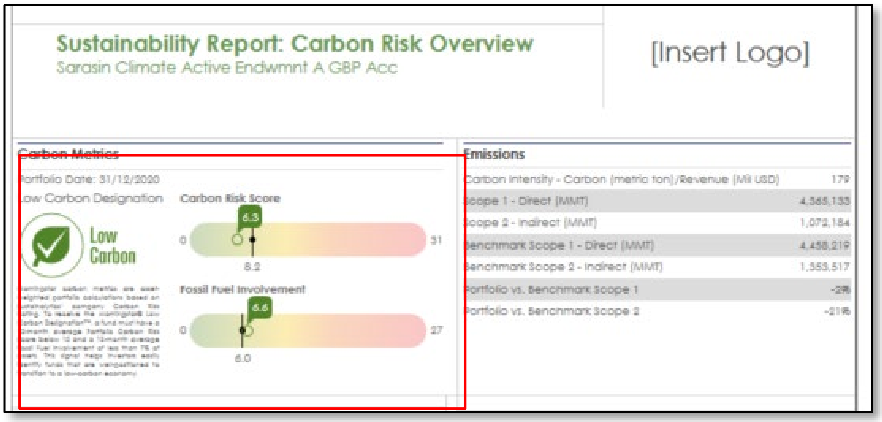
Product Involvement - % of Portfolio		Employs Exclusions	
Adult Entertainment	0.0	Adult Entertainment	Yes
Alcohol	0.0	Alcohol	Yes
Animal Testing	17.0	Animal Testing	No
Abortive/Contraceptives/Stem Cell	6.8	Abortion/Stem Cells	No
Controversial Weapons	0.0	Controversial Weapons	Yes
Fur & Specialty Leather	0.0	Fur & Specialty Leather	No
Gambling	0.0	Gambling	Yes
GMO	0.0	GMOs	No
Military Contracting	0.0	Military Contracting	Yes
Nuclear	2.3	Nuclear	No
Palm Oil	0.0	Palm Oil	No
Pesticides	0.0	Pesticides	No
Small Arms	0.0	Small Arms	No
Thermal Coal	2.3	Thermal Coal	No
Tobacco	0.0	Tobacco	Yes

Fund Category: Aggressive Allocation (Global Category) Page 5

Exercise 12: Carbon Risk

Let's move on to the Carbon reporting section of the report. Page 3 contains various components, which we will either customise or remove from the report.

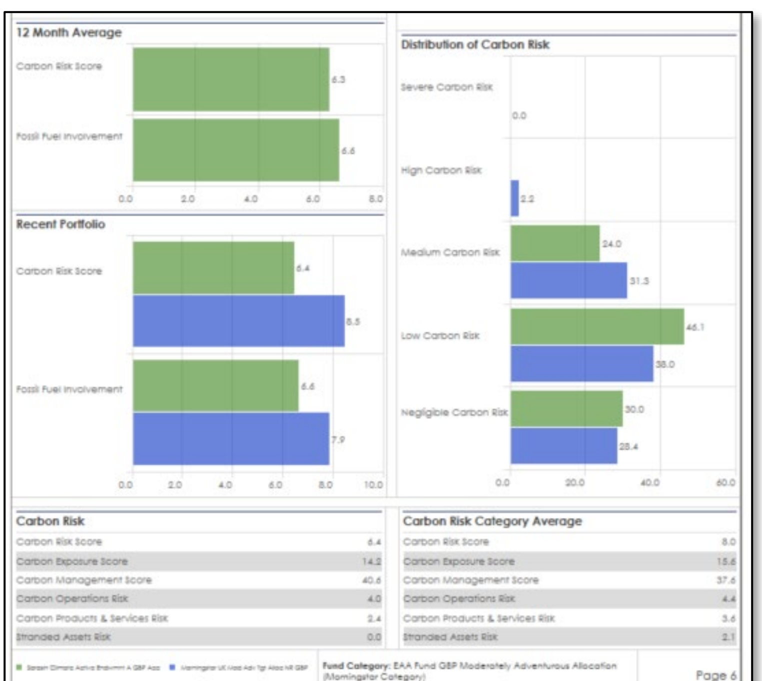
For instance, if you are on a lower version, you will not see the Caron metrics chart in the top-left section of the report, but instead you will see a blank space.



To save space with the charts below, we will add the values to the charts and remove the tables below each chart.

To proceed, do the following:

1. Right-click the 12 Month Average chart and click **Show Values**.
2. Select the tables below and delete both the content and the cells.
3. Repeat the same steps with the Recent Portfolio and Distribution of Carbon Risk charts and tables.
4. Resize the Recent Portfolio chart upwards.
5. Add the **Legend** component to the bottom-left section of the report.

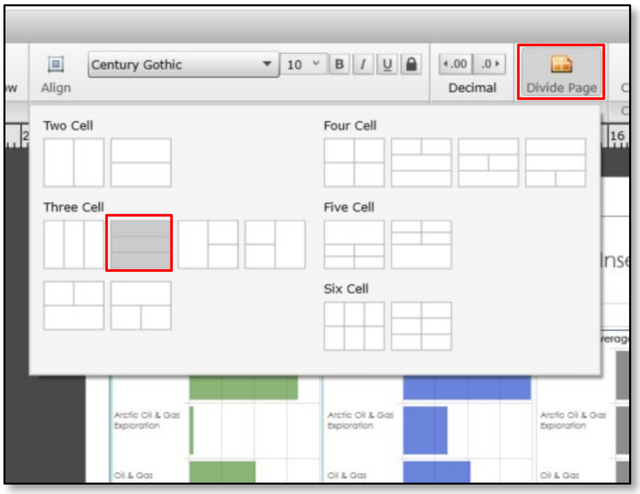


Exercise 13: Carbon Involvement

We are now on the last page of the report requiring editing. Page 4 is all about Carbon Involvement. We want to modify this page to display the charts in a different format. We will add the values to the charts themselves, remove the tables, and display the charts one below the other.

To proceed, do the following:

1. Remove each of the tables below and additional cells until you are left with only the three bar charts.
2. Click the 1st chart to select it.
3. From the **Chart tab**, click **Divide Page** and select **3 cells horizontally**. This divides the left chart into 3 cells.



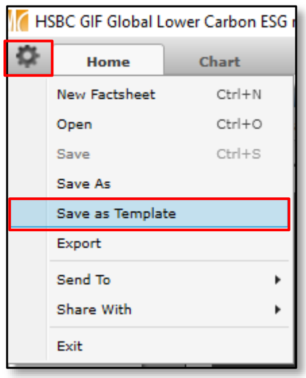
4. Click and drag the **Benchmark (%)** chart onto the second space to the left.
5. Click and drag the Category Average (%) chart onto the third space to the left.
6. You can then delete the spaces where those two charts originally were.
7. Right-click on each chart and click **Show Values** to display the data on the charts.
8. Add the **Legend** component to the bottom-left section of the report.

Exercise 14: Saving a Template

We can now proceed with saving the report as a template. As a reminder:

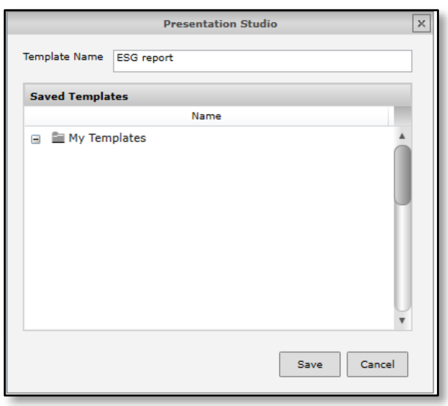
- A **report** holds all the above as well as the chosen security and benchmark settings.
- A **template** holds your chosen charts and tables, layout, font, set currency, colours, logos, disclaimers, custom and dynamic text. It does not hold any investments or benchmarks.

1. Click the **Gear** icon in the top-left corner of the window.
2. Click **Save** to save the report.
3. Click the **Gear** icon in the top-left corner of the window again.
4. Select **Save as Template**. The **Presentation Studio** dialogue box opens.



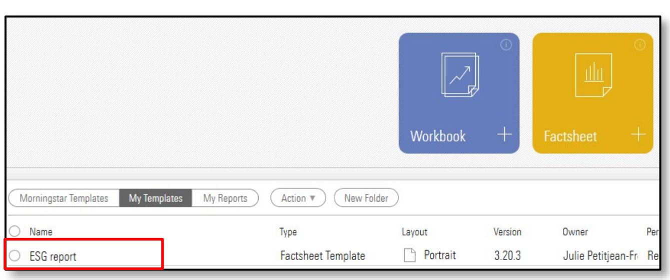
Click **Save as Template**

5. In the **Factsheet Name** field, type **"ESG report"**.
6. Click **Save**.



Type a name and click **Save**.

Close the report. You can now access this template from the Presentation Studio landing screen under **My Templates** and generate the same factsheet with other investments.



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